# **Draft decision**

Jemena Gas Networks (NSW) access arrangement 2025 to 2030 (1 July 2025 to 30 June 2030)

**Attachment 11 – Non-tariff components** 

November 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 4.0 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 4.0 AU licence.

#### Important notice

The information in this publication is for general guidance only. It does not constitute legal or other professional advice. You should seek legal advice or other professional advice in relation to your particular circumstances.

The AER has made every reasonable effort to provide current and accurate information, but it does not warrant or make any guarantees about the accuracy, currency or completeness of information in this publication.

Parties who wish to re-publish or otherwise use the information in this publication should check the information for currency and accuracy prior to publication.

Inquiries about this publication should be addressed to:

Australian Energy Regulator GPO Box 3131 Canberra ACT 2601

Email: aerinquiry@aer.gov.au

Tel: 1300 585 165

AER reference: AER22005460

#### Amendment record

Version	Date	Pages
1	29 November 2024	16

### List of attachments

This attachment forms part of our draft decision on the access arrangement that will apply to Jemena Gas Networks (NSW) for the 2025–30 access arrangement period. It should be read with all other parts of this draft decision.

The draft decision includes the following documents:

#### Overview

Attachment 1 – Services covered by the access arrangement (no attachment - covered in the Overview)

Attachment 2 - Capital base

Attachment 3 - Rate of return

Attachment 4 – Regulatory depreciation

Attachment 5 – Capital expenditure

Attachment 6 - Operating expenditure

Attachment 7 – Corporate income tax

Attachment 8 – Efficiency carryover mechanism

Attachment 9 - Reference tariff setting

Attachment 10 – Reference tariff variation mechanism

Attachment 11 – Non-tariff components

Attachment 12 - Demand

Attachment 13 – Capital expenditure sharing scheme

### **Contents**

List	List of attachmentsiii				
11 Non-tariff components			1		
		Draft decision			
	11.2	Queuing requirements	3		
		Extension and expansion requirements			
	11.4	Capacity trading requirements	5		
	11.5	Changing receipt or delivery points	6		
	11.6	Terms and conditions	7		
	11.7	Review submission date and revision commencement date	10		
Glo	ssary.		12		

### 11 Non-tariff components

This attachment sets out our draft decision on the non-tariff components of Jemena Gas Networks' (JGN) (NSW) proposed access arrangement for the 2025–30 access arrangement period (the 2025–30 period). The non-tariff components are as follows:

- the terms and conditions for the supply of reference service
- queuing requirements a process or mechanism for establishing an order of priority between prospective users of spare and/or developable capacity
- extension and expansion requirements the method for determining whether an
  extension or expansion is part of the covered pipeline and the effect this will have on
  tariffs
- capacity trading requirements the arrangements for users to assign contracted capacity and change receipt and delivery points
- change of receipt or delivery point by the user the process or mechanism for changing a user's receipt or delivery point
- a review submission date and revision commencement date for the next access arrangement period.

#### 11.1 Draft decision

Our draft decision approves the non-tariff components of JGN's proposed access arrangement for the 2025–30 period.

JGN's queuing requirements, extension and expansion, and capacity trading requirements and proposed approach to changing users' receipt or delivery points are substantively unchanged from those approved for the current, 2020–25 period, except for amendments to reflect the JGN Reference Service Proposal that the AER approved in December 2023<sup>1</sup>.

We consider that those amendments consistently reflect the approved Reference Service Proposal, and that these requirements remain otherwise appropriate for the reasons outlined in our 2020–25 draft decision.<sup>2</sup>

We accept JGN's proposed review submission and commencement dates for its 2030–35 access arrangement being a review submission date of 30 June 2029 and a revision commencement date of 1 July 2030.<sup>3</sup>

JGN has engaged with its users on revisions to its Reference Service Agreement (RSA) and we accept its proposed terms and conditions (including its proposed revisions to the previous RSA).

1

<sup>&</sup>lt;sup>1</sup> AER, <u>Final decision - JGN reference service proposal 2025–30</u>, November 2023

AER, <u>Attachment 11: Non-tariff components, Final decision – Jemena Gas Networks (NSW) Ltd Access</u>
<u>Arrangement 2020–25</u>, June 2020; AER, <u>Attachment 11: Non-tariff components, draft decision – Jemena Gas Networks (NSW) Ltd Access Arrangement 2020–25</u>, June 2020.

<sup>&</sup>lt;sup>3</sup> JGN, <u>2025–30 Access Arrangement</u>, June 2024, pp.2-3.

We received no submissions on these elements of the proposed access arrangement. We remain satisfied that they meet the requirements of the National Gas Rules and Law (NGR and NGL).

#### 11.1.1 JGN's proposal

JGN has proposed changes to its current 2020–25 access arrangement as part of its 2025–30 proposal and has indicated that these changes are consistent with those proposed in the RSA.<sup>4</sup>

This includes amendments proposed for the 2025–30 access arrangement that reflect changes made following our approval of its Reference Service Proposal, where the reference service has been split into two new reference services – the "Transportation Reference Service" and "Ancillary References Services".<sup>5</sup>

Clauses relating to JGN's queuing, extension and expansion, and capacity trading requirements, as well as its terms and conditions relating to its changing receipt and delivery points, have been updated to reflect the approved reference services.

JGN also provides reference services to users on the terms set out in its RSA, which forms part of its approved access arrangement. The RSA applies to contracts between JGN and third parties (retailers and self-contracting users) who contract for delivery of gas to their sites.<sup>6</sup>

JGN indicates there are several specific commercial and operational circumstances which apply to its network and affect the allocation of risk between itself and users:

- There are about 1.5 million customers connected to its network, and it delivers gas to these customers under RSAs with more than 35 users.
- Its network is regulated by the NSW State Government in relation to its technical and operational aspects as well as in relation to the quality and reliability of gas delivered to customers through it.
- State-based regulation places substantial regulatory responsibility on JGN as the distributor.
- JGN has connected renewable gas production facilities to its network and anticipates further connection of renewable gas production facilities.
- Supply and transportation of gas from production fields to its network generally occurs through a chain of bilateral contractual arrangements between gas producers, wholesalers, pipeline operators, retailers and self-contracting users. JGN indicates as it is not a party to any of these arrangements, it needs to rely on users to ensure that the gas required to be delivered through its network meets the NSW quality regulations. JGN notes that this is different to the approach of managing the physical market in

<sup>&</sup>lt;sup>4</sup> JGN, <u>Att 9.1 - Explanation of proposed revisions to the 2020–25 AA</u>, June 2024, p. 1.

<sup>&</sup>lt;sup>5</sup> AER, <u>Final decision - JGN reference service proposal 2025–30</u>, November 2023; JGN, <u>Att 9.1 - Explanation of proposed revisions to the 2020–25 AA</u>, June 2024, p. 2.

<sup>&</sup>lt;sup>6</sup> JGN, <u>2025 Plan</u>, June 2024, p. 126.

Victoria where the Australian Energy Market Operator assumes responsibilities for control of supply and demand, gas quality and other physical operations of the system.<sup>7</sup>

JGN states that its intention in reviewing its RSA was to minimise changes to the existing position unless its experience during the current period suggests it is necessary, or its customers have requested that it reconsider an aspect of its current RSA.<sup>8</sup>

JGN indicates that it considers that most of the changes were not substantive but reflect a desire to simplify and make the RSA more user friendly. It outlines that the main change to the RSA reflects the separation of its current Reference Service (RS) into two services: Transportation RS and Ancillary RS following our approval of the Reference Service Proposal.<sup>9</sup> It identifies that other changes include:

- updates to reflect the current regulatory framework, such as updates to most to reflect current versions of the NGR and NGL, including recent changes to the renewable gas reforms
- simplifying and clarifying the current RSA provisions to improve readability and remove clauses that are duplicated elsewhere
- relocating provisions and definitions between the access arrangement and the RSA as appropriate
- ensuring that the drafting accurately reflects JGN's current and proposed practice
- setting out requirements in circumstances where further clarity was considered beneficial, having regard to operational and commercial experience over the 2020–25 period
- deleting provisions no longer relevant.<sup>10</sup>

### 11.2Queuing requirements

Queuing requirements must establish a process or mechanism (or both) for establishing an order of priority between prospective users of spare or developable capacity (or both) in which all prospective users (whether associates of, or unrelated to, the service provider) are treated on a fair and equal basis.<sup>11</sup>

A distribution pipeline can typically accommodate new users. This is because, unlike transmission pipelines, distribution networks tend not to operate close to full capacity. Also, if use at one point in the network is nearing capacity, the service provider will normally undertake augmentation of the network to meet the needs of prospective users.

<sup>&</sup>lt;sup>7</sup> JGN, <u>Att 9.2 - Explanation of proposed revisions to the RSA</u>, June 2024, p. iv-v.

<sup>&</sup>lt;sup>8</sup> JGN, 2025 Plan, June 2024, p. 126.

<sup>&</sup>lt;sup>9</sup> AER, <u>Final decision - JGN reference service proposal 2025–30</u>, November 2023; JGN, 2025 Plan, June 2024, p. 126.

<sup>&</sup>lt;sup>10</sup> JGN, 2025 Plan, June 2024, p. 126.

<sup>&</sup>lt;sup>11</sup> NGR, r. 68D.

A service provider is required to include queuing requirements in an access arrangement for a distribution pipeline where the AER notifies the service provider.<sup>12</sup>

For its 2020–25 access arrangement, JGN proposed amendments to its queuing process, to replace its process with a statement that cross-references the NGR. Under this, JGN indicated it would respond to any AER future requests requiring the inclusion of queuing requirements in JGN's access arrangement. <sup>13</sup> Our final decision approved this approach, <sup>14</sup> for reasons that were set out in out in our 2020–25 draft decision. <sup>15</sup>

JGN's 2025–30 access arrangement has been amended to reflect updates to the NGR, which occurred since the effective date of the 2020–25 access arrangement. <sup>16</sup> Section 7 ('Queuing requirements') otherwise remains unchanged from that approved for the current access arrangement period. <sup>17</sup> JGN also indicates again that where the AER has cause to require it to include further queuing requirements, it will respond accordingly. <sup>18</sup>

We have received no submissions on these arrangements and remain satisfied that they meet the requirements of the NGR. Our draft decision is therefore to accept these elements of the proposed access arrangement.

#### 11.3 Extension and expansion requirements

The extension and expansion requirements in an access arrangement specify the method for deciding whether an extension or expansion occurring during an access arrangement period will be treated as part of the covered pipeline and, if so, the impact this will have on reference tariffs. An 'extension' allows the pipeline to service new locations, while an 'expansion' increases the amount of gas an existing length of pipeline can carry.

The NGR requirements for extensions and expansions provide that:

- the access arrangement may state whether it will apply to incremental services to be provided as a result of a particular extension to the pipeline, or outline how this may be dealt with at a later time<sup>19</sup>
- the access arrangement must state it will apply to incremental services to be provided as a result of any expansion to the capacity of the pipeline and deal with the effects of the expansion on tariffs<sup>20</sup>

AER, Attachment 11: Non-tariff components, Draft decision – Jemena Gas Networks (NSW) Ltd Access Arrangement 2020–25, November 2019, pp. 11-13.

<sup>&</sup>lt;sup>12</sup> NGR, r. 68D(1)(b)

AER, Attachment 11: Non-tariff components, Final decision – Jemena Gas Networks (NSW) Ltd Access Arrangement 2020–25, June 2020, pp. 15-16.

<sup>&</sup>lt;sup>15</sup> AER, Attachment 11: Non-tariff components, Draft Decision – Jemena Gas Networks (NSW) Ltd Access Arrangement 2020–25, June 2020, pp. 11-13.

<sup>&</sup>lt;sup>16</sup> JGN, Att 9.1 - Explanation of proposed revisions to the 2020–25 AA, June 2024, p. 4.

<sup>&</sup>lt;sup>17</sup> JGN, 2025–30 - Access Arrangement - June 2024, p. 18.

<sup>&</sup>lt;sup>18</sup> JGN, Att 9.1 - Explanation of proposed revisions to the 2020–25 AA, June 2024, p. 4.

<sup>&</sup>lt;sup>19</sup> NGR, 68E(1), (2).

<sup>&</sup>lt;sup>20</sup> NGR, 68E(3).

- if the access arrangement is to apply to incremental services to be provided as a result of an extension to the pipeline, the requirements must deal with tariffs, and (in the case of extensions made before the revision commencement date for the access arrangement) must also deal with the effect of the extension on the opening capital base and with the description of reference services specified in the access arrangement proposal. <sup>21</sup>
- the requirements cannot require the service provider to provide funds for extension or expansion works unless the service provider agrees.<sup>22</sup>

JGN's proposal seeks, appropriately, to align the wording of section 8.4 ('Extensions and expansions policy') to expressly refer to the two approved reference services individually".<sup>23</sup>We consider that the updates to the access arrangement requirements for extensions and expansions reflect the approved Reference Service Proposal, and we are satisfied this approach is reasonable.

Our draft decision is to accept JGN's proposed amendments for extensions and expansions in its 2025–30 access arrangement.

#### 11.4Capacity trading requirements

An access arrangement must set out capacity trading requirements, which deal with the transfer of a user's contracted capacity to another user.<sup>24</sup>

Under the capacity trading provisions of the rules:

- the requirements must provide for the transfer of capacity in accordance with relevant rules/Procedures governing the relevant gas market in which the service provider is a registered participant, or in accordance with rule 68F if the service provider is not a registered participant or the rules/Procedures do not deal with capacity trading<sup>25</sup>
- a user may, without the service provider's consent, transfer, by way of subcontract, all or any of the user's contracted capacity to a third party subject to rights, obligations and notification requirements set out in the rules<sup>26</sup>
- a user may, with the service provider's consent, transfer all or any of the user's contracted capacity to a third party subject to rights, obligations and contractual consequences set out in the rules.<sup>27</sup> In this case, the service provider must not withhold its consent unless it has reasonable grounds, based on technical or commercial considerations, for doing so<sup>28</sup>

<sup>&</sup>lt;sup>21</sup> NGR, 68E(4).

<sup>&</sup>lt;sup>22</sup> NGR, 68E(5).

<sup>&</sup>lt;sup>23</sup> JGN, Att 9.3 - Mark up of 2020–25 AA, June 2024, pp. 22-23.

<sup>&</sup>lt;sup>24</sup> NGR, 48(1)(f) and 68F

<sup>&</sup>lt;sup>25</sup> NGR, 68F(1).

<sup>&</sup>lt;sup>26</sup> NGR, 68F(2).

<sup>&</sup>lt;sup>27</sup> NGR, 68F(3).

<sup>&</sup>lt;sup>28</sup> NGR, 68F(4),(5).

• the requirements may specify in advance conditions under which consent will or will not be given, and conditions to be complied with if consent is given.<sup>29</sup>

JGN's proposal seeks, appropriately, to align the wording of section 9 ('Capacity trading') to expressly refer to the approved transportation reference service". <sup>30</sup>

We consider that the updates to the access arrangement requirements for capacity trading consistently reflect the approved Reference Service Proposal, and we are satisfied this approach is reasonable.

Our draft decision is to accept JGN's proposed amendments for capacity trading in its 2025–30 access arrangement.

### 11.5 Changing receipt or delivery points

An access arrangement must set out the terms and conditions for changing receipt and delivery points.<sup>31</sup>

Under the provisions of the rules that relate to a user changing receipt or delivery points:

- an access arrangement must provide for the change of a receipt or delivery point by a user, with the service provider's consent, where the service provider must not withhold its consent unless it has reasonable grounds, based on technical or commercial considerations, for doing so<sup>32</sup>
- the access arrangement may specify in advance conditions under which consent will or will not be given, and conditions to be complied with if consent is given.<sup>33</sup>

JGN's proposal seeks, appropriately, to align the wording of section 10 ('Changing receipt and delivery points') to expressly refer to the approved transportation reference service. . <sup>34</sup>

We consider that the updates to the access arrangement requirements for the terms and conditions for changing receipt or delivery points consistently reflect the approved Reference Service Proposal, and we are satisfied this approach is reasonable.

Our draft decision is to accept JGN's proposed amendments for changing receipt or delivery points in its 2025–30 access arrangement.

<sup>&</sup>lt;sup>29</sup> NGR, 68F(6).

JGN, Att 9.3 - Mark up of 2020–25 AA, June 2024, p. 24; AER, <u>Final decision - JGN reference service</u> <u>proposal 2025–30</u>, November 2023; AER, Overview | Draft decision – Jemena Gas Networks (NSW) 2025–30, November 2024, pp. 27-28.

<sup>&</sup>lt;sup>31</sup> NGR, r. 48(1)(h).

<sup>&</sup>lt;sup>32</sup> NGR, r. 68G(1).

<sup>&</sup>lt;sup>33</sup> NGR, r. 68G(2).

<sup>&</sup>lt;sup>34</sup> JGN, *Att* 9.3 - *Mark up of* 2020–25 *AA*, June 2024, p. 25.

#### 11.6 Terms and conditions

The NGR require an access arrangement to specify, in addition to the reference tariff, the other terms and conditions on which each reference service will be provided.<sup>35</sup> These must be consistent with the National Gas Objective (NGO):

- ...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.<sup>36</sup>

In deciding whether the terms and conditions are appropriate, we must have regard to the risk-sharing arrangements implicit in the reference tariff.<sup>37</sup> This requires us to assess and balance the competing interests of the service provider, network users and consumers - in particular:

- the allocation of risk, where we consider the NGO is generally best served where a risk is borne by the party best able to manage it
- the need to ensure clarity and certainty, while avoiding an unduly prescriptive approach on commercial matters.

We have reviewed JGN's proposed terms and conditions included in its RSA, which forms part of its access arrangement.<sup>38</sup> JGN states that its approach has generally been to maintain the position set out in the current 2020–25 RSA where possible, but that it has taken the opportunity to refresh and improve parts of the RSA.<sup>39</sup>

JGN states that in making amendments to its RSA it has considered:

...recent changes to the energy regulatory framework, the uncertain impact of the energy transition on gas networks, and the potential for significant regulatory change. In this context, we considered whether amendments may be necessary to enhance the RSA's ability to facilitate the continued efficient provision of services to users and customers during the 2025–30 period. Following consultation with users we also took the opportunity to make general

<sup>&</sup>lt;sup>35</sup> NGR, r. 48(1)(d)(ii).

<sup>&</sup>lt;sup>36</sup> NGL, s. 23.

<sup>&</sup>lt;sup>37</sup> NGR, r. 68B(2).

<sup>&</sup>lt;sup>38</sup> JGN, <u>2025–30 Reference Service Agreement</u>, June 2024.

<sup>&</sup>lt;sup>39</sup> JGN, Att 9.2 - Explanation of proposed revisions to the RSA, June 2024, p. iii.

improvements and invited users to provide any additional comments on a draft consultation version of the Revised RSA.<sup>40</sup>

JGN's revised RSA has numerous marked up changes. Jemena states that:

While there is considerable mark-up in the Revised RSA when compared to the Current RSA, many of the changes were made to improve the readability and drafting of the provisions.<sup>41</sup>

JGN has consulted with its users on its proposed terms and conditions. In November 2023, prior to reviewing its current RSA, it invited users to provide comments through one-on-one sessions. It sought feedback on the current drafting on areas which users had found unclear or identified practical issues, as well areas that users considered could be improved.<sup>42</sup>

Following this engagement and its review, JGN prepared a draft consultation version of its RSA that it circulated to users for feedback on the proposed changes. JGN indicates that its revised RSA has incorporated changes from users where appropriate. <sup>43</sup>

JGN consulted on the proposed changes to its RSA with users<sup>44</sup> and provides a summary of the material feedback and responses undertaken by JGN, where it indicates it received substantive feedback on the draft RSA from AGL, Origin, Shell and Globird. <sup>45</sup>

JGN has also outlined that it received a number of comments from a range of users indicating they had no substantive feedback or issues in relation to the draft consultation version of the RSA.<sup>46</sup> It provided a detailed summary of the user feedback received regarding its draft RSA and the responses taken in relation to the feedback.<sup>47</sup>

The majority of feedback provided by users was accepted by JGN and the wording updated to reflect these changes. For example, in relation to clause *8.1 Warranties*, one user noted that they considered that the current wording is contradictory and indicates it would apply at all times during the term. The user stated it should be clear that warranties that relate to a Delivery Point only apply once the User has become the financial responsible organisation for that Delivery Point.<sup>48</sup>

JGN accepted this amendment and updated the wording to be clear that the warranty only applies from the time the User becomes the FRO for the Delivery Point (and thereafter for the remainder of the term of the Agreement).<sup>49</sup> We consider this is an appropriate update, providing greater clarity about when the User's responsibility will apply.

JGN, Att 9.2 - Explanation of proposed revisions to the RSA, June 2024, p. iii.

<sup>&</sup>lt;sup>41</sup> JGN, Att 9.2 - Explanation of proposed revisions to the RSA, June 2024, p. iii.

JGN, Att 9.2 - Explanation of proposed revisions to the RSA, June 2024, p. 1.

<sup>&</sup>lt;sup>43</sup> JGN, Att 9.2 - Explanation of proposed revisions to the RSA, June 2024, p. 1.

<sup>&</sup>lt;sup>44</sup> JGN, Att 9.4 - Mark up of 2020–25 RSA, June 2024.

JGN, Att 9.2 - Explanation of proposed revisions to the RSA, June 2024. See Appendix A.

JGN, Att 9.2 - Explanation of proposed revisions to the RSA, June 2024, p. 2.

<sup>&</sup>lt;sup>47</sup> JGN, Att 9.2 - Explanation of proposed revisions to the RSA, June 2024, Appendix A.

<sup>&</sup>lt;sup>48</sup> JGN, Att 9.2 - Explanation of proposed revisions to the RSA, June 2024, Appendix A, p. A-2.

JGN, Att 9.2 - Explanation of proposed revisions to the RSA, June 2024, Appendix A, p. A-2.

In relation to other key changes proposed by JGN for its RSA, it notes it has included a new clause to manage Billing Error Disputes in order to streamline the process for these disputes. (see clause 25.7 of the revised RSA).<sup>50</sup> JGN noted that one user had provided feedback that they were broadly supportive, but that JGN did receive additional concerns that the provision was too prescriptive and could be simplified.<sup>51</sup>

Following consideration of this feedback, JGN formed the view that it would keep the proposed drafting to its 2025–30 access arrangement, as it considered that the provision will work in practice. It noted that:

For example, in (vi), the provision states that for any rejection, the User must provide reasons and nominate a manager to meet with the JGN billing contact listed in the 'Gas Retail Operations Contact List' administered by AEMO (or other nominee as notified by JGN. It was suggested that this could be simplified to "...For any rejection, the User must provide reasons for rejection". We think that it is preferable to retain the current drafting to make the nomination process clear for each party, as there is an obligation for the nominated representatives to meet.<sup>52</sup>

JGN also indicated that under this provision, each of the parties must reasonably endeavour to resolve the billing dispute as promptly and efficiently as possible.<sup>53</sup>

This insertion of this new provision appears to provide for an opportunity to resolve disputes at an operational level. Where a billing dispute remains unresolved, either party is still able to raise a billing dispute under the dispute resolution processes set out in clause 38 of the revised RSA. We have not received stakeholder feedback on this issue, but we consider that the provision attempts to set out a clear structure for parties' responsibilities in managing a billing dispute.

We consider that the other amendments proposed by JGN, to improve and clarify its current processes and practices and the terms of the access arrangement itself, are also reasonable, noting that those amendments appear to be supported by stakeholders. We received no further stakeholder feedback or submissions on JGN's proposed revisions to the terms and conditions in the RSA.<sup>54</sup>

We consider that the engagement that JGN has undertaken with its users has been productive. We have not received submissions raising concerns about the proposed changes to the terms and conditions in the RSA. We would encourage JGN, once its amended RSA is implemented, to continue engaging with its users to address issues if they arise and continue to work together for future access arrangements.

JGN, Att 9.2 - Explanation of proposed revisions to the RSA, June 2024, p. 12.

JGN, Att 9.2 - Explanation of proposed revisions to the RSA, June 2024, p. 12.

JGN, Att 9.2 - Explanation of proposed revisions to the RSA, June 2024, Appendix A, p. A-5.

JGN, Att 9.2 - Explanation of proposed revisions to the RSA, June 2024, p. 12.

Submissions from stakeholders on JGN's access arrangement and our Issues paper are available on the <u>AER website</u>.

We are satisfied, based on our own analysis, and noting the consultation undertaken by JGN with its users, that the provisions meet the requirements of the NGR. Our draft decision accepts JGN's proposed amendments to its RSA and does not require any amendments.

## 11.7Review submission date and revision commencement date

The NGR requires that a full access arrangement that must contain a review submission date and a revision commencement date, and must not contain an expiry date.<sup>55</sup>

#### Under the NGR:

- a 'review submission date' means a date on or before which an access arrangement revision proposal is required to be submitted
- a 'revision commencement date' means the date fixed in the access arrangement as the date on which revisions resulting from a review of an access arrangement are intended to take effect.

The NGR requires JGN, as part of its access arrangement proposal, to propose a 'review submission date' and a 'revision commencement date'. The proposed revision commencement date must be not less than 12 months after the proposed review submission date.<sup>56</sup>

We must approve the dates proposed by JGN if we are satisfied that those dates are consistent with the NGO and the revenue and pricing principles and if the proposed revision commencement date is not less than 12 months after the proposed review submission date.<sup>57</sup>

JGN's proposed review submission date is 30 June 2029 and its proposed revision commencement date is 1 July 2030.<sup>58</sup> This is consistent with the 5-year outlook adopted for its 2025–30 proposal and maintains the current cycle of 5-yearly access arrangement reviews.

Our draft decision is to accept JGN's proposed review submission date and revision commencement date for its proposed 2025–30 access arrangement.

The access arrangement period for JGN's 2025–30 access arrangement is 1 July 2025 to 30 June 2030. The access arrangement period for JGN's subsequent 2030–35 access arrangement is likely to be 1 July 2030 to 30 June 2035.

Our draft decision is to accept JGN's proposed review submission date and revision commencement date for its proposed 2025–30 access arrangement.

<sup>&</sup>lt;sup>55</sup> NGR. r. 49.

<sup>&</sup>lt;sup>56</sup> NGR, r. 50.

<sup>&</sup>lt;sup>57</sup> NGR, r. 50(2).

<sup>&</sup>lt;sup>58</sup> JGN, 2025–30 - Access Arrangement - June 2024, pp. 2-3.

### 11.8 Revisions

We do not require JGN to make any revisions to the above components of its access arrangement proposal.

### **Glossary**

Term	Definition
AER	Australian Energy Regulator
Ancillary RS	Ancillary Reference Service
CCP31	Consumer Challenge Panel, sub-panel 31
JGN	Jemena Gas Networks
NGL	National Gas Laws
NSW	New South Wales
NGO	National Gas Objectives
NGR	National Gas Rules
RSA	Reference Service Agreement