



29 June 2012

Sebastian Roberts
General Manager
2012 Victorian Gas Access Arrangement Review
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3000

Via email: VicGAAR@accc.gov.au

RE: Victorian Gas Access Arrangement Review, 2013-2017

Dear Sebastian

Australian Power & Gas (**APG**) welcomes the opportunity to provide comments with respect to the Australian Energy Regulator's (**AER**) review of the Gas Access Arrangements for Gas Distributors in Victoria. In its comments, APG has focused on the Terms and Conditions associated with the Access Arrangements for Envestra, SP Ausnet and Multinet for the period 1 January 2013 to 31 December 2017.

Under the National Gas Law (**NGL**), the AER has the function to review and approve Gas Distributors' Access Arrangement proposals for the Victorian and Albury gas distribution systems. Part of this review encompasses the non-price terms under which Gas Distributors provide Retailers access to their networks for the Access Arrangement period.

With the delay in the implementation of the National Energy Customer Framework (**NECF**) in Victoria, APG would expect overall that NECF applicable sections of the proposed Access Arrangement terms and conditions will require revision to account for this delay. This is most evident in the proposal submitted by Envestra. However, APG firmly supports that all NECF applicable clauses in the Access Arrangement proposals come into immediate effect with the inception of NECF in Victoria. This should happen without any derogation by the AER or the Victorian Government.

Please find attached APG's specific consolidated comments to sections of the proposed non-price terms for each Gas Distributor.



We welcome the opportunity to discuss this with the AER further as needed. Please do not hesitate to contact me on (02) 8908 2714 or via email at hpriest@auspg.com.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Hilary Priest'.

Hilary Priest

Manager, Government Regulatory Relations and Compliance

Australian Power & Gas

Consolidated Comments to T&C for Victorian Access Arrangements:

Network	Section	APG comments
Multinet Gas/SP Ausnet	3.0 Customer Relationship	APG understands this section has been revised to reflect the implementation NECF in Victoria. As this has been delayed, the section should be revised to reflect the delay and allow it to come into force when NECF is implemented in Victoria.
	4.4(b) Entitlement to refuse Service	APG understands this section has been revised to reflect the implementation NECF in Victoria. As this has been delayed, the section should be revised to reflect the delay and allow it to come into force when NECF is implemented in Victoria.
	4.7(c) The User's obligation/Capacity Management	APG requests that the following words be inserted in front of "ensure" in clause 4.7(c) read: "to the extent that such matters are within the User's reasonable control, take all reasonable actions to" APG believes that retailers can only be held responsible for actions which may be in their reasonable control to undertake.
	6.0 Disconnection and Interruption of a Customer	APG understands this section has been revised to reflect the implementation NECF in Victoria. As this has been delayed, the section should be revised to reflect the delay and allow it to come into force when NECF is implemented in Victoria.
	7.4(k) Distribution Services – Invoicing, Payment and Interest	Payment of invoices within 10 business days is not consistent with the timeframe under which retailers are able to receive payment from consumers (13 business days under NECF). This timeline should be equalised.
	7.4(l) Distribution Services – Invoicing, Payment and Interest	APG requests that Austraclear be allowed as an additional payment method to direct bank deposit.
	7.6 GSL Payment	Add back clause 7.6(d). Until such time as NECF is implemented in Victoria, retailers must be notified of GSL payments as they facilitate payments being received by consumers as Distributors do not have a direct relationship with consumers.

Australian Power & Gas
Consolidated Comments to T&C for Victorian Access Arrangements:

Network	Section	APG comments
	7.8 Credit Support	APG supports the provision as it does not allow for the application of clause 7.8 following the implementation Division 4, Part 21 of the National Gas Rules (Credit Support Regime). APG strongly supports that implementation of Part 21 is not delayed any longer than the delay of the overall implementation of NECF in Victoria.
	9.1 Answering Calls	APG requests SP Ausnet/Multinet Gas review the clause to ensure its consistency with Victorian law and regulation until such time as NECF is implemented. Specifically, APG requests the word “ negligent ” be inserted in clause 9.1(j) before the words “act or omission of the User”
	9.2(c) Provision of information concerning Class A Inquiries, Class B Inquiries and Class C Inquiries	Clause 9.2(c) should include provision for the reasonable notification by the Service Provider to Users of changes to their website as these may be related to emergencies and may require prompt action by retailers to protect consumer interests.
	11.2(c) Consultation prior to Disconnection	APG request the words “ without notifying the user ” be inserted at the end of the clause following the word Disconnection to clarify that the Service Provider can only rely on Regulatory Instruments that require or allow the disconnection without notification.
	13.5(c) Indemnity by the User	APG requests that the wording of the clause read: “revenue which, by virtue of clause 508(1) of the National Gas Rules, the Service Provider is unable to collect because of the negligent act or omission of the User.”

Network	Section	APG comments
Envestra Victoria and Albury	21.5 Due date for Payment	Payment of invoices within 10 business days is not consistent with the timeframe under which retailers are able to receive payment from consumers (13 business days under NECF). This timeline should be equalised.
	25.1 Method of Payment	APG requests that Austraclear be allowed as an additional payment method to electronic bank transfer.
	25.2 Business Days	APG opposes the requirement for payment 1 business day in advance of the due date for payment when the due date is not a business day as it effectively shortens the payment due date to 9 business days from the date of invoice. Retailers should have until the next business day to make payment.
	27 Credit Support	APG supports the concept of the provision to implement the National Gas (Retail Support) Amendment Rules 2010 immediately following the implementation of NECF in Victoria.
	29.1(b) Indemnity against Property Damage and Personal Injury	APG request the 29.1(b) read: “ death or injury caused to an officer, servant, agent or contractor of the Network User or a Shared Customer”
	34.2 Benefit of Insurance	APG opposes clause 34.2 as it effectively requires APG to hold separate insurance to cover its relationship with Envestra. APG agrees that parties to the Agreements should hold insurance and be willing to provide proof of currency of insurance. However, as retailers hold multiple Access Agreements with networks for distribution of supply, the requirement to hold dedicated, separate insurance cover for its relationship with Envestra sets a precedent that is unnecessarily costly and burdensome on retailers.