



Australian Government



Connecting to gas distribution networks and resolving connection disputes

October 2026

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1 Introduction

This paper provides:

- general information about the service obligations that your gas distribution service provider (distributor) has in responding to your connection request
- information about the new gas connection charges applying from 1 October 2026, and what customers can do if they disagree with a connection offer
- information about the connection dispute process and the AER's role in connection disputes.

The information in this paper does not apply to Registered Participants, such as gas producers, gas storage providers or gas retailers.

In this paper 'you' means the new customer of a gas distribution network. 'We' means the Australian Energy Regulator (AER) as the economic regulator of gas distribution networks.

1.1 Changes to the rules

The National Gas Rules (NGR) have recently changed in two relevant respects.

- From 1 October 2026, relevant customers seeking new gas connections may be required to pay a cost-reflective connection charge (subject to any jurisdiction-specific derogations or exemptions).
- A separate framework for retail customer-initiated gas abolishment services will be introduced progressively, beginning with Victorian gas distribution networks from 1 July 2028, and later applying to other relevant networks as their new access arrangement periods commence (from 1 July 2030 in NSW, and 1 July 2031 in SA and the ACT). This information paper will be updated to reflect the gas abolishment framework in the lead up to July 2028.

1.2 Application of this information paper

This information paper outlines chapter 12A of the NGR, which sets out the process for connecting to a gas distribution network. The NGR are part of the National Energy Customer Framework (NECF); therefore, they only apply in states or territories where the NECF has commenced.

To date, the Australian Capital Territory, New South Wales, South Australia and Tasmania have enacted the NECF (however, there are no regulated gas distribution networks in Tasmania).

1.2.1 Application of this paper in Victoria

Chapter 12A of the NGR does not currently apply in Victoria, because Victoria has not adopted the NECF. Therefore, the new NGR connection charging rules commencing on 1 October 2026 do not apply to Victorian connection customers. Victorian connections remain governed by the Victorian regulatory framework.

1.3 Your relationship with the distributor under energy regulation

Your relationship with your distributor is defined by:

- The new customer connection offer: an individual contract (in the form of an offer by the distributor and acceptance by you) setting out the terms and conditions for potential new customers for connection to the network. This contract typically only deals with the construction of the connection assets; however, some distributors may also include the ongoing relationship between the distributor and you.
- Ongoing relationship contract: under the National Energy Retail Rules (NERR), all customers are deemed to have a contractual relationship with the distributor, known as 'deemed connection contracts'. While this contract is known as 'connection contracts', it mainly sets out the ongoing obligations of the distributor to you and vice versa, as well as the technical and safety requirements that must be observed by you.
- For small customers (those consuming less than 1,000 gigajoules (GJ) of gas per year): all essential contract terms are prescribed by the NERR. A distributor may only modify the terms to include things like its business name and address, etc. If there is any inconsistency between the NERR model standard connection contract terms and a distributor's published model ongoing relationship contract for small customers, the terms provided by the NERR will prevail.
- For large customers (those consuming more than 1,000 GJ of gas per year):¹ your distributor may request that we approve their standard connection contracts. Approval is subject to us being satisfied that the terms and conditions are fair and reasonable, and not inconsistent with the energy rules.

1.4 Types of connection offers

1.4.1 Common types of connection offers

There are two common types of connection offers:

- Basic connection offer: for those new connections that do not require the distributor to undertake significant alternation to its existing network.
- Standard connection offer: for those new connections that result in the distributor making some alterations, such as adding a new length of gas pipe in your street.

The model terms of these offers (called 'model standing offers') have been pre-approved by us.²

1.4.2 Negotiated connection offers

A third, less common type of connection offer, for those who do not fit into the above categories, is called 'negotiated connection'. These offers often relate to non-standard

¹ As specified by s7 of the National Energy Retail Regulations.

² Except for the initial period of NECF introduction, where our approval is not required.

connections that are neither basic nor standard connections. There are no standard terms and conditions for such connection offers, but the offers must be fair and reasonable.

Also, if you are not satisfied with the model terms and conditions of your distributor's basic and standard connection offers, you may seek to negotiate a site-specific connection contract with your distributor, even if you fit into either a basic or standard connection category. However, your distributor is allowed to recover its cost for negotiating a non-standard contract with you.

1.5 Connection disputes

Connection disputes arise when you seek connection to a gas distribution network but cannot reach agreement with your distributor on the terms and conditions of the connection offer. The AER is responsible for resolving your customer connection disputes under Chapter 6 of the National Gas Law. This paper focuses primarily on our typical process for resolving these types of disputes.

2 Gas distributors' obligations

2.1 Publish necessary information

Your distributor must publish on its website:

- relevant application forms for new connections and connection alterations
- a description of the process (including what information you must provide for submission of a connection application)
- how to seek an expedited connection
- model standing offers for basic and standard connection services
- the connection charge, or the basis on which the charge will be calculated, and the applicable payment arrangements, as set out in the relevant model standing offer.

2.2 Distributors' obligations in response to connection enquiries and offers

2.2.1 Preliminary enquiries

You can make a preliminary enquiry to your distributor about a connection service. Your distributor is required to provide you with the following information within 5 business days of your enquiry:

- a description of the distributor's basic and standard connection services and the terms and conditions of the relevant model standing offers, including the connection charge or the basis on which it will be calculated
- a description of the process, including a statement of the information required, for submission of a connection application including an application for an expedited connection
- a statement of a connection applicant's right to negotiate the terms of a connection contract and a description of the relevant process (including the types of possible costs and expenses)
- an indication of whether any aspects of the proposed connection are likely to be contestable³
- any additional information reasonably required by the enquirer.

If this information is published on your distributor's website, it can simply refer you to the relevant part of their website. However, you can ask for a written reply or for specific advice about your situation. If so, your distributor must reply as soon as reasonably practicable, and in writing (if requested).

³ A network service is contestable if the laws of the jurisdiction, in which the service is to be provided, permit the service to be provided by more than one supplier as a contestable service or on a competitive basis (r.119A of NGR).

The information provided should help you identify the connection service likely to apply, the relevant model standing offer and the connection charge or charging method. You should also check whether there are customer-side works or costs that are not included in the connection service.

2.2.2 Formal application for connection

You can apply directly to your distributor or through your chosen energy retailer. Your distributor is required to:

- within 10 business days after receipt of your application for a connection service, advise you whether the proposed connection service is a basic connection service, a standard connection service or neither
- if the connection service is neither a basic connection service nor a standard connection service, or you elect for a negotiated connection contract even though the proposed connection service fits the definition of a basic or standard connection service, advise you of the negotiated connection process and of possible costs and expenses related to the negotiations
- if the application is incomplete in a material respect, advise you of the deficiency and whether you need to complete the application form again and re-submit.

If the distributor reasonably requires additional information to assess the application, it may require you to provide the necessary information within 10 business days after receipt of your application.

For basic and standard connections

If the connection service you have requested is a basic connection service or a standard connection service (and you do not elect to apply for a negotiated connection contract), the distributor must make a connection offer to you within:

- 10 business days after receiving a properly completed application, or
- some other period agreed between you and the distributor.

The connection offer must be consistent with the relevant model standing offer and must include:

- the date of the offer
- details of the connection service to be provided
- the connection charge payable by you
- the applicable payment arrangements.

The relevant model standing offer must specify the connection charge or the basis on which it is calculated, and the arrangements for payment. The connection charge must be consistent with the connection charge criteria in rule 119M, explained in section 3.

Your total cost of connecting may also include customer-side works or other costs outside the connection service provided by the distributor. These may include plumbing or gasfitting work, site preparation, certificates or work needed to satisfy site conditions. Check the model

standing offer and supporting information provided by your distributor to identify what is and is not included in the connection charge.

2.3 Validity of the connection offer

A connection offer to provide a basic or standard connection service remains open for acceptance for 45 business days from the date of the offer and, if not accepted within that period, lapses unless the period for acceptance is extended by agreement between the connection applicant and the distributor.

2.4 Negotiated connection

The process and timeframes for a negotiated connection will depend on the nature of the connection service and the matters to be negotiated. Your distributor must publish information about its negotiation process, including the possible costs and expenses associated with negotiation.

A negotiated connection charge must also comply with the connection charge criteria in NGR 119M. You may be required to pay the distributor's reasonable costs and expenses of negotiating the connection contract.

3 Rules about connection charges

From 1 October 2026, rule 119M of the NGR establishes cost-reflective charging criteria for new gas connection services. A connection charge must be based on costs directly attributable to providing the connection service.

The connection charge may include:

- the cost of purchasing and installing connection assets
- the cost of any extension to, or augmentation of, the distribution pipeline required to provide the connection service
- incidental costs directly attributable to providing the service, including relevant design, planning and administration costs
- any net tax payable by the distributor as a result of receiving the connection charge.

The connection charge must not include costs other than those permitted by rule 119M. The included costs must be costs that would be incurred by a prudent distributor acting efficiently, in accordance with accepted good industry practice, to achieve the lowest sustainable cost of providing the connection service consistently with the National Gas Objective.

This replaces the previous approach under which a customer contribution generally reflected the difference between the incremental cost of connection and the present value of expected additional network revenue. Expected future network revenue is no longer deducted when determining the connection charge under rule 119M.

For a basic connection service, the distributor may apply a standardised connection charge where the charge is calculated consistently with rule 119M. The applicable charge or charging basis, and the arrangements for payment, must be set out in the relevant model standing offer.

3.1 Costs outside the connection charge

The connection charge covers the connection service described in the applicable offer. It may not cover all costs you will incur before gas can be supplied at your premises.

Depending on your circumstances, you may also need to arrange and pay for customer-side plumbing or gasfitting work, site preparation, certificates, approvals or other work required to satisfy the distributor's site conditions. Your distributor should clearly identify the scope of the connection service and any work or costs that remain your responsibility.

4 If you do not agree with your distributor's connection offer

Customers don't always understand that some connections can be complex and costly. It's important to fully understand total costs before entering into a connection agreement. However, regardless of complexity, costs must be fair and calculated in accordance with the NGR and other applicable energy laws.

If you believe that your connection charge has not been calculated consistently with rule 119M, or that you cannot connect to a gas distribution network on fair and reasonable terms, you should contact your distributor as soon as possible. You should explain your problem to your distributor and the outcome you want.

In many cases a phone call can fix your problem. Be clear, persistent, calm and polite. It's a good idea to keep a note of the phone call, including the date and name of the person you spoke to. If the person you spoke to can't help you, ask to speak to a supervisor or more senior person.

If the problem or complaint has not been resolved, you should ask to speak with a senior officer or manager. You should discuss what options are available. Write down the name of the person you spoke to and what you discussed and agreed.

You may consider putting your complaint to the distributor in writing at this point if it remains unresolved.

Make sure you:

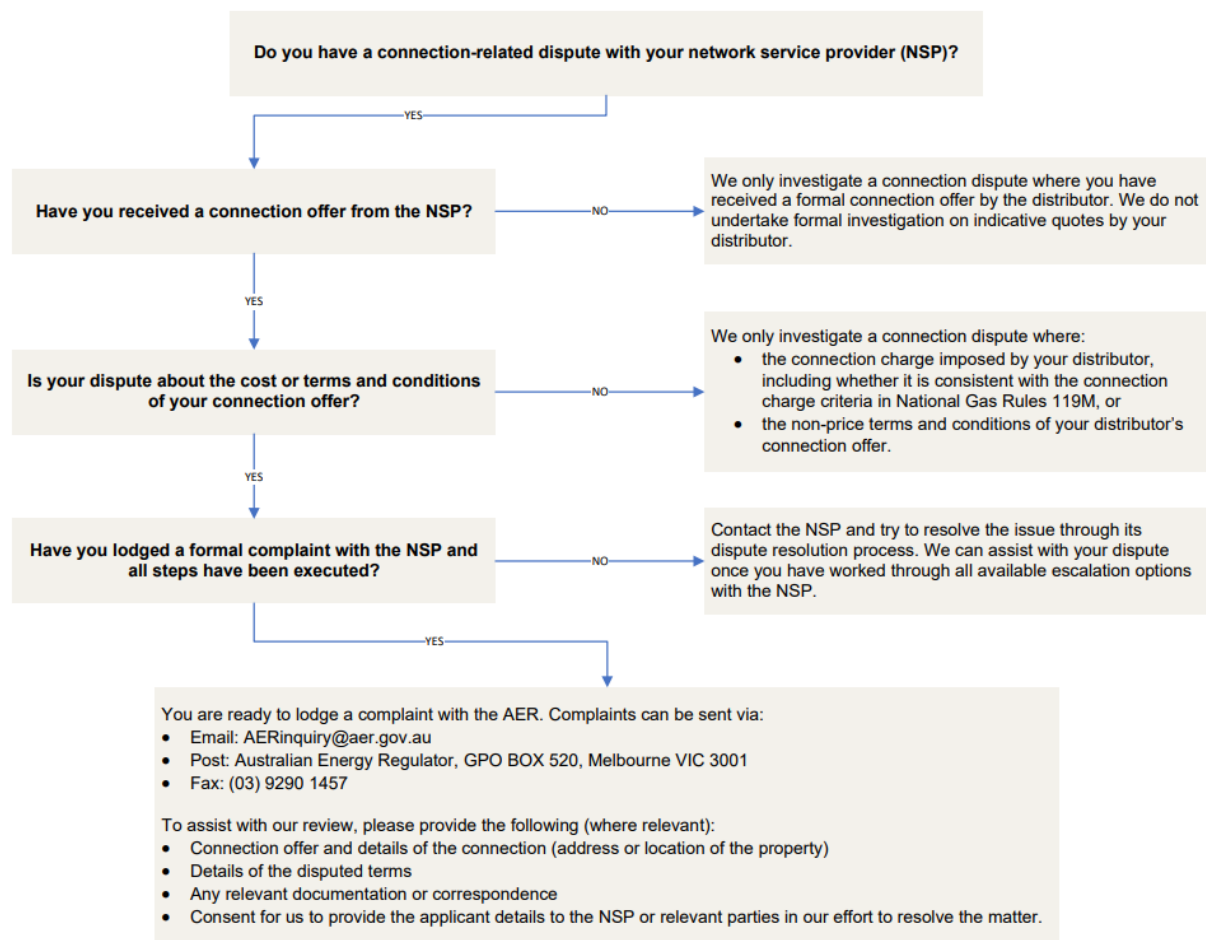
- put your complaint in writing
- address your letter to the manager or the company's head office
- outline your complaint and the outcome you want
- ask for a response from the distributor within a specified time
- include copies of any relevant supporting information and keep the original and a copy of any letters or emails you send.

4.1 What to do before raising a dispute with us

We only investigate a connection dispute where you have received a formal connection offer by the distributor. Although we may, in some instances, provide comments regarding indicative prices provided by your distributor, we do not undertake formal investigation on indicative quotes by your distributor.

In addition, you **must have attempted to resolve the issue with the distributor**. If you have not done so, we will refer you back to the distributor. A flowchart outlining the circumstances under which you may lodge a dispute with the AER is below.

Figure 1 Circumstances under which you may lodge a dispute



4.2 What you can dispute

You can dispute either:

- the connection charge imposed by your distributor, including whether it is consistent with the connection charge criteria in NGR 119M, or
- the non-price terms and conditions of your distributor's connection offer.

We will generally not investigate a dispute simply because you prefer different non-price terms in an AER-approved model standing offer. However, you may raise concerns about whether the offer applied to you is consistent with the relevant model standing offer, the NGR, or other applicable energy laws.

4.3 How you can lodge a dispute

Disputes should be lodged in writing and must provide your specific reasons for disputing the connection offer. Disputes can be sent via:

- Email: AERinquiry@aer.gov.au
- Post: Australian Energy Regulator, GPO BOX 520, Melbourne VIC 3001
- Fax: (03) 9290 1457.

4.4 Independent negotiation with your distributor during our investigation period

We generally do not interfere in any negotiations between you and your distributor. If you reach a resolution with your distributor (before we make a final decision), we usually allow you to withdraw your dispute. However, we have discretion to make a decision even if a resolution has been reached. We may consider it appropriate to make a decision, regardless of a commercial resolution, where the connection dispute related to a serious matter or indicated a systemic issue.

If you and your distributor agree to try to work out a negotiated outcome, we can act as the mediator to facilitate the process.

5 The AER's role and charges in resolving gas customer connection disputes

5.1 Our role

We are responsible for resolving retail customer connection disputes. Section 6 of this paper explains the approach we take in resolving access disputes regarding:

- the connection charge, including whether it complies with the connection charge criteria in rule 119M
- the non-price terms and conditions of your distributor's connection offer.

A diagram depicting our retail customer connection dispute resolution process is included at the end of this paper.

5.2 Fee for raising an access dispute

Only large consumers using more than 1 terajoule (or 1,000 megajoules) of gas per year are required to pay a fee. For these customers, the fee is \$2,750 as prescribed in the National Gas Rules (reg. Schedule 5, clause 6).

5.3 The AER may charge for its costs under exceptional circumstances

We do not usually charge our costs for resolving disputes. However, under exceptional circumstances we may:

- charge for certain costs in relation to a connection dispute resolution process⁴
- order a party to pay all or part of the costs of another party in the dispute.⁵

Examples of such circumstances include:

- where a party's actions caused unnecessary or unreasonable delays in our dispute resolution process
- where a complainant makes repeated claim/complaint and has sought that we make a formal determination on matters that are (1) trivial, misconceived or lacking in substance; or (2) vexatious in nature.⁶

⁴ s216 of NGL and s9 of National Gas (South Australia) Regulations.

⁵ s206 of NGL.

⁶ s186 of NGL provides that the AER 'may at any time terminate an access dispute (without making an access determination) if the dispute resolution body considers that: (a) the notification of the access dispute was vexatious; or (b) the subject matter of the dispute is trivial, misconceived or lacking in substance...'

6 Our connection dispute assessment process

6.1 Disputes regarding connection charges

For disputes about a connection charge, we will first undertake a preliminary assessment to determine whether the matter may be resolved without commencing a formal dispute process.

The preliminary assessment is intended to give you an initial indication of our view. We may consider the scope of the connection service, the cost components included in the charge, the basis on which those costs were determined, and whether the charge appears consistent with rule 119M.

6.1.1 The AER's preliminary assessment

As part of our preliminary assessment, we may consider:

- whether the costs included in the connection charge are directly attributable to providing the connection service
- whether only costs permitted by rule 119M have been included
- whether those costs reflect the costs that would be incurred by a prudent and efficient distributor acting in accordance with accepted good industry practice
- whether a standardised charge has been calculated and applied consistently with the connection charge criteria
- how the charge compares with relevant published cost information or charges for comparable connection services.

After considering these matters and any other relevant information, we will advise you of our initial findings. These findings are not binding on you, the distributor or the AER in any later formal dispute process.

Following our preliminary assessment, if you decide to proceed to a formal assessment of the connection dispute under Chapter 6 of the National Gas Law, you will need to provide us, in writing, with the specific grounds for disputing the connection. You must address the matters we identified and conclusions we reached in our preliminary assessment findings.

It is important to note that at any time you can elect to skip the preliminary assessment stage and have the matter assessed by us immediately under Chapter 6 of the National Gas Law, as outlined under section 6.3 of this paper.

6.1.2 Formal assessment of connection disputes

If after the preliminary assessment stage the dispute is not resolved between the parties, we will undertake a formal assessment as outlined in section 6.3 of this paper.

6.2 Disputes regarding non-price terms and conditions of your connection policy

For disputes regarding non-price terms and conditions of a connection offer, we will first undertake a preliminary assessment and examine any applicable laws and instruments to determine what issues are relevant to the dispute. If, after this assessment, you advise us that you wish to seek a formal assessment, we will commence an access dispute process under Chapter 6 of the National Gas Law.

Our preliminary assessment stage aims to provide you with a preliminary indication of:

- our view of the connection dispute
- further information on the relevant gas rules and regulations.

At any time, you can elect to skip the preliminary assessment stage and have the matter assessed immediately under Chapter 6 of the National Gas Law by the AER, as outlined in section 6.3 of this paper.

6.2.1 Formal assessment of connection disputes

Following AER staff's preliminary assessment, if you decide to seek a formal assessment of the connection dispute under Chapter 6 of the National Gas Law, you should provide us in writing with the specific grounds for disputing the connection. You should address the matters identified and conclusions reached in our preliminary assessment findings. We will undertake an assessment as outlined in section 6.3 of this paper.

6.3 Dispute resolution process under Chapter 6 of the National Gas Law

If after the preliminary assessment stage (described in sections 6.1.1 and 6.2.1 of this paper), or at any time, you advise us that you want a formal assessment, dispute proceedings under Chapter 6 of the National Gas Law can be commenced. We will undertake a formal assessment and consultation process, and we will issue a draft and final decision. For minor disputes, we may proceed to making a final decision directly.

While we aim to deal with your dispute within 6 months from the date you give us notice of the dispute, this timeframe is only indicative. It may change depending on the complexity of your issues.

In making a draft decision, we will ask you and your distributor to provide us with submissions (and replies to these submissions) on the context and basis of the dispute. We will seek information such as:

- details of the connection offer
- the reasons your distributor considers the connection offer to be fair and reasonable
- the reasons you do not consider the connection offer to be fair and reasonable.

You and your distributor will generally be given at least 10 business days but no more than 20 business days to provide submissions on the context and basis of the dispute, and at

least a further 10 business days to reply to each other's initial submissions. These indicative timeframes may vary depending on the complexity of the issues involved in the dispute.

After receiving and considering these submissions, we will issue a draft determination and a supporting statement of reasons for comment to you and your distributor. You will both be invited to comment in writing on the draft decision and supporting statement of reasons. We generally provide between 10 and 20 business days for you to submit a written comment. These timeframes are indicative and may be altered on a case-by-case basis as required.

After receiving and considering any submissions you and your distributor make on the draft decision, we will make a final decision (including a supporting statement of reasons) on the fairness and reasonableness of the disputed terms and conditions of the connection offer. Once we have issued our final decision and provided it to both of you, the dispute process is concluded.

6.3.1 Enforcement of the AER's determinations

Determinations made by us under Chapter 6 are not subject to appeal and are enforceable by court order. The court may make all or any of the following orders in relation to a contravention, or proposed contravention of a determination under Chapter 6 (section 271 of the National Gas Law):

(a) an order granting an injunction on such terms as the Court thinks appropriate —

- (i) restraining the other party from engaging in the conduct; or
- (ii) requiring a person to do a specific thing.

(b) an order directing the other party to compensate the applicant for loss or damage suffered as a result of the contravention

(c) any other order that the Court thinks appropriate.

6.3.2 Indicative timeframe of AER investigations of a connection dispute

Our investigations of a connection dispute may take between 18 and 24 weeks. The indicative timeframe (including timing for submissions) is:

- Initial assessment: 7 weeks
- Draft consultation and determination: 5 weeks
- Consultation on draft determination: 5 weeks
- Final determination after close of consultation: 5 weeks.

7 Contact details

Australian Energy Regulator

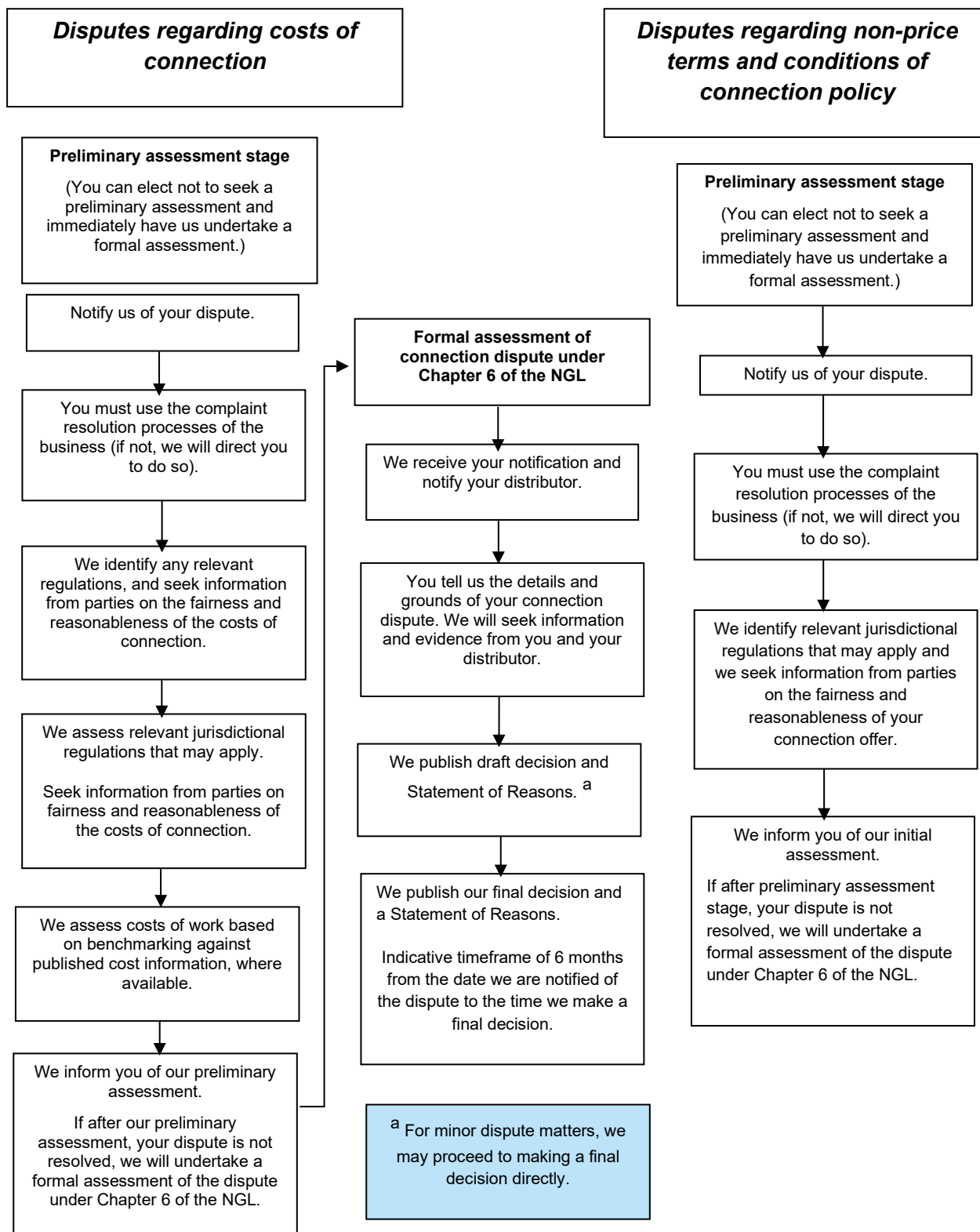
GPO Box 3131

Canberra ACT 2601

Email: aerinquiry@aer.gov.au

Telephone: 1300 585 165

A AER's connection dispute resolution process flowchart



Glossary

Term	Definition
AER	Australian Energy Regulator
GJ	Gigajoule
MJ	Megajoule
NECF	National Energy Customer Framework
NERR	National Energy Retail Rules
NGL	National Gas Law
Basic connection service	A connection service for a retail customer that falls within the description in the distributor's approved model standing offer.
Connection charge	The amount payable for a connection service, determined in accordance with the connection charge criteria in rule 119M of the NGR.
Connection charge criteria	The criteria in rule 119M of the NGR for determining a connection charge.
Model standing offer	An AER-approved standard offer setting out the terms and conditions for providing a basic or standard connection service.
NGR	National Gas Rules
Standard connection service	A connection service provided on standard terms under an approved model standing offer.