

# **Attachment A: Background**

Access arrangement information

ACT and Queanbeyan-Palerang gas network  
access arrangement 2026–31

Submission to the Australian Energy Regulator

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# 1. About this access arrangement revision proposal

This document describes the purpose and form of Evoenergy's 2026–31 access arrangement revision proposal and provides background information on Evoenergy.

## 1.1 Purpose of this access arrangement revision proposal

This access arrangement information has been prepared by Evoenergy ABN 76 670 568 688 a partnership between Jemena Networks (ACT) Pty Limited ABN 24 008 552 663 and Icon Distribution Investments Limited ABN 83 073 025 224 (Evoenergy).

It provides the background to, and supporting information for, the access arrangement revision proposal applicable to the ACT and Queanbeyan-Palerang natural gas distribution network owned, controlled and operated by Evoenergy for the period 1 July 2026 to 30 June 2031 (2026–31 access arrangement period). This access arrangement information, which is comprised of Evoenergy's five-year gas plan (2026–31), including all of the supporting information contained in its attachments, and the proposed 2026–31 access arrangement are collectively referred to as Evoenergy's access arrangement revision proposal, or Evoenergy's access arrangement proposal. Evoenergy Attachment B: Document list provides a submission matrix which identifies the documents making up Evoenergy's access arrangement proposal.

The Evoenergy current 2021–26 access arrangement details the commercial and technical terms and conditions upon which Evoenergy offers access to reference services to users and prospective users of the Evoenergy network.

Under Section 113 of the National Gas (NSW) Law (NGL), Rule 52(1) of the National Gas Rules (NGR) and Clause 1.3 of the 2021–26 access arrangement, Evoenergy must, by 30 June 2025, submit revisions to the 2021–26 access arrangement for the Australian Energy Regulator's (AER) approval. The revisions will apply for the access arrangement period 2026–31.

The proposed revisions are set out in Evoenergy's access arrangement proposal. Evoenergy Attachment 10: Network access and Appendix 10.1: Marked up access arrangement provide an overview of the proposed revisions to the access arrangement.

The reference service agreement (RSA) sets out the terms and conditions for the provision of the reference service and is a schedule to the access arrangement. Appendix 10.2: Marked up reference service agreement sets out the proposed changes to the RSA 2026–31.

## 1.2 Purpose of access arrangement information

Pursuant to rule 42(1) the purpose of this access arrangement information is to provide information that is reasonably necessary for Users and Prospective Users of the Evoenergy network to understand:

- the background to the access arrangement proposal, and
- the basis and derivation of the various elements of the access arrangement proposal.

Additionally this access arrangement information includes the information specifically required by the NGL (Rule 42(2)).

## 1.3 Interpretation

The access arrangement information adopts the following drafting conventions:

- monetary values are reported in real 2025–26 Australian dollars, unless otherwise indicated
- annual values are reported on a 1 July to 30 June financial year (FY) basis, unless indicated otherwise
- numerical values in tables may not sum due to arithmetic rounding
- reference to a “Rule” or “NGR” is a reference to a rule from the NGR
- the document “Access arrangement for the ACT and Queanbeyan-Palerang gas distribution network 1 July 2026 – 30 June 2031” is referred to in this access arrangement proposal as the 2026–31 access arrangement
- references to the “2021–26 access arrangement period” or “current access arrangement period” refer to the period commencing 1 July 2021 and ending 30 June 2026
- references to the “26–31 access arrangement period” or “next access arrangement period” refer to the period commencing 1 July 2026 and ending 30 June 2031.
- References to the “subsequent access arrangement period” refer to the period commencing 1 July 2031.

A glossary of terms and acronyms list is also provided within each attachment of the access arrangement information.

## 1.4 Compliance of the 2026 proposal

- The access arrangement proposal complies with applicable requirements of the NGL and the NGR. Specific requirements of the NGR are addressed in relevant sections of the access arrangement proposal. A compliance checklist cross-referencing the relevant NGL and NGR compliance requirements with the access arrangement proposal content is provided in Evoenergy Attachment C: Compliance checklist.
- On 17 February 2025,<sup>1</sup> the AER served Evoenergy with a regulatory information notice to assist the AER’s assessment of the access arrangement proposal (access arrangement RIN). Evoenergy’s response to the access arrangement RIN has been provided separately to the access arrangement proposal (access arrangement RIN response). Evoenergy’s access arrangement RIN response and access arrangement proposal cross-reference to each other where appropriate.

## 1.5 Regulatory framework

The provisions of the NGL set the overarching framework in which the access arrangement proposal will be assessed. The objective of the NGL is the National Gas Objective (NGO).

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<sup>1</sup> The AER reissued the RIN on 16 June 2025 to include director certification obligations omitted from the 17 February 2025 RIN.

Evoenergy has carefully considered the meaning and practical implications of the NGO, and associated revenue and pricing principles in preparing its access arrangement proposal.

### **NGL sections 23, 24 and 72A**

#### **23 National Gas Objective**

The objective of this Law is 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.

Note— The AEMC must publish targets in a targets statement: see section 72A.

## **72A Target statement for greenhouse gas emissions targets**

- (1) The AEMC must prepare and maintain a document (the targets statement) stating the targets set by a participating jurisdiction mentioned in section 23(b).
- (2) If the MCE or a Minister of a participating jurisdiction gives a written direction to the AEMC to include a target in, or remove a target from, the targets statement, the AEMC must comply with the direction.
- (3) A Minister may give a written direction under subsection (2) only in relation to a target set by the Minister's participating jurisdiction.
- (4) The AEMC must publish on its website—
  - (a) The targets statement; and
  - (b) Each direction given under subsection (2).
- (5) In having regard to the national gas objective under this Law, the Regulations or the Rules with respect to the matters mentioned in section 23(b), a person or body must consider, as a minimum, the targets stated in the targets statement.

## **24 Revenue and pricing principles relating to scheme pipelines**

- (1) The revenue and pricing principles that apply in relation to a pipeline service provided by means of a scheme pipeline are the principles set out in subsections (2) to (7).
- (2) A scheme pipeline service provider should be provided with a reasonable opportunity to recover at least the efficient costs the service provider incurs in—
  - (a) providing reference services; and
  - (b) complying with a regulatory obligation or requirement or making a regulatory payment.
- (3) A scheme pipeline service provider should be provided with effective incentives in order to promote economic efficiency with respect to reference services the service provider provides. The economic efficiency that should be promoted includes—
  - (a) efficient investment in, or in connection with, a pipeline with which the service provider provides reference services; and
  - (b) the efficient provision of pipeline services; and
  - (c) the efficient use of the pipeline.
- (4) Regard should be had to the capital base with respect to a pipeline adopted—
  - (a) In any previous—
    - (i) Access arrangement decision; or
    - (ii) Decision of a relevant Regulator under section 2 of the Gas Code;
  - (b) In the Rules



## **24 Revenue and pricing principles relating to scheme pipelines (cont.)**

- (5) A reference tariff should allow for a return commensurate with the regulatory and commercial risks involved in providing the reference service to which that tariff relates.
- (6) Regard should be had to the economic costs and risks of the potential for under and over investment by a scheme pipeline service provider in a pipeline with which the service provider provides pipeline services.
- (7) Regard should be had to the economic costs and risks of the potential for under and over utilisation of a pipeline with which a scheme pipeline service provider provides pipeline services.

## **1.6 Confidential information**

Evoenergy Attachment D: Confidentiality register in Evoenergy access arrangement proposal sets out specific sections of Evoenergy's proposal that Evoenergy claims to be commercial-in-confidence and the basis of the claim.

## **1.7 Basis for financial information provided in this access arrangement**

Rule 73 requires Evoenergy to provide all financial information consistently on the same basis and to state the basis on which that information is provided in the access arrangement information.

Unless otherwise stated, the financial information in this access arrangement information is provided in 2025-26 real dollars. Past values are brought to this basis using the Consumer Price Index (CPI) calculated using the 'all groups index' for the weighted average of eight capital cities for the December quarter over the December quarter for the previous year, published by the Australian Bureau of Statistics for the individual years 2020-21 to 2023-24. A placeholder inflation estimate of 2.65 per cent is used for 2025-26. Estimated inflation for the access arrangement period for use in the financial modelling is forecast as discussed in Attachment 5: Transportation (including metering) revenue requirement and prices.

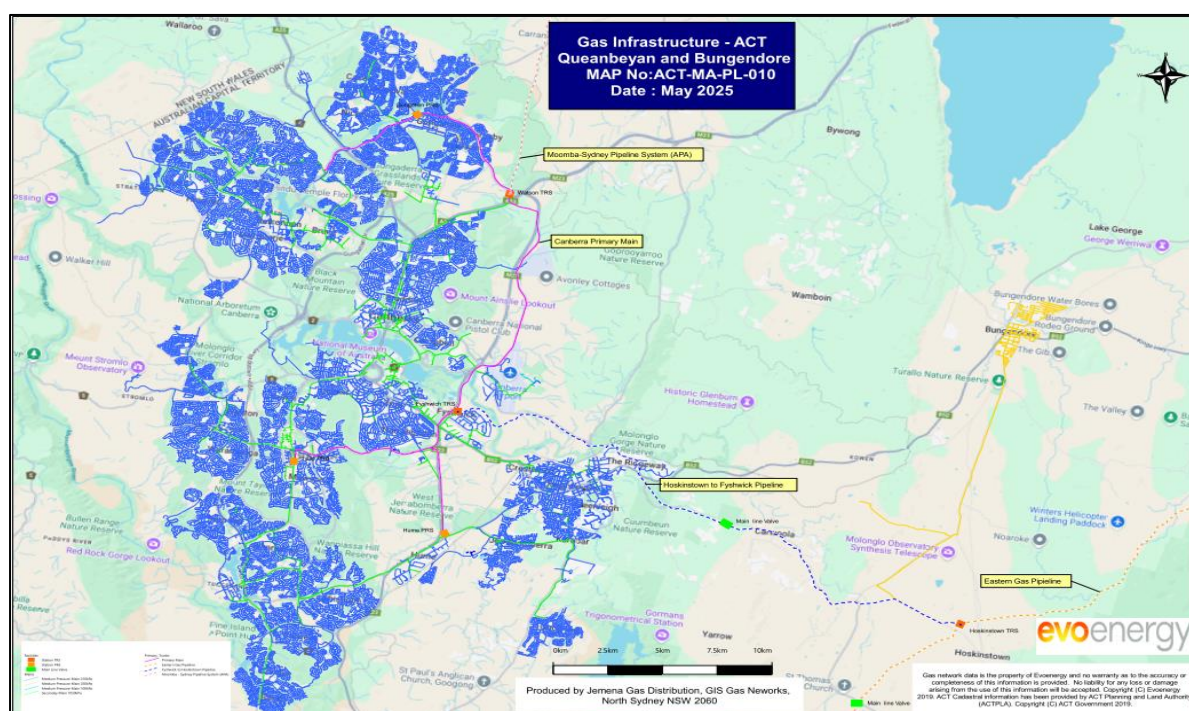
## 2. Background to the Evoenergy Gas Network

Evoenergy provides gas transportation and associated services to users of the Evoenergy gas network (Users).

### 2.1.1 Configuration and operation

Evoenergy's ACT and Queanbeyan-Palerang gas network is around 5,000 km in length and distributes to approximately 153,000 customers across the ACT and the Queanbeyan-Palerang region in New South Wales (NSW) as shown in Figure 1.<sup>2</sup>

*Figure 1 Evoenergy's ACT and Queanbeyan-Palerang gas network*



The gas transported through our network comes from both the Eastern Gas Pipeline and the Moomba-Sydney Pipeline.

Gas is received from these transmission pipelines into our network at either Watson or Hoskinstown and then into four primary regulating stations. From these primary regulating stations, gas is distributed to nearly 100 district regulators across the ACT and Queanbeyan and then into our nearly 5,000 km medium pressure gas mains. Gas is distributed to Bungendore via a small facility at our Hoskinstown site.

Evoenergy's gas network assets are listed in Table 1.

<sup>2</sup> The Network comprises approximately 4,806 km of pipeline within the ACT and Queanbeyan-Palerang areas and includes NSW pipeline licence no. 29 from Hoskinstown to the ACT Border near Oaks Estate.

**Table 1 Evoenergy's gas network assets (at 30 June 2024)<sup>3</sup>**

Asset class	Km or number	Description
Transmission mains	30	The single asset in this class, the Hoskinstown–Fyshwick pipeline, was built in 2000-01 to supply gas to the primary network via the Fyshwick trunk receiving station TRS. This asset class comprises of a pipeline, cathodic protection systems and easements. The pipeline has a diameter of 250 mm and a maximum allowable operating pressure (MAOP) of 14,900 kilopascal (kPa).
Primary mains	42.8	Primary mains provide natural gas to the secondary distribution system of the ACT and Queanbeyan. They are constructed of high-strength steel pipe of 250 mm diameter and have an effective MAOP of 6,895 kPa. They are internally and externally protected against corrosion by a physical coating and via cathodic protection.
Secondary mains	236	Secondary mains provide gas to the Secondary District Regulator Sets (SDRS) within the ACT and Queanbeyan networks. They also directly supply a number of large contract customers. The secondary mains network is constructed from steel pipe externally coated to protect against corrosion. Mitigation of corrosion risk is also achieved via cathodic protection. Secondary mains have a MAOP of 1,050 kPa.
Medium pressure mains	4,502	Medium pressure mains supply natural gas to domestic as well as industrial and commercial (I&C) users. They are predominantly plastic (polyethylene and nylon) and operate at a MAOP of 210 kPa.
Custody transfer stations (CTS)	1	The CTS at Hoskinstown provides the custody transfer of gas ownership from the Eastern Gas Pipeline (EGP) to the Hoskinstown to Fyshwick pipeline with an MAOP of 14,895 kPa.
Trunk receiving stations (TRS)	2	The TRS at Fyshwick provides the step down from transmission pressure in the Hoskinstown to Fyshwick pipeline to the primary network mains. The TRS at Watson provides a step down in transmission pressure

<sup>3</sup> Evoenergy, [Annual RIN Response 2023-24](#), 30 November 2024; and Evoenergy data.

Asset class	Km or number	Description
		from the Dalton to Watson Lateral to the secondary network mains and is also treated as a CTS.
Primary regulating stations (PRS)	3	Primary regulating stations are pressure reduction facilities located at each off-take on the primary main (Gungahlin and Phillip) and at the end of the Hume Primary Main extension (Hume). The ACT/Queanbeyan PRSs reduce pressure from an MAOP of 6,895 kPa to supply the secondary network at 1,050 kPa.
Package offtake stations (POTS)	1	Bungendore POTS is located in the Hoskinstown CTS compound. The Bungendore POTS reduces the transmission pressure of the gas from 14,895 kPa to 400 kPa.
Secondary district regulator sets (SDRS)	96	Secondary district regulator sets are required at each off-take from the secondary system to supply the medium pressure systems. They reduce the pressure from 1,050 kPa at the inlet to 210 kPa at the outlet.
Residential gas and water meter sets	150,492	Evoenergy provides energy transportation services for energy retailers and their customers. The financial transactions between the networks, energy retailers and the end users are largely determined by the metering equipment provided by Evoenergy to measure delivered quantities.
Industrial and Commercial (I&C) gas meter sets	3,006	I&C meter sets have the same purpose and functionality as residential meter sets. However, equipment complexity, unit cost and maintenance requirements increase with load size and as the network delivery pressures increase.

Jemena Asset Management Limited ABN 53 086 013 461 provides comprehensive management, operations and commercial services to Evoenergy for the network.

Evoenergy also owns and operates the Nowra gas network in NSW. More information on the Nowra gas network can be found on our [website](#).

## 2.1.2 Pipeline capacity

The table below sets out the current maximum operating capacity for the large distribution pipelines under normal operating conditions, as required under NGR Rule 101B(2)(c). The firm capacity that is, or would be available for sale in any month is subject to a number of matters including our obligation to meet delivery commitments to all network users and customers, and the actions by third parties in relation to injection of gas into the network (NGR Rule 101B(5)(a)).

These delivery commitments vary on a daily, monthly and annual basis as customers join or leave the network or change their gas consumption patterns. Actual daily and monthly flow data for the pipelines, and hourly flow data where available are published on our website,<sup>4</sup> providing information about historical volumes delivered through the pipeline in each month.

*Table 2 Firm capacity available on Evoenergy's ACT and Queanbeyan-Palerang network*

Pipeline	Maximum daily flow under normal operating conditions	Maximum hourly flows under normal operating conditions
Hoskinstown-Fyshwick Pipeline	96TJ/day	105,000 Scmh or 4,000GJ/hour
Canberra Primary System	70TJ/day	170,000 Scmh or 6,460GJ/hour

## 2.1.3 Users and services

Evoenergy's gas services include the transportation and delivery of natural gas through our ACT and Queanbeyan-Palerang gas distribution network. We also provide metering, connection and disconnection (permanent and temporary) services, as well as emergency management.

As set out in Evoenergy Attachment 7: Transportation (including metering) reference service and tariffs and Attachment 8: Ancillary activities reference service and tariffs, in the 2026–31 access arrangement period Evoenergy will make available to users two reference services which provide for:<sup>5</sup>

1. **Transportation (including metering) Reference Service**, which is a service for:
  - the transportation and delivery of gas by Evoenergy through the network to an eligible Delivery Point for use and consumption within the premises served by that Delivery Point, and
  - metering related services, including:
    - the provision, installation and maintenance of a standard metering installation at the Delivery Point

<sup>4</sup> Evoenergy, [ACT and Queanbeyan-Palerang gas network, Gas network reports](#).

<sup>5</sup> In November 2024, the AER approved the separation of Evoenergy's current single transportation reference service into two reference services: transportation (including metering) and ancillary activities reference services.

- cyclical meter reading (not including special meter reads) and associated data activities as appropriate for the required capacity and planned meter reading frequency, and
- does not include Ancillary Activities Reference Services.

2. The **Ancillary Activities Reference Service**, which includes the following activities:

- hourly charge (non-standard retail-initiated requests and queries)
- special meter read
- temporary disconnection (volume customer delivery points)
  - meter set with a capacity of less than or equal to 25m<sup>3</sup>/hr
  - meter set with a capacity of greater than to 25m<sup>3</sup>/hr
- basic permanent disconnection (volume customer delivery points)
- basic (urgent) permanent disconnection (volume customer delivery points)
- complex permanent disconnection (volume and demand customer delivery points)
- temporary disconnection and reconnection (demand customer delivery points)
- reconnection of permanent disconnection (volume customer delivery points)
  - meter set with a capacity of less than or equal to 25m<sup>3</sup>/hr
  - meter set with a capacity of greater than to 25m<sup>3</sup>/hr
- Wasted visit charges for disconnection, reconnection and special meter read services, as appropriate.

As of May 2025, Evoenergy has six retail and no self-contracting Users using our reference service.

## 2.1.4 Customers

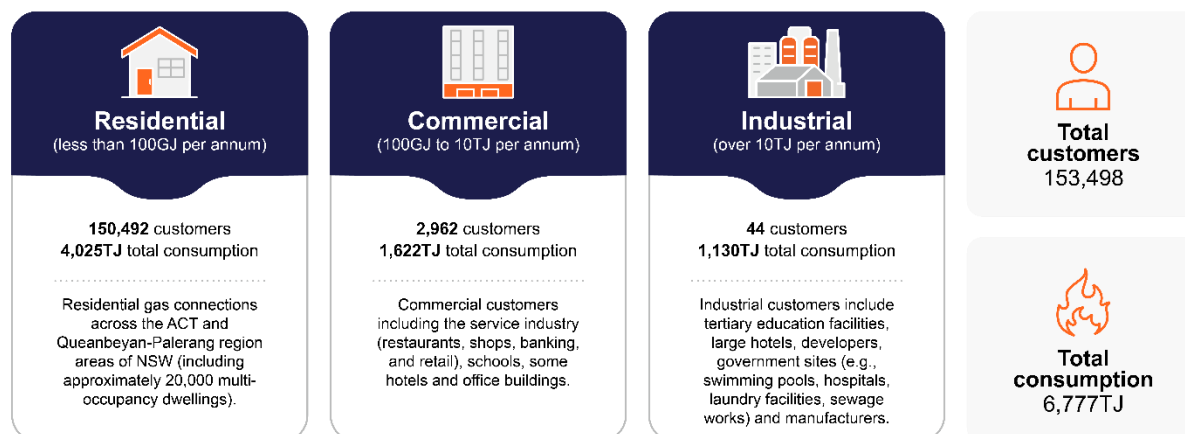
Our customers are split into two markets:

- the volume market which consists of residential and commercial customers who use less than 10 TJ of gas per year and are generally charged on how much gas they consume.
- our demand customers consisting of our largest customers who consume more than 10 TJ per year. These customers are primarily charged on how much capacity they required.

During 2023–24, Evoenergy transported approximately 6,777 TJ of gas to our 153,498 gas customers, as shown in Figure 2.



Figure 2 Evoenergy's ACT and Queanbeyan-Palerang customers (at 30 June 2024)



## 2.2 Evoenergy's existing regulatory obligations

In addition to the NGL and NGR, there are three principal regulatory regimes that apply to Evoenergy. Evoenergy notes however that like all significant business undertakings, it is regulated under, and is subject to, a broad range of legislation, including (without limitation) Acts, judicial, regulations and other instruments relating to technical and safety, environmental matters, land access, native title claims, competition and consumer protection, and corporations.

### 2.2.1 Climate Change and Greenhouse Gas Reduction Act 2010 (ACT)

The ACT Government has committed to achieving the full electrification of the ACT through its Integrated Energy Plan (IEP)<sup>6</sup> and the *Climate Change and Greenhouse Gas Reduction Act 2010*. The Act contains the following legislated commitments relevant to Evoenergy:

- legislated commitment to net zero emissions by 2045 and clear interim targets specified in section 6, and
- a ban on new gas connections (except in limited circumstances) specified in section 13A.

The implications of the ACT Government's IEP and *Climate Change and Greenhouse Gas Reduction Act 2010* are discussed further in Overview of our five-year gas plan, including attachments.

### 2.2.2 Licences and technical regulation

Evoenergy holds a licence to provide gas distribution and connection services in the ACT under the Utilities Act 2000 (ACT). It also holds one licence under the Pipelines Act 1967 (NSW) for the following gas pipeline from Hoskinstown to the ACT border near Oaks Estate (NSW pipeline licence no. 29).

Under these licences, Evoenergy is required to comply with the Utilities Act 2000 (ACT), the Utilities (Technical Regulation) Act 2014 (ACT) and the Gas Supply Act 1996 (NSW). Evoenergy

<sup>6</sup> ACT Government, [The Integrated Energy Plan 2024–2030: Our pathway to electrification](#), June 2024; see also ACT Government, [Powering Canberra: Our pathway to electrification](#), August 2022, p. 15.

must also comply with relevant industry and technical codes and standards, including the Gas Safety and Network Operation Code 2021 and AS/NZS 4645.1 Gas Distribution Network Management.

### 2.2.3 National Energy Customer Framework (NECF)

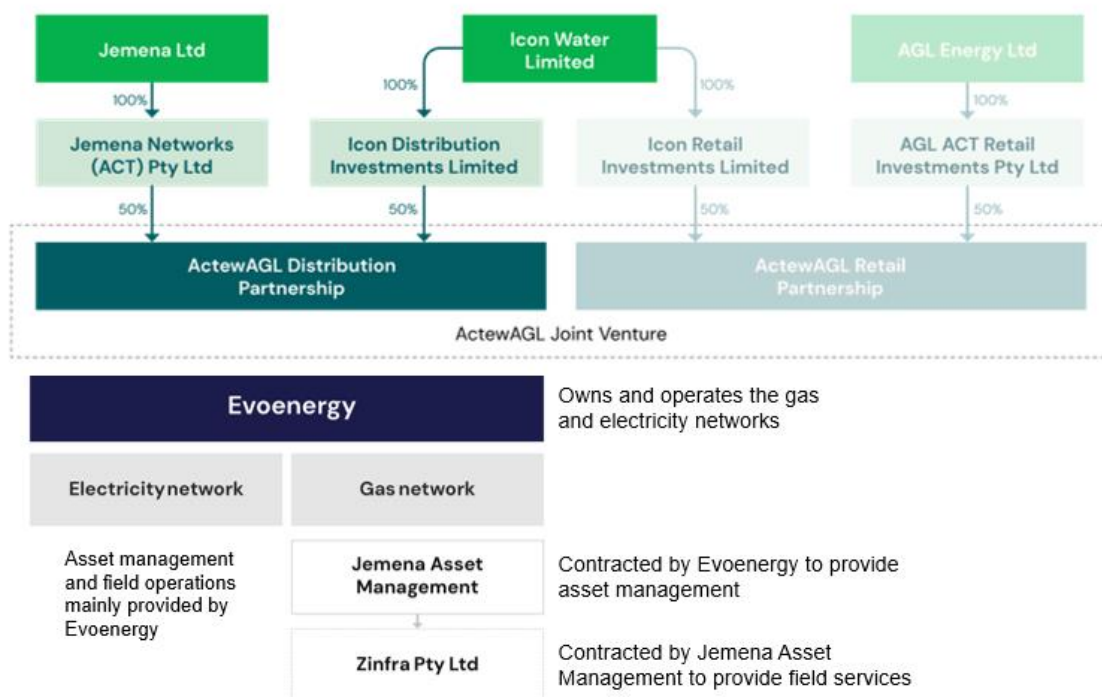
The National Energy Retail Law (NERL) and National Energy Retail Rules (NERR) and associated amendments to the NGR3 (together the NECF) was adopted in the ACT through the National Energy Retail Law (ACT) Act 2012. The NECF, which is administered by the AER, imposes a range of obligations on gas distributors. Under the NECF, Evoenergy has a direct contractual relationship with gas consumers as well as with Users.

## 2.3 Evoenergy's ownership

Evoenergy is owned by Jemena Networks (ACT) Pty Ltd and Icon Distribution Investments Limited in equal partnership (commonly referred to as the ActewAGL Joint Venture (JV) Distribution Partnership).

ActewAGL Distribution owns and operates the electricity network in the ACT and the gas networks in the ACT, Queanbeyan-Palerang region, and Nowra, under the brand name 'Evoenergy'.

*Figure 3 Evoenergy ownership and operational arrangements*





# Glossary of terms and acronyms

Term or acronym	Definition
Access arrangement	Evoenergy's access arrangement
ACT	Australian Capital Territory
AEMC	Australian Energy Market Commission
AER	Australian Energy Regulator
ANU	Australian National University
CPI	Consumer price index
CTS	Custody transfer stations
Five-year gas plan	Evoenergy's gas plan for the 2026–31 access arrangement period
GJ	Gigajoule – unit of measurement of energy consumption
I&C	Industrial and commercial (customers)
IEP	Integrated Energy Plan
JGN	Jemena Gas Networks
JV	Joint venture
MAOP	Maximum allowable operating pressure
MIRN	Meter Installation Registration Number – the unique reference number associated with gas connection points for business and residential customers
NECF	National Energy Customer Framework
NERL	National Energy Retail Law
NERR	National Energy Retail Rules
NGL	National Gas Law
NGO	National Gas Objective
NGR	National Gas Rules
NSW	New South Wales
Permanent disconnection	The permanent disconnection of a gas connection at the premises. A permanent disconnection involves the removal of the gas meter and the physical disconnection of any pipeline to the property. This is considered the safest option as it removes all risks associated with having a pressurised gas pipe, including the risk of gas leaks and excavation strikes.
POTS	Package offtake station

Term or acronym	Definition
PRS	Primary regulating station
RSA	Reference service agreement
RSP	Reference service proposal
Scmh	Standard cubic metres per hour
SDRS	Secondary district regulator sets
Temporary disconnection	A disconnection is a temporary closure of a gas connection on a premises. It involves disabling the meter equipment by introducing a plug, wad, meter lock or blanking device to the inlet of the meter, preventing gas flow through the meter. A temporary disconnection does not disconnect the pipeline to the premises, meaning the gas pipeline is still active and pressurised. A temporary disconnection can be reversed.
TJ	Terajoule – unit of measurement of energy consumption
The Rules or Rules	National Gas Rules
Users	Users of the Evoenergy gas network