

Version dated 20 November 2020 – shows changes to the June 2020 proposed AA forming part of Evoenergy’s 2021-26 AA proposal.

**Access arrangement for the ACT  
and Queanbeyan-Palerang  
Regional gas distribution network**

**1 July 2021 - 30 June 2026**

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## **1. Introduction**

### **Access Arrangement**

- 1.1 This document sets out the Access Arrangement that applies to Evoenergy's Gas distribution Network in the ACT and Queanbeyan-Palerang Region on and from the Commencement Date.
- 1.2 Prospective Users wishing to gain access to the Network should contact:

Networks Commercial, Gas Distribution  
Jemena Asset Management  
99 Walker St  
North Sydney NSW 2060  
Email: [RFS@jemena.com.au](mailto:RFS@jemena.com.au)

### **Evoenergy's Network**

- 1.3 As at the Commencement Date:
- (a) Evoenergy's Gas distribution Network comprises approximately 5,000 km of pipeline covering the ACT and Queanbeyan-Palerang Region and includes Pipeline licence no. 29 from Hoskinstown to Fyshwick; and
  - (b) Gas is delivered into the Network through the Receipt Points set out in Schedule 8.
- 1.4 A map of the Network as at the Commencement Date is set out in Schedule 10. Further information about the Network can be found at [www.evoenergy.com.au](http://www.evoenergy.com.au).

### **Structure of this Access Arrangement**

- 1.5 The structure of this Access Arrangement reflects the requirements of the National Gas Rules, and is organised as follows:
- (a) Introduction - section 1;
  - (b) Services Policy - section 2;
  - (c) Operating Expenditure Efficiency Carryover Mechanism - section 3;
  - (d) Capital Expenditure Incentive Mechanism – section 4;
  - (e) Capital Expenditure - section 5;
  - (f) Fixed Principles - section 6;
  - (g) Return on Debt - section 7;
  - (h) Initial Reference Tariffs and Reference Tariff Variation Mechanism - section 8;
  - (i) Tariff Categories - section 9;

- (j) Extensions/Expansion Policy - section 10;
- (k) Capacity Trading Policy - section 11;
- (l) Changing Receipt and Delivery Points - section 12;
- (m) Queuing - section 13; and
- (n) Liability - section 14.

1.6 The Schedules are organised as follows:

- (a) Definitions - Schedule 1;
- (b) Request for Service Procedures - Schedule 2;
- (c) Reference Tariff Schedule - Schedule 3;
- (d) Reference Tariff Adjustment Factors - Schedule 4;
- (e) Reference Service Agreement - Schedule 5;
- (f) Interconnection Service - Schedule 6;
- (g) Operational Schedule - Schedule 7;
- (h) Receipt Point Pressures - Schedule 8;
- (i) CESS Contingent Payment Index - Schedule 9;
- (j) Network map - Schedule 10.

1.7 Supporting information is provided in the Access Arrangement Information that has been submitted as a separate document.

#### **Commencement of this Access Arrangement**

1.8 This Access Arrangement commences on the later of:

- (a) 1 July 2021; and
- (b) if the Relevant Regulator's approval of this Access Arrangement takes effect under the National Gas Rules on a date after 1 July 2021, that date.

#### **Revisions to this Access Arrangement**

1.9 For the purposes of rule 49(1)(a) of the National Gas Rules:

- (a) the review submission date is 30 June 2025; and
- (b) the revision commencement date is 1 July 2026.

#### **Definitions and interpretation**

1.10 In this Access Arrangement, a term or expression starting with a capital letter:

- (a) which is defined in Schedule 1 of this Access Arrangement, has the meaning given to it in Schedule 1; or
- (b) if not defined in Schedule 1 of this Access Arrangement, has the meaning given to it in the Reference Service Agreement,

unless the context otherwise requires. In the case of inconsistency, the meaning given to it in Schedule 1 of this Access Arrangement will prevail.

1.11 Schedule 1 sets out rules of interpretation for this Access Arrangement.

## **2. Services Policy**

### **Pipeline Services**

2.1 Evoenergy offers the following Pipeline Services:

- (a) the Reference Service; and
- (b) Non-Reference Services.

### **Reference Service**

2.2 Evoenergy will make the Reference Service available to Users and Prospective Users in accordance with this Access Arrangement.

2.3 The Reference Service is a Service for:

- (a) the transportation of Gas by Evoenergy through the Network to an eligible Delivery Point for use and consumption within the premises served by that Delivery Point;
- (b) meter reading and associated data activities, and the provision and maintenance of a standard metering installation at the Delivery Point as appropriate for the required capacity and meter reading frequency; and
- (c) ancillary activities as set out in the Reference Tariff Schedule as may be requested by a User.

2.4 A Delivery Point is eligible for the Reference Service if:

- (a) it is a Delivery Point existing on the Network to which a service designated as a reference service under the 2016-21 Access Arrangement is provided on the Commencement Date; or
- (b) it is a new Delivery Point, established on or after the Commencement Date, that is served from the Network, where:
  - (i) the maximum allowable operating pressure is less than or equal to 500 kPa and Evoenergy reasonably expects that the Delivery Point will consume less than 10 TJ per annum; or
  - (ii) the maximum allowable operating pressure is less than or equal to 1,050 kPa and Evoenergy reasonably expects that the Delivery Point will consume 10 TJ per annum or greater.

### **Terms and Conditions of the Reference Service**

2.5 The terms and conditions upon which Evoenergy will provide the Reference Service are set out in the Reference Service Agreement in Schedule 5.



### **Non-Reference Services**

- 2.6 Evoenergy offers the following Non-Reference Services:
- (a) an Interconnection Service, which is described in clause 2.7 below; and
  - (b) a Negotiated Service, which is described in clause 2.8 below.

### **Interconnection Service**

- 2.7 An Interconnection Service is a Service provided by Evoenergy to establish:
- (a) a Delivery Point to enable delivery of Gas from the Network into a Downstream Network; or
  - (b) a Receipt Point to enable delivery of Gas into the Network from an Upstream Facility,

on the terms and conditions agreed to by Evoenergy and the Prospective User including those, to the extent applicable, contained in the Operational Schedule.

### **Negotiated Service**

- 2.8 Where a Prospective User has specific needs which differ from those which would be satisfied by the Reference Service or the Interconnection Service, the Prospective User may seek to negotiate different terms and conditions as a Negotiated Service and enter into a Service Agreement with Evoenergy.

### **Requests for Service**

- 2.9 A Prospective User who seeks to obtain the Reference Service or a Non-Reference Service must comply with the procedures set out in Schedule 2. A User must also comply with those procedures if the User seeks a change to an existing Reference Service or a Non-Reference Service.
- 2.10 Evoenergy's ability to offer a Pipeline Service involving transportation of Gas to a Delivery Point (including a Reference Service) in response to a Request is subject to having sufficient capacity in the Network.
- 2.11 A Prospective User is required to enter into a Service Agreement specific to the relevant User and that Pipeline Service before receiving the Pipeline Service and, to the extent applicable, must comply with the provisions of the Operational Schedule.

### 3. Operating Expenditure Efficiency Carryover Mechanism

#### Operation of incentive mechanism

3.1 The incentive mechanism specified in this clause 3 will apply to operating expenditure incurred in the 2021 Access Arrangement Period and will operate in the following way:

- (a) Evoenergy will retain the benefit of actual operating expenditure being lower, or incur the cost of actual operating expenditure being higher, than forecast operating expenditure included in the Total Revenue in each Financial Year of the 2021 Access Arrangement Period;
- (b) the mechanism carries forward Evoenergy's incremental efficiency gains (or losses) for five Financial Years from the Financial Year in which those gains (or losses) occur;
- (c) annual carryover amounts accrue in each Financial Year of the 2026 Access Arrangement Period as the summation of the incremental efficiency gains (or losses) in the 2021 Access Arrangement Period that are carried forward for five years; and
- (d) the annual carryover amounts are added to Evoenergy's Total Revenue in each Financial Year of the 2026 Access Arrangement Period. If necessary, the annual efficiency gain (or loss) is carried forward into the 2026 Access Arrangement Period until it has been retained by Evoenergy for a period of five years.

#### Incremental efficiency gains or losses

3.2 The incremental efficiency gain (or loss) for Financial Year 2021-22 will be calculated using the following equation:

$$E_{2021-22} = (F_{2021-22} - A_{2021-22}) - [(F_{2020-21} - A_{2020-21}) + (F_{2019-20} - A_{2019-20})] - \textit{non-recurrent efficiency gains}_{2019-20}$$

where:

$F_{2021-22}$  is the forecast operating expenditure for Financial Year 2021-22.

$A_{2021-22}$  is the actual operating expenditure for Financial Year 2021-22.

$F_{2020-21}$  is forecast operating expenditure for Financial Year 2020-21.

$A_{2020-21}$  is the actual operating expenditure for Financial Year 2020-21.

$F_{2019-20}$  is the forecast operating expenditure for Financial Year 2019-20.

$A_{2019-20}$  is the actual operating expenditure for Financial Year 2019-20.

*non-recurrent efficiency gains*<sub>2019-20</sub> means any efficiency gains which were achieved in Financial Year 2019-20 but removed by the AER for the purposes of

forecasting operating expenditure for the 2021 Access Arrangement Period on the basis that they were not likely to extend to years after Financial Year 2019-20.

- 3.3 The incremental efficiency gain (or loss) for Financial Years 2022-23 to 2024-25 (inclusive) will be calculated using the following equation:

$$E_i = (F_i - A_i) - (F_{i-1} - A_{i-1})$$

where:

- $E_i$  is the efficiency gain for year  $i$  of the 2021 Access Arrangement Period.
- $F_i$  is the forecast operating expenditure for year  $i$  of the 2021 Access Arrangement Period.
- $A_i$  is the actual operating expenditure for year  $i$  of the 2021 Access Arrangement Period.
- $F_{i-1}$  is the forecast operating expenditure for year  $(i-1)$ .
- $A_{i-1}$  is the actual operating expenditure for year  $(i-1)$ .

- 3.4 The incremental efficiency gain (or loss) for Financial Year 2025-26 is to be calculated using the following equation:

$$E_{2025-26}^* = (F_{2025-26} - A_{2025-26}^*) - (F_{2024-25} - A_{2024-25})$$

where:

- $F_{2025-26}$  is the forecast operating expenditure for Financial Year 2025-26.
- $F_{2024-25}$  is the forecast operating expenditure for Financial Year 2024-25.
- $A_{2024-25}$  is the actual operating expenditure for Financial Year 2024-25.
- $A_{2025-26}^*$  is the estimate of operating expenditure for Financial Year 2025-26 and is estimated using the following equation:
- $$A_{2025-26}^* = F_{2025-26} - (F_b - A_b) + \text{non-recurrent efficiency gain}_b$$
- $F_b$  is the forecast operating expenditure for the Base Year.
- $A_b$  is the actual operating expenditure for the Base Year.

*non-recurrent efficiency gain<sub>b</sub>* means any efficiency gains which were achieved in the Base Year but removed by the Relevant Regulator for the purposes of forecasting operating expenditure for the 2026 Access Arrangement Period on the basis that they were not likely to extend to years after the Base Year.

### **Application of efficiency gains or losses**

- 3.5 Increments or decrements from the summation of incremental efficiency gains or losses calculated in accordance with the incentive mechanism in the 2021 Access Arrangement Period will give rise to an additional "building block" in the calculation of the Total Revenue

amounts under rules 76(d) and 98(2) of the National Gas Rules for each Financial Year of the 2026 Access Arrangement Period.

- 3.6 The incremental efficiency gains (or losses) will be carried into the 2026 Access Arrangement Period in real dollars to ensure that they are not eroded by inflation. The price indices used in this calculation are to be consistent with those used to forecast operating expenditure for the 2026 Access Arrangement Period.

**Application of formulae**

- 3.7 For the purposes of applying the formulae set out in clauses 3.2 to 3.4:
- (a) any expenditure incurred in respect of an expenditure category that:
    - (i) is not forecast using a single year revealed cost approach in the 2026 Access Arrangement Period; or
    - (ii) that Evoenergy and the Relevant Regulator agree to exclude from the operation of the efficiency carryover mechanism,

will be excluded from the operation of the operating expenditure efficiency carryover mechanism; and
  - (b) the forecast operating expenditure amount for each year of the 2021 Access Arrangement Period will be adjusted to include any Determined Pass Through Amounts or other expenditure approved by the Relevant Regulator arising from cost pass through events which apply in respect of that year.
- 3.8 Operating expenditure used to calculate efficiency gains and losses in the expenditure carryover mechanism calculation (\$ million, 2020-21)

	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Total forecast opex</b>	32.9	34.3	33.7	34.5	35.6
<b>Less UNFT costs</b>	-8.5	-8.8	-9.1	-9.3	-9.6
<b>Less EIL costs</b>	-0.7	-0.7	-0.6	-0.6	-0.6
<b>Less UAG costs</b>	-1.4	-2.0	-1.9	-2.0	-2.1
<b>Less debt raising costs</b>	-0.2	-0.2	-0.2	-0.2	-0.2
<b>Forecast opex for the ECM</b>	22.1	22.7	21.8	22.3	23.2

## 4. Capital Expenditure Incentive Mechanism

### Operation of the incentive mechanism

- 4.1 The incentive mechanism specified in this clause 4 will apply to capital expenditure (defined to exclude certain expenditure as per clause 4.2(e) and be referred to as the Capital Expenditure Sharing Scheme or the CESS. The CESS may result in a CESS reward or penalty for Evoenergy.
- 4.2 The CESS will operate in the following way:
- (a) The annual efficiency gain (or loss) under the CESS will be calculated by subtracting Evoenergy's actual capital expenditure from the approved capital expenditure allowance in each year of this Access Arrangement Period. For the final year (and in some instances the penultimate year) an estimate of actual capital expenditure will be used.
  - (b) The efficiency gain (or loss) for each Financial Year will be compounded into its Net Present Value (**NPV**) as at the end of the Access Arrangement Period using the nominal WACC for each year of the Access Arrangement Period updated annually within the PTRM and calculated in accordance with the AER's Final Decision and the Rate of Return Instrument. In doing so, it is assumed that capital expenditure is incurred in the middle of the year.
  - (c) The total efficiency gain will be shared between Evoenergy and Users who are provided the Reference Service. The CESS reward or penalty for Evoenergy will be calculated by adjusting its share of the total efficiency gain for any financing benefits of underspending or financing costs of overspending and, in the case of a CESS reward, deterioration in average asset performance in certain circumstances.
  - (d) For the purpose of calculating the annual efficiency gain (or loss), the approved capital expenditure allowance is to be adjusted to take into account a change in the scope of activities in accordance with the approach outlined in clause 4.9(c) below or for any Cost Pass Through Event that the Relevant Regulator has determined has an Administrative Cost Impact.
  - (e) For the purposes of applying the CESS capital expenditure is defined to:
    - (i) exclude expenditure related to connecting customers (i.e. connections capex under Part 12A of the National Gas Rules);
    - (ii) reduce by any capital contributions towards expenditure not covered by subclause (i) above; and
    - (iii) reduce by any asset disposals.
  - (f) A discount rate will be applied to account for the time value of money. This adjustment will also be required for the penultimate year of the Access Arrangement Period where finalised actual capital expenditure figures are not available before the AER's Final Decision is made.

- 4.3 The total efficiency gain is calculated as a summation of the annual efficiency gains (or losses) converted to 2025-26 NPV. The calculation for each year's annual end of year efficiency gain is calculated in accordance with clause 4.4. The calculation of future NPV for each year is calculated in accordance with clause 4.5.
- 4.4 The annual end of year efficiency gain or loss (**AEG**) for each year in Year  $n$  value in the Access Arrangement Period is calculated as follows:

$$AEG_n = (F_n^C - A_n^C)$$

where:

$$F_n^C = (1 + Real\ WACC_n)^{0.5} \times F_n$$

$$A_n^C = (1 + WACC_n)^{0.5} \times A_n$$

and where:

$n$  is the sequence number of Financial Year in the Access Arrangement Period (2021-22 is 1, 2022-23 is 2, 2023-24 is 3, 2024-25 is 4 and 2025-26 is 5);

$WACC_n$  is the nominal WACC for year  $n$  updated annually within the PTRM and calculated in accordance with the AER's Final Decision and the Rate of Return Instrument;

$Real\ WACC_n$  is the real WACC for year  $n$  calculated in the PTRM using  $WACC_n$  and the forecast inflation set out in the AER's Final Decision;

$F_n^C$  is the capital expenditure allowance for Financial Year  $n$  in year-end Year  $n$  value;

$A_n^C$  is actual capital expenditure for Financial Year  $n$  in year-end Year  $n$  value;

$F_n$  is the capital expenditure allowance for Financial Year  $n$  in mid-year Year  $n$  value using actual inflation where known and where not known, using the forecast inflation set out in the AER's Final Decision; and

$A_n$  is the actual expenditure for Financial Year  $n$  in mid-year Year  $n$  value in nominal dollars (i.e. dollars as incurred).

- 4.5 The AEG in clause 4.4 will be converted to NPV as at the end of the Access Arrangement Period. This will be through the use of the nominal WACC for each year of the Access Arrangement Period updated annually within the PTRM and calculated in accordance with the AER's Final Decision and the Rate of Return Instrument.

For example:

Year 1 efficiency gain ( $n=1$  and being the 2021-22 Financial Year) will be compounded to the end of the Access Arrangement Period using the following formula:

$$NPV_{2026}(AEG_1) = (1 + WACC_2) \times (1 + WACC_3) \times (1 + WACC_4) \times (1 + WACC_5) \times AEG_1$$

Year 2 efficiency gain ( $n=2$  and being the 2022-23 Financial Year) will be compounded to the end of the Access Arrangement Period using the following formula:

$$NPV_{2026}(AEG_2) = (1 + WACC_3) \times (1 + WACC_4) \times (1 + WACC_5) \times AEG_1$$

4.6 The CESS will share efficiency gains or losses in the following way:

- (a) A sharing factor of 30% will apply to the total efficiency gain or loss. This means that Evoenergy will bear 30% of any loss and will retain 30% of any gain. The remaining 70% will be returned to Users who are provided the Reference Service.
- (b) Evoenergy's share of the total efficiency gain is calculated as follows:

$$\text{Service Provider's share} = \text{Total efficiency gain} \times 30\%$$

4.7 The CESS will account for net financing benefits in the following way:

- (a) The CESS takes into account benefits or costs that have already accrued to Evoenergy during the Access Arrangement Period in order to ensure that the power of the incentive is the same in each Financial Year. This is the financing benefit of any underspend and the financing cost of any overspend.
- (b) Capital expenditure is assumed to be incurred in the middle of each Financial Year and would be adjusted to end of year terms. In the case of an underspend, Evoenergy will recover a financing benefit (in the year following an underspend) equal to the underspend, in the preceding years, multiplied by the real WACC in the year.
- (c) The financing benefit from preceding years will be compounded, namely, the financing benefit for each year will be compounded to its NPV using nominal WACC at the end of the Access Arrangement Period. In doing so it is assumed financing benefits accrue at the end of the year. To calculate the total financing benefit, the annual financing benefits in NPV terms are summed.
- (d) The end of the year net financing benefit for each year is calculated in accordance with clause 4.7(e). The calculation of the future NPV for each year is calculated in accordance with clause 4.7(f).
- (e) The annual financing benefit (**FB**) in year  $n$  is a summation of the financing benefits calculated using the following equation:

$$FB_n = \text{Real WACC}_n \times \sum_{k=2}^n AEG_{k-1}$$

where:

$AEG_{k-1}$  is a summation of the financing benefits in year  $n-1$  real dollars.

For example:

The Year 2 FB ( $n=2$ ) will be calculated as follows:

$$(FB_2) = Real\ WACC_2 \times AEG_1$$

The Year 3 FB ( $n=3$ ) will be calculated as follows:

$$(FB_3) = Real\ WACC_3 \times (AEG_1 \times (1 + Actual\ CPI_2) + AEG_2)$$

The Year 4 FB ( $n=4$ ) will be calculated as follows:

$$(FB_4) = Real\ WACC_4 \times ((AEG_1 \times (1 + Actual\ CPI_2) \times (1 + Actual\ CPI_3) + AEG_2) \times (1 + Actual\ CPI_3) + AEG_3)$$

- (f) The annual FB in year  $n$  calculated in accordance with clause 4.7(e) will then be compounded into its NPV as at the end of the Access Arrangement Period. This will be through the use of the nominal WACC for each year of the Access Arrangement Period updated annually within the PTRM and calculated in accordance with the AER's Final Decision and the Rate of Return Instrument.

For example:

The Year 2 FB ( $n=2$ ) will be compounded to the end of the Access Arrangement Period using the following formula:

$$NPV_{2026}(FB_2) = (FB_2) \times (1 + WACC_3) \times (1 + WACC_4) \times (1 + WACC_5)$$

The Year 3 FB ( $n=3$ ) will be compounded to the end of the Access Arrangement Period using the following formula:

- 4.8  $NPV_{2026}(FB_3) = (FB_3) \times (1 + WACC_4) \times (1 + WACC_5)$  The CESS will account for rewards and penalties in the following way:

- (a) The CESS reward payable to, or penalty payable by, Evoenergy is calculated by subtracting the net financing benefit from Evoenergy's share of the cumulative efficiency gain and by adjusting for asset performance in certain circumstances.
- (b) The CESS reward (penalty) is calculated as follows:

$$CESS\ reward = (Service\ Provider\ share - net\ financing\ benefit) \times CPF$$

where:

$CPF$  is the Contingent Payment Factor calculated as:



Service Provider's share	Contingent Payment Index (CP)	Contingent Payment Factor (CPF)
> Greater than net financing benefit	CP > or = 100	1
	80 < CP < 100	$\frac{API - 80}{20}$
	CP < or = 80	0
< Less than or = equal to net financing benefit	Any value	1

**API** is the Contingent Payment Index calculated for the Access Arrangement Period in accordance with Schedule 9.

- (c) The CESS reward (penalty) will give rise to an additional “building block” in the calculation of the Total Revenue amounts under rules 76(d) and 98(2) of the National Gas Rules for each Financial Year of the 2026 Access Arrangement Period.

4.9 The CESS will account for actual capital expenditure for the final year of the Access Arrangement Period in the following way:

- (a) Actual capital expenditure for the final year of the Access Arrangement Period will not be available when the rewards or penalties for the CESS are calculated for that Access Arrangement Period. Instead, an estimate of capital expenditure will be used to calculate the efficiency gain (or loss) for the final year of the Access Arrangement Period.
- (b) Prior to the revisions submission date for the 2031 Access Arrangement Period, actual capital expenditure data will be available for the final year of the Access Arrangement Period. Where Evoenergy’s actual capital expenditure differs from the capital expenditure estimate used to calculate the CESS reward or penalty, an adjustment will be made to account for the difference.
- (c) The adjustment for the final year of the Access Arrangement Period will be (in present value terms as at 30 June 2031):

$$\begin{aligned}
 & \text{Final year adjustment} \\
 & = (A_p^{C*} - A_p^C) \times \left[ \frac{\text{Sharing factor} - 1}{(1 + WACC_p)^{-0.5}} + 1 \right] \\
 & \times (1 + WACC_{\text{NextAA}})^5 \times CPF
 \end{aligned}$$

where:

$A_p^{C*}$  is the estimate of actual capital expenditure in the final year of the Access Arrangement Period that has been used to initially calculate the CESS reward or penalty;

$A_p^C$  is actual capital expenditure in the final year of the Access Arrangement Period;

$CPF$  is the Contingent Payment Factor calculated in accordance with clause 4.8(b) above;

$WACC_p$  is the nominal WACC updated within the PTRM for the final year of the Access Arrangement Period;

$WACC_{NextAA}$  is the average nominal WACC determined by the Relevant Regulator for each year of the 2026 Access Arrangement Period; and

*Sharing factor* is the sharing factor of 30% referred to in clause 4.6(a) above.

- (d) For the avoidance of doubt, the adjustment referred to in clause (b) above should only adjust for any financing benefit or cost resulting from the difference between estimated and actual capital expenditure in the final year of the Access Arrangement Period to the extent that that benefit or cost was included within the CESS reward or penalty applicable to that Financial Year.

4.10 The CESS will adjust actual or allowed capital expenditure in certain circumstances as follows:

- (a) CESS payments will be adjusted where Evoenergy defers capital expenditure projects in the 2021 Access Arrangement Period to the 2026 Access Arrangement Period; and
- (i) the amount of the deferred capital expenditure in the 2021 Access Arrangement Period is material; and
- (ii) the amount of the estimated underspend in capital expenditure in the 2021 Access Arrangement Period is material; and
- (iii) total approved forecast capital expenditure in the 2026 Access Arrangement Period is materially higher than it is likely to have been if a material amount of capital expenditure was not deferred in the 2021 Access Arrangement Period.

If the Relevant Regulator determines that an adjustment will be made, the adjustment is the present value of the estimated marginal increase in forecast capital expenditure in the 2026 Access Arrangement Period attributable to capital expenditure deferred in this Access Arrangement Period.

- (b) Actual capital expenditure will be adjusted to remove any expenditure that is not rolled in to Evoenergy's Capital Base used to determine revenue over the 2026 Access Arrangement Period.
- (c) Allowed capital expenditure will be adjusted for any capital expenditure that is included by the Relevant Regulator in a Determined Pass Through Amount under clause 8. For the avoidance of doubt, an adjustment may be positive or negative.

## **5. Capital Expenditure**

### **Speculative capital expenditure**

- 5.1 Any new capital expenditure undertaken by Evoenergy that does not satisfy the requirements of rule 79 of the National Gas Rules (referred to in those Rules as non-conforming capital expenditure), to the extent that it is not to be recovered through a Surcharge on Users or a capital contribution by Users under rule 82 of the National Gas Rules, forms part of the Speculative Capital Expenditure Account (as contemplated by rule 84 of the National Gas Rules). Evoenergy may increase the Capital Base in accordance with rule 84(3) of the National Gas Rules if a part of the Speculative Capital Expenditure Account subsequently satisfies the requirements of rule 79 of the National Gas Rules.

### **Review of Capital Base after expiry of an Access Arrangement**

- 5.2 In calculating the Capital Base at the commencement of the 2026 Access Arrangement Period, depreciation (straight-line) for establishing the opening capital base will be based on forecast capital expenditure at the asset class level approved for the 2021 Access Arrangement Period.

### **Surcharges**

- 5.3 Evoenergy will notify the Relevant Regulator of any proposed surcharge in respect of capital expenditure that does not satisfy the requirements of rule 79 of the National Gas Rules (referred to in those Rules as non-conforming capital expenditure) as contemplated by rule 83(1) of the National Gas Rules.
- 5.4 Evoenergy may charge Users the Surcharge approved by the Relevant Regulator where permitted to do so by the National Gas Rules.
- 5.5 Evoenergy will not roll any amount that is, or is to be, recovered by means of a Surcharge into the Capital Base.

## **6. Fixed principles**

### **National Gas Rules**

6.1 The following are fixed principles for the purposes of rule 99 of the National Gas Rules:

- (a) the principle regarding the calculation of Capital Base set out in clause 5.2 is fixed for the 2021 Access Arrangement Period and the 2026 Access Arrangement Period;
- (b) the principle in clause 8.17 (that costs associated with Cost Pass Through Events in the 2021 Access Arrangement Period which are not passed through in the 2021 Access Arrangement Period may be passed through in the 2026 Access Arrangement Period) is fixed for the 2021 Access Arrangement Period and the 2026 Access Arrangement Period but, for the avoidance of doubt, is not binding in respect of the 2031 Access Arrangement Period;
- (c) the principle in clause 8.18 (that automatic adjustment factor costs incurred in an Access Arrangement Period which are not passed through in that Access Arrangement Period may be passed through in the subsequent Access Arrangement Period) is fixed for the 2021 Access Arrangement Period and 2026 Access Arrangement Period;
- (d) the principle regarding the capital expenditure incentive mechanism in section 4 is fixed only to the extent to enable rewards or penalties arising from the application of the CESS in this Access Arrangement Period to be realised in a subsequent access arrangement period as contemplated by clauses 4.8(c) and 4.9. The fixed principle remains in force for the 2021 Access Arrangement Period, the 2026 Access Arrangement Period and the 2031 Access Arrangement Period; and
- (e) any other principle expressly stated in this Access Arrangement to be a fixed principle for the purposes of rule 99 of the National Gas Rules.

## 7. Return on Debt

### Return on debt formula

7.1 The return on debt for each Financial Year of this Access Arrangement Period is to be calculated as follows:

- (a) For Financial Year 2021-22:  $kd_{2021-22} = (0.4 \times R_{2015-16}) + (0.1 \times R_{2016-17}) + (0.1 \times R_{2017-18}) + (0.1 \times R_{2018-19}) + (0.1 \times R_{2019-20}) + (0.1 \times R_{2020-21}) + (0.1 \times R_{2021-22})$ .
- (b) For Financial Year 2022-23:  $kd_{2022-23} = (0.3 \times R_{2015-16}) + (0.1 \times R_{2016-17}) + (0.1 \times R_{2017-18}) + (0.1 \times R_{2018-19}) + (0.1 \times R_{2019-20}) + (0.1 \times R_{2020-21}) + (0.1 \times R_{2021-22}) + (0.1 \times R_{2022-23})$ .
- (c) For Financial Year 2023-24:  $kd_{2023-24} = (0.2 \times R_{2015-16}) + (0.1 \times R_{2016-17}) + (0.1 \times R_{2017-18}) + (0.1 \times R_{2018-19}) + (0.1 \times R_{2019-20}) + (0.1 \times R_{2020-21}) + (0.1 \times R_{2021-22}) + (0.1 \times R_{2022-23}) + (0.1 \times R_{2023-24})$ .
- (d) For Financial Year 2024-25:  $kd_{2024-25} = (0.1 \times R_{2015-16}) + (0.1 \times R_{2016-17}) + (0.1 \times R_{2017-18}) + (0.1 \times R_{2018-19}) + (0.1 \times R_{2019-20}) + (0.1 \times R_{2020-21}) + (0.1 \times R_{2021-22}) + (0.1 \times R_{2022-23}) + (0.1 \times R_{2023-24}) + (0.1 \times R_{2024-25})$ .
- (e) For Financial Year 2025-26:  $kd_{2025-26} = (0.1 \times R_{2016-17}) + (0.1 \times R_{2017-18}) + (0.1 \times R_{2018-19}) + (0.1 \times R_{2019-20}) + (0.1 \times R_{2020-21}) + (0.1 \times R_{2021-22}) + (0.1 \times R_{2022-23}) + (0.1 \times R_{2023-24}) + (0.1 \times R_{2024-25}) + (0.1 \times R_{2025-26})$ .

where:

$kd_t$  is the annual return on debt for Financial Year  $t$  of this Access Arrangement Period

and

$R_t$  is the annual return on debt observation for each Financial Year  $t$  of this Access Arrangement Period, calculated in accordance with the on-the-day return on debt calculation set out in the Rate of Return Instrument.

### Averaging periods

7.2 The averaging periods specified in the AER's Final Decision must be used for the purposes of calculating the annual return on debt observation for each Financial Year of this Access Arrangement Period.

### Notification by the Relevant Regulator of the annual return on debt observation and updated X factor

7.3 For each Financial Year of this Access Arrangement Period, the Relevant Regulator will :

- (a) In the 'PTRM input' sheet of Evoenergy's PTRM, update the relevant cell to reflect the updated return on debt estimate ( $kd_t$ ).
- (b) In the 'X factors' sheet of the PTRM, update the relevant X factor.

- 7.4 The Relevant Regulator will notify Evoenergy of the updated return on debt and X factor within 15 Business Days after the end of Evoenergy's averaging period and, in doing so, provide Evoenergy with an updated PTRM.

## 8. Initial Reference Tariffs and Reference Tariff Variation Mechanism

### Initial Reference Tariffs

- 8.1 The Initial Reference Tariffs for the Reference Service are set out in the Reference Tariff Schedule (Schedule 3). These will apply from the Commencement Date, until varied in accordance with this section 8.
- 8.2 Evoenergy may vary Reference Tariffs at any time during this Access Arrangement Period with the approval of the Relevant Regulator in accordance with this section 8. Such variations may be effected through, without limitation:
- (a) Reference Tariff components, elements or variables comprised within any Reference Tariff;
  - (b) the introduction of a new Tariff Class and/or Tariff Category;
  - (c) the withdrawal (with or without grandfathering for existing customers) of any Tariff Class and/or Tariff Category; or
  - (d) any combination of these changes.

### Annual Reference Tariff variation mechanism

- 8.3 Where Evoenergy proposes to vary Reference Tariffs to apply from the start of the next Financial Year, the mechanisms set out below in clause 8.4 will apply.
- 8.4 Evoenergy may propose to vary Reference Tariffs (including any component of those Reference Tariffs) subject to compliance with:
- (a) the following tariff basket price control formula:

$$(1 + CPI_t)(1 - X_t)(1 + A_t)(1 + PT_t) \geq \frac{\sum_{i=1}^n \sum_{j=1}^m p_t^{ij} q_{t-2}^{ij}}{\sum_{i=1}^n \sum_{j=1}^m p_{t-1}^{ij} q_{t-2}^{ij}}$$

where Evoenergy has  $n$  Reference Tariffs and each Reference Tariff has up to  $m$  tariff components; and

- (b) the following side constraint formula applying to each Tariff Class:

$$(1 + CPI_t)(1 - X_t)(1 + A_t)(1 + PT_t)(1 + 0.02) \geq \frac{\sum_{i=1}^n \sum_{j=1}^m p_t^{ij} q_{t-2}^{ij}}{\sum_{i=1}^n \sum_{j=1}^m p_{t-1}^{ij} q_{t-2}^{ij}}$$

where Evoenergy has  $n$  Reference Tariffs within each Tariff Class and each of those Reference Tariffs has up to  $m$  tariff components,

and where for the purposes of each of the formulae above:

- $t$  is the Financial Year for which the Tariffs are being set;
- $p_t^{ij}$  is the proposed Tariff for component  $j$  of Reference Tariff  $i$  in Financial Year  $t$ , i.e. the new Tariff to apply from the commencement of Financial Year  $t$ ;
- $p_{t-1}^{ij}$  is the Tariff for component  $j$  of Reference Tariff  $i$  that is being charged in Financial Year  $t-1$  at the time the Variation Notice is submitted to the Relevant Regulator for assessment or, for the purposes of scaling by the Relevant Regulator in accordance with clause 8.26, at the time that scaling process commences;
- $q_{t-2}^{ij}$  is the audited quantity of component  $j$  of Reference Tariff  $i$  that was sold in Financial Year  $t-2$ ;
- $CPI_t$  is the annual percentage change in the Australian Bureau of Statistics (ABS) CPI All Groups, Weighted Average of Eight Capital Cities from the December quarter in year  $t-2$  to the December quarter in year  $t-1$ , calculated using the following method:
- The ABS CPI All Groups, Weighted Average of Eight Capital Cities for the December quarter in financial year  $t-1$
- divided by
- The ABS CPI All Groups, Weighted Average of Eight Capital Cities for the December quarter in financial year  $t-2$
- minus one.
- If the ABS does not, or ceases to, publish the index, then CPI will mean an inflation index the Relevant Regulator considers is the best available alternative index.
- $X_t$  means the  $X$  factor for Financial Year  $t$ , determined in accordance with the PTRM, updated for the return on debt in accordance with section 7;
- $A_t$  is the automatic adjustment factor for Financial Year  $t$  calculated in accordance with section 1 of Schedule 4; and
- $PT_t$  is the cost pass through factor for Financial Year  $t$  calculated in accordance with clause 2.5 of Schedule 4.

### **Intra-year Reference Tariff variation mechanism**

8.5 [Omitted].

### **Cost Pass Through Events**

8.6 For the purposes of this Access Arrangement, a "**Cost Pass Through Event**" means an event that is any one or more of the following:

- (a) a Regulatory Change Event;



- (b) a Service Standard Event;
- (c) an Insurance Cap Event;
- (d) an Insurer Credit Risk Event;
- (e) a Terrorism Event; and/or
- (f) a Natural Disaster Event.

### **Application process for seeking a Cost Pass Through**

- 8.7 If, as a result of a Cost Pass Through Event, there is an Administrative Cost Impact on Evoenergy:
- (a) if it wishes to do so, Evoenergy may seek the approval of the Relevant Regulator to pass through any associated Changes in Cost; and
  - (b) the Relevant Regulator may require Evoenergy to pass through any associated Changes in Cost.
- 8.8 If a Cost Pass Through Event occurs which will or is likely to have an Administrative Cost Impact, Evoenergy must notify the Relevant Regulator within 90 Business Days of becoming aware of that occurrence, by providing a written statement specifying the details of the Cost Pass Through Event and the date on which it occurred. For the avoidance of doubt, notification under this clause 8.8 is not an application to vary the Reference Tariffs.
- 8.9 Where the Changes in Cost associated with the Cost Pass Through Event are known (or able to be estimated to a reasonable extent), then the Change in Cost for each relevant Financial Year shall be notified to the Relevant Regulator together with the notification specified in clause 8.8.
- 8.10 Where the Changes in Cost associated with the Cost Pass Through Event are not known in whole or in part (or not able to be estimated to a reasonable extent) such that the Change in Cost for each relevant Financial Year cannot be included in the notification pursuant to clause 8.9, Evoenergy must provide a supplementary notice to the Relevant Regulator setting out the Change in Cost for each relevant Financial Year, as soon as practicable after the Changes in Cost are known or can be estimated to a reasonable extent.
- 8.11 Within 40 Business Days of Evoenergy notifying the Relevant Regulator of the Changes in Cost associated with a Cost Pass Through Event (pursuant to either clause 8.9 or 8.10, as relevant), the Relevant Regulator must notify Evoenergy of its determination as to whether it considers a Cost Pass Through Event has occurred which has an Administrative Cost Impact. If the Relevant Regulator considers that a Cost Pass Through Event has occurred which has an Administrative Cost Impact, the Relevant Regulator's determination must set out the amount that it has determined should be passed through in Reference Tariffs in respect of that Cost Pass Through Event (**Determined Pass Through Amount**).
- 8.12 In making a determination pursuant to clause 8.11, the Relevant Regulator must take into account:
- (a) the matters and proposals set out in any statement given to the Relevant Regulator by Evoenergy under clauses 8.8 to 8.10;

- (b) the Changes in Cost associated with the Cost Pass Through Event, as given to the Relevant Regulator by Evoenergy pursuant to clauses 8.9 or 8.10 as relevant;
- (c) the efficiency of Evoenergy's decisions and actions in relation to the risk of the Cost Pass Through Event, including whether Evoenergy has:
  - (i) failed to take any action that could reasonably have been taken that would have prevented or substantially mitigated the Changes in Cost associated with that Cost Pass Through Event; or
  - (ii) taken or omitted to take any action in response to the event, where such action or omission has materially increased the magnitude of the Changes in Cost in respect of the Cost Pass Through Event;
- (d) the time cost of money based on the WACC for Evoenergy;
- (e) the need to ensure that Evoenergy only recovers any actual or likely Changes in Cost to the extent that such increment is solely as a consequence of a Cost Pass Through Event;
- (f) whether the Changes in Cost associated with the Cost Pass Through Event have already been factored into the calculation of Evoenergy's Total Revenue, including in the calculation of the automatic adjustment factor; and
- (g) any other factors the Relevant Regulator considers relevant and consistent with the National Gas Law and National Gas Rules.

8.13 The period set out in clause 8.11 for making a determination pursuant to that clause may be extended by the Relevant Regulator, up to an absolute maximum of 90 Business Days:

- (a) by the time taken by the Relevant Regulator to obtain information from Evoenergy, obtain expert advice or consult about the notification in order to make a determination; and/or
- (b) if the Relevant Regulator is satisfied that the making of a determination involves issues of such complexity or difficulty that the time limit should be extended and it has given written notice to Evoenergy of that extension not later than 10 Business Days before the expiry of the period set out in clause 8.11 as previously extended under this clause 8.13.

8.14 If the Relevant Regulator does not make a determination within the time limit fixed by clause 8.11 (if relevant, as extended by clause 8.13) then:

- (a) in the case of a Cost Pass Through Event which results in an increase in costs, the Relevant Regulator is taken to have determined that the amount to be passed through is the sum of the Changes in Cost associated with the Cost Pass Through Event, as given to the Relevant Regulator by Evoenergy pursuant to clauses 8.9 or 8.10 as relevant; and
- (b) in the case of a Cost Pass Through Event which results in a decrease in costs, the Relevant Regulator is taken to have determined that the amount to be passed through is zero.

- 8.15 Following the Relevant Regulator's determination pursuant to clause 8.11 or clause 8.14, Evoenergy may, in the case of an event which increases costs and must, in the case of an event that decreases costs, include some or all of that amount in any Variation Notice.

**Inter-period treatment of Cost Pass Through Events and automatic adjustment factor costs**

- 8.16 Where a cost pass through event (as that term is defined in the 2016-21 Access Arrangement) occurs during the 2016 Period and the increase or decrease in costs associated with the event is not passed through in Reference Tariffs in the 2016 Period and is not included as part of the Total Revenue in the AER's Final Decision:

- (a) where the Relevant Regulator has made a decision as to the amount that should be passed through as a consequence of the event prior to the end of the 2016 Period, Evoenergy may, in the case of an event which increases costs, and must, in the case of an event which decreases costs, include some or all of that amount in any Variation Notice submitted in the 2021 Access Arrangement Period;
- (b) where the timing of the event was such that it was notified to the Relevant Regulator but the Relevant Regulator had not made a decision on the amount that should be passed through as a consequence of the event before the end of the 2016 Period, the Relevant Regulator must make a decision pursuant to the 2016-21 Access Arrangement on the amount that should be passed through in respect of that event in the 2021 Access Arrangement Period. Following the Relevant Regulator's decision (pursuant to the 2016-21 Access Arrangement), Evoenergy may, in the case of an event which increases costs, and must, in the case of an event which decreases costs, include some or all of that amount in any Variation Notice submitted in the 2021 Access Arrangement Period; and
- (c) where the timing of the event was such that it was not notified to the Relevant Regulator in the 2016 Period, Evoenergy may, in the case of an event which increases costs, and must, in the case of an event which decreases costs, notify the Relevant Regulator of the event and make an application to pass through the increase or decrease in costs associated with that event during the 2021 Access Arrangement Period. The notification by Evoenergy and the Relevant Regulator's decision are to be made in accordance with the procedure set out in the 2016-21 Access Arrangement, but applying the relevant thresholds for an administrative cost impact in this Access Arrangement. Following the Relevant Regulator's decision on the amount that should be passed through in respect of the event, Evoenergy may, in the case of an event which increases costs, and must, in the case of an event which decreases costs, include some or all of that amount in any Variation Notice submitted in the 2021 Access Arrangement Period.

- 8.17 Where a Cost Pass Through Event occurs in the 2021 Access Arrangement Period and the increase or decrease in costs associated with the Event is not passed through in Reference Tariffs in the 2021 Access Arrangement Period and is not included as part of the Total Revenue in the decision of the Relevant Regulator for, or its recovery provided for by any automatic adjustment factor to apply in, the 2026 Access Arrangement Period:

- (a) where the Relevant Regulator has made a decision as to the amount that should be passed through as a consequence of the Cost Pass Through Event prior to the end of the 2021 Access Arrangement Period, Evoenergy may, in the case of an Event which increases costs, and must, in the case of an Event which decreases costs, include some or all of that amount in any variation notice submitted in the 2026 Access Arrangement Period;
- (b) where the timing of the Cost Pass Through Event was such that it was notified to the Relevant Regulator but the Relevant Regulator had not made a decision on the amount that should be passed through as a consequence of the Cost Pass Through Event before the end of the 2021 Access Arrangement Period, the Relevant Regulator must make a decision pursuant to this Access Arrangement on the amount that should be passed through in respect of that Event in the 2026 Access Arrangement Period. Following the Relevant Regulator's decision (pursuant to this Access Arrangement), Evoenergy may, in the case of an Event which increases costs, and must, in the case of an Event which decreases costs, include some or all of that amount in any variation notice submitted in the 2026 Access Arrangement Period; and
- (c) where the timing of the Cost Pass Through Event was such that it was not notified to the Relevant Regulator in the 2021 Access Arrangement Period, Evoenergy may, in the case of an Event which increases costs, and must, in the case of an Event which decreases costs, notify the Relevant Regulator of the Event and make an application to pass through the increase or decrease in costs associated with that Event during the 2026 Access Arrangement Period. The notification by Evoenergy and the Relevant Regulator's decision are to be made in accordance with the procedure set out in this Access Arrangement, but applying the relevant thresholds for an administrative cost impact in the access arrangement that applies for the 2026 Access Arrangement Period. Following the Relevant Regulator's decision, Evoenergy may, in the case of an Event which increases costs, and must, in the case of an Event which decreases costs, include some or all of that amount in any variation notice submitted in the 2026 Access Arrangement Period.

8.18 Costs incurred in the immediately prior Access Arrangement Period but which are not passed through in Reference Tariffs in the immediately prior Access Arrangement Period may, in accordance with Schedule 4, be included in the calculation of the automatic adjustment factor applicable in the subsequent Access Arrangement Period.

**Annual Variation Notice**

8.19 If Evoenergy proposes to vary one or more Reference Tariffs to apply from the start of the next Financial Year, Evoenergy will submit a Variation Notice to the Relevant Regulator on or before the 15 March, or next closest Business Day, prior to the commencement of the next Financial Year that:

- (a) includes a proposed revised Reference Tariff Schedule;
- (b) states the effective date of the proposed variation;
- (c) demonstrates and explains how the proposal complies with the annual Reference Tariff variation mechanism specified in clause 8.4;

- (d) includes a statement to support the Gas quantity inputs in the annual Reference Tariff variation mechanism. The statement will be independently audited and the Gas quantity input must reflect the most recent actual Financial Year quantity available at the time of submitting the Variation Notice;
- (e) sets out any Determined Pass Through Amount Evoenergy proposes to pass through in whole or in part from the commencement of the next Financial Year; and
- (f) sets out any pass through amounts arising from cost pass through events (as that term is defined in the 2016-21 Access Arrangement) occurring in the 2016 Period that Evoenergy is proposing to pass through in whole or in part from the commencement of the next Financial Year.

**Intra-year Variation Notice**

8.20 [Omitted]

**Variation Notice assessment**

- 8.21 Within 30 Business Days of receiving Evoenergy’s Variation Notice, the Relevant Regulator will inform Evoenergy in writing of whether or not it has approved the proposed variation(s) to Reference Tariffs in Evoenergy’s Variation Notice as compliant with the relevant Reference Tariff variation mechanism(s).
- 8.22 The Relevant Regulator must approve the proposed variation(s) to Reference Tariffs if they are compliant with the relevant Reference Tariff variation mechanism(s).
- 8.23 The 30 Business Day period may be extended (by giving written notice to Evoenergy) to account for the time taken by the Relevant Regulator to obtain further information from Evoenergy about the Variation Notice, obtain expert advice or to consult about the Variation Notice. There is an absolute time limit of 50 Business Days for the Relevant Regulator to complete the assessment of a Variation Notice.
- 8.24 If the Relevant Regulator fails to provide Evoenergy with written notification of its decision within 50 Business Days of receiving Evoenergy’s Variation Notice, the Relevant Regulator will be deemed to have approved the variation proposed in the Variation Notice.
- 8.25 If the Relevant Regulator declines to approve any part of the proposal in the Variation Notice, the Relevant Regulator must provide Evoenergy with a written statement of reasons for that decision at the time it informs Evoenergy of its decision.
- 8.26 In the event that:
  - (a) Evoenergy does not submit proposed Reference Tariffs to apply from the start of the next Financial Year  $t$  in accordance with the procedure set out in clause 8.19; or
  - (b) the Relevant Regulator decides that any part of the proposal in an annual Variation Notice is not compliant with the relevant Reference Tariff variation mechanism for a new Financial Year  $t$ ,

the Relevant Regulator will determine the Reference Tariffs for the Financial Year  $t$  that are compliant with the annual Reference Tariff variation mechanism by scaling all Reference Tariffs for Financial Year  $t-1$ , in the case of clause 8.266(a) above, or in the case of clause 8.26(b) those Reference Tariffs applicable in Financial Year  $t-1$  in respect of which the Relevant Regulator has disallowed Evoenergy's proposed variations for Financial Year  $t$  through application of the following formula:

$$(1 + CPI_t)(1 - X_t)(1 + A_t)(1 + PT_t)$$

where  $CPI_t$ ,  $X_t$ ,  $A_t$  and  $PT_t$  are as defined in clause 8.4.

### **Revised Reference Tariff Schedule**

- 8.27 Where Reference Tariffs are varied in accordance with this section 8, Evoenergy will publish a revised Reference Tariff Schedule on Evoenergy's website (which will replace the previously published version).
- 8.28 The revised Reference Tariff Schedule, including the changed Reference Tariffs, will take effect from the date specified in that revised Reference Tariff Schedule.

### **Other relevant matters**

- 8.29 Where a clerical mistake, an accidental slip or omission, or a miscalculation, has been identified in the determination of Reference Tariffs to apply in Financial Year  $t-1$  in accordance with this clause 8, that mistake, slip, omission or miscalculation may be corrected in determining the Reference Tariff for Financial Year  $t$  in accordance with this section 8.
- 8.30 For the avoidance of doubt:
- (a) to the extent the calculation of a Reference Tariff or component, element or variable of a Reference Tariff is based on a forecast or estimate, the fact that the actual amount of the parameter being forecast or estimated is different to the forecast or estimated amount does not constitute a mistake, slip, omission or miscalculation for the purposes of clause 8.29;
  - (b) to the extent Evoenergy may have over or under recovered revenue as a consequence of a mistake, slip, omission or miscalculation being made in relation to the setting of a tariff that has been approved by the Relevant Regulator, no adjustment may be made to the Reference Tariffs or component, element or variable of a Reference Tariff under clause 8.2929 to reflect any over or under recovery amount; and
  - (c) Evoenergy may submit in a Variation Notice, a correction for past clerical mistakes, accidental slips or omissions or miscalculations. The Relevant Regulator may also make Evoenergy aware that a past clerical mistake, accidental slip or omission or miscalculation has occurred and require all future tariff variation notifications to take account of that past clerical mistake, accidental slip or omission or miscalculation. Evoenergy may consult with the Relevant Regulator on past clerical mistakes, accidental slips or omissions or miscalculations.

## **9. Tariff Categories for Reference Services**

### **Application**

9.1 This section applies to all Delivery Points that receive the Reference Service.

### **Tariff Category Assignment**

9.2 Evoenergy will assign each Delivery Point that receives a Reference Service with a Tariff Category in accordance with the Tariff Assignment Criteria. The Initial Tariff Categories are set out in the Reference Tariff Schedule.

9.3 The assigned Tariff Category will determine which Reference Tariffs are payable in respect of a specific Delivery Point.

9.4 Where a Delivery Point is eligible for more than one Tariff Category in accordance with the Tariff Assignment Criteria, the User or Prospective User may nominate in its Request the Tariff Category to which it wants the Delivery Point assigned. A completed Request must be submitted to Evoenergy at least 2 months' prior to the date in which the nominated Tariff Category is proposed to apply. Evoenergy will advise the User or Prospective User (as the case may be) whether the Delivery Point is eligible for the nominated Tariff Category within 2 months of receipt of a completed Request. If the Delivery Point is eligible for the nominated Tariff Category, the nominated Tariff Category will apply from the commencement of the month following the date of Evoenergy's confirmation of its eligibility. Evoenergy may refuse a nomination by a User or Prospective User if it does not consider the Delivery Point to be eligible for the nominated Tariff Category.

9.5 On request, a User or Prospective User must provide Evoenergy with sufficient information to enable Evoenergy to apply the Tariff Assignment Criteria and assign each Delivery Point with a Tariff Category.

### **Tariff Category Re-assignment**

9.6 Evoenergy may re-assign a Delivery Point to a different Tariff Category in accordance with the Tariff Assignment Criteria at any time where:

- (a) the Delivery Point has previously been wrongly assigned to a Tariff Category;
- (b) the Delivery Point no longer qualifies for the assigned Tariff Category; or
- (c) the assigned Tariff Category has been withdrawn.

9.7 A User may nominate in its Request the Tariff Category it wants a Delivery Point re-assigned:

- (a) at any time if it can demonstrate to Evoenergy's reasonable satisfaction that there has been a change in the Energy requirements of the Customer or End Consumer at the premises served by the Delivery Point, in which case re-assignment may be requested based on that change; and
- (b) for any other reason, but not more than once a Year in respect of the same Delivery Point.

- 9.8 Evoenergy will determine a User's Request for re-assignment of a Delivery Point in accordance with the Tariff Assignment Criteria. Evoenergy will inform the User of its decision in respect of the Request for re-assignment within 2 months of the receipt of the User's completed Request. If Evoenergy decides to re-assign a Delivery Point, the re-assignment will apply from the commencement of the month following the date of Evoenergy's decision. If Evoenergy does not agree to the Request, Evoenergy must provide the User with /reasons for the decision.



## **10. Extensions and Expansions Policy**

### **Expansions policy**

- 10.1 This Access Arrangement will apply to incremental services to be provided as a result of any expansion of the capacity of the Network made during the Access Arrangement Period.

### **Extensions policy**

- 10.2 This Access Arrangement will apply to incremental services to be provided as a result of any extension of the Network made during the Access Arrangement Period, except for high pressure pipeline extensions which are determined by the Relevant Regulator not to form part of the Network in accordance with this section 10.

### **Method for determining if the Access Arrangement is to apply to high pressure pipeline extensions**

- 10.3 The method below shall be used to determine whether a high pressure pipeline extension should be taken to form part of the Network.
- (a) Subject to clause 10.3(d), if Evoenergy proposes a high pressure pipeline extension during the Access Arrangement Period, it must apply to the Relevant Regulator to decide whether the Access Arrangement will apply to incremental services to be provided by the high pressure pipeline extension. The application must include the information required by clause 10.3(c)(c).
  - (b) For the purposes of this section 10, a "high pressure pipeline extension" means an extension to the Network where that extension has a direct connection to a transmission pipeline and which is designed to provide reticulated Gas either to a new development or an existing development not serviced with reticulated Gas.
  - (c) The Service Provider must apply to the Relevant Regulator under clause 10.3(a) before the proposed high pressure pipeline extension comes into service:
    - (i) in writing;
    - (ii) stating whether Evoenergy intends for the Access Arrangement to apply to incremental services to be provided as a result of the proposed new high pressure pipeline extension; and
    - (iii) describing the high pressure pipeline extension and setting out why it is being undertaken.
  - (d) Evoenergy is not required to advise the Relevant Regulator under clause 10.3(a) if the cost of the high pressure pipeline extension has already been included in the calculation of Reference Tariffs, in which case the Access Arrangement applies to the incremental services to be provided by the high pressure pipeline extension.
  - (e) After considering Evoenergy's application, and undertaking such consultation as the Relevant Regulator considers appropriate, the Relevant

Regulator will inform Evoenergy of its decision on Evoenergy's proposed coverage approach for the high pressure pipeline extension.

- (f) The Relevant Regulator's decision referred to in clause 10.3(e) may be made on such reasonable conditions as determined by the Relevant Regulator and will have the effect stated in the decision.
- (g) If the Relevant Regulator determines that the high pressure pipeline extension is to form part of the Network, this Access Arrangement will apply to incremental services to be provided by the high pressure pipeline extension.

**Effect on Reference Tariffs**

- 10.4 Evoenergy will offer the Reference Service in respect of any extensions or expansions to which this Access Arrangement applies at the Reference Tariffs.

## **11. Capacity Trading policy**

### **Transfer of Contracted Capacity for a Reference Service**

- 11.1 Where the Reference Service Agreement provides a User with contracted capacity, the User may transfer all or any of its Contracted Capacity for the Reference Service to another User in accordance with the provisions of the Reference Service Agreement to the extent those provisions are consistent with the capacity trading requirements in the National Gas Rules and applicable market procedures governing transfers of capacity.

### **Transfer of Contracted Capacity for a Non-Reference Service**

- 11.2 Where a Service Agreement for a Non-Reference Service provides a User with contracted capacity, the User may transfer all or any of its Contracted Capacity for the Non-Reference Service to another User in accordance with the provisions of its Service Agreement to the extent those provisions are consistent with the capacity trading requirements in the National Gas Rules and applicable market procedures governing transfers of capacity.

## **12. Changing Receipt and Delivery Points**

### **Change of Receipt Point or Delivery Point for the Reference Service**

- 12.1 A User may, with Evoenergy's consent, change the User's Receipt Point or Delivery Point for the delivery of a Reference Service in accordance with the provisions of the Reference Service Agreement.

### **Change of Receipt Point or Delivery Point for a Non-Reference Service**

- 12.2 A User may, with Evoenergy's consent, change the User's Receipt Point or Delivery Point for the delivery of a Non-Reference Service in accordance with the provisions of its Service Agreement to the extent those provisions are consistent with the provisions governing the change of Receipt and Delivery Points by Users in the National Gas Rules.

### **Evoenergy's consent**

- 12.3 Evoenergy must not withhold its consent under clauses 12.1 or 12.2, as relevant, unless it has reasonable grounds, based on technical or commercial considerations, for doing so.

### **13. Queuing**

This Access Arrangement does not need to include queuing requirements unless, in accordance with rule 103(1)(b) of the National Gas Rules, the Relevant Regulator has notified Evoenergy that this Access Arrangement must contain queuing requirements. At the Commencement Date, the AER has not notified Evoenergy of the need to include queuing requirements.

## **14. Liability**

- 14.1 Evoenergy is not liable for, and a User or Prospective User will hold Evoenergy harmless from and against, any and all Loss in connection with or arising as a result of any request by a User or Prospective User, any delay in giving or failure to give consent by Evoenergy or any failure to agree any matter, under or in respect of this Access Arrangement, except to the extent that such Loss was caused by the negligence or wilful default of Evoenergy. For avoidance of doubt, this clause does not affect the ability of a User or Prospective User to seek to have a dispute resolved under the dispute resolution procedures in the National Gas Law and the National Gas Rules, unless the parties agree otherwise in writing.

## SCHEDULE 1: DEFINITIONS

1.1 In this Access Arrangement:

**2016 Period** means the period commencing 1 July 2016 and ending on the commencement of this Access Arrangement.

**2016-21 Access Arrangement** means the access arrangement setting out terms and conditions for access to the Services provided by Evoenergy that applied to the Network immediately prior to the Commencement Date.

**2021 Access Arrangement Period** means the Access Arrangement Period from the Commencement Date (which is expected to be 1 July 2021) until the revision commencement date specified in clause 1.9 of this Access Arrangement.

**2020-21 Tariff Variation Notice** means the variation notice proposing to vary reference tariffs from the start of Financial Year 2020-21 submitted by Evoenergy under the 2016-21 Access Arrangement and approved by the Relevant Regulator.

**2022-23 Tariff Variation Notice** means the Variation Notice proposing to vary Reference Tariffs from the start of Financial Year 2022-23 approved by the Relevant Regulator.

**2026 Access Arrangement Period** means the Access Arrangement Period immediately following the 2021 Access Arrangement Period (expected to commence on 1 July 2026).

**2031 Access Arrangement Period** means the Access Arrangement Period immediately following the 2026 Access Arrangement Period (expected to commence on 1 July 2031).

**Access Arrangement** means this access arrangement setting out terms and conditions for access to the Reference Service and Non-Reference Services provided by Evoenergy for the Access Arrangement Period approved by the Relevant Regulator under the National Gas Rules.

**Access Arrangement Information** means the information relating to this Access Arrangement and submitted by Evoenergy pursuant to Rule 42 of the National Gas Rules, amended to reflect the AER's Final Decision.

**Access Arrangement Period** has the meaning given to it in Rule 3 of the National Gas Rules and, in respect of a reference to "this Access Arrangement", means the period from the Commencement Date until the revision commencement date specified in clause 1.9 of this Access Arrangement.

**Administrative Cost Impact** means that the Change in Cost (including both incurred and forecast amounts) in any relevant Financial Year, as a result of a Cost Pass Through Event occurring, is equal to or greater than 1 per cent of the smoothed forecast revenue for that Financial Year specified in the AER's Final Decision.

**AEMC** means the Australian Energy Market Commission.

**AEMO** means the Australian Energy Market Operator (ACN 072 010 327).

**AEMO Fee** means any participant fee payable to AEMO.

**AER** means the Australian Energy Regulator.

**AER's Final Decision** means the final decision of the AER with respect to this Access Arrangement under Rule 62 of the National Gas Rules.

**Applicable Law** means any legislation, subordinate legislation, licence, code, rules, sub-code, guideline, safety case, order or regulation that applies to Evoenergy, the Network, the operation of the Network, and/or provision of services on the Network, whether specific to Evoenergy or regulating the gas industry or aspects of the gas industry more generally and includes the *Utilities Act 2000* (ACT), the *Utilities (Technical Regulation) Act 2014* (ACT), the *Gas Safety Act 2000* (ACT), the *National Gas (ACT) Act 2008* (ACT), the *National Gas (New South Wales) Act 2008* (NSW), the *Gas Supply Act 1996* (NSW), the National Energy Retail Law and National Energy Retail Rules, any other applicable market, industry or technical code, any licence issued under the *Utilities Act 2000* (ACT), the *Utilities (Technical Regulation) Act 2014* (ACT) and the *Gas Supply Act 1996* (NSW).

**Base Year** means the Financial Year of the 2021 Access Arrangement Period used by the Relevant Regulator as the base year for forecasting operating expenditure in the 2026 Access Arrangement Period.

**Business Customer** means a Customer who is not a Residential Customer.

**Business Day** has the meaning given to it in the National Gas Law.

**Capital Base** means the capital value to be attributed, in accordance with Part 9 of the National Gas Rules, to pipeline assets.

**Carbon Scheme** means any law or regulation of the Commonwealth of Australia or of a State or Territory of Australia, with respect to the production or emission of, or to reduce, limit, cease, prevent, offset, remove or sequester greenhouse gas emissions.

**CESS** means the capital expenditure incentive mechanism set out in section 4.

**Change in Cost** in relation to a Cost Pass Through Event means the net decrease or increase in costs (as opposed to the revenue impact) that Evoenergy has incurred and is likely to incur in the provision of the Reference Service in any relevant Financial Year as a result of the Cost Pass Through Event.

**Claim** means any cause of action, liability, claim, proceeding, suit or demand of any nature however arising and whether present or future, fixed or unascertained, actual or contingent whether at law, in equity, under statute or otherwise and which any party may have against the other in connection with this Access Arrangement.

**Commencement Date** means the date referred to in clause 1.8 of this Access Arrangement.

**Contingent Payment Factor** is defined in clause 4.8(b).

**Continent Payment Index** is described in Schedule 9.

**Contracted Capacity** refers to that part of the capacity of the Network which has been reserved by a User or Users pursuant to a Service Agreement with Evoenergy.

**Cost Pass Through Event** has the meaning given to it in clause 8.6.

**Coverage Determination** means a determination of a Relevant Minister under Chapter 3 Part 1 Division 1 of the National Gas Law.



**Covered Pipeline** has the meaning given to it in the National Gas Law.

**Customer** has the meaning given to it in the Reference Services Agreement.

**Delivery Point** means a point on the Network from which Gas is or may be withdrawn.

**Delivery Station** means facilities at a Delivery Point through which Gas is delivered from the Network.

**Determined Pass Through Amount** has the meaning set out in clause 8.11.

**Downstream Network** means a distribution system or a pipeline not operated by Evoenergy, which receives Gas from the Network for the purpose of use by third parties and, for the avoidance of doubt, does not include embedded networks in shopping centres, apartment buildings or similar.

**ELMS** has the meaning given to it in clause 1.6 of Schedule 7 of this Access Arrangement.

**ELMS Data** has the meaning given to it in the Reference Service Agreement.

**End Consumer** has the meaning given to it in the Reference Service Agreement.

**Energy** has the meaning given to it in the Reference Service Agreement.

**Energy Industry Levy** means the levy imposed by section 54C of the *Utilities Act 2000* (ACT).

**Evoenergy** means the owner of the Network from time to time, which at the Commencement Date is Icon Distribution Investments Limited (ABN 83 073 025 224) and Jemena Networks (ACT) Pty Ltd (ABN 24 008 552 663) trading as Evoenergy (ABN 76 670 568 688).

**EWON** means the Energy & Water Ombudsman NSW.

**Financial Year** means the 12-month period ending on 30 June in any year.

**Gas** means natural gas.

**GJ** means gigajoule.

**GST** has the meaning given in the *A New Tax System (Goods and Services) Tax Act 1999* (Cth).

**Hour** has the meaning given to it in the Reference Service Agreement.

**Initial Reference Tariffs** means the Reference Tariffs applying on and from the Commencement Date, until amended in accordance with section 8 of this Access Arrangement.

**Initial Tariff Categories** means the Tariff Categories applying and from the Commencement Date, until amended in accordance with section 8 of this Access Arrangement.

**Insurance Cap Event** means an event where:

- (a) Evoenergy makes a claim or claims and receives the benefit of a payment or payments under a relevant insurance policy;
- (b) Evoenergy incurs costs beyond the policy limit; and
- (c) the costs beyond the policy limit increase the costs to Evoenergy of providing the Reference Service.

For this Insurance Cap Event:

- (d) a relevant insurance policy is an insurance policy held during the Access Arrangement Period or a previous period in which access to the pipeline services was regulated; and
- (e) Evoenergy will be deemed to have made a claim on a relevant insurance policy if a claim is made by a related party of Evoenergy in relation to any aspect of the Network or Evoenergy's business.

Note in making a determination on an Insurance Cap Event, the Relevant Regulator will have regard to, amongst other things:

- (i) the insurance policy for the event;
- (ii) the level of insurance that an efficient and prudent service provider would obtain in respect of the event; and
- (iii) any assessment by the Relevant Regulator of Evoenergy's insurance in approving the access arrangement for the relevant period.

**Insurer Credit Risk Event** means an event where an insurer of Evoenergy becomes insolvent and, as a result, in respect of an existing, or potential, claim for a risk that was insured by the insolvent insurer, Evoenergy:

- (a) is subject to a higher or lower claim limit or a higher or lower deductible than would have otherwise applied under the insolvent insurer's policy; or
- (b) incurs additional costs associated with funding an insurance claim, which would otherwise have been covered by the insolvent insurer.

Note: In making a determination on an Insurer Credit Risk Event pursuant to clause 8.11 of this Access Arrangement, the AER will have regard to, amongst other things:

- (i) Evoenergy's attempts to mitigate and prevent the event from occurring by reviewing and considering the insurer's track record, size, credit rating and reputation; and
- (ii) in the event that a claim would have been made after the insurance provider became insolvent, whether Evoenergy had reasonable opportunity to insure the risk with a different provider.

**Interconnection Service** means the Service described in clause 2.7 and Schedule 6.

**IPART** means the Independent Pricing and Regulatory Tribunal.

**Large Customer** has the meaning given to it in the National Energy Retail Law.

**Load** has the meaning set out in the Reference Services Agreement.

**Load Shedding** means the process of reducing or ceasing the withdrawal or taking of Gas from the Network.

**Loss** includes any Claim, damage, loss, cost, charge, expense or payment, including a payment ordered by a dispute resolution panel constituted under the National Gas Rules.

**Maximum Daily Quantity** or **MDQ** has the meaning given to it in the Reference Service Agreement.

**Maximum Hourly Quantity** or **MHQ** has the meaning given to it in the Reference Service Agreement.

**Measuring Equipment** has the meaning given to it in the Reference Service Agreement.

**Minister** means the Minister responsible for administering the *National Gas (ACT) Act 2008* (ACT), or the *National Gas (New South Wales) Act 2008* (NSW), as the case may be.

**National Gas Law** means the National Gas Law adopted under the *National Gas (ACT) Act 2008* (ACT) or the *National Gas (New South Wales) Act 2008* (NSW) as applicable.

**National Gas Rules** means the National Gas Rules made by the AEMC under the National Gas Law.

**National Energy Retail Law** means the National Energy Retail Law adopted under the *National Energy Retail Law (ACT) Act 2012* (ACT) or the *National Energy Retail Law (Adoption) Act 2012* (NSW) as applicable.

**Natural Disaster Event** means any natural disaster including but not limited to cyclone, fire, flood or earthquake that occurs during the 2021 Access Arrangement Period that increases the costs to Evoenergy in providing the Reference Service, provided the fire, flood or other event was:

- a consequence of an act or omission that was necessary for the service provider to comply with a regulatory obligation or requirement or with an applicable regulatory instrument; or
- not a consequence of any other act or omission of the service provider.

Note: In making a determination on a natural disaster event pursuant to clause 8.11 of this Access Arrangement, the AER will have regard to, amongst other things:

- (i) whether Evoenergy has insurance against the event; and
- (ii) the level of insurance that an efficient and prudent service provider would obtain in respect of the event.

**Negotiated Service** means the service described in clause 2.8.

**Network** means the Covered Pipeline in the Australian Capital Territory, and Queanbeyan-Palerang Region in New South Wales, including Pipeline licence no. 29 from Hoskinstown to

Fyshwick, and including any extension or expansion to which this Access Arrangement applies in accordance with section 9.

**Non-Reference Service** means each of:

- (a) the Interconnection Service; and
- (b) a Negotiated Service.

**Operational Schedule** means the Schedule to this Access Agreement entitled Operational Schedule.

**Pipeline** has the meaning given to it in the National Gas Law.

**Pipeline Service** has the meaning given to it in the National Gas Law.

**Prospective User** means:

- (a) a person who seeks to be provided with a Pipeline Service by means of the Network;
- (b) for the avoidance of doubt, a User is also a Prospective User if the User seeks to be provided with a Pipeline Service by means of the Network other than a Pipeline Service already provided to them under:
  - (i) a Service Agreement; or
  - (ii) an access determination.

**Provision of Basic Metering Equipment Charge** means an annual charge specified in Schedule 3 (the Reference Tariff Schedule).

**PTRM** means the revenue model that is used by Evoenergy to calculate Reference Tariffs for the 2021 Access Arrangement Period, as approved in the AER's Final Decision and updated annually in accordance with section 7 of this Access Arrangement.

**Quantity** has the meaning given to it in the Reference Services Agreement.

**Queanbeyan-Palerang Region** means the area known as Queanbeyan-Palerang Regional by proclamation under the *Local Government Act 1993* (NSW), formerly the areas known as Palerang and the City of Queanbeyan.

**Rate of Return Instrument** means the Rate of Return Instrument published by the Relevant Regulator on 17 December 2018.

**Receipt Point** means a point at which Gas is received into the Network.

**Receipt Point Pressures** has the meaning given to it in Schedule 8 of this Access Arrangement.

**Receipt Station** has the meaning given to it in the Reference Service Agreement.

**Reference Service** means the Service described in clause 2.3.

**Reference Service Agreement** means the contract between Evoenergy and a User or Prospective User for the provision of the Reference Service as set out in Schedule 5.

**Reference Tariff** means the tariff which relates to the Reference Service specified in Schedule 3 (the Reference Tariff Schedule) or as amended in accordance with section 8.

**Reference Tariff Schedule** means the schedule of Reference Tariffs as approved by the Relevant Regulator and amended from time to time in accordance with this Access Arrangement.

**Regulatory Change Event** means the introduction of, or a change in, a regulatory obligation or requirement that:

- (a) falls within no other category of pass through event; and
- (b) occurs during the course of an Access Arrangement Period; and
- (c) substantially affects the manner in which Evoenergy provides the Reference Service; and
- (d) materially increases or materially decreases the costs of providing those services.

**Relevant Minister** has the meaning given to it in the National Gas Law.

**Relevant Regulator** has the meaning given to it in the National Gas Law and at the commencement of this Access Arrangement is the AER.

**Relevant Tax** means any Tax other than:

- (a) a tax in the nature of an income tax or a capital gains tax;
- (b) penalties, charges, fees and interest on late payments, or deficiencies in payments, relating to any Tax;
- (c) stamp duty, or similar taxes and duties;
- (d) the AEMO Fee, the Energy Industry Levy and the Utilities (Network Facilities) Tax; and
- (e) any Tax that replaces or is the equivalent of or similar to any of the taxes referred to above.

**Replacement Gas** has the meaning set out in the Reference Service Agreement.

**Request** means a request for a Reference Service or Non-Reference Service using the request for service form set out in Schedule 2 of this Access Arrangement or such other request for service form as published by Evoenergy from time to time on its website.

**Residential Customer** means a Customer who consumes Energy principally for personal, domestic or household use.

**Retail Market Procedures** has the meaning given to it in the Reference Services Agreement.

**Ring-fencing Guideline** means the Ring-fencing Guideline, Electricity Distribution, version 2 dated October 2017 and made by the AER under clause 6.17.2 of the National Electricity Rules.

**SAIDI** means the System Average Interruption Duration Index, which measures the length of time each customer is without supply averaged over all customers in the Network.

**SAIFI** means the System Average Interruption Frequency Index, which measures the number of supply interruptions each customer experiences for the year averaged over all customers in the Network.

**Service** means a service provided by Evoenergy in relation to the Network including the Reference Service.

**Service Agreement** means a contract between Evoenergy and a User for the provision of a Pipeline Service.

**Service Standard Event** means a legislative or administrative act or decision that has the effect of:

- (a) substantially varying, during the course of an Access Arrangement Period, the manner in which Evoenergy is required to provide the Reference Service; or
- (b) imposing, removing or varying, during the course of an Access Arrangement Period, the minimum service standards applicable to the Reference Service; or
- (c) altering, during the course of an access arrangement period, the nature or scope of the Reference Service provided by Evoenergy; or
- (d) Materially increases or materially decreases the cost to Evoenergy of providing the Reference Service.

**Speculative Capital Expenditure Account** has the meaning given to it in rule 84 of the National Gas Rules.

**Surcharge** has the meaning given to it in rule 83(2) National Gas Rules.

**Tariff** means a rate by which a charge for a Pipeline Service is calculated.

**Tariff Assignment Criteria** means the tariff assignment criteria set out in the Reference Tariff Schedule.

**Tariff Category** means Customers who constitute a tariff category under the Reference Tariff Schedule.

**Tariff Class** means each of the classes of Users of the Reference Service who are subject to particular Reference Tariffs described or specified in clause 2.2 of Schedule 3, as amended from time to time in accordance with section 7 of this Access Arrangement.

**TJ** means terajoule.

**Tax** means any royalty, duty, excise, tax, impost, levy, fee, assessment, penalty or other compliance cost or charge (including without limitation, any goods and services tax) imposed by the Commonwealth of Australia, any State or Territory of Australia, any local government

or statutory authority or any other body (authorised by law to impose such an impost, tax or charge) on or in respect of the Network (or any part of it) or on or in respect of the operation, repair, maintenance, administration or management of the Network (or any part of it) or on or in respect of the provision of any Network Service (other than a levy, fee or charge that arises as a result of Evoenergy's breach of a law or failure to pay a tax or charge by the due date for payment).

**Terrorism Event** means an act (including, but not limited to, the use of force or violence, the threat of force or violence) of any person or group of persons (whether acting alone or on behalf of or in connection with any organisation or government), which:

- (a) from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons (including the intention to influence or intimidate any government and/or put the public, or any section of the public, in fear); and
- (b) increases the cost to Evoenergy in providing the Reference Service.

Note: In making a determination on a terrorism event pursuant to clause 8.11 of this Access Arrangement, the AER will have regard to, amongst other things:

- (i) whether Evoenergy has insurance against the event;
- (ii) the level of insurance that an efficient and prudent service provider would obtain in respect of the event; and
- (iii) whether a declaration has been made by a relevant government authority that a terrorism event has occurred.

**Total Revenue** is the revenue requirement for each Financial Year of the Access Arrangement Period determined for the Reference Service in accordance with rule 76 of the National Gas Rules.

**UAG** means unaccounted for Gas, being Gas necessary to make up for Gas lost or unaccounted for in the Network.

**UAG Cost** means the cost incurred by Evoenergy to procure Replacement Gas to make up for UAG in the Network during a Financial Year, including costs for transportation and other direct costs reasonably incurred by Evoenergy in connection with that UAG.

**UNFT** means the "network facility tax" as defined in the *Utilities (Network Facilities Tax) Act 2006* (ACT).

**Upstream Facility** means a facility (including means a facility (including a Gas production or storage facility or transmission pipeline) not operated by Evoenergy, from which Gas is delivered into the Network.

**User** means a person who:

- (a) is a party to a Service Agreement with Evoenergy under which Evoenergy provides or agrees to provide a Pipeline Service to that person by means of the Network; or
- (b) has a right under an access determination to be provided with a Pipeline Service by means of the Network.

**Variation Notice** means a notice submitted by Evoenergy to the Relevant Regulator under either clause 8.19 or clause 8.20.

**WACC** means the vanilla weighted average cost of capital as set out in the AER's Final Decision and updated annually within the PTRM.

### **Interpretation**

1.2 Unless the contrary intention appears, a reference in this agreement to:

- (a) **(variations or replacement)** a document (including this agreement) includes any variation or replacement of it;
- (b) **(clauses, annexures, attachments and schedules)** a clause, annexure, attachment or schedule is a reference to a clause in or annexure or schedule to this agreement;
- (c) **(reference to statutes)** a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (d) **(law)** law means common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments or codes under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (e) **(singular includes plural)** the singular includes the plural and vice versa;
- (f) **(person)** the word "person" includes an individual, a firm, a body corporate, a partnership, joint venture, an unincorporated body or association, or any Government Agency;
- (g) **(executors, administrators, successors)** a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (h) **(two or more persons)** an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (i) **(jointly and severally)** an agreement, representation or warranty by two or more persons binds them jointly and each of them individually;
- (j) **(reference to a group of persons)** a group of persons or things is a reference to any two or more of them jointly and to each of them individually;
- (k) **(dollars)** Australian dollars, dollars, A\$ or \$ is a reference to the lawful currency of Australia;
- (l) **(calculation of time)** if a period of time dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (m) **(reference to a day)** a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;



- (n) (**accounting terms**) an accounting term is a reference to that term as it is used in accounting standards under the Corporations Act 2001 (Cth), or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia;
- (o) (**meaning not limited**) the words "**include**", "**including**", "**for example**" or "**such as**" are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (p) (**next day**) if an act under this agreement to be done by a party on or by a given day is done after 5.30pm on that day, it is taken to be done on the next day;
- (q) (**next Business Day**) if an event under this agreement must occur on a stipulated day which is not a Business Day then the stipulated day will be taken to be the next Business Day; and
- (r) (**time of day**) time is a reference to Canberra time.

1.3 Headings are for convenience only and do not affect the interpretation of this Access Arrangement.

1.4 Footnotes form part of this Access Arrangement.

## **SCHEDULE 2: REQUEST FOR SERVICE PROCEDURES**

### **1 Request for the Reference Service**

#### 1.1 Application

The following requirements apply to a User or Prospective User seeking:

- (a) access to the Reference Service;
- (b) to vary the MDQ or MHQ applicable to a Delivery Point under the Reference Service Agreement; or
- (c) add a new Delivery Point to the Reference Service Agreement.

#### 1.2 Request

- (a) The User or Prospective User must lodge a Request in the form set out below or as published by Evoenergy from time to time on its website.
- (b) The Request must also include the following information:
  - (i) if requesting the Reference Service for the first time (or if otherwise required by Evoenergy), sufficient information to demonstrate that the User or Prospective User satisfies the legal standing requirements and creditworthiness requirements set out in part 3 of this Schedule 2, including provision of any security as reasonably requested by Evoenergy; and
  - (ii) where the Request relates to a specific Delivery Point and the MHQ is expected to exceed 6m<sup>3</sup>/Hour, as a minimum the details prescribed by this Schedule 2. Where the MHQ is expected to be less than 6m<sup>3</sup>/Hour the Request must include such details as requested by Evoenergy from time to time.
- (c) Evoenergy must respond to the Request in accordance with rule 112 of the National Gas Rules.

### **2 Request for Non-Reference Service**

#### 2.1 Application

The following requirements apply where a Prospective User seeks access to a Non-Reference Service:

#### 2.2 Request

- (a) The Prospective User must lodge a Request in the form prescribed below or as published by Evoenergy from time to time on its website. The Prospective User must complete those aspects of the form which are relevant to the Non-Reference Service requested by the Prospective User.
- (b) The Request must also include the following information:

- (i) evidence to demonstrate that the Prospective User satisfies the legal standing and creditworthiness requirements set out in part 3 of this Schedule 2, including provision of any security as reasonably requested by Evoenergy; and
  - (ii) where the Request relates to a specific Delivery Point and the MHQ is expected to exceed 6m<sup>3</sup>/Hour, as a minimum, the details prescribed by this Schedule 2. Where the MHQ is expected to be less than 6m<sup>3</sup>/Hour the Request must include such details as requested by Evoenergy from time to time.
- (c) Without limiting paragraphs (a) and (b) above, the Prospective User must provide sufficient information to enable Evoenergy to understand the nature and extent of the Prospective User's requirements.
  - (d) Evoenergy must respond to the Request in accordance with requirements under any Applicable Law, including the National Gas Rules.

### **3 Legal status and creditworthiness requirements**

The following requirements apply where a Prospective User seeks access to a Reference Service or a Non-Reference Service.

- (a) The Prospective User must be a resident in Australia or have a permanent establishment in Australia.
- (b) Where the Prospective User is incorporated or constituted other than under the *Corporations Act 2001* (Cth), the Prospective User must demonstrate to Evoenergy's satisfaction the legal capacity of the Prospective User to enter into and perform the Service Agreement.
- (c) The Prospective User must also demonstrate its financial capability to satisfy its obligations under the Service Agreement.
- (d) Except where the credit support rules set out in Division 4 Part 21 of the National Gas Rules apply to all Delivery Points to which a Pipeline Service is to be provided, the Prospective User must have an acceptable credit rating (BBB or higher as rated by Standard & Poors or equivalent) or provide Evoenergy with security on terms and conditions acceptable to Evoenergy.
- (e) For the purposes of paragraph (d) above, acceptable security may comprise:
  - (i) a guarantee of the Prospective User's obligations given by an entity, which has an acceptable credit rating; or
  - (ii) a bank guarantee given by an Australian bank (reasonably acceptable to Evoenergy) for an amount set out in the Reference Service Agreement (if applicable) or otherwise as reasonably required by Evoenergy, having regard to the type and nature of services provided.

**4 Request for Service Form**

**REQUEST FOR SERVICE FORM**

*Sections 1, 2, 3, 4, and 5 must be completed for all Requests.*

*Sections 6 and 7 must be completed for additional or increased capacity at an existing site.*

*Sections 6, 7, 8, and 9 must be completed for new Delivery Points.*

**1. USER / PROSPECTIVE USER INFORMATION**

**Name of User / Prospective User:** .....

A.B.N .....  
.....

Contact Officer .....

Position Title .....

Telephone .....

Email .....

Fax .....

**Customer Contact Details:**

Name .....

Position Title .....

Telephone .....

Email .....

Fax .....

**2. RECEIPT POINT INFORMATION**

Receipt Point Location .....

Entity supplying inlet gas .....

**3. DELIVERY POINT INFORMATION**

Delivery Point Business Name .....

A.B.N. ....  
.....

Delivery Point Street Address .....

Postcode .....

Delivery Point is ... .. metres (N, S, E or W) from (nearest cross Street)

Delivery Point is located on the (N, S, E or W) side of the Street.

**4. TRANSPORTATION INFORMATION**

Service Requested	Reference Service / Interconnection Service / Negotiated Service
	Increase in MDQ or MHQ / change in Delivery Station characteristics
Service Commencement Date	
Duration of Services Agreement Sought	
ANZIC code(s)	
Gas Applications	
AQ (GJ/yr) Annual Quantity	
MDQ (GJ/gas day) Maximum Daily Quantity	
MHQ (GJ/hr) Maximum Hourly Quantity	

**5. DELIVERY STATION PRESSURE**

Delivery Station Pressure (kPa)

Metering pressure (1.38, 2.75, 5.0, 35, 100, if other please specify)

**6. APPLIANCE & GAS LOAD INFORMATION**

Appliance Type	Hourly Rate (MJ/hr)	Operating Capacity (%)	Hour/Day	Days/week	Weeks/year	Total Annual Quantity (TJ/yr)
Total						

Do any of these appliances have pilots or small flow rates? If so, which ones?

**7. FUEL CONVERSION INFORMATION**

(if applicable)

Current Fuel Type .....

Current Annual Consumption (GJ/yr) .....

**8. DELIVERY STATION INFORMATION**

If the customer requires other than a standard single run meter set, please specify:	
Is the proposed meter set located indoors?	Y/N
Is a security compound required?	Y/N

**9. DELIVERY STATION LOCATION SKETCH**

Please provide a sketch showing the proposed location of the meter set and the following:

- length of service (path valve to meter set);
- surface restoration from front boundary to meter set;
- any walls to be pierced or other obstacle, eg stairs, retaining walls etc. to be negotiated;
- all buildings and any other permanent structures on the site;
- side and front building lines, and kerb line; and
- bearing (north).

## SCHEDULE 3: INITIAL REFERENCE TARIFF SCHEDULE

### 1 Introduction

- (a) This Reference Tariff Schedule sets out the Initial Tariff Categories and Initial Reference Tariffs that apply for the Reference Service under this Access Arrangement.<sup>1</sup>
- (b) The Initial Reference Tariffs are expressed in real 2021/2022 dollars and are exclusive of GST.
- (c) The Initial Reference Tariffs applicable to a Delivery Point depends upon the Initial Tariff Category assigned by Evoenergy to the Delivery Point.
- (d) In addition to setting out the Initial Tariff Categories and the Initial Reference Tariffs, this Reference Tariff Schedule sets out the tariff components and assignment criteria used in determining the availability of different Reference Tariffs for a Delivery Point.
- (e) The Initial Reference Tariffs will take effect from the Commencement Date and will apply until amended in accordance with section 7 of this Access Arrangement. When the Reference Tariffs are amended, the updated Reference Tariff Schedule will be published on Evoenergy's website.

### 2 Tariff Assignment Criteria

#### 2.1 Elements for assignment to a Tariff Category

- (a) Evoenergy determines the appropriate Tariff Category for a Delivery Point based on each of the following elements:
  - (i) Tariff Classes (see clause 2.2); and
  - (ii) the additional category assignment criteria specified in clause 2.3 below.
- (b) The assignment criteria for each relevant element must be satisfied in order for a Delivery Point to qualify for a particular Tariff Category.
- (c) Each Tariff Category is allocated a code which reflects the assignment criteria for each of the elements using the following format:

*[G][CAT]*

where:

*[G]* is the Tariff Class (V for Volume or D for Demand). Tariff Classes are described in clause 2.2 below;

---

<sup>1</sup> The terms "Chargeable Demand", "Day", "Demand Reset Date" and "Quantity" used in this Schedule have the meaning set out in the Reference Service Agreement.

[CAT] is a Tariff Category name or abbreviation. The assignment criteria for the Tariff Categories are described in clause 2.3 below.

## 2.2 Tariff Classes

- (a) The Tariff Class that applies to a Delivery Point is determined on the basis of the characteristics of the Energy requirements of the Customer and any End Consumer at that Delivery Point.
- (b) The assignment criteria for determining the Tariff Class are as follows:
  - (i) **Demand Tariff Class:** A Delivery Point can be assigned to the Demand Tariff Class where:
    - a. the Quantity of Gas withdrawn at that Delivery Point is reasonably expected to be equal to or greater than 10 TJ of Gas per annum;
    - b. all Gas delivered to that Delivery Point is used on the premises to meet the production or Energy requirements of a single Business Customer occupying those premises; and
    - c. Evoenergy has accurate and complete information to enable Load Shedding procedures to be implemented at the Delivery Point.

Assignment to a Demand Tariff is for a minimum period of 12 months.

- (ii) **Volume Tariff Class:** A Delivery Point can be assigned to the Volume Tariff Class where the Delivery Point does not satisfy the Demand Tariff Class assignment criteria. Examples of Delivery Points which will be assigned to the Volume Tariff Class include Delivery Points where all Gas delivered to that Delivery Point is used on the premises to meet the production or Energy requirements of:
  - a. a single Residential Customer;
  - b. a single Business Customer who is reasonably expected to consume less than 10 TJ of Gas per annum; or
  - c. a group of End Consumers (business and/or residential) occupying a single, multi-occupancy premises where Gas is withdrawn by a single Customer at a Delivery Point.<sup>2</sup>

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<sup>2</sup>

In these circumstances, only the Delivery Point of the Customer would be recognised in the Service Provider's systems. Subsequent on-supply to End Consumers by that Customer would not be individually represented in the Service Provider's or retail market systems (subject to application of the exempt seller regime in the National Energy Retail Law).



## 2.3 Tariff Category

- (a) The Tariff Category that applies to a Delivery Point in respect of which the Reference Service is provided is determined on the basis of the Tariff Class that applies to that Delivery Point and the use of the Gas delivered to that Delivery Point by means of the Reference Service.
- (b) Tariff Categories for the Demand Tariff Class, and the assignment criteria are as follows:

Abbreviation	Tariff Category	Criteria
DC	Demand Capacity	This Tariff Category is used for Delivery Points which meet the Demand Tariff Class assignment criteria and have not been assigned to the DT Tariff Category.
DT	Demand Throughput	Assignment to this Tariff Category is made upon User request. This Tariff Category is used for Delivery Points which meet the Demand Tariff Class assignment criteria.

- (c) Tariff Categories for the Volume Tariff Class and the assignment criteria are as follows:

Abbreviation	Tariff Category	Criteria
VI	Volume Individual	This Tariff Category is used for Delivery Points which meet the Volume Tariff Class assignment criteria, and which satisfy the following additional criterion: <ul style="list-style-type: none"> <li>all Gas withdrawn at the Delivery Point is measured by Evoenergy by individually metering the Energy consumption of the End Consumers (including the consumption of hot water supplied through a centralised residential gas hot water system).</li> </ul>
VB	Volume Boundary	Assignment to this Tariff Category is made upon User request. This Tariff Category is used for Delivery Points which meet the Volume Tariff Class assignment criterion in clause 2.2(b)(ii)c.

- (d) Where a Delivery Point is eligible for more than one Tariff Category, the User or Prospective User can nominate the Tariff Category in accordance with clause 2.3 of this Schedule 3.

### 3 Initial Tariff Categories and Tariff charge components for the Reference Service

- (a) A User must pay Evoenergy all charges applicable to the Reference Service provided based on the relevant Tariff Category.
- (b) The table below sets out the Tariff charge components applicable to each Tariff Category.
- (c) In addition, other charges are payable in accordance with the Reference Service Agreement.
- (d) Tariff charge components applicable to each Tariff Category.

<b>Tariff Category</b>	<b>Abbreviation</b>	<b>Reference Service -- Reference Tariff Components</b>
Volume Individual	VI	Volume Throughput Rate (clause 4.1(c)) Fixed Charge (clause 4.1(e)) Ancillary Charges (clause 4.1(f))
Volume Boundary	VB	Volume Throughput Rate (clause 4.1(c)) Fixed Charge (clause 4.1(e)) Ancillary Charges (clause 4.1(f))
Demand Capacity	DC	Demand Capacity Rate (clause 4.1(a)) Provision of Basic Metering Equipment Charge (clause 4.1(d)) Ancillary Charges (clause 4.1(f))
Demand Throughput	DT	Demand Throughput Rate (clause 4.1(b)) Provision of Basic Metering Equipment Charge (clause 4.1(d)) Ancillary Charges (clause 4.1(f))

#### 4 Initial Reference Tariffs

##### 4.1 Reference Service

###### (a) Demand Capacity Rate

Tariff Category	Unit Rate – dollars per GJ of Chargeable Demand (CD) per annum (\$/GJ.CD.pa) Period ending 30 June 2022 Prices are real 2021-2022 GST exclusive dollars		
	First 50 GJ of CD	Next 100 GJ of CD	Remainder
DC	282.2	267.9	254.5

###### (b) Demand Throughput Rate

Tariff Category	Demand Throughput Rate (\$/GJ) Period ending 30 June 2022 Minimum chargeable quantity of 833GJ/month Prices are real 2021-2022 GST exclusive dollars
DT	3.618

###### (c) Volume Throughput Rate

Tariff Category	Volume Throughput Rate (\$/GJ) Period ending 30 June 2022 Prices are real 2022-2022 GST exclusive dollars			
Block size (GJ per month)	First 1.25 GJ	Next 13.45 GJ	Next 45.30 GJ	Remainder
Block size (GJ per quarter)	First 3.75 GJ	Next 40.35 GJ	Next 135.90 GJ	Remainder
VI	11.174	6.033	5.457	5.285
Block size (GJ per month)	First 37.50 GJ	Next 372.00 GJ	Remainder	
Block size (GJ per quarter)	First 112.50 GJ	Next 1116.00 GJ	Remainder	
VB	10.158	5.962	5.473	

(d) Provision of Basic Metering Equipment Charges

Tariff Category	Standing Charge : \$/pa per Delivery Station Charges based on Delivery Point MHQ Period ending 30 June 2022 Prices are real 2021-2022 GST exclusive dollars				
		MHQ <16 GJ/hr	MHQ >=16 to <50 GJ/hr	MHQ >=50 to <100 GJ/hr	MHQ >= 100 GJ/hr
All Tariff Categories for the Demand Tariff Class	Single Run	7,105	9,769	14,952	19,332
	Double Run	14,210	19,538	29,904	38,664

Tariff Category	Standing Charge : \$/pa per Delivery Station Period ending 30 June 2022 Prices are real 2021-2022 GST exclusive dollars	
All Tariff Categories for the Demand Tariff Class	More than 15 Delivery Stations installed at the Delivery Point	1,697

(e) Fixed Charge

Tariff Category	Standing Charge – dollars per annum Period ending 30 June 2022 Prices are real 2021-2022 GST exclusive dollars
VI	66.5
VB	676.6

## (f) Ancillary Charges

<b>Ancillary Charges applicable to all Tariff Categories</b> <b>Period Ending 30 June 2022</b> <b>Prices are real 2021-2022 GST exclusive dollars</b>		
<b>Activity</b>	<b>Description</b>	<b>Charge</b>
Hourly Charge – non-standard User-initiated requests and queries	<p>The assessment of a User’s or Prospective User’s requirements, collation of information and provision of a response to a User or Prospective User in relation to non-standard requests and queries. Examples include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Large Customer connection or upgrade inquiries requiring additional investigation by Evoenergy due to the nature of the request; and</li> <li>• requests for measurement data additional to data provided in standard reports.</li> </ul> <p>Not applicable to the processing of connections and alterations under Part 12A of the National Gas Rules.</p>	\$100, plus \$100 per hour after the first hour
Disconnection	<p>Disconnection of supply to a Delivery Point in circumstances where the User requests that the meter not be moved or removed.</p> <p>A request for disconnection is also a request to remove a Delivery Point from the relevant Customer List under the User’s Service Agreement.</p> <p>The specific method of disconnection will be at the discretion of Evoenergy, to ensure the site is able to be left in a safe state.</p>	<p>Charges apply per meter set:</p> <p>(i) meter set with a capacity of less than or equal to 625m<sup>3</sup>/hr: \$130</p> <p>(ii) meter set with a capacity of greater than 625m<sup>3</sup>/hr: \$180</p>

<b>Ancillary Charges applicable to all Tariff Categories</b> <b>Period Ending 30 June 2022</b> <b>Prices are real 2021-2022 GST exclusive dollars</b>		
Reconnection	<p>The subsequent reconnection made in accordance with the National Energy Retail Law or Rules as in force at the Commencement Date, the Reference Service Agreement, or in other circumstances (at Evoenergy's discretion, acting reasonably) where the Delivery Station components and pipework are still installed at the Delivery Point and can be re-energised without alteration or replacement.</p> <p>Reconnection in circumstances other than those described above and for Demand Customers would require a new connection and a new Request to be made.</p>	<p>Charges apply per meter set:</p> <p>(i) meter set with a capacity of less than or equal to 25m<sup>3</sup>/hr: \$45</p> <p>(ii) meter set with a capacity of greater than 25m<sup>3</sup>/hr: \$55</p>
Abolishment	<p>Permanent decommissioning of a Delivery Point, typically including the removal of the meter. A request for abolishment is also a request to remove the Delivery Point from the Customer List under the User's Service Agreement.</p> <p>The specific method of abolishment will be at the discretion of Evoenergy to ensure the site is able to be left in a safe state.</p> <p>Subsequent reconnection of the Delivery Point requires a new connection and a new Request to be made.</p>	<p>Charges apply per meter set:</p> <p>(i) meter set with a capacity of less than or equal to 25m<sup>3</sup>/hr: \$670</p> <p>(ii) meter set with a capacity of greater than 25m<sup>3</sup>/hr: \$1,230</p>
Special Meter Reads	<p>For meter reading for a Delivery Point in addition to the scheduled ordinary meter reading comprised in the Reference Service (for instance, when the meter reader makes a special visit to read a particular meter out of the usual meter reading route or schedule). This service must be scheduled by the User with Evoenergy in accordance with the applicable market procedures.</p>	<p>\$10 per meter read</p>

Notes to table:

- (1) The charges above are for providing the services in accordance with the relevant Applicable Law in force at the Commencement Date.

## **5 Initial Chargeable Demand**

### **5.1 Initial Chargeable Demand for Delivery Points existing at the Commencement Date**

- (a) For existing Delivery Points at the Commencement Date that are assigned to the Demand Capacity Tariff Category, the Chargeable Demand from the Commencement Date will be equal to the lesser of:
  - (i) the Chargeable Demand applicable to the Delivery Point on 30 June 2021; and
  - (ii) the amount calculated in accordance with paragraph (b) below.
- (b) The maximum Chargeable Demand for a Delivery Point existing on the Commencement Date in accordance with paragraph (a) above is the larger of the following three values:
  - (i) the ninth highest Quantity of Gas withdrawn at that Delivery Point on any one Day between 1 July 2020 and 30 June 2021;
  - (ii) ten times the MHQ of that Delivery Point on 30 June 2021; and
  - (iii) the MDQ of that Delivery Point on 30 June 2021.
- (c) A reduction in Chargeable Demand under paragraph (a) above will not change the current Demand Reset Date for a Delivery Point and will not be regarded as a reduction request in any future reduction request initiated by the User.

## **6 Grandfathering of Provision of Basic Metering Equipment Charges for more than 15 Delivery Stations installed at a Delivery Point**

The Provision of Basic Metering Equipment Charge for more than 15 Delivery Stations installed at a Delivery Point is only available for existing Delivery Points being charged on this basis as at 1 July 2016.

No other Delivery Points qualify.

## SCHEDULE 4: REFERENCE TARIFF ADJUSTMENT FACTORS

### 1. Automatic adjustment factor (A)

$$A_t = \frac{(1 + A'_t)}{(1 + A'_{t-1})} - 1$$

where:

$A'_{t-1}$  is:

1.1 zero when  $t-1$  refers to Financial Year 2021-22; and

1.2 the value of  $A'_t$  determined for the Financial Year  $t-1$  for all other years;

and

$A'_t$  is:

$$A'_t = \frac{(L_{t-2} + U_{t-2} + C_{t-2} + T_{t-2})[(1 + realWACC_t)^2(1 + CPI_{t-1})]}{(1 - X_t) \sum_{i=1}^n \sum_{j=1}^m p_{t-1}^{ij} q_{t-2}^{ij}}$$

where:

$t$  is the Financial Year for which tariffs are being set;

$L_{t-2}$  is the licence fee factor amount, as defined in this Schedule 4, for Financial Year  $t-2$ ;

When  $t-2$  is Financial Year 2020-21,  $L_{t-2}$  is:

$$L_{2019-20} * (1 + realWACC_{2020-21}) * (1 + CPI_{2020-21}) + L_{2020-21}$$

where:

$L_{2019-20}$ : is the licence fee factor amount for financial year 2019-20;

$L_{2020-21}$ : is the licence fee factor amount for financial year 2020-21;

$realWACC_{2020-21}$ : is the real WACC determined for financial year 2020-21; and

$CPI_{2020-21}$ : is the value of  $CPI_t$  determined for the financial year 2020-21;



$real\ WACC_t$  is the real WACC for financial year  $t$  determined in accordance with the PTRM using the updated return on debt for financial year  $t$  determined in accordance with clauses 6.1 to 6.24;

$real\ WACC_{t-1}$  is the real WACC for financial year  $t-1$ ;

$U_{t-2}$  is the UAG factor amount, as defined in this Schedule 4, for financial year  $t-2$ ;

$C_{t-2}$  is the carbon cost factor amount, as defined below in this Schedule 4, for financial year  $t-2$ ;

$T_{t-2}$  is the Relevant Tax factor amount, as defined below in this Schedule 4, for financial year  $t-2$ ;

$CPI_t$  has the same meaning as set out in clause 8.4;

$CPI_{t-1}$  is the value of  $CPI_t$  determined for the financial year  $t-1$ ;

$X_t$  has the same meaning as set out in clause 8.4;

$p_{t-1}^{ij}$  has the same meaning as set out in clause 8.4; and

$q_{t-2}^{ij}$  has the same meaning as set out in clause 8.4.

## 2. Factor amounts

### 2.1 Licence fee factor amount

The licence fee factor amount for a financial year is to be calculated as follows:

- (a) the actual cost incurred in that Financial Year by Evoenergy as a result of any IPART, AEMO, EWON, Independent Competition and Regulatory Commission, Relevant Regulator or any other relevant regulator, authority or State or Commonwealth Government's authorisation fees, licence fees or statutory charges imposed on Evoenergy which is related to the ownership or operation of the Network, including, without limitation, the AEMO Fee and the Energy Industry Levy but excluding the UNFT,

minus

- (b) the forecast of the cost incurred by Evoenergy in that Financial Year as a result of any IPART, AEMO, EWON, Independent Competition and Regulatory Commission, Relevant Regulator or any other relevant regulator, authority or State or Commonwealth Government's authorisation fees, licence fees or statutory charges imposed on Evoenergy which is related to the ownership or operation of the Network included in the Relevant Regulator's relevant final decision including, without limitation, the AEMO Fee and the Energy Industry Levy but excluding the UNFT,

plus

- (c) the UNFT adjustment for that Financial Year calculated in accordance with this clause 2.1.

The UNFT adjustment for Financial Year 2019-20 is to be calculated as follows:

- (a) the actual cost incurred by Evoenergy as a result of the UNFT for the period 1 April 2019 to 30 June 2020;

minus

- (b) the forecast of the cost incurred by Evoenergy as a result of the UNFT for the period 1 April 2019 to 30 June 2020, being the summation of:

- (i) the forecast for the period 1 April 2019 to 30 June 2019 that was included in the calculation of the licence fee factor amount for the purpose of the 2020-21 Tariff Variation Notice; and

- (ii) the forecast for Financial Year 2019-20 that was included in the forecast of operating expenditure for Financial Year 2019-20 in the Relevant Regulator's relevant final decision for the 2016 Access Arrangement Period, as adjusted in respect of the UNFT for the period July 2019 to March 2020 in the calculation of the licence fee factor amount for the purpose of the 2020-21 Tariff Variation Notice;

The UNFT adjustment for Financial Year 2020-21 is to be calculated as follows:

- (a) the actual cost incurred by Evoenergy as a result of the UNFT for Financial Year 2020-21 including, where the actual cost incurred is not known for a period in that Financial Year, an estimate of the actual cost for that period;

minus

- (b) the forecast of the cost incurred by Evoenergy as a result of the UNFT for Financial Year 2020-21 that was included in the forecast of operating expenditure for Financial Year 2020-21 in the Relevant Regulator's relevant final decision for the 2016 Access Arrangement Period.

The UNFT adjustment for Financial Year 2021-22 is to be calculated as follows:

- (a) the actual cost incurred by Evoenergy as a result of the UNFT:

- (i) for any period for which an estimate of the actual cost (rather than the actual cost) incurred by Evoenergy as a result of the UNFT for Financial Year 2020-21 is included in the UNFT adjustment for that Financial Year for the purpose of the 2022-23 Tariff Variation Notice; and

- (ii) for the period 1 July 2021 to 31 March 2022;

minus

(b) if an estimate of the actual cost (rather than the actual cost) incurred by Evoenergy as a result of the UNFT for Financial Year 2020-21 is included in the UNFT adjustment for that Financial Year for the purpose of the 2022-23 Tariff Variation Notice, that estimate;

minus

(c) the forecast of the cost incurred by Evoenergy as a result of the UNFT for the period 1 July 2021 to 31 March 2022 that is included in the forecast of operating expenditure in the AER's Final Decision.

For Financial Years 2022-23 and 2023-24, the UNFT adjustment is to be calculated as follows:

(a) the actual cost incurred by Evoenergy as a result of the UNFT for the 12 month period ending 31 March in the Financial Year,

minus

(b) the forecast of the cost incurred by Evoenergy as a result of the UNFT for the 12 month period ending 31 March in the Financial Year that is included in the forecast of operating expenditure for the Financial Year in the AER's Final Decision.

## 2.2 UAG factor amount

The UAG factor amount for a Financial Year is to be calculated as follows:

(a) the benchmark cost incurred by Evoenergy for purchases of Replacement Gas as UAG, calculated as the product of:

(i) Gas receipts in GJ for that Financial Year;

(ii) the UAG Cost for that Financial Year in \$/GJ; and

(iii) the UAG target rate for that Financial Year,

minus

(b) the forecast of the total UAG costs included in the Relevant Regulator's relevant final decision for that Financial Year.

The UAG target rates are as follows:

	<b>Where Financial Year is 2019-20 or 2020-21</b>	<b>For all other Financial Years</b>
<b>UAG target rate</b>	1.96%	2.49%

Reference Tariffs will be adjusted in the event that total UAG costs cease to be a Network cost during the Access Arrangement Period.

The forecast UAG costs are as follows:

	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Forecast UAG Cost (\$M, 2019/20)</b>	1.41	1.94	1.75	1.73	1.68

### 2.3 Carbon Cost factor amount

The Carbon Cost factor amount for a Financial Year is to be calculated as follows:

- (a) the actual cost incurred by Evoenergy as a result of the operation of a Carbon Scheme for that Financial Year,

minus

- (b) the forecast of the cost incurred by Evoenergy as a result of the operation of a Carbon Scheme included in the Relevant Regulator's relevant final decision for that Financial Year.

### 2.4 Relevant Tax factor amount

The Relevant Tax factor amount for a Financial Year is to be calculated as follows:

- (a) the actual cost incurred by Evoenergy in paying any Relevant Tax, for that Financial Year,

minus

- (b) the forecast of the cost incurred by Evoenergy in paying any Relevant Tax included in the Relevant Regulator's relevant final decision, for that Financial Year.

### 2.5 Cost Pass Through factor

$$PT_t = \frac{(1 + PT'_t)}{(1 + PT'_{t-1})} - 1$$

where:

$PT'_{t-1}$  is:

- (a) zero when  $t-1$  refers to Financial Year 2021/22; and
- (b) the value of  $PT'_t$  determined in the Financial Year  $t-1$  for all other Financial Years in the 2021 Access Arrangement Period,

and

$$PT'_t = \frac{AP_t}{(1 + CPI_t)(1 - X_t)(1 + A_t) \sum_{i=1}^n \sum_{j=1}^m p_{t-1}^{ij} q_{t-2}^{ij}}$$

where:

$AP_t$  is

- (a) any Determined Pass Through Amount that the Relevant Regulator approves for Financial Year  $t$ ; and/or
- (b) any pass through amounts arising from pass through events (as that term is defined in the 2016-21 Access Arrangement) occurring in the 2016 Period that Evoenergy proposes to pass through in whole or in part in Financial Year  $t$ ,

adjusted to include an amount to reflect the time value of money between incurring the costs and recovering the costs, and exclude any amounts already passed through in Reference Tariffs; and

$CPI_t$  has the same meaning as set out in clause 8.4;

$X_t$  has the same meaning as set out in clause 8.4;

$A_t$  is the automatic adjustment factor for Financial Year  $t$  as defined in this Schedule 4;

$p_{t-1}^{ij}$  has the same meaning as set out in clause 1 of this Schedule 4; and

$q_{t-2}^{ij}$  has the same meaning as set out in clause 8.4.

## **SCHEDULE 5: REFERENCE SERVICE AGREEMENT**

The terms and conditions for the Reference Service are set out in the separate Reference Service Agreement, 1 July 2021-30 June 2026. The Reference Service Agreement, 1 July 2021-30 June 2026 forms part of this Access Arrangement.

## SCHEDULE 6: INTERCONNECTION SERVICE

Evoenergy will provide the Interconnection Service specified in clause 2.7 of the Access Arrangement on the following terms and conditions.<sup>3</sup>

### 1. Requirements

- (a) In addition to the general requirements set out in Schedule 2, when seeking the Interconnection Service, the Prospective User must:
  - (i) specify an annual quantity, MHQ and MDQ which fairly reflects the expected maximum annual, Hourly and Daily requirements at the proposed Receipt Point or Delivery Point (as applicable), as well as the 24 hour profile of hourly flow;
  - (ii) demonstrate that it has or will have in place all relevant authorisations, approvals and licences required to operate the Downstream Network or Upstream Facility; and
  - (iii) provide detailed specifications, as reasonably requested by Evoenergy, including with respect to the design, operation and maintenance principles relevant to the Downstream Network or Upstream Facility.
- (b) Without limiting the terms to be agreed in the Service Agreement, the Interconnection Service will be provided on the basis that:
  - (i) the location of the Delivery Point or Receipt Point will be at a location agreed to by Evoenergy acting reasonably;
  - (ii) Evoenergy's maximum obligation to deliver Gas to the Delivery Point or to receive Gas at the Receipt Point will be the MHQ in any Hour and the MDQ on any Day;
  - (iii) Evoenergy will not be liable for, and will be indemnified, with respect to any claim for loss or damage in connection with the Downstream Network or Upstream Facility; and
  - (iv) the relevant requirements in the Operational Schedule apply.
- (c) For the avoidance of doubt, an Interconnection Service is separate from and additional to a service requested by a Prospective User or any other person for the transportation of Gas through the Network (including the Reference Service) from the Receipt Point or to the Delivery Point.

### 2. Charges

- (a) The following charges will be payable by the Prospective User, as will be agreed by Evoenergy:
  - (i) charge for engineering and associated investigations;

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<sup>3</sup> The terms "Daily", "Hourly" and "Quantity" used in this Schedule have the meaning set out in the Reference Service Agreement.



- (ii) charge for construction and provision of interconnection facilities;
  - (iii) charge for the construction and provision of equipment and facilities required to measure the Quantity of Gas delivered to or at the Delivery Point or Receipt Point=.
- (b) In addition, modifications may be required to the Network and/or Evoenergy's systems to facilitate the provision of Interconnection Services. These requirements will vary depending on the nature and location of the Delivery Point or Receipt Point. The Prospective User will bear the reasonable costs of such modifications, whether identified before or after installation of the Delivery Point or Receipt Point, unless Evoenergy can recover costs from Users of the Delivery Point or Receipt Point.

## SCHEDULE 7: OPERATIONAL SCHEDULE

### 1. Load Shedding

#### 1.1 Load Shedding Principles

- (a) If at any time for any reason there is, or Evoenergy reasonably believes or anticipates that there may be, a failure of supply or shortfall in supply in or to any part of the Network, Evoenergy is entitled to curtail or interrupt the receipt, transportation or delivery of Gas and implement Load Shedding.
- (b) Load Shedding includes the process of Evoenergy contacting Users and/or Customers to notify them of a requirement to reduce or cease withdrawals of Gas from the Network, and again when the requirements are lifted or relaxed. All Users of the Network and their Customers are required to participate in and comply with Load Shedding and the provision of ELMS Data.
- (c) For prompt and effective responses during emergency events it is necessary for Users, if requested by Evoenergy, to take responsibility for notifying their Customers to reduce Gas withdrawals to meet the Load Shedding requirements for each site. Evoenergy may also contact Customers to reinforce site contact procedures and monitor required levels and timeliness of Customer responses.

#### 1.2 Load Shedding Priorities

Load Shedding will be implemented by Evoenergy according to the following schedule of priorities:

<b>Load Shedding Priority</b>	<b>Load Type</b>
1	All interruptible Loads.
2	All Load at a Delivery Point which serves more than one Customer or End Consumer, and where no arrangement exists between Evoenergy and the operator of the facilities beyond the Delivery Point for shedding loads served by those facilities.
3	All Load at sites where Gas is not used for production.
4	All Load at sites where Load is transferable to an alternative fuel.
5	Load that may be reduced without damage to product or plant.
6	Load that may be halted without damage to product or plant.
7	Load where halting will cause product damage.
8	Load where halting will cause plant damage

9	Load not transferable to alternative fuel at hospital and essential service sites.
10	All Load at Volume Tariff Delivery Points expected to consume less than 10 TJ per annum (Residential, Commercial and Industrial).

### 1.3 Restoration of Service

Where feasible, permission to resume withdrawing Gas from the Network will be given in reverse order to that in which Load Shedding was implemented.

### 1.4 Suspension

If a User fails to cease or reduce deliveries, withdrawals or taking of Gas from the Network as requested by Evoenergy in accordance with these principles and their Reference Service Agreement (or fails to procure that withdrawals be ceased or reduced), Evoenergy may suspend the delivery of Gas to any relevant Delivery Point.

### 1.5 Liability

Evoenergy will not be liable for any Losses incurred by any User Customer or End Consumer arising from Load Shedding, where Evoenergy acts in accordance with the principles of this Access Arrangement in good faith except to the extent that such Losses were caused by the negligence or wilful default of Evoenergy.

### 1.6 Emergency Load Management Systems (ELMS)

- (a) ELMS are computer based systems used by Evoenergy as an aid in identifying, contacting and recontacting Users and Customers by Evoenergy in the event of a supply failure. Information held by Evoenergy relating to a User's Customer is available to the User upon request.
- (b) Site and Network information is maintained through ELMS, in consultation with Users, and is used as the basis of operational implementation of Load Shedding by Evoenergy.
- (c) Users must advise Evoenergy of the emergency contact details for the User's Customers at Demand Customer Delivery Points and Delivery Points at which Non-Reference Services are provided and must ensure that such contact details are current at all times for the purposes of ELMS.
- (d) Users must advise Evoenergy of the emergency contact details for the User to enable communication between Evoenergy and the User during Load Shedding. User emergency contact personnel must be available to assist Evoenergy during Load Shedding if required.
- (e) If during a Load Shedding event, or simulation of a Load Shedding event, Evoenergy identifies that site or Customer details have changed or do not match Evoenergy's records, Evoenergy may update its records on the basis of advice from the site or the Customer. This does not affect the Users' obligation to provide accurate and current information in any way.

## 2. Requirements for new Receipt Points being established under an Interconnection Service

### 2.1 Minimum requirements for new Receipt Points and Equipment Upstream

- (a) The Receipt Point, and the pipe or system of pipes upstream of the Receipt Point, must comply with the following requirements in order to ensure that the integrity, safety and operating ability of the Network is not compromised:
- (i) the new Receipt Point must have an associated Receipt Station (as described in section 3 of this Schedule 7);
  - (ii) to safeguard against the hazards of over pressurisation of the Network, the Receipt Station must be equipped with overpressure protection facilities in accordance with Evoenergy's usual standards and requirements, including Australian Standard 2885, at the expense of the Prospective User;
  - (iii) a remotely controlled isolation valve operable by Evoenergy must be installed at the outlet of the Receipt Station upstream of the new Receipt Point, at the expense of the Prospective User;
  - (iv) the new Receipt Point will be at the flange immediately upstream of the facilities described above, or as otherwise agreed by Evoenergy. All facilities upstream of the new Receipt Point will be the responsibility of the Prospective User;
  - (v) the operational mode of a Receipt Station for a new Receipt Point must be compatible with the operational mode of the Network; and
  - (vi) the hot tap connection to connect the facilities to the Network will be designed and constructed with Evoenergy's usual standards and requirements, including Australian Standard 2885, at the expense of the Prospective User.

### 2.2 Cathodic Protection of Facilities

The Prospective User must design, install, and operate, any cathodic protection system necessary to protect its facilities at its own cost. Cathodic protection facilities must be installed in such a manner as to avoid any interference which may be detrimental to Evoenergy's facilities and must be electrically isolated from Evoenergy's facilities.

## 2.3 Equipment and facilities at Receipt Station

- (a) The Receipt Station associated with the Receipt Point must include equipment and facilities as required by part 3 of this Schedule 7, and such equipment and facilities must be commissioned before the commencement of the first transportation service from the Receipt Point on behalf of any User.
- (b) Any such equipment or facilities will be decommissioned if there is no Service Agreement under which the Interconnection Service is provided in respect of the Receipt Point.

## 2.4 Installation and Operation

In the interests of safety and ensuring the integrity of Evoenergy's facilities, the Prospective User must cooperate with Evoenergy to establish, in a timely manner, appropriate arrangements and procedures for:

- (a) the safe installation and operation of the facilities described above;
- (b) the testing of Gas in accordance with Evoenergy's requirements; and
- (c) the management of emergency situations involving those facilities and the Network.

## 2.5 Gas specification

- (a) Gas to be injected into the Network through a Receipt Point must comply with the specification applicable under the Reference Service Agreement from time to time (the **Specification**).
- (b) Where Evoenergy changes the specification under the Reference Service Agreement, Evoenergy must use reasonable endeavours to notify the Prospective User prior to any change.

## 2.6 Measurement of quality

The Prospective User must provide the following:

- (a) evidence to the satisfaction of Evoenergy that facilities and management plans will exist to enable satisfactory measurement of the quality of Gas at the Receipt Point;
- (b) facilities to enable Evoenergy to monitor continuously the quality of Gas at the Receipt Point;
- (c) evidence that quality measurement equipment at the Receipt Point will be maintained and calibrated in accordance with good industry practice and appropriate Australian and internationally recognised standards; and
- (d) access to maintenance records for any quality measurement equipment at the Receipt Point.

## 2.7 Preventative measures

The Prospective User must satisfy Evoenergy that the Prospective User has or will have appropriate contractual or other legal rights and management procedures in place to prevent Gas which does not meet the Specification being injected into the Network at the Receipt Point.

2.8 User responsible for Gas testing

The Prospective User must:

- (a) test the Gas; or
- (b) cause the Gas to be tested,

in accordance with the requirements of the Reference Service Agreement from time to time.

**3. Requirements for new and existing Receipt Stations**

3.1 Receipt Station to be at each Receipt Point

Prior to establishing, taking Gas at or using any relevant Receipt Point, Users must ensure that there is a Receipt Station at each Receipt Point that:

- (a) is in physical operation at the Receipt Point;
- (b) is immediately upstream of any connection to the Network; and
- (c) meets the requirements of this part 3.

For the avoidance of doubt, the requirements in this part 3 also apply to a Prospective User seeking to establish a new Receipt Point under an Interconnection Service.

3.2 Requirements for Receipt Stations

Users must ensure that a Receipt Station referred to in clause 3.1:

- (a) complies with specifications approved by Evoenergy from time to time; and
- (b) conforms with the technical requirements for such facilities set out in this Access Arrangement or as published from time to time by Evoenergy, which requirements will be in accordance with good industry practice for this type of facility and conform to appropriate Australian and internationally recognised standards and codes (including AS2885).

3.3 Approval of for Receipt Stations

- (a) Users must, at least 20 Business Days prior to installation or modification of a Receipt Station, submit specifications comprising design, operation and maintenance principles to Evoenergy.
- (b) The User must not install or modify a Receipt Station unless and until Evoenergy gives written approval (which must not be unreasonably withheld or delayed) to the specifications submitted to it by the User.

### 3.4 Systems at a Receipt Station

Except to the extent to which Evoenergy has agreed to provide them, Evoenergy may require the User to provide any or all of the following systems at a Receipt Station:

- (a) a filtration and liquid separation system (Filtration and Liquid Separation System);
- (b) a Gas quality measurement system (Gas Quality Measurement System);
- (c) a flow and pressure control system (Flow and Pressure Control System);  
and
- (d) if Evoenergy reasonably requires, a Gas quantity measurement system (Gas Quantity Measurement System),

in accordance with the requirements set out in parts A-D below.

#### **A. Filtration and Liquid Separation System**

The Receipt Station shall include a Filtration and Liquid Separation System which meets the following requirements:

- (a) the filter and separator shall not be fitted with a bypass;
- (b) a minimum of 2 parallel filter and separator runs are to be installed, each capable of treating the MHQ of the Receipt Station at the lowest inlet pressure;
- (c) the Gas filter shall be capable of removing all solid particles greater than 1 micrometre in diameter;
- (d) the liquid separator shall remove all liquids travelling in the Gas stream;  
and
- (e) the filter differential pressures and the liquid level of the separator holding vessel shall be continuously measured and the signals telemetered to the SCADA system.

#### **B. Gas Quality Measurement System**

##### **B.1 Requirements of Gas Quality Measurement System**

The Receipt Station shall include a Gas Quality Measurement System which enables the following measures of Gas quality to be determined continuously and telemetered in real time to the SCADA system:

- (a) outlet temperature;
- (b) relative density;
- (c) Heating Value (as defined in the Reference Service Agreement);
- (d) water dew point;

- (e) carbon dioxide content;
- (f) hydrocarbon dew point;
- (g) oxygen content;
- (h) total sulphur content;
- (i) hydrogen sulphide content; and
- (j) odorant content.

## **B.2 Measurement other than at a Receipt Station**

- (a) If Evoenergy consents, qualities other than the Gas outlet temperature may be measured at a location other than the Receipt Point. Evoenergy shall be entitled to withhold its consent if it reasonably believes that measurement at such other location will not give a true indication of the quality of Gas being delivered at the Receipt Point.
- (b) If Evoenergy has consented to any quality being measured at a location other than the Receipt Point, Evoenergy may at any later time withdraw that consent and require the quality to be measured at the Receipt Point if it believes that measurement at such other location is not giving a true indication of the quality of Gas being delivered at the Receipt Point.
- (c) If measured other than at a Receipt Station, all equipment used for measuring the qualities of Gas shall be designed, maintained and calibrated in accordance with good engineering practice and industry standards as agreed by Evoenergy.

## **B.3 Calibration and testing of equipment**

- (a) Evoenergy may at any time require the User to test or calibrate the Gas Quality Measurement System.
- (b) Evoenergy is entitled to be present at a test or calibration of equipment and to receive copies of all test results.
- (c) Evoenergy shall bear the costs of a test or calibration if the test or calibration results show that the Gas Quality Measurement System was accurate within the tolerances agreed between Evoenergy and the User.
- (d) If the Gas Quality Measurement System is being tested or calibrated other than under paragraph (a) above:
  - (i) the User shall notify Evoenergy of the timing of such testing or calibration;
  - (ii) Evoenergy is entitled to attend such testing or calibration; and
  - (iii) promptly after receiving the results of such testing or calibration, the User must provide Evoenergy with a copy of those results.



### **C. Gas Quantity Measurement System**

- (a) A Receipt Station shall include a Gas Quantity Measurement System which ensures that continuous measurement is maintained in the event of routine calibration, equipment maintenance, individual equipment malfunction, loss of external electricity supplies or loss of telemetry signals.
- (b) The Gas Quantity Measurement System must be such that the Primary Measurements and Secondary Measurements required to convert the Primary Measurement to Standard Conditions and to calculate the Quantity of Gas are duplicated. The individual Primary and Secondary Measurements as well as the calculated Quantity of Gas shall be telemetered in real time to the SCADA system.<sup>4</sup>
- (c) Evoenergy may at any time require the User to test or calibrate the Gas Quantity Measurement System.
- (d) Evoenergy is entitled to be present at a test or calibration and to receive copies of all test results.
- (e) Evoenergy shall bear the costs of a test or calibration if the test or calibration results show that the Gas Quantity Measurement System was accurate to within the tolerances agreed between Evoenergy and the User.
- (f) If the Gas Quantity Measurement System is being tested or calibrated other than under paragraph (c) above;
  - (i) the User shall notify Evoenergy of the timing of such testing or calibration;
  - (ii) Evoenergy is entitled to attend such testing or calibration; and
  - (iii) promptly after receiving the results of such testing or calibration, the User shall provide Evoenergy with a copy of those results.

### **D. Flow and Pressure Control System**

- (a) The Flow and Pressure Control System shall be designed to:
  - (i) prevent over-pressure of the Network;
  - (ii) provide control of the Network pressures and inflows;
  - (iii) prevent backward flow through the Receipt Station;
  - (iv) enable the operation and balancing of a particular part of the Network when more than one Receipt Station supplies that part; and
  - (v) enable the immediate termination of supply.
- (b) Evoenergy may on giving reasonable notice to the User:

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<sup>4</sup> Refer to the Reference Service Agreement for definitions of “Primary Measurements”, “Secondary Measurements”, “Standard Conditions” and “Quantity of Gas”.

- (i) operate at the cost (such costs to be reasonable) of the User the Flow and Pressure Control System of any Receipt Station which is not owned by Evoenergy; and/or
- (ii) modify the extent of the flow and pressure control requirements referred to in paragraph D(a) above applicable to any existing or proposed Receipt Station and require the User to undertake such work as, in the reasonable opinion of Evoenergy, is necessary to ensure that the Receipt Station complies with such modified requirements.

#### **4. Requirements for new Delivery Points being established under an Interconnection Service**

##### **4.1 Measurement Equipment**

- (a) Evoenergy will provide Measuring Equipment (as defined in the Reference Service Agreement) relevant to the Delivery Point.
- (b) The Measuring Equipment will be:
  - (i) designed to accurately measure the quantities specified by the Prospective User and provide daily meter reading; and
  - (ii) commissioned before the commencement of the first transportation service to the Delivery Point.
- (c) The Measuring Equipment will be decommissioned by Evoenergy if there is no Service Agreement in respect of the Interconnection Service for that Delivery Point.

##### **4.2 Delivery Station and Delivery Point**

- (a) The Delivery Station will comprise metering facilities sufficient to accurately measure the flow over the full range of anticipated flow conditions and will be designed and constructed in accordance with Evoenergy's usual standards and requirements, including Australian Standard 2885.
- (b) If the hot tap connection to connect the Delivery Station at the Delivery Point to the Network is located at a point on the Network where the maximum allowable operating pressure is above 1,050kPa, the Delivery Station will include a remotely controlled isolation valve.
- (c) The hot tap connection to connect the Delivery Station at the Delivery Point to the Network will be designed and constructed in accordance with Evoenergy's usual standards and requirements, including Australian Standard 2885.
- (d) Unless otherwise specified by Evoenergy, the Delivery Point between the Network and the Prospective User's pipe or system of pipes will be at the flange immediately downstream of the Delivery Station. Accordingly, all facilities:
  - (i) upstream of the outlet flange of the Delivery Station will be designed, procured, constructed, installed, owned and operated by Evoenergy at the reasonable cost of the Prospective User; and

- (ii) downstream of the outlet flange of the Delivery Station will be the responsibility of the Prospective User.
- (e) Modifications to the Delivery Station and hot tap connection to the Network which are required:
  - (i) as a result of changes in the Applicable Law or applicable technical standards;
  - (ii) to enable enhanced measurement performance; or
  - (iii) as a result of changes in the flow conditions through the Delivery Point,will be made by Evoenergy at the reasonable cost of the Prospective User unless Evoenergy has otherwise recovered the costs from Users of the Delivery Point.

#### 4.3 Load Shedding

- (a) The Delivery Point will be subject to Load Shedding arrangements set out in part 1 of this Schedule. The Prospective User must have facilities available to it to reduce or discontinue the withdrawal of Gas if called upon to do so.
- (b) Unless there is an agreement on Load Shedding between Evoenergy and the Prospective User, all load of the Delivery Point will be subject to Load Shedding priority 2 as described in part 1 of this Schedule. Network transportation services for the delivery of Gas to the Delivery Point will be subject to the same Load Shedding priority.
- (c) The Prospective User will participate in Gas balancing arrangements if required.

#### 4.4 Cathodic Protection of Facilities

The Prospective User must design, install, and operate, any cathodic protection system necessary to protect its Downstream Network at its own cost. Cathodic protection facilities must be installed in such a manner as to avoid any interference which may be detrimental to Evoenergy's facilities and must be electrically isolated from Evoenergy's facilities.

#### 4.5 Installation and Operation

In the interests of safety and ensuring the integrity of Evoenergy's facilities, the Prospective User must cooperate with Evoenergy to establish, in a timely manner, appropriate arrangements and procedures for the safe installation and operation of the Prospective User's equipment and facilities, and for the management of emergency situations involving that equipment and facilities, and the Network.

#### 4.6 Abandonment/Disconnection

In the event that facilities cease to be used to take Gas at or downstream of the Delivery Point, then Evoenergy will, at the Prospective User's expense, ensure that the User's facilities are disconnected and isolated from Evoenergy's facilities. This requirement does not apply where the cessation of use of the Delivery Point is temporary.

### SCHEDULE 8: RECEIPT POINT PRESSURES

1. Evoenergy will notify Users of changes to the requirements set out in this Schedule 8, and publish the updated Schedule on its website. Evoenergy may also add minimum or maximum flow requirements for flow controlled Receipt Points.

Upstream Facility (Allows receipt of Gas from this asset, which does not form part of the Network)	Receipt Point	Minimum Receipt Pressure at the Receipt Point (kPa)	Maximum Receipt Pressure at the Receipt Point (kPa)	Areas of Network downstream of Receipt Point
Moomba to Sydney Pipeline (MSP)	Watson	2,400	6,895	The Network except Bungendore
Eastern Gas Pipeline (EGP)	Hoskinstown	8,000	14,895	The Network

## SCHEDULE 9: CESS CONTINGENT PAYMENT INDEX

The Contingent Payment Index is calculated for the Access Arrangement Period as follows:

- (a) Calculate the arithmetic average of the annual unplanned SAIFI per 1,000 customers for each of the four Financial Years from 1 July 2021 to 30 June 2025, measured for each year  $t$  as follows:

$$\text{Unplanned SAIFI}_t = \frac{\sum_{i=1}^{12} \text{OUF}_i^t}{(C^{t-1} + C^t)/2} \times 1000$$

where:

$\sum_{i=1}^{12} \text{OUF}_i^t$  is the summation of the count of outage events for all customers on the Network sourced from annual reporting to the Relevant Regulator for the 12 months in Financial Year  $t$ ;

$C^{t-1}$  is the total customer numbers on the Network at the end of the Financial Year  $t - 1$  sourced from annual reporting to the Relevant Regulator;

$C^t$  is the total customer numbers on the Network at the end of the Financial Year  $t$  sourced from annual reporting to the Relevant Regulator.

- (b) Calculate the arithmetic average of the annual unplanned SAIDI per 1,000 customers for each of the four Financial Years from 1 July 2021 to 30 June 2025, measured for each year  $t$  as follows:

$$\text{Unplanned SAIDI}_t = \frac{\sum_{i=1}^{12} \text{OUD}_i^t}{(C^{t-1} + C^t)/2} \times 1000$$

where:

$\sum_{i=1}^{12} \text{OUD}_i^t$  is the summation of the total number of customer hours off supply lost through unplanned losses of supply for all instances on the Network where 5 or more customers were affected for the 12 months in Financial Year  $t$ ;

$C^{t-1}$  is the total customer numbers on the Network at the end of the Financial Year  $t - 1$  sourced from annual reporting to the Relevant Regulator; and

$C^t$  is the total customer numbers on the Network at the end of the Financial Year  $t$  sourced from annual reporting to the Relevant Regulator.

- (c) Calculate the arithmetic average of the annual publicly reported leaks for mains and services per kilometre of main in the Network for each of the four Financial Years from 1 July 2021 to 30 June 2025, measured for each year  $t$  as follows:

$$\text{Mains + Services Leaks}_t = \frac{\sum_{i=1}^{12} \text{MAL}_i^t + \sum_{i=1}^{12} \text{SEL}_i^t}{(L^{t-1} + L^t)/2}$$

where:

$\sum_{i=1}^{12} \text{MAL}_i^t$  is the summation of the total number of publicly reported mains leaks on the Network sourced from annual reporting to the Relevant Regulator for the 12 months in Financial Year  $t$ ;

$\sum_{i=1}^{12} SEL_i^t$  is the summation of the total number of publicly reported services leaks on the Network sourced from annual reporting to the Relevant Regulator for the 12 months in Financial Year  $t$ ;

$L^{t-1}$  is the total length of mains in the Network at the end of the Financial Year  $t - 1$  sourced from annual reporting to the Relevant Regulator; and

$L^t$  is the total length of mains in the Network at the end of the Financial Year  $t$  sourced from annual reporting to the Relevant Regulator.

- (d) Calculate the arithmetic average of the annual publicly reported leaks for meters per 1,000 customers for each of the four Financial Years from 1 July 2021 to 30 June 2025, measured for each year  $t$  as follows:

$$MeterLeaks_t = \frac{\sum_{i=1}^{12} MTL_i^t}{(C^{t-1} + C^t)/2} \times 1000$$

where:

$\sum_{i=1}^{12} MTL_i^t$  is the summation of the total number of publicly reported meter leaks on the Network sourced from annual reporting to the Relevant Regulator for the 12 months in Financial Year  $t$ ;

$C^{t-1}$  is the total customer numbers on the Network at the end of the Financial Year  $t - 1$  sourced from annual reporting to the Relevant Regulator; and

$C^t$  is the total customer numbers on the Network at the end of the Financial Year  $t$  sourced from annual reporting to the Relevant Regulator.

- (e) Convert each of the averages from the measures in paragraphs (a), (b), (c) and (d) above into index scores using the following formula:

$$Index_n = 200 - \left( \frac{Actual_n}{Target_n} \right) \times 100$$

where:

$Index_n$  is the index score for each measure  $n = 1,2,3,4$  corresponding to the measures in paragraphs (a), (b), (c) and (d) above respectively;

$Actual_n$  is the arithmetic average of the actual performance for each measure  $n = 1,2,3,4$  calculated as per paragraphs (a), (b), (c) and (d) above;

$Target_n$  is the arithmetic average of the actual performance for each measure  $n = 1,2,3,4$  as follows:

Unplanned SAIFI	$n = 1$	$Target_1 = 0.6562$
Unplanned SAIDI	$n = 2$	$Target_2 = 2.4357$
Mains and services leaks	$n = 3$	$Target_3 = 0.0504$
Meter leaks	$n = 4$	$Target_4 = 11.8062$

- (f) Calculate the weighted average of the index scores calculation in paragraph (e) above for each of the measures  $n = 1,2,3,4$  according to the following weights:

Unplanned SAIFI	$n = 1$	30%
Unplanned SAIDI	$n = 2$	30%
Mains and services leaks	$n = 3$	20%
Meter leaks	$n = 4$	20%

- (g) The resulting average calculated in paragraph (f) is the Contingent Payment Index.
- (h) The arithmetic average calculated in paragraph (b) will be adjusted to remove the impact of material events that are outside of Evoenergy's control such as natural disasters. For instance, if an annual observation is so affected, then it will be adjusted to remove the reasonably estimated impact of such an event (i.e. specified in hours).

# SCHEDULE 10: NETWORK MAP

