

[REDACTED]

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

Email: AERGasNetworksCompliance@aer.gov.au

Dear Sir/Madam,

**AER Consultation: Annual Compliance Order – Confidential Submission** [REDACTED]

Further to the submission made [REDACTED] in response to the AER's consultation on the draft Annual Compliance Order (ACO), [REDACTED] makes the following comments on the draft decision that was published by the AER in April.

1. We note the AER has determined that it is not possible to change the due date for compliance with the ACO from 31 October of each year to make it more consistent with reporting deadlines that apply under Part 10 NGR, which are either 30 November (assuming the financial year ends on 30 June) or on 31 May where the financial year ends 31 December; as to do so will not enable the AER to meet its biennial reporting to the Energy Minister and public which is due in March of each year.

To reduce the regulatory reporting burden to pipeline operators, we suggest that the AER not require a pipeline operator to provide separate and additional reporting under the ACO, but instead rely on the most recent information published by a service provider under Part 10 of the NGR – with material changes updated only.

2. Further where a pipeline service provider has exemptions from reporting under Part 10 of the NGR then the service provider should also be exempt from responding to those sections of the ACO that seek information in compliance with Part 10 of the NGR.
3. Further, where the ACO requires a service provider to produce financial documents (required for ring fencing obligations), that obligation must not extend to providing financial reports of third parties for example, Joint Venture Partners, as the service provider will have no control over these reports and no ability to produce or force the production of them from the third party joint venture partner.

## **Conclusion**

As noted in our submission, the ACO must recognise pipeline operator reporting exemptions that apply under the NGR and NGL, especially as the data set required for reporting under the ACO is large and onerous and was not contemplated at the time many non-scheme pipelines were constructed and will likely be difficult to obtain or estimate. The cost of regulatory compliance in terms of time and resources (internal and external) is already

significant and is not balanced especially where there are no services provided on the pipeline/s to a third party and no revenue generated.

If you would like to discuss any issues raised, please do not hesitate to contact me.

Yours sincerely,