



FINAL DECISION
Jemena Gas Networks (NSW)
Ltd
Access Arrangement

2020 to 2025

Attachment 11
Non-tariff components

June 2020

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Note

This attachment forms part of the AER's final decision on the access arrangement that will apply to Jemena Gas Networks (NSW) Ltd ('JGN') for the 2020–25 access arrangement period. It should be read with all other parts of our final decision.

As a number of issues were settled at the draft decision stage or required only minor updates, we have not prepared all attachments. The final decision attachments have been numbered consistently with the equivalent attachments to our draft decision. In these circumstances, our draft decision reasons form part of this final decision.

Our final decision includes the following attachments:

Overview

Attachment 1 – Services covered by the access arrangement

Attachment 2 – Capital base

Attachment 3 – Rate of return

Attachment 4 – Regulatory depreciation

Attachment 5 – Capital expenditure

Attachment 7 – Corporate income tax

Attachment 11 – Non-tariff components

Attachment 12 – Demand

Attachment 13 – Capital expenditure sharing scheme

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Shortened forms

Shortened form	Extended form
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
CCP/CCP19	Consumer Challenge Panel, sub-panel 19
ECA	Energy Consumers Australia
ENA	Energy Networks Australia
JGN	Jemena Gas Networks (NSW) Ltd
NERL	National Energy Retail Law
NERR	National Energy Retail Rules
NGL	National Gas Law
NGO	National Gas Objective
NGR	National Gas Rules
PIAC	Public Interest Advocacy Centre
RSA	Reference Service Agreement
STTM	Short Term Trading Market

11 Non-tariff components

This attachment contains our final decision and reasons on the non-tariff components of JGN's access arrangement proposal for the 2020–25 access arrangement period.

The non-tariff components are as follows:

- the terms and conditions for the supply of reference services
- queuing requirements — a process or mechanism for establishing an order of priority between prospective users of spare and/or developable capacity¹
- extension and expansion requirements — the method for determining whether an extension or expansion is a 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 a revision commencement date.

Together, we refer to these as the non-tariff components of the access arrangement. Our assessment of each non-tariff component is set out below.

11.1 Final decision

Our final decision approves JGN's proposed amendments to its Reference Service Agreement (RSA) in its 2020–25 access arrangement.²

Our final decision also confirms the amendments we approved at the draft decision stage to accommodate JGN's proposed amendments for:³ queuing requirements; extension and expansion requirements; capacity trading requirements; change of receipt or delivery point by the user; and review submission and revision commencement dates.

¹ Although not required in the present case, all transmission pipelines and some distribution pipelines are also required to set out how any spare or developable capacity will be allocated among prospective users ('queuing requirements') - see NGR, r. 103.

² JGN, *Reference Service Agreement, JGN's NSW gas distribution network, 1 July 2020 – 30 June 2025*, January 2020.

³ JGN, *Reference Service Agreement, JGN's NSW gas distribution network, 1 July 2020 – 30 June 2025*, June 2019.

11.2 Terms and conditions

The National Gas Rules (NGR) require an access arrangement to specify the terms and conditions on which each reference service will be provided.⁴ These must be consistent with the National Gas Objective (NGO).⁵ 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; and the need to ensure clarity and certainty, while avoiding an unduly prescriptive approach on commercial matters.

Our final decision approves JGN's proposed amendments to its RSA in its 2020–25 access arrangement.⁶

As noted in our draft decision, JGN's consumer engagement in the preparation of its 2020–25 initial proposal was well received by stakeholders, including our Consumer Challenge Panel (CCP19),⁷ Energy Consumers Australia (ECA)⁸ and the Public Interest Advocacy Centre (PIAC).⁹ Whilst comments from retailers – AGL, Origin and EnergyAustralia – on JGN's consumer engagement were generally positive, unresolved issues remained in relation to JGN's proposed amendments to its RSA, particularly in relation to gas quality specification, retailer-requested disconnection of customers by JGN, and the liability regime.

Our draft decision also invited stakeholder comment in response to Energy Networks Australia's (ENA) first round submission which asserted that network disconnections are complex and involve participants in numerous jurisdictions, and therefore it may not be appropriate to resolve such matters through an individual access arrangement.¹⁰ We asked stakeholders whether they would support such an approach, particularly for some of the broader industry-wide issues that are often contentious in access arrangement reviews.

We note that, following the release of our draft decision in November 2020, JGN continued to engage with stakeholders with the aim of resolving key outstanding issues prior to submitting its revised proposal. While some issues have been resolved, second round submissions from retailers confirm that outstanding issues remain.

Following receipt of JGN's revised RSA proposal on 9 January 2020, we invited stakeholders who had made comments on JGN's initial RSA proposal to a teleconference meeting on 3 February 2020 to discuss JGN's revised RSA proposal.

⁴ NGR, r. 48(1)(d)(ii).

⁵ NGR, r. 100.

⁶ JGN, *Reference Service Agreement, JGN's NSW gas distribution network, 1 July 2020 – 30 June 2025*, January 2020.

⁷ CCP19, *Submission to the AER on JGN's regulatory proposal*, August 2019.

⁸ ECA, *JGN (NSW) access arrangement 2020–25 proposal, Submission to the AER*, August 2019.

⁹ PIAC, *Submission to JGN's 2020 plan*, August 2019.

¹⁰ ENA, *ENA supports broad industry consultation on unsuccessful network disconnection requests*, October 2019.

Invitations were extended to JGN, AGL, EnergyAustralia, Origin, ENA, Brickworks, and CCP19 as observers. The meeting provided an opportunity for stakeholders to share their preliminary thoughts on the revised RSA proposal with JGN prior to the closing date for second round submissions. At the meeting, stakeholders identified gas quality specification (particularly in respect of gas procured from the Short Term Trading Market (STTM)) and retailer-requested disconnections by JGN as matters that could be better dealt with at an industry-wide level and outside of individual access arrangements.

In its revised proposal, JGN noted:¹¹

“We agree that some of the issues raised by retailers in their submissions are industry-wide, rather than specific to our RSA. For these matters, any change to the existing balance of rights and obligations should be advanced through the usual processes for regulatory reform, rather than through revising the drafting of the RSA. We consider this applies to:

- obligations in relation to gas quality specification
- consequences of inability to disconnect on retailer request”

We have assessed stakeholder submissions and approve JGN's revised RSA proposal. On balance, we consider the revised RSA proposal represents an improvement over the current period (2015–20) RSA as it has been informed by extensive engagement with retailers and generally maintains the allocation of risks between JGN and other parties to the RSA.

We acknowledge the constructive engagement of JGN and submitting stakeholders – particularly AGL, Origin and EnergyAustralia – that has informed the revised RSA proposal. We also acknowledge the difference in stakeholder views on some of the more contentious aspects of the proposed RSA, such as gas quality specification, retailer-requested disconnections by JGN, and the liability regime.

Whilst JGN and stakeholders did not fully resolve the issues, we accept the justification JGN has provided for its revised RSA proposal. With respect to gas quality specification and the impact on network charges where JGN is unable to disconnect a customer, we accept there is no change in risk allocation between JGN and users in the revised RSA proposal as compared to the current period RSA. With respect to the liability regime, we accept that JGN's proposed change to risk allocation under the revised RSA proposal achieves an acceptable balance between JGN and users.

We note that the RSA remains subject to a continuous improvement process, whereby it is formally reviewed and amended, at each access arrangement review. This does not prevent JGN from continuing its discussions with individual parties to work through their specific issues and circumstances. We encourage JGN and stakeholders to continue to engage on gas quality specification and retailer-requested disconnection issues after our decision, potentially at an industry working group level. For example,

¹¹ JGN, *Attachment 15.3 – Response to the AER's draft decision – Revisions to 2020 RSA*, January 2020, p. 5.

this work could be coordinated by the ENA, or prioritised and advanced by one of the Australian Energy Market Operator’s (AEMO) industry working groups.

Our expectation is for JGN to continue to work with retailers following our final decision, particularly in relation to performance standards applicable to JGN in light of strong views expressed in retailer submissions to help them to better manage their businesses and customers’ expectations. JGN appears open to this in its revised proposal:¹²

“...we consider that any KPI [key performance indicators] regime should be developed in the wider market, rather than being seen as part of the RSA – for example, the Energy Charter provides an opportunity to work on industry-level performance measures.”

Section 11.2.2 below summarises JGN’s revised proposal RSA.

Section 11.2.3 presents a summary of stakeholder submissions.

11.2.1 JGN’s revised proposal

In its revised proposal, JGN submits that it engaged with first round submitting stakeholders (AGL, EnergyAustralia, Origin and Brickworks) between August to December 2019:¹³

“As a result of this engagement, we believe that the updated RSA...is generally agreed except for a very limited number of issues as follow:

- users’ responsibility in relation to gas quality specification
- impact on network charges where we are not able to disconnect when requested by a retailer
- limited aspects of the liability regime (potential liability for consequential loss, liability caps)”

In comparison to the current period (2015–20) RSA, JGN adds:¹⁴

“In relation to the outstanding matters...our June 2019 RSA [initial proposal] and the January 2020 RSA [revised proposal] make no change to the risk allocation in relation to gas quality specification and the consequences of our inability to disconnect. Our proposed change to the risk allocation under the liability regime is favourable to users.”

Further information on JGN’s views on risk allocation on these matters is set out below.

11.2.1.1 Gas quality specification

With respect to gas quality specification, JGN submits there is no change in risk allocation between JGN and users in its revised RSA proposal (2020–25) as compared to its current period (2015–20) RSA.¹⁵

¹² Ibid, pp. 5-6.

¹³ Ibid, p. 2.

¹⁴ Ibid, pp. 3-5.

JGN considers this applies to:

- Responsibility to ensure that gas provided to JGN for delivery on behalf of a user meets the gas quality specification – this risk is allocated to the user under the revised RSA proposal and the current period RSA.
- Responsibility if gas procured through the STTM does not meet the gas quality specification – this risk is allocated to the user under the revised RSA proposal and the current period RSA.
- Responsibility to ensure that gas delivered to customers meets the specification, subject to gas that meets the quality specification being delivered into the network – this risk is allocated to JGN under the revised RSA proposal and the current period RSA.
- Responsibility for gas quality testing – this risk is allocated to the user under the revised RSA proposal and the current period RSA.
- Responsibility to notify users of change to gas quality specification – this risk is allocated to JGN under the revised RSA proposal and the current period RSA.

11.2.1.2 Impact on network charges where JGN is unable to disconnect

With respect to the impact on network charges where JGN is unable to disconnect a customer, JGN submits there is no change in risk allocation between JGN and users in its revised RSA proposal (2020–25) as compared to its current period (2015–20) RSA.¹⁶ Network charges remain payable where a site remains connected to JGN's network under the revised RSA proposal and the current period RSA.

11.2.1.3 Liability

With respect to the liability regime, JGN submits that its proposed change to risk allocation under the revised RSA proposal (2020–25) is favourable to users as compared to the current period (2015–20) RSA.¹⁷ JGN considers this applies to:

- JGN liability for insured events – under the revised RSA proposal, the amount is recovered under insurance, or the amount that would have been recovered but for JGN's failure to maintain insurance or comply with the policy; compared to the current period RSA where the amount is recovered under insurance.
- User liability for insured events – under the revised RSA proposal, the amount is recovered under insurance, or the amount that would have been recovered but for the user's failure to maintain insurance or comply with the policy; compared to the current period RSA where liability is uncapped.

¹⁵ Ibid, p. 4.

¹⁶ Ibid, p. 4.

¹⁷ Ibid, pp. 4-5.

- JGN liability for uninsured events – under the revised RSA proposal, this is \$5 million per user per year, up to \$50 million per year to all network users; compared to the current period RSA where this is nil.
- User liability for uninsured events – under the revised RSA proposal, this is capped at \$5 million per year (subject to certain exclusions); compared to the current period RSA where this is uncapped.
- Consequential loss suffered by JGN arising from delivery of gas into the network that doesn't meet the gas quality specification – this risk is allocated to the user under the revised RSA proposal and the current period RSA.
- Consequential loss suffered by JGN arising from failure to deliver gas into the network within the specified pressure range – this risk is allocated to the user under the revised RSA proposal and the current period RSA.
- Consequential loss suffered by JGN arising from failure to deliver sufficient gas into the network to meet the user's withdrawals on a day – this risk is allocated to the user under the revised RSA proposal and the current period RSA; noting that under the current period RSA, risk is allocated to the user to the extent the failure to deliver sufficient quantities was the result of failure to meet gas pressure requirements.
- Consequential loss suffered by JGN arising from other matters – the user is not liable under the revised RSA proposal and the current period RSA.
- User's loss of revenue arising from delivery of out-of-specification gas to a delivery point due to JGN's negligence or wilful default – this risk is allocated to JGN under the revised RSA proposal and the current period RSA.
- Other consequential loss suffered by the user – JGN is not liable under the revised RSA proposal and the current period RSA.

11.2.2 Issued raised by stakeholders

We received submissions on JGN's revised proposal RSA from ENA, CCP19 and three retailers – AGL, Origin and EnergyAustralia.

In relation to the issue of disconnections, ENA submitted:¹⁸

“ENA appreciates the AER consultation with Jemena and retailers in attempts to reach consensus on difficult disconnection issues. As this is not an issue limited to Jemena, however, ENA still considers that other gas distribution networks and other national stakeholders should be consulted to reach a whole of industry consensus on how to prudently address disconnection times and the sharing of risk for sites for which it is not possible to disconnect.”

¹⁸ ENA, *ENA's submission to Jemena's revised Access Arrangement proposal*, February 2020, p. 3.

CCP19 observed the 3 February 2020 stakeholder meeting on the revised proposal RSA and submitted the following comments on the issues of gas quality specification and disconnections:¹⁹

“We understand that producers are, however, not party to the RSA, and while retailers as users in the RSA can construct obligations with producers when they trade gas bilaterally, this is not possible when they procure gas through the Short Term Trading Market (STTM). We recommend that this is seen as an issue that should be addressed at a national level, and not just in the JGN access arrangement review...

We got to understand that the real issues was JGN’s performance, and if that were improved then the network charges would not be a contentious issue in what would then be much rarer circumstances of lack of timely disconnection. Our overall conclusion was that this issue was best addressed by benchmarking across networks and the establishment of performance standards. These could likely be administered by the AER.”

We have considered the issues raised by the ENA and CCP19. In making our decision, we have had regard to the allocation of risks in the terms and conditions. As noted earlier, we consider issues relating to gas quality specification and retailer-requested disconnections by JGN could be advanced further by JGN and stakeholders at the industry working group level. This could include discussion around the type and level of reasonable performance standards that could be applied to JGN in future access arrangement periods.

Submissions received from retailers – AGL, Origin and EnergyAustralia – are summarised below.

11.2.2.1 Issues raised by retailers

AGL’s submission

AGL submitted the following comments on the revised proposal RSA:²⁰

“We welcome JGN’s amendment in the Revised Proposal to cease network charges for volume customers on the date of disconnection rather than 20 business days after the date of disconnection as proposed in the Original Proposal...

While we appreciate JGN’s engagement on the review of the RSA and the revised RSA is greatly improved relative to the current RSA, the lack of performance targets for service orders remains a material concern for AGL...Previously, the RSA referred to a Network Code which specified performance targets or standards for services such as connections, reconnections, special meter reads, meter tests and investigations. Without performance standards for service orders, we are unable to advise customers on the timeframes for services making it difficult to manage customer expectations...

¹⁹ CCP19, *Submission to the AER on the AER’s draft decision and JGN’s revised regulatory proposal*, February 2020, pp. 32-33.

²⁰ AGL, *Jemena Gas Networks (NSW) Access arrangement 2020–25*, February 2020.

The second issue relates to sites which have been de-listed with no designated retailer, but have commenced using gas. As the local retailer, AGL is allocated these unclaimed sites...AGL would prefer than JGN contact these customers in the first instance to inform them that they have the opportunity to choose their gas retailer before assigning them to the local retailer.”

We have considered the issues raised by AGL. In making our decision, we have had regard to the allocation of risks in the terms and conditions. As noted earlier, we consider issues relating to the type and level of reasonable performance standards that could be applied to JGN in future access arrangement periods could be advanced further by JGN and stakeholders at the industry working group level. We also consider that issues relating to sites which have been de-listed with no designated retailer could be advanced further through direct engagement between AGL and JGN, given AGL’s status as the local retailer in question.

Origin’s submission

Origin submitted the following comments on the revised proposal RSA:²¹

“Origin acknowledge that JGN has sought to engage with stakeholders with a view to gaining consensus over amendments to its RSA prior to re-submitting it to the AER. While Origin is appreciative of JGN’s engagement, we remain concerned with aspects of the RSA, in particular the process surrounding disconnections and associated allocation of risk and accompanying incentive for JGN to expedite retailer requested disconnections...

- Clause 12, Deletion of delivery points from customer list – With reference to clauses 12(a)(i) and 12(b)...Origin support the latest proposal to provide for deletion of volume customer delivery points from the customer list from the date of disconnection.
- Clause 15.9, Disconnection and abolishment of delivery points – Origin has been having discussions with JGN for over two years to try to address poor disconnection performance outcomes for sites within JGN’s network. Specifically: JGN has...been unable (or unwilling) to disconnect...sites when requested by Origin and has billed for continued charges for disconnected and unable to locate meter sites; in many cases, multiple disconnection service orders were raised by Origin and were automatically rejected...These ‘auto-rejections’ are largely due to JGN infrastructure limitations and/or system rules (e.g. service orders with no customer contact details or street address details with lot numbers)...
- Liability for ongoing network and energy charges – ...The RSA addresses the question of when network charges cease upon the successful disconnection of a Delivery Point...but not in the event that a disconnection is requested but not completed...Origin is seeking a means to incentivise JGN to disconnect expeditiously to minimise financial consequences for retailers...
- Recommended approach to disconnections – ...Origin seek the implementation of, and adherence by JGN to, an adequate process for disconnections going forward. This would include, amongst other things: (a) the introduction of a ‘street disconnection’

²¹ Origin, *RE: AER draft decision and revised regulatory proposal for Jemena Gas Networks (NSW) access arrangement 2020–25*, February 2020.

service for a reasonable charge; (b) JGN ceasing to apply network charges (and compensating Origin for energy usage) where disconnections are unsuccessful or declined by JGN; (c) an improved process for escalating high-value sites; and (d) where a meter has been removed or is unable to be located, further network charges to not apply and revise consumption for the affected period.

- Clause 15.9(e)(ii) – Origin note that the scope of the obligation...was broadened in JGN's June 2019 proposal so that it would also apply to providing sufficient information to enable JGN to access the site and perform the work. The scope of the obligation remains the same as in the June proposal, but the standard to be met by Origin has been somewhat softened...In addition, we note the related insertion at clause 16.5 of a new provision requiring Origin to provide customer details held by Origin if requested by JGN...Origin consider that there are already sufficient general obligations in relation obligations in relation to cooperation and sharing information within the RSA and under NERR...
- Clause 16.5(d) – Origin notes that our current sales agreements cover the distributor's access to a site without approval and in instances of an emergency. The agreements however, also require that Origin consult and gain consent from the customer for any additional metering equipment...Origin propose that JGN and Origin share responsibility and act reasonably to rectify access to metering equipment. Further, Origin suggest that JGN be required to consult with the customer and user (to gain consent) for any additional metering equipment before proceeding.
- Clause 16.7 – Origin notes that it does not control the customer site and is therefore unable to identify safe access points or warrant other options on behalf of customers...Origin believes that the consequence of no site access should be shared with JGN such that JGN engage with the user and the customer and review access options available.
- Clauses 27.2(b)(C) & (D) – Origin is concerned that these clauses may expose retailers to financial losses. In particular, there is no indication of how liability would be shared amongst claimants...Origin consider that it is JGN's responsibility to manage their potential exposure to their many users – that should not limit a retailer's right to recover amounts to which they are entitled."

We have considered the issues raised by Origin. In making our decision, we have had regard to the allocation of risks in the terms and conditions. As noted earlier, we consider issues relating to gas quality specification, retailer-requested disconnections by JGN and the liability regime could be advanced further by JGN and stakeholders at the industry working group level. This could include discussion around the type and level of reasonable performance standards that could be applied to JGN in future access arrangement periods.

EnergyAustralia's submission

EnergyAustralia submitted the following comments on the revised proposal RSA:²²

“EnergyAustralia are grateful for JGN’s continued consideration of retailers’ concerns and the resulting changes it has already made to their initial RSA. We are particularly appreciative of the amendment to Clause 12(b)(i) which has confirmed that charges to retailers will not be applied after the date of disconnection...

EnergyAustralia held productive discussions with JGN in late December 2019, which highlighted a disconnect in interpretation by EnergyAustralia and JGN...During the conversation there were concerns of EnergyAustralia that JGN acknowledged and...amendments were made...[to clauses 19.5(a)(iii), 12(a)(iv), 16.5(f) and 16.7(e)].

EnergyAustralia has concerns that remain with the RSA, which continue to highlight our interpretation that liability is unfairly being imposed on retailers:

- Definitions (Loss) – In our view, the Definitions of ‘Loss’ and ‘Consequential Loss’ should be amended to reflect a more tangible expression...JGN maintain that the definition is similar to the previous RSA. EnergyAustralia believe that further consideration is required to improve a retailer’s position in this space, as this predominantly refers to incidents outside the reasonable control of a retailer; such as Gas Specification/Source and retailers have limited recourse with gas suppliers.
- Clause 10.1(a) and Clause 27.4(a)(ii)(B) – In the current STTM EnergyAustralia can ‘procure’ gas from a supplier, [but] we are unable to ensure the gas delivered meets the required Gas Specifications...
- Clause 26.3 – This clause outlines the indemnity in favour of JGN and its associates for any loss, following a range of actions by the User. As outlined above, the indemnity in favour of JGN is ultimately too broad...
- Clause 16.2(b) – EnergyAustralia accepts that meter upgrades required for an increase in customer’s Maximum Daily Quantity (MDQ) or Maximum Hourly Quantity (MHQ) is the responsibility of the customer and something that a retailer would pass through. EnergyAustralia’s concerns relate to the scope that this may be used: a customer vacates the property, resulting in a reduction in MDQ/MHQ...
- Successful Service Order Completion – JGN’s RSA outlines the liability for a range of scenarios, unfortunately it does not provide any requirement for JGN in the realm of successful service order completion. There are significant issues impacting JGN’s capacity to complete service orders to a reasonable industry standard, most notably those relating to disconnection.”

We have considered the issues raised by EnergyAustralia. In making our decision, we have had regard to the allocation of risks in the terms and conditions. As noted earlier, we consider issues relating to gas quality specification, retailer-requested disconnections by JGN and the liability regime could be advanced further by JGN and stakeholders at the industry working group level. This could include discussion around

²² EnergyAustralia, *Jemena Gas Networks (NSW) - Access arrangement 2020–25*, February 2020.

the type and level of reasonable performance standards that could be applied to JGN in future access arrangement periods.

11.2.2.2 Issued raised by non-retailer users

Our final decision approves JGN’s proposed amendment to clause 30 of the RSA in its 2020–25 access arrangement. Clause 30 proposes increasing the amount of security which JGN may request from a self-contracting user, as this is not captured by the NGR. Our draft decision requested further information from JGN to justify its initially proposed amendment to clause 30, which proposed increasing security requirements for non-retailer users from two billing periods to six billing periods — this concerned Brickworks in first round submissions.²³

In its revised proposal, JGN noted:²⁴

“During our engagement with Brickworks on their submission, they advised that six months’ security is more than the amount required by the four other gas distribution businesses they deal with. In light of this, the proposed RSA reduces the period of six months to three months.”

We did not receive any further stakeholder submissions on this matter. We consider JGN’s revised proposal strikes a reasonable balance between the commercial needs of non-retailer users and JGN.

11.2.3 Other related matters

We note that in other key documents to this final decision, including the Overview and subject matter attachments, we provide information on the other amendments that we have approved to JGN’s access arrangement for the 2020–25 period. Please refer to those documents for further information.

11.3 Queuing requirements

Our final decision approves JGN’s proposed amendments for queuing in its 2020–25 access arrangement. Our final decision is unchanged from our draft decision.

Queuing requirements establish the priority that a prospective user has, compared to other prospective users, to obtain access to spare and developable capacity on a covered pipeline.²⁵ JGN’s proposed amendment to section 7 (‘Queuing’) of its proposed 2020–25 access arrangement deletes all current provisions relating to its queuing process. This is replaced with a statement that cross-references rule 103(1)(b) of the NGR where similar queuing process related provisions reside. JGN will respond to any AER future request requiring the inclusion of queuing requirements in JGN’s access arrangement.

²³ Brickworks, *JGN (NSW) – Access Arrangement 2020–2025 consultation*, August 2019.

²⁴ JGN, *Attachment 15.3 – Response to the AER’s draft decision – Revisions to 2020 RSA*, January 2020, p. 20.

²⁵ NGR, r. 103(3).

We did not receive any stakeholder submissions on this matter. Please refer to our draft decision for further information on this matter.

11.4 Extension and expansion requirements

Our final decision approves JGN's proposed amendments for extensions and expansions in its 2020–25 access arrangement. Our final decision is unchanged from our draft decision.

These provisions 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.²⁶ An 'extension' allows the pipeline to service new locations, while an 'expansion' increases the amount of gas an existing length of pipeline can carry. JGN's proposed amendments seek to align the wording of section 8 ('Extensions and expansions policy') of its proposed 2020–25 access arrangement with rule 104 ('Extension and expansion requirements') of the NGR, and clarify which extensions and expansions will form part of its network.²⁷ This includes defining 'Network' by reference to JGN's four covered pipelines as set out in section 11 ('Consolidated access arrangement') of its proposed 2020–25 access arrangement.²⁸

We did not receive any stakeholder submissions on this matter. Please refer to our draft decision for further information on this matter.

11.5 Capacity trading requirements

Our final decision approves JGN's proposed amendments for capacity trading in its 2020–25 access arrangement. Our final decision is unchanged from our draft decision.

An access arrangement must set out capacity trading requirements, which deal with the transfer of a user's contracted capacity to another user.²⁹ JGN has proposed additional wording to section 8 ('Capacity trading') of its proposed 2020–25 access arrangement to reflect that its current (2015–20) Reference Service Agreement does not provide for contracted capacity to a user. JGN proposes to provide such capacity, if required, in accordance with rule 105 ('Capacity trading requirements') of the NGR.³⁰

We did not receive any stakeholder submissions on this matter. Please refer to our draft decision for further information on this matter.

²⁶ Rule 48(1)(g) for full access arrangements, r. 45(1)(f) for limited access arrangements for light regulation services, r. 129(1)(f) for international pipelines, and r. 24(2)(c)(v) for CTP access arrangements.

²⁷ JGN, *Attachment 9.1 – Explanation of proposed revisions to the 2015–20 access arrangement*, June 2019, p. 7.

²⁸ Section 11 of JGN's proposed 2020–25 access arrangement states that its network is comprised of four covered pipelines: the Wilton-Newcastle pipeline ('northern trunk'), the Wilton-Wollongong pipeline ('southern trunk'), the NSW Distribution System, and the Central West Distribution System.

²⁹ NGR, r. 48(1)(f).

³⁰ JGN, *Attachment 9.1 – Explanation of proposed revisions to the 2015–20 access arrangement*, June 2019, p. 7.

11.6 Changing receipt or delivery points

Our final decision approves JGN's proposed amendments for changing receipt and delivery points in its 2020–25 access arrangement. Our final decision is unchanged from our draft decision.

An access arrangement must set out the terms and conditions for changing receipt and delivery points.³¹ JGN has proposed amendments to section 10 ('Changing receipt and delivery points') of its proposed 2020–25 access arrangement for the purpose of consistency with defined terms used elsewhere in its access arrangement.³²

We did not receive any stakeholder submissions on this matter. Please refer to our draft decision for further information on this matter.

11.7 Review submission and revision commencement dates

Our final decision approves JGN's proposed revision submission date (30 June 2024) and revision commencement date (1 July 2025) for its 2020–25 access arrangement. Our final decision is unchanged from our draft decision.

Rule 49(1) of the NGR requires that a full access arrangement that is not voluntary must contain a review submission date and a revision commencement date and must not contain an expiry date. Rule 50(1) of the NGR requires JGN, as part of its access arrangement proposal, to propose a review submission date and a revision commencement date.

We did not receive any stakeholder submissions on this matter. Please refer to our draft decision for further information on this matter.

³¹ NGR, r. 48(1)(h).

³² JGN, *Attachment 9.1 – Explanation of proposed revisions to the 2015–20 access arrangement*, June 2019, p. 7.

A Reference Service Agreement

The approved JGN access arrangement for the 2020–25 access arrangement period, as well as the Reference Service Agreement which is a schedule to the access arrangement, have been published as separate documents as part of our 2020–25 final decision for JGN.

Please refer to those separate documents for both ‘clean’ and ‘tracked’ (comparing 2015–20 and 2020–25 documents) copies of the approved 2020–25 documents.