

18 April 2023

Ms Clare Savage
Chair
Australian Energy Regulator
Level 17 Casselden Place
2 Lonsdale Street
MELBOURNE VIC 3000

Dear Ms Savage

ABOLISHMENT OF GAS CONNECTION DUE TO ELECTRIFICATION

You have requested our advice regarding the safest approach for gas disconnections as the AER is currently considering the Victorian Network Gas Access Arrangements.

As you are aware, the Victorian Government Gas Substitution Roadmap sets out initiatives to transition the Victorian community away from fossil gas and towards zero emissions energy. The Roadmap sets out policies to support households and small businesses to invest in modern, efficient electrical appliances and transition away from old gas appliances. As a consequence, many Victorian homes are likely to become fully electrified and will no longer require gas connections.

Under the Gas Safety Act 1997, Gas Distribution companies have obligations to manage and operate the networks to minimise the hazards and risks to the community as far as practicable (AFAP). Further detail on how gas distribution companies are to achieve this is set out in Australian Standards and in the gas distribution businesses individual gas safety cases.

Gas distribution companies currently have three disconnection methods available to them to disconnect the gas supply depending on the type of disconnection required. These are:

(i) capping the gas meter

The gas supply is disconnected temporarily by installing a plug at the meter outlet. This option is normally used when recovering outstanding billing charges with the gas supply being restored by removing the cap at a later date. The gas service remains energised, that is, gas remains in the pipe.

(ii) removing the gas meter (while the associated pipe and service upstand are still retained)

This option is used for a temporary or permanent meter disconnection at a meter manifold, where more than one gas meter supplies gas to multiple consumers in the same premises e.g. multi-dwelling apartments. The gas service remains energised.

(iii) permanent abolishment of the gas service

Permanent abolishment of gas service is achieved by disconnecting the service from the gas main at the property boundary and removing the meter and upstand. The pipe is purged of gas.

The need for permanent abolishment of a gas service in Victoria has occurred in isolation and in relatively small numbers over preceding years and usually where there is a change in use of the property. It has been the practice to use permanent abolishment to minimise the safety risks as far as practicable, where a gas service is permanently disconnected, This is because if gas remains in a service line but there is no need for the energy source, a gas escape could occur as a result of a service line damage due to a strike or material degradation over time. There is then the potential for gas to travel inside the property causing gas accumulation, asphyxiation or ignition. Overtime, changes in property ownership will further increase the risk, as the new owners may be unaware of the live gas assets within the premises.

The gas distribution companies' safety cases accepted by ESV details the gas companies assessment of hazards such as "live assets" and how they reduce the safety risks to as far as practicable. Relevant operating procedures detail the disconnection options available which are supported by Section 8 of Australian Standard AS4645 (Distribution Networks) which requires that "a gas asset must be decommissioned in a way that the disconnected elements cannot become unsafe at the time of the disconnection or any time afterwards."

Whilst ESV's current position is that permanent abolishment is required for gas distributors to meet their obligations to minimise the safety risks of permanent disconnection as far as practicable, ESV is committed to working with the gas distribution businesses to understand:

- whether other methods may be more appropriate than permanent abolishment in the context of the large numbers of disconnections that have been forecast as a result of the Victorian government's policy to support efficient electrification; or
- whether there are any new technologies that may reduce the safety risk.

We will continue to engage with you as we undertake this work.

If you have any queries regarding the matters in this letter, please contact Anastasia Kontogiorgis.

Yours sincerely

Michelle Groves
ACTING CHAIRPERSON
Victorian Energy Safety Commission