

Annual Compliance Order

Explanatory note for draft decision

April 2024

© Commonwealth of Australia 2024

This work is copyright. In addition to any use permitted under the *Copyright Act 1968* all material contained within this work is provided under a Creative Commons Attributions 3.0 Australia licence with the exception of:

- the Commonwealth Coat of Arms
- the ACCC and AER logos
- any illustration diagram, photograph or graphic over which the Australian Competition and Consumer Commission does not hold copyright but which may be part of or contained within this publication.

The details of the relevant licence conditions are available on the Creative Commons website as is the full legal code for the CC BY 3.0 AU licence.

Inquiries about this publication should be addressed to:

Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601
Tel: 1300 585 165

AER reference: 16439031

Amendment record

Version	Date	Pages
1.0	April 2024	24

Contents

1	Introduction	4
1.1	About this document	4
1.2	Consultation on the proposal	5
1.3	Future consultation	6
1.4	Call for submissions.....	7
1.5	How to make a submission	7
2	AER responses to submissions	8
2.1	Summary of the submissions	8
2.2	Responses to key issues	10
2.3	Summary of changes to the response template	17
	Glossary.....	24

1 Introduction

The national gas objective as stated in section 23 of the National Gas Law (NGL) is to promote efficient investment in, and efficient operation and use of, covered gas services for the long-term interests of consumers of covered gas with respect to:

- a) price, quality, safety, reliability and security of supply of covered gas; and
- b) the achievement of targets set by a participating jurisdiction—
 - i. for reducing Australia's greenhouse gas emissions; or
 - ii. that are likely to contribute to reducing Australia's greenhouse gas emissions.

Section 28(1) of the NGL requires the Australian Energy Regulator (AER) to carry out its functions in a manner that will (or is likely to) contribute to achieving this objective.

The functions and powers of the AER are specified under section 27 of the NGL. In particular, section 27(1)(a) states that the AER has the power to monitor the compliance by persons with the NGL, the Regulations, and the NGR, including compliance with an applicable access arrangement, an access determination and a ring-fencing decision.

As stated in section 63A of the NGL, one of these functions is to monitor the compliance of service providers with their obligations under the NGL and the National Gas Rules (NGR). The Annual Compliance Order (ACO) is the mechanism the AER previously used to obtain information from (scheme) pipeline service providers to monitor their compliance. The ACO is a General Regulatory Information Order (RIO) made under section 48(1)(b) of the NGL.

A package of reforms made to the NGL and the NGR in March 2023 streamlined the classification of gas pipelines and updated the obligations on gas pipeline service providers. The AER will be making a new ACO that reflects these changes.

1.1 About this document

This explanatory note accompanies the AER's draft ACO and ACO reporting template.

Recent changes to the NGL and NGR mean that the AER, in addition to the above, must monitor new obligations on service providers. These obligations include, amongst other matters, restrictions on increasing charges and additional requirements regarding publishing transparent information.

The purpose of the changes to the NGL and NGR were to:

- pose a more effective constraint on exercises of market power by service providers
- facilitate better access to pipelines
- provide greater support for commercial negotiations between gas users and service providers, and
- streamline governance arrangements.

For more information, please see the [AER's Compliance bulletin on new obligations under the gas pipeline reform](#).

The AER is proposing to make a new ACO which reflects the obligations that have changed in the NGL and NGR and has updated language to reflect the changes to the legislation. The draft ACO also includes new material to explain the basis of preparation that must be included with a response to enable auditors, assurance providers and the AER to understand how the service provider has complied with the requirements and how the required information was compiled. As such, there is a new section on the new assurance and audit requirements for service providers.

This Explanatory Note summarises the issues raised by stakeholders in our consultation process to date on the new ACO. We provide our response to these issues and provide an explanation where our position is different from those expressed by stakeholders.

Stakeholders have a further opportunity to provide feedback while we continue work to finalise the ACO. Written submissions regarding the draft ACO and draft ACO reporting template (collectively, the draft decision) close on Wednesday 9 May 2024. We seek feedback on the AER's proposed changes to the documents and the AER's response to issues raised in submissions (discussed further below).

The final decision (the updated ACO) will be made within 20 business days after the end of the period allowed for making submissions and comments on the draft decision and is expected to be published in late June 2024.

1.2 Consultation on the proposal

Consultation on the proposal to issue a new ACO commenced on 19 February 2024. The AER is required to follow the Standard Consultative Procedure outlined in NGR rule 8.

A [consultation paper](#) was published as part of the consultation, which included background material on the ACO, an explanation of the draft ACO and a call for submissions on the first draft. The paper also noted particular aspects of the ACO that the AER was seeking feedback on. These included amongst other things:

- the information sought in the ACO (whether it is clear and understandable)
- the reporting template (whether it is fit for purpose),
- the level of assurance sought in clause 5 of the ACO is appropriate, and
- the anticipated burden on businesses compiling a response to the ACO.

The period for submissions ended on 12 March 2024 to allow stakeholders at least 15 business days to prepare a submission.

We received five submissions from the following stakeholders:

- AGL Energy
- APA Group
- Australia Pacific LNG
- Jemena
- QGC.

We also received a submission from an anonymous stakeholder.

The submissions that were received are publicly available on our website. The AER appreciates the time and effort put into the submissions and comments that it has received during the proposal stage of this consultation.

A summary of each submission is provided below, and our response to the issues raised in these submissions is provided in Section 2.

1.3 Future consultation

There will be a further consultation process following the consultation on the updated ACO. This consultation will be in relation to the AER Compliance Procedures and Guidelines, which will include further guidance and information on the ACO audit program.¹ The consultation will also include the development of a broader audit program that assesses compliance with the regulatory framework.²

1.3.1 AER Compliance and Procedures Guidelines

The AER is required to make the AER Compliance Procedures and Guidelines (**the Guidelines**) under section 64F(1) of the NGL. As stated in section 64F(2) and section 64F(3) of the NGL, the Guidelines may provide guidance about:

- compliance with the requirements of the NGL, the NGR, and the regulations
- the carrying out of compliance audits, and the costs payable by service providers
- the AER's compliance priorities.

We anticipate that guidance on these issues and on the preparation of a response to the ACO, including the use of the response template, will be included within these Guidelines.

In addition to the audit program included within the ACO that is designed to assess responses to the ACO, the AER is proposing to also develop a broader audit program that is designed to assess compliance with the requirements in the NGL, the Regulations, and the NGR.

Further information about the parameters of the broader audit program that assesses compliance and guidance on the circumstances in which the AER may request a compliance audit will also be included in the upcoming consultation process foreshadowed above. An issues paper that outlines our approach to the Guidelines and the wider compliance framework of the AER will be published as part of this consultation.

Under rule 139A of the NGL, the AER must follow the standard consultative procedure when making the Guidelines. This means that stakeholders will have the opportunity to provide submissions and comments on the draft of the Guidelines and on the reporting process for the ACO in two further consultation periods of at least 15 business days following the conclusion of the consultation period for this draft decision.

The AER will initiate the consultation process for the Guidelines in the second half of 2024 after the final decision on the proposal to make an updated ACO has been published. The

¹ Pursuant to s 55(e) of the NGL.

² Pursuant to s 64B of the NGL.

final decision on the proposal to make the Guidelines is expected to be published by the end of 2024.

1.4 Call for submissions

In accordance with section 50 of the NGL, the AER is seeking submissions on the contents and form of the updated ACO from any interested parties. In particular, we seek feedback on:

- the changes made by the AER to the draft ACO and response template in response to the feedback received during the previous round of consultation
- the AER's responses to the key issues raised in the previous round of consultation
- any other issues relating to the draft ACO that you wish to provide a comment on.

1.5 How to make a submission

Submissions can be submitted electronically to AERGasNetworksCompliance@aer.gov.au.

Alternatively, you can mail submissions to:

General Manager, Compliance and Enforcement
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

The closing date for submissions on the draft decision is by close of business 9 May 2024.

We request that submissions be publicly accessible to facilitate an informed and transparent consultative process. For this reason, we treat submissions as public documents, unless requested otherwise. If you wish to submit confidential information, please:

- clearly identify which information within your submission is subject to the confidentiality claim, and
- provide a non-confidential version of the submission which is suitable for publication.

If the confidentiality claim is accepted, it will be treated in accordance with the terms set out in the ACCC/AER Information Policy. Otherwise, you will be given the opportunity to withdraw your submission before it is published, or any information is disclosed. We will place all non-confidential submissions on [our website](#).

For further information about the use and disclosure of information you provide, see the [ACCC/AER Information Policy \(June 2014\)](#) on [our website](#). For enquiries about this paper, or about lodging a submission, please contact us on 1300 585 165 or AERGasNetworksCompliance@aer.gov.au.

2 AER responses to submissions

2.1 Summary of the submissions

A summary of each of the submissions that were received is provided in the table below.

Table 1.1 Summary of each submission

Stakeholder	Submission summary
Anonymous	<ul style="list-style-type: none"> • Some items should be reworded to note they are not applicable to non-scheme pipelines, particularly those with no third-party access. • Some of the financial information that is being requested overlaps with the information requested as part of the part 10 reporting obligations. This defeats the purpose of section 10 exemptions as service providers may be asked to report information that they are currently exempt from reporting. • Some service providers were not aware they would need to track the financial information that is being requested at the time of construction of their pipelines and as such may not have maintained this information. Tracking this information increases administrative costs. • More guidance and clarity should be provided regarding estimating the data. • Financial reporting should only apply to the first financial year after a third party is involved. • The compliance date of the ACO should better align with part 10 reporting, for example, 30 November. • External audit requirements are excessively costly.
AGL Energy	<ul style="list-style-type: none"> • The draft ACO and template are clear and understandable, fit for purpose and appropriate in scope, with benefits of greater transparency outweighing the burden of reporting.
APA Group	<ul style="list-style-type: none"> • The AER should justify the inclusion of the audit and review requirements and make the wording of some items clearer.
Australia Pacific LNG	<ul style="list-style-type: none"> • The due date for reports could be moved to a later date, such as 15 December (the current date is 31 October) to spread the regulatory burden through the year. • The AER should consider the option of password protected submissions and the use of a secure portal for reports, provide additional guidance on the circumstances in which audits will be required, how service providers are expected to report on interconnection obligations, and clarify confidentiality policy requirements.
Jemena	<ul style="list-style-type: none"> • The AER should clearly identify why both a statutory declaration and external assurance are necessary.

Explanatory note

	<ul style="list-style-type: none">• Some items should be restructured to consider those service providers that they do not apply to, and should be worded more directly or be reworded to allow for links to published documents in lieu of submitting documents to reduce administrative burden.• The AER should clarify whether item 16.3 (concerning access requests) is intended to produce all access contracts, and if so, how it intends to use this information.
QGC	<ul style="list-style-type: none">• Suggestions for minor edits to the template.• The AER could provide guidance about the items that exemption holders must respond to.• Raised concerns about the level of commercially sensitive information which will need to be provided in the financial reports and suggested it could be reduced.• Significant time and effort will be expended in reporting, including for basis of preparation unless it is limited to particular information.• A shorter duration, such as 3 years rather than 7 years, could be required for maintaining records in clause 2.2.1 (which specifies the period for which the information that was used to prepare the annual response must be maintained by the service provider).

2.2 Responses to key issues

The issues raised by stakeholders in the submissions that were received were considered in the development of the updated draft Order and response template. The AER’s response to the issues raised within the submissions are provided below in table 2.1. A full list of issues related to specific items within the response template and the changes made to the response template is provided in table 2.2 below.

Table 1.1 Key issues raised in submissions

	Issue	Submission	Response
1	Greater clarity is needed regarding the audit program. In particular, why the program is included within the ACO.	<ul style="list-style-type: none"> • APA Group • Australia Pacific LNG 	<p>Section 55(e) of the NGL provides that a regulatory information instrument (such as the ACO) may require that the information specified in the instrument be audited. Under section 63A of the NGL, the AER is required to regularly and systematically monitor the compliance of several matters. This includes the prices charged by service providers, non-price terms and conditions for pipeline services, financial information reported by service providers, among other matters. We consider that the inclusion of an audit program is reasonably necessary as it will allow the AER to verify the compliance of service providers with their obligations in a more thorough and reliable manner than can be achieved by an information request alone. It is our view that ensuring compliance with these obligations contributes to the efficient operation of the gas market to the benefit of both service providers and consumers.</p> <p>Further, we consider the audit program is in accordance with section 27(2) of the NGL, which provides the AER the power to do what is necessary or convenient in connection with the performance of the AER’s functions.</p> <p>This is the basis for including the audit requirement in the ACO.</p> <p>The AER will be consulting on the AER Compliance Procedures and Guidelines later in 2024. We will be engaging with stakeholders and providing guidance on the parameters of the audit program as a part of this consultation. We expect this consultation to begin after the final decision on the proposal to issue an updated ACO has been published, and to conclude before the end of 2024. Stakeholders will have two periods of at least 15 business days to provide feedback on the Guidelines.</p>

Explanatory note

	Issue	Submission	Response
2	<p>The due date for compliance with the ACO could be moved to better align with other reporting periods (e.g., to 30 November).</p>	<ul style="list-style-type: none"> • Anonymous • Australia Pacific LNG 	<p>In order for the AER to meet its monitoring and reporting obligations in respect of 63A and 63B of the NGL, we must finalise our biennial reports to Energy Ministers and the public by March in each reporting year. The information gathered through the ACO will be used for this reporting. To allow for sufficient time to analyse the information that is received and to develop the content that will be required within these reports, a date of 31 October is necessary.</p> <p>We note that much of the information that is being requested within the ACO is information that has already been published, which means that up to date reports in relation to part 10 of the NGL or any other reporting obligations are not required for the purposes of responding to these items.</p> <p>Some of the information requested is not expected to change significantly from year to year, for example, corporate structures. The ACO will not be issued to service providers until 2025, which means that service providers will have a year to gain familiarity with the updated ACO and develop responses to items where the responses are expected to be similar each year. We are of the view that this will reduce the reporting burden in 2025 and in subsequent years, which will help service providers report within the existing time frame.</p> <p>We note that the previous ACO had the same due date of 31 October.</p> <p>Based on this reasoning, we propose to maintain the reporting date of 31 October.</p>
3	<p>The AER should consider the option of password protected submissions and the use of a secure portal for reports.</p>	<ul style="list-style-type: none"> • Australia Pacific LNG 	<p>We note that the wording of section 3 of the current draft of the ACO does not exclude the possibility of submitting a password protected response template. The wording of section 2 has been updated to allow for the possibility of submitting password protected files as part of a response.</p> <p>There will be further engagement on the reporting process for the ACO in the consultation on the Guidelines. The AER is considering alternative ways, such as use of a secure portal, for providing responses to the ACO, however an alternative to emailing responses to the AER is unlikely to be in place when the ACO comes into effect.</p>

Explanatory note

	Issue	Submission	Response
4	The AER should provide additional guidance on reporting requirements, including confidentiality requirements.	<ul style="list-style-type: none"> Australia Pacific LNG 	<p>Guidance on the submission process will be provided within the Guidelines, and we will be consulting with stakeholders to ensure that the guidance provided is sufficient.</p> <p>It is our current view that it will be sufficient to provide any policy documents that contain information on handling confidential information if the service provider does not have a specific document that deals exclusively with handling confidential information. We note that this is consistent with the current wording of the item.</p>
5	The AER should identify why both a statutory declaration and external assurance are needed.	<ul style="list-style-type: none"> Jemena 	<p>The statutory declaration is viewed as a component of the ACO, while the external assurance requirements are viewed as a component of the new audit program. We consider that a statutory declaration is a necessary part of the ACO as not every submission will be subject to an audit. We consider that the external assurance requirements are reasonably necessary to ensure that the audit program is able to provide enough information to meet our monitoring obligations under section 63A of the NGL. It is our view that ensuring that both the ACO and the audit program can be used to monitor compliance as effectively as possible will help the AER contribute to maintaining a transparent and competitive gas market to the benefit of both service providers and consumers.</p> <p>Based on these factors, we view both components as important elements to reduce the risk of either the responses that are not audited or responses not being of reliable quality.</p> <p>We also note that section 55(d) of the NGL allows the AER to require a statutory declaration.</p>
6	Declaration should be changed from “true and accurate” to “true and fair”.	<ul style="list-style-type: none"> Jemena 	<p>We consider that as the paragraph about this declaration relates to actual information, rather than an estimate or evaluation of information, it is appropriate for the declaration to be ‘true and accurate’. Based on this reasoning, we propose to maintain the current wording.</p>
7	Appendix A could require less commercially sensitive information than the financial reports requested.	<ul style="list-style-type: none"> QGC 	<p>The wording of item 10.5 has been adjusted to allow providers that are not required to produce these reports to other Government entities to provide reports as part of their responses.</p> <p>The AER’s information policy can be found on the AER website.</p>

	Issue	Submission	Response
			<p>The AER uses its statutory powers to obtain information where appropriate. Information (including confidential information) collected by the AER may be viewed by AER members, staff and consultants (for example, when AER obtains an opinion or analysis by an internal or external economic, legal or industry adviser).</p> <p>The AER can be required to produce information to third parties in certain circumstance, for example in response to a minister, house of parliament or another government agency’s power to obtain information. Where the AER is legally required to disclose confidential information, in most cases the AER will endeavour to notify the person who provided the confidential information about the proposed release of that information.</p> <p>We view the inclusion of these reports as reasonably necessary for the AER to adequately assess compliance of service providers with their obligations under section 141 of the NGL.</p> <p>We note that a similar item was included in the ACO made for scheme pipelines in 2008, and that the information gathered was only used to assess compliance. Additionally, under section 63A(c) of the NGL, the AER is required to regularly and systematically monitor the financial information reported by service providers. The financial reports requested will also inform the AER’s monitoring in this regard.</p> <p>We further note that the information requested in items 7.1 and 10.5 is information that has already been published publicly or to other Government entities.</p> <p>It is our view that ensuring the compliance of service providers with their financial reporting obligations as effectively as possible will help the AER contribute to maintaining a competitive gas market to the benefit of both service providers and consumers.</p>
8	A shorter duration may be more suitable for clause 2.2.1, for example 3 years.	<ul style="list-style-type: none"> • QGC 	<p>The proposed 7-year period is consistent with the time frames adopted in other AER Annual Information Orders. For example, the Annual Information Order issued to electricity providers requires a maintenance period of 7 years for the information used to prepare a submission. It is our view that developing and maintaining an audit program of these high standards will ensure that the information provided is of a rigorous standard that will allow the AER to make</p>

Explanatory note

	Issue	Submission	Response
			<p>fulsome assessments and thereby aid the AER in its function to ensure an efficient, compliant gas market.</p> <p>We view the 5-year maintenance period that gas pipeline service providers are subject to under rule 101A(6) to maintain published information on actual prices payable as reasonable precedent for a shorter time frame if a 7-year period is not suitable.</p> <p>We would welcome additional feedback on the additional burden that maintaining this information for 7 years as opposed to 3 years or 5 years places on service providers.</p>
9	A basis of preparation should be limited to particular information requests.	<ul style="list-style-type: none"> • QGC 	<p>We appreciate that this concern arises from other reporting obligations where the basis of preparation is very detailed. We consider that a sufficiently detailed basis of preparation is a reasonably necessary component of all responses as part of the reporting process. This is due to the increased need for the AER to assess the manner in which reports are produced, particularly given the inclusion of the new audit program in the ACO. We anticipate that further guidance about the detail that will be required will be provided in the Guidelines.</p>
10	There is duplication with part 10 reporting, and this defeats the purpose of part 10 exemptions.	<ul style="list-style-type: none"> • Anonymous 	<p>We note that this item asks for information that has already been published and therefore does not ask for information that the service provider has been exempted from reporting (unless the service provider has chosen to publish the information). We view the inclusion of this material as useful for record keeping and analysis. We have adjusted the wording of the item in response to this feedback to reduce any burden that may be caused by the duplication of reporting.</p>
11	Some information may be difficult for non-scheme pipeline service providers with no third-party access to report on, including actual prices payable.	<ul style="list-style-type: none"> • Anonymous 	<p>We acknowledge the difficulties that changing reporting requirements can create for service providers, particularly in cases where required historical data was not recorded or maintained. We will be providing further guidance on the reporting process as part of the Guidelines, which we will be consulting with stakeholders about later in the year.</p> <p>We anticipate that the reporting will allow some flexibility, for example in the use of estimated figures where exact figures are not known.</p> <p>We also note that this reporting is a requirement of the legislation.</p>

Explanatory note

	Issue	Submission	Response
12	Some service providers were not aware they would need to track the information requested at the time of construction, and tracking this information increases administrative costs.	<ul style="list-style-type: none"> Anonymous 	<p>The updated ACO is anticipated to come into effect on 1 July 2024, which means that service providers' first response to the ACO is required by 31 October 2025 for financial year 2024-25 information as currently drafted.</p> <p>As mentioned above, we acknowledge the difficulties that changing reporting requirements can create for service providers.</p> <p>The reporting allows some flexibility in the use of estimates where exact figures are not known and the AER will provide further guidance on the use of estimates later in the year.</p> <p>We also note that this reporting is a requirement of the legislation.</p>
13	More guidance and clarity should be provided regarding estimating data and methodology requirements.	<ul style="list-style-type: none"> Anonymous 	<p>As noted above, there will be further engagement on the reporting process for the ACO in the subsequent consultation on the Guidelines.</p> <p>We anticipate that guidance on these matters will be included within the Guidelines.</p>
14	Financial reporting should only apply the first financial year that starts after a third party is involved.	<ul style="list-style-type: none"> Anonymous 	<p>We note that the updated ACO is anticipated to come into effect on 1 July 2024, which means that service providers' first response to the ACO will be on 31 October 2025 as currently drafted.</p> <p>The length of time before the first response is due will enable service providers to prepare for the new reporting process and develop an understanding of how to comply with these requirements.</p> <p>The reporting allows some flexibility in the use of estimates where exact figures are not known.</p> <p>We are still considering this point and would welcome further information as to why this would be beneficial to service providers to help the AER decide the best approach.</p>
15	Reporting and external audit requirements are costly.	<ul style="list-style-type: none"> Anonymous QGC 	<p>The AER acknowledges the financial and time burdens certain aspects of the reporting process place on service providers. Guidance on the circumstances and parameters of the audit program will be the subject of consultation later in the year. The AER is keen to ensure</p>

Explanatory note

	Issue	Submission	Response
			that there is no unnecessary burden on participants, while needing to ensure that the requirements of the legislation are met and the information provided is of a high standard.

2.3 Summary of changes to the response template

The following changes have been made to the draft ACO:

- clause 2.1.1 has been reworded to allow for protected submissions
- references to the response template have been made more consistent.

A list of changes to the response template and the AER's responses to comments on specific aspects of the response template are provided in Table 2.2 below. Text that has been added is italicised and text that has been removed is struck through.

Table 2.2 Comments on the response template by item

Item	Issue	Submissions	AER response
1.1	Should be reworded to reflect the wording in the NGL.	<ul style="list-style-type: none"> • QGC 	<p>The wording has been updated as follows:</p> <p>Provide the <i>type of legal entity structure</i> of the Service Provider in accordance with section 131 of the NGL.</p>
1.2	There is a typographical error.	<ul style="list-style-type: none"> • N/A 	<p>The wording has been updated as follows:</p> <p>Provide the registered business name and ABN of the legal entity providing the scheme pipeline service.</p>
3.1	Wording should reflect that this does not apply to non-scheme pipelines and clarify time period.	<ul style="list-style-type: none"> • Anonymous • Jemena • QGC 	<p>The submission process will be elaborated on further within the Guidelines, but we anticipate that it will be noted that stating that an item is not applicable will be sufficient in the cases where the item is not relevant to the service provider.</p> <p>The wording has been updated as follows:</p> <p><i>If applicable, has the Service Provider complied with the queuing requirements under both any applicable relevant access arrangement, and the NGR or both during the financial year?</i></p> <p>Further clarification that this item only applies to scheme pipelines has been included within the template.</p>

Explanatory note

Item	Issue	Submissions	AER response
4.1	<p>Only applies to certain pipelines.</p> <p>Should be reworded in a targeted manner that does not assume a request was received.</p>	<ul style="list-style-type: none"> • Anonymous • APA Group • Australia Pacific LNG • Jemena • QGC 	<p>The wording has been updated as follows:</p> <p><i>Has the Service Provider received an interconnection request during the period?</i></p> <p><i>If a request was refused during the period, was the request refused on the grounds that the interconnection was not technically feasible or consistent with the safe and reliable operation of the pipeline, or because the person seeking to establish the interconnection did not agree to fund the costs associated with making the interconnection? If yes, provide details of the grounds for the refusal.</i></p> <p>Has the Service Provider considered whether the interconnection is technically feasible and consistent with the safe and reliable operation of the pipeline?</p>
4.2	<p>There is a typographical error.</p> <p>Additional guidance will be required.</p> <p>Only applies to certain pipelines.</p> <p>Should be reworded in a targeted manner that does not assume a request was received.</p>	<ul style="list-style-type: none"> • Anonymous • Australia Pacific LNG • Jemena • QGC 	<p>The wording has been updated as follows:</p> <p><i>If applicable, how has the Service Provider funded the cost-with of making the interconnection?</i></p>
5.1	<p>Requires more targeted wording.</p> <p>Only applies to certain pipelines.</p>	<ul style="list-style-type: none"> • Anonymous • Jemena 	<p>The wording has been updated as follows:</p> <p><i>Has the Service Provider increased the charges payable by an existing user in order to subsidise the development of an extension, or expansion of the capacity of the pipeline?</i></p> <p>For transmission pipelines, provide a statement as to whether charges for a service used by an existing user increased over the relevant compliance period.</p>

Explanatory note

Item	Issue	Submissions	AER response
			<p>If there was an increase, outline the nature of the increase and whether the increase was subject to a contractual arrangement due to capacity increase.</p>
6.1	<p>Requires more targeted wording, including the “reasonably necessary” part of the legislation.</p>	<ul style="list-style-type: none"> • Anonymous • Jemena 	<p>The wording has been updated as follows:</p> <p>Has the Service Provider <i>made it a condition of the provision of a particular service to bundled services</i> when providing access or negotiating access with a prospective user? If so, <i>was this requirement reasonably necessary? If applicable, provide details of why the requirement was reasonably necessary.</i></p> <p><i>If applicable, provide a description of the bundled services and related conditions of access.</i></p>
7.1	<p>Should clarify what is sufficient for submissions, for example, whether a link is sufficient.</p> <p>Duplicates information with part 10, which a service provider may have exemptions from reporting.</p>	<ul style="list-style-type: none"> • Jemena • QGC 	<p>The information requested is for ‘published information’, which means those with an exemption will not have to report unless they have otherwise chosen to publish the relevant information.</p> <p>The wording has been updated as follows:</p> <p>Provide any published information relating to pipelines and pipeline service (including, without limitation, the standing terms, financial information and actual prices payable information) <i>or a link to where the public materials may be found.</i></p> <p>Such information should be provided in the form, and comprise of details, set out in the NGR.</p>
8.2	<p>Service providers should be able to proceed to 12.1 if no response.</p>	<ul style="list-style-type: none"> • Anonymous 	<p>We broadly agree with this view. We are of the view that the items are now worded in a manner that allows service providers to state that they are not applicable when possible and anticipate that guidance on how to respond to items that are not applicable will be elaborated on within the Guidelines.</p>
9.1	<p>There is duplication of information with item 8.2.</p>	<ul style="list-style-type: none"> • Jemena 	<p>We view the material in 9.1 to be useful for record keeping and analysis, and is asking for specific information s.140 of the NGL compared to item 8.2</p>

Explanatory note

Item	Issue	Submissions	AER response
			which requests a list of all associates. As such, the item has not been removed.
10.2 10.4	Purpose of these items not clear given inclusion of 10.1 and 10.3.	<ul style="list-style-type: none"> <li data-bbox="880 357 1025 379">• Jemena 	We consider that for the AER's monitoring and reporting purposes it is necessary to have the entity or entities which separate accounts are being reported, maintained or kept. Therefore, this item has been kept in the draft ACO response template.
10.5	Not all providers are required to lodge reports with ASIC and would not be able to properly respond to this item. This also duplicates reporting.	<ul style="list-style-type: none"> <li data-bbox="880 525 1025 547">• Jemena 	<p>Guidance will be provided in the Guidelines about how to respond to this item, however this item seeks financial reports that already exist and are likely to exist in the ordinary course of business, not new reporting, so is unlikely to be burdensome.</p> <p>The wording has been updated as follows:</p> <p><i>If applicable</i>, provide a copy of the most recently lodged annual financial reports with the Australian Securities and Investments Commission or if no such reports exist other similar audited financial reports prepared for or provided to a state or territory department, agency or body under relevant state or territory legislation. These financial reports may be the consolidated set of accounts in respect to the whole of the business of the Service Provider, and if also separately lodged with the Australian Securities and Investments Commission the most recently lodged annual separate set of accounts in respect of the services provided by the Service Provider.</p>
11.1	Wording could be clearer	<ul style="list-style-type: none"> <li data-bbox="880 1075 1025 1098">• Jemena 	<p>The wording has been updated as follows:</p> <p>Is the Service Provider <i>the subject of a determination which imposes</i> aware of any additional ring fencing requirements? If yes, what are these requirements?</p> <p>Item 11.2 has also been updated as follows:</p> <p><i>If applicable</i>, provide a statement that these additional ring fencing requirements have or have not been met.</p>

Explanatory note

Item	Issue	Submissions	AER response
12.1 12.2 12.3 12.4	<p>May need to be reassessed after the introduction of the <i>Statutes Amendment (National Energy Laws) (Other Gases) Bill (SA)</i>.</p> <p>Should be reworded to reflect that some items are not applicable depending on the response to 12.1.</p>	<ul style="list-style-type: none"> Anonymous Jemena 	<p>We have considered the changes introduced within the bill are of the view that the draft will not need to be adjusted given that the changes primarily relate to exemptions to s 147(c) in respect of the information sought in these items.</p> <p>With respect to the comment on the wording of the items, the wording of items 12.2, 12.3, and 12.4 have been updated as follows:</p> <p><i>If applicable, for each new or varied associate contract, please indicate the date the new or varied associate contract was entered into or given effect?</i></p> <p><i>If applicable, for each new or varied associate contract, please indicate if the contract or variation was approved by the AER and the date that it was approved?</i></p> <p><i>If the an associate contract was not approved by the AER, please indicate what date the new or varied associate contract was provided to the AER?</i></p>
13.1 13.2 13.3	<p>Only applicable to certain pipelines.</p> <p>Should be reworded to reflect that some items are not applicable depending on the response to 13.1.</p>	<ul style="list-style-type: none"> Anonymous 	<p>Our view is that the conditional statements in items 13.1 and 13.2 already allow for service providers to state that the item/s are not applicable.</p> <p>The wording of item 13.3 has been updated as follows:</p> <p><i>If applicable, by what jurisdictional regulator and when where these exemptions granted?</i></p>
14.1 14.2 14.3	<p>Only applies to scheme pipelines, which should be reflected in the wording of the item.</p> <p>Does not apply if there are no third-party shippers.</p>	<ul style="list-style-type: none"> Anonymous Jemena 	<p>The wording of items 14.1 and 14.2 has been updated as follows:</p> <p><i>If applicable, has the Service Provider published the approved access arrangement on its website?</i></p> <p><i>If applicable, please provide the website address where this access arrangement can be accessed and the date that this access arrangement was provided published on the website.</i></p>

Explanatory note

Item	Issue	Submissions	AER response
			Further clarification that this item only applies to scheme pipelines has been included within the template.
15.1 15.2 15.3	A new item should be added and remaining items should reworded to reflect that some items are not applicable to some pipelines.	<ul style="list-style-type: none"> • Anonymous 	<p>The wording of items 15.2 and 15.3 have been updated as follows.</p> <p><i>If applicable, when did the access determination become operative?</i></p> <p><i>If applicable, for what period is the access determination in place?</i></p>
16.2	Should clarify whether a link is sufficient for submissions.	<ul style="list-style-type: none"> • Jemena 	<p>The wording has been updated as follows:</p> <p>Provide a copy of the Service Provider's user access guide for each of its pipelines <i>or a link to a website where these guides may be accessed.</i></p>
16.3	<p>Current wording needs to be clarified.</p> <p>Not clear which in the NGL or NGR is targeted, could duplicate item 7.1.</p> <p>Clarity about whether the AER expects all contracts to be included is required, which would violate confidentiality.</p> <p>Should specify whether this item refers to reference or non-reference services.</p> <p>Includes a typographical error.</p>	<ul style="list-style-type: none"> • APA Group • Jemena • QGC 	<p>We anticipate that guidance about how to respond to this item will be included in the Guidelines.</p> <p>The wording has been updated as follows:</p> <p>Has the Service Provider been granted access to a relevant pipeline service to any person? If so, provide the terms and conditions governing the provision of access to such personnel.</p>
17.2	Greater clarity about what the AER considers an acceptable response is required. For example, is an individual policy required or can a service provider compile existing policies.	<ul style="list-style-type: none"> • Australia Pacific LNG 	<p>The submission process will be elaborated on further within the Guidelines, but we anticipate that providing any relevant documents that detail how confidential information will be handled will be sufficient in cases where the service provider does not have a specific policy document that covers handling confidential information.</p> <p>The wording has been updated as follows:</p> <p>Has the Service Provider established any internal protocols, or policy guidelines or procedure manuals for <i>that cover</i> the handling of confidential</p>

Explanatory note

Item	Issue	Submissions	AER response
			information? If so, please provide the AER with the relevant policy documents.
N/A	The numbering and language in the “Checklist” worksheet should be aligned with the “Reporting Template” worksheet.	<ul style="list-style-type: none"> • QGC 	The wording and numbering in the “Checklist” worksheet have been updated accordingly.
N/A	More consistent language should be used so that the input for the yes/no drop down option in column G of the “Reporting Template” is easier to understand.	<ul style="list-style-type: none"> • QGC 	The wording of a number of items have been updated, as elaborated above. We anticipate that further guidance regarding this column will be provided within the Guidelines.

Glossary

Term	Definition
ACO	Annual Compliance Order
Actual Information	Information that is completely known to the service provider, and does not involve any estimation
NGL	National Gas Law
NGR	National Gas Rules
RIO	Regulatory Information Order
The Guidelines	The AER Compliance Procedures and Guidelines
The Regulations	The regulations made under Part 3 of the National Gas (South Australia) Act 2008 of South Australia that apply as a law of this jurisdiction.