



**DRAFT DECISION**  
**Jemena Gas Networks (NSW)**  
**Ltd**  
**Access Arrangement**

**2020 to 2025**

**Attachment 11**  
**Non-tariff components**

November 2019

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## Note

This attachment forms part of the AER's draft decision on the access arrangement that will apply to Jemena Gas Networks (NSW) Ltd ('JGN') for the 2020–2025 access arrangement period. It should be read with all other parts of the draft decision.

The draft decision includes the following documents:

Overview

Attachment 1 – Services covered by the access arrangement

Attachment 2 – Capital base

Attachment 3 – Rate of return

Attachment 4 – Regulatory depreciation

Attachment 5 – Capital expenditure

Attachment 6 – Operating expenditure

Attachment 7 – Corporate income tax

Attachment 8 – Efficiency carryover mechanism

Attachment 9 – Reference tariff setting

Attachment 10 – Reference tariff variation mechanism

Attachment 11 – Non-tariff components

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## Shortened forms

Shortened form	Extended form
AER	Australian Energy Regulator
CCP/CCP19	Consumer Challenge Panel, sub-panel 19
JGN	Jemena Gas Networks (NSW) Ltd
NGL	National Gas Law
NGO	National Gas Objective
NGR	National Gas Rules
RSA	Reference Service Agreement

# 11 Non-tariff components

This attachment contains our draft decision and reasons on the non-tariff components of JGN's access arrangement proposal for the 2020–25 access arrangement period.

The non-tariff components are as follows:

- the terms and conditions for the supply of reference services
- queuing requirements — a process or mechanism for establishing an order of priority between prospective users of spare and/or developable capacity<sup>1</sup>
- extension and expansion requirements — the method for determining whether an extension or expansion is a part of the covered pipeline and the effect this will have on tariffs
- capacity trading requirements — the arrangements for users to assign contracted capacity and change receipt and delivery points
- change of receipt or delivery point by the user — the process or mechanism for changing a user's receipt or delivery point
- a review submission date and a revision commencement date.

Together, we refer to these as the non-tariff components of the access arrangement. Our assessment of each non-tariff component is set out below.

## 11.1 Draft decision

Our draft decision is to approve some, but not all, of the amendments that JGN has proposed to its Reference Service Agreement.<sup>2</sup> Further consultation is required.

We approve JGN's proposed amendments to its Reference Service Agreement aimed at accommodating its proposed amendments for:

- queuing requirements
- extension and expansion requirements
- capacity trading requirements
- change of receipt or delivery point by the user
- review submission and revision commencement dates.

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<sup>1</sup> Although not required in the present case, all transmission pipelines and some distribution pipelines are also required to set out how any spare or developable capacity will be allocated among prospective users ('queuing requirements') - see NGR, r. 103.

<sup>2</sup> JGN, *Reference Service Agreement, JGN's NSW gas distribution network, 1 July 2020 – 30 June 2025*, June 2019.

While some of the proposed amendments to the Reference Service Agreement are aimed at simplifying the document (such as replacing some provisions with cross-references to equivalent provisions in the National Gas Rules (NGR)), some of the other proposed amendments are more contentious (such as network disconnection of customers) as evidenced in stakeholder submissions; from gas retailers, in particular.<sup>3</sup>

We are aware that since submitting its 2020–25 proposal, JGN has been engaging directly with stakeholders with a view to resolving many of the issues raised in submissions; likely in an updated version of its Reference Service Agreement as part of its 2020–25 revised proposal. We will give further consideration to any outstanding issues prior to making our final decision.

Further, in its submission on JGN’s proposal, Energy Networks Australia (ENA) considers that as network disconnections “...is a complex issue involving industry participants in numerous jurisdictions, it does not seem appropriate for this issue to be resolved through an individual access arrangement process for one gas network. The broader industry – including networks and retailers – should be engaged to develop an appropriate solution to this issue, including the underlying issue of customers refusing to pay for energy.”<sup>4</sup>

In response to this draft decision, we are interested in stakeholders’ views as to whether they would support such an approach, particularly for some of the broader industry-wide issues that are often contentious in access arrangement reviews.

## 11.2 Terms and conditions

The NGR require an access arrangement to specify the terms and conditions on which each reference service will be provided.<sup>5</sup> These must be consistent with the National Gas Objective (NGO).<sup>6</sup>

This requires us to assess and balance the competing interests of the service provider, network users and consumers, in particular:

- the allocation of risk, where we consider the NGO is generally best served where a risk is borne by the party best able to manage it
- the need to ensure clarity and certainty, while avoiding an unduly prescriptive approach on commercial matters.

JGN’s consumer engagement in the preparation of its 2020–25 proposal has been well received by stakeholders, particularly from our Consumer Challenge Panel (CCP19),<sup>7</sup>

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<sup>3</sup> See submissions from: AGL, *JGN Access arrangement 2020–25*, August 2019; EnergyAustralia, *JGN - Access arrangement 2020–25*, August 2019; Origin, *JGN access arrangement proposal 2020–25*, August 2019.

<sup>4</sup> ENA, *ENA supports broad industry consultation on unsuccessful network disconnection requests*, October 2019.

<sup>5</sup> NGR, r. 48(1)(d)(ii).

<sup>6</sup> NGR, r. 100.

<sup>7</sup> CCP19, *Submission to the AER on JGN’s regulatory proposal*, August 2019.

Energy Consumers Australia (ECA)<sup>8</sup> and the Public Information Advocacy Centre (PIAC).<sup>9</sup> Whilst comments from retailers on JGN's consumer engagement were generally positive, unresolved issues remain in relation to specific aspects of JGN's proposal, such as its Reference Service Agreement. For example:

Origin noted:<sup>10</sup>

"Origin acknowledge the extensive and comprehensive customer engagement process undertaken by JGN to inform its proposal and the concerted effort to incorporate the long term interest of customers in its forward planning. Origin note also that JGN has been proactive in engaging with retailers in the lead up to this access arrangement and appreciates the opportunity to participate in the early formulation of the proposal."

EnergyAustralia noted:<sup>11</sup>

"EnergyAustralia applauds the significant efforts JGN has put into consumer engagement. However, we have concerns that the reference service agreement (RSA) is highly unfavourable to retailers, who have the primary relationship with end customers. Several clauses in the RSA appear to be targeted at shifting JGN's liability for ongoing operational issues."

AGL noted:<sup>12</sup>

"AGL also acknowledges that JGN has significantly improved with its engagement with AGL, as a retailer, prior to the submission of its 2020 Plan to the AER. JGN has held many meetings and discussions with AGL which have been informative. However, the majority of feedback provided by AGL have not been taken into account. AGL continues to have concerns with sections of the RSA which have not been resolved..."

Also, one large gas user, Brickworks, noted:<sup>13</sup>

"Brickworks does not agree with the proposed change to clause 30 of the Reference Service Agreement to increase the security requirements for non-retailer users."

### 11.2.1 Draft decision

Our draft decision is to not accept the amendments JGN is proposing to its Reference Service Agreement for the 2020–25 access arrangement period.<sup>14</sup>

We consider that JGN should continue to engage with stakeholders on the issues they have raised in submissions relating to JGN's proposed amendments to its Reference Service Agreement. We also seek further information from JGN providing justification for its proposed amendment to clause 30 of the Reference Service Agreement which

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<sup>8</sup> ECA, *JGN (NSW) access arrangement 2020–25 proposal, Submission to the AER*, August 2019.

<sup>9</sup> PIAC, *Submission to JGN's 2020 plan*, August 2019.

<sup>10</sup> Origin, *JGN access arrangement proposal 2020–25*, August 2019, p. 1.

<sup>11</sup> EnergyAustralia, *JGN - Access arrangement 2020–25*, August 2019, p. 1.

<sup>12</sup> AGL, *JGN Access arrangement 2020–25*, August 2019, p. 2.

<sup>13</sup> Brickworks, *JGN (NSW) – Access Arrangement 2020–2025 consultation*, August 2019, p. 5–6.

<sup>14</sup> JGN, *Reference Service Agreement, JGN's NSW gas distribution network, 1 July 2020 – 30 June 2025*, June 2019.



will increase security requirements for non-retailer users and why a smaller multiple than six times the billing period would not be appropriate.

Whilst we acknowledge that JGN has proactively engaged with stakeholders on many of these issues since submitting its 2020–25 proposal, further stakeholder engagement and information is required on the amendments JGN is proposing to its Reference Service Agreement for the 2020–25 period.

Section 11.2.3 below provides a high-level summary of the issues raised by stakeholders in submissions.

Section 11.2.4 cross-references other attachments to this draft decision, highlighting some other areas of JGN’s access arrangement proposal for the 2020–25 period where we require further information and/or amendment by JGN in its revised proposal.

## 11.2.2 JGN’s proposal

JGN is proposing several changes to its Reference Service Agreement for the 2020–25 period.<sup>15</sup> Whilst some of JGN’s proposed amendments to its Reference Service Agreement are aimed at simplifying the document (such as updating definitions and removing obsolete clauses/definitions),<sup>16</sup> other proposed amendments are more substantive and have been more contentious with stakeholders (such as disconnection and suspension of delivery points, changes to liability and indemnity provisions, insurance requirements, gas quality and security required for non-retailer users).<sup>17</sup>

In its proposal, JGN notes the following characteristics of its NSW network:<sup>18</sup>

- there are almost 1.4 million customers connected to JGN’s network and it delivers gas to these customers under Reference Service Agreements with over 20 users
- JGN’s network is regulated by the NSW State Government in relation to its technical and operational aspects as well as in relation to the quality and reliability of gas delivered to customers through it
- this State-based regulation places substantial regulatory responsibility on JGN as a distributor, but does not apply at the production level for the majority of the gas brought into its network because this gas is sourced from other states
- supply and transportation of gas from production fields to JGN’s network generally occurs through a chain of bilateral contractual arrangements between gas producers, wholesalers, pipeline operators, retailers and self-contracting users. As

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<sup>15</sup> JGN, *Reference Service Agreement, JGN’s NSW gas distribution network, 1 July 2020 – 30 June 2025*, June 2019.

<sup>16</sup> JGN, *2020–25 Access arrangement proposal, Attachment 9.1 – Explanation of proposed revisions to 2015–20 RSA*, June 2019, pp. 8–10.

<sup>17</sup> *Ibid*, pp. 10–37.

<sup>18</sup> JGN, *2020–25 Access arrangement proposal, Attachment 9.1 – Explanation of proposed revisions to 2015–20 RSA*, June 2019, p. 6.

JGN is not a party to any of these arrangements, JGN needs to rely on users to ensure that the gas they require it to deliver through its network meets the NSW quality regulations.

### 11.2.3 Issues raised by stakeholders

As summarised below, submitting stakeholders have raised concerns on some of the amendments JGN is proposing for its 2020–25 Reference Service Agreement.

#### 11.2.3.1 Issues raised by retailers

AGL,<sup>19</sup> EnergyAustralia<sup>20</sup> and Origin<sup>21</sup> made submissions on JGN's 2020–25 proposal. These stakeholders raised several common issues concerning JGN's proposed amendments to its Reference Service Agreement, including issues relating to:

- scope and definition of the term 'loss'
- increases/decreases in chargeable demand
- authorised/unauthorised overruns
- gas quality, including issues relating to gas specification, responsibilities, exemptions and testing
- deletion of delivery points from the customer list
- disconnection and abolishment of delivery points
- measuring equipment, including issues relating to downgrades, maintenance and safe access to metering equipment, and access/entry to delivery points and consequences of no access
- meter reading measurement and data
- charges, including issues relating to theft of gas
- invoicing and payments
- interruptions and curtailments
- indemnities and liabilities limitations.

For example, EnergyAustralia noted:<sup>22</sup>

"We acknowledge that there are several improvements in JGN's proposed RSA for the 2020–25 period compared to its current RSA, including greater mutual sharing of transfer and novation rights. We also commend JGN for their significant efforts in consumer engagement. However, we are surprised that the terms in the RSA appear to

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<sup>19</sup> AGL, *JGN Access arrangement 2020–25*, August 2019, p. 8.

<sup>20</sup> EnergyAustralia, *JGN - Access arrangement 2020–25*, August 2019, p. 3.

<sup>21</sup> Origin, *JGN access arrangement proposal 2020–25*, August 2019, p. 1.

<sup>22</sup> EnergyAustralia, *JGN - Access arrangement 2020–25*, August 2019, p. 3.

be overall, more unfavourable than the ones provided initially in draft to retailers and issues raised in pre-consultation with JGN have not been given any consideration.”

In addition, AGL noted:<sup>23</sup>

“JGN’s RSA is one-sided, key risks do not sit with the party best able to manage them and it does not include any performance standards...”

Instances of the unbalanced bargaining position of retailers and JGN include:

- obligations on retailers which cannot be met under certain conditions,
- retailers to provide facilities and access to assets owned by JGN,
- retailers charged when JGN relocate a meter due to access issues which is JGN’s responsibility,
- continuing to charge a delivery point after it has been disconnected, and
- long timeframes to respond for work requests.”

### 11.2.3.2 Issues raised by non-retailer users

Brickworks submitted that it is concerned by JGN’s proposed amendment to clause 30 of its Reference Service Agreement which affects non-retailer users:<sup>24</sup>

“Brickworks does not agree with the proposed change to clause 30 of the Reference Service Agreement to increase the security requirements for non-retailer users...on the basis that the current security requirements for non-retailer users is sufficient given the small financial risk created by users with relatively small distribution costs compared to retailers.”

In response, JGN has provided further information to us on its proposed amendment to clause 30.<sup>25</sup> JGN notes that clause 30 proposes increasing the amount of security which JGN may request from a self-contracting user, as this is not captured by the NGR. The current Reference Service Agreement provides that security will be equal to network charges over two billing periods. JGN is proposing that it may, acting reasonably, request security up to a maximum of six billing periods.

JGN notes that if a non-retailer user is late in paying network charges, JGN’s options to limit its exposure to unpaid network charges are to cease delivery of gas to the user and/or commence the process to terminate the Reference Service Agreement. In terms of the billing cycle, charges for services provided by JGN in month ‘t’ are typically invoiced in week 1 of month ‘t+1’, and are due in week 3 of month ‘t+1’. JGN submits that what this means is that by the time a user is late in paying the invoice for month ‘t’, JGN has provided the user with network services for most of month ‘t+1’. As a result, JGN claims that holding security equivalent to two billing periods limits its flexibility as it would need to act in the last week of month ‘t+1’ to avoid exposure for unpaid charges for months ‘t+2’ and beyond. However, JGN submits that if it were to hold a higher

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<sup>23</sup> AGL, *JGN Access arrangement 2020–25*, August 2019, p. 8.

<sup>24</sup> Brickworks, *JGN (NSW) – Access Arrangement 2020–2025 consultation*, August 2019, p. 5–6.

<sup>25</sup> JGN email to AER, 1 October 2019.

amount of security, it would have more flexibility as to when it would exercise its rights under the Reference Service Agreement to disconnect and/or give notice of termination.

We seek further information from JGN providing justification for its proposed amendment to clause 30 of the Reference Service Agreement which will increase security requirements for non-retailer users and why a smaller multiple than six times the billing period would not be appropriate.

#### **11.2.4 Other related matters**

In other attachments to this draft decision, we highlight areas of JGN's access arrangement proposal for the 2020–25 period where we require further information and/or amendment by JGN in its revised proposal. For further information on those matters, we refer to the following attachments:

- Attachment 1 – Services covered by the access arrangement
- Attachment 2 – Capital base
- Attachment 4 – Regulatory depreciation
- Attachment 5 – Capital expenditure
- Attachment 6 – Operating expenditure
- Attachment 7 – Corporate income tax
- Attachment 8 – Efficiency carryover mechanism
- Attachment 9 – Reference tariff setting
- Attachment 10 – Reference tariff variation mechanism
- Attachment 12 – Demand
- Attachment 13 – Capital expenditure sharing scheme.

### **11.3 Queuing requirements**

Queuing can be used to determine access to a pipeline that is fully, or close to being fully, utilised. Queuing requirements establish the priority that a prospective user has, compared to other prospective users, to obtain access to spare and developable capacity on a covered pipeline.<sup>26</sup>

A distribution pipeline can typically accommodate new users. This is because, unlike transmission pipelines, distribution networks tend not to operate close to full capacity. Also, if use at one point in the network is nearing capacity, the service provider will normally undertake augmentation of the network to meet the needs of prospective users.

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<sup>26</sup> NGR, r. 103(3).

Rule 103(1)(b) of the NGR requires a service provider to include queuing requirements in an access arrangement for a distribution pipeline where notified as such by the AER. If such an AER notification is issued, rule 103(2) of the NGR requires queuing requirements to be included in the access arrangement commencing from the first access arrangement period after the date of the notification.

Under rule 103(3) of the NGR, queuing requirements must establish a process or mechanism (or both) for establishing an order of priority between prospective users of spare or developable capacity (or both) in which all prospective users (whether associates of, or unrelated to, the service provider) are treated on a fair and equal basis.

Rule 103(4) of the NGR suggests how the order of priority might be determined (e.g. on a first-come-first-served basis, or on the basis of a publicly notified auction). Additionally, rule 103(5) of the NGR requires queuing requirements to be sufficiently detailed to enable prospective users to understand the basis on which an order of priority is determined.

JGN notes that section 7 ('Queuing policy') of its 2015–20 access arrangement reflects drafting that was approved by the Independent Pricing and Regulatory Tribunal (IPART) in 2005 (under the superseded Gas Code) and, since that time, there has not been cause for a queuing process to be required.<sup>27</sup> On this basis, JGN proposes to delete the queuing policy from its 2020–25 access arrangement and include a statement that cross-references rule 103 ('Queuing requirements') of the NGR. JGN notes that if during the 2020–25 period, the AER has cause to require JGN to include queuing requirements, JGN will respond accordingly.<sup>28</sup> In addition, JGN proposes to delete the terms 'Priority Date' and 'Developable Capacity' from Schedule 1 ('Definitions and interpretation') of its 2020–25 access arrangement as they are not otherwise used in the document.<sup>29</sup>

JGN's proposed amendment to section 7 of its 2020–25 access arrangement deletes all current provisions relating to its queuing process (i.e. forming a queue, conditions applicable on queue, procedure when capacity can be made available, priority of prospective users in obtaining services, compensation for holding capacity, and other general process related matters). This is replaced with a statement that cross-references rule 103(1)(b) of the NGR where similar queuing process related provisions reside:<sup>30</sup>

"This Access Arrangement does not need to include queuing requirements unless, in accordance with rule 103(1)(b) of the National Gas Rules, the AER has notified the Service Provider that this Access Arrangement must contain queuing requirements. At the Effective

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<sup>27</sup> JGN, Attachment 9.1 – Explanation of proposed revisions to the 2015–20 access arrangement, p. 7.

<sup>28</sup> Ibid.

<sup>29</sup> Ibid.

<sup>30</sup> JGN, *Access arrangement – JGN's NSW gas distribution network, 1 July 2020 – 30 June 2025*, June 2019, section 7.

Date, the AER has not notified the Service Provider of the need to include queuing requirements.”

Under its proposal, JGN will respond to any AER future request requiring the inclusion of queuing requirements in JGN’s access arrangement. In combination with the queuing requirements established under rule 103 of the NGR (i.e. requiring a process and/or mechanism for establishing an order of priority, queuing requirements must be sufficiently detailed), we are satisfied that JGN’s proposed approach is reasonable. We consider that JGN’s proposal is reasonable.

Our draft decision is to accept JGN’s proposed amendments for queuing in its 2020–25 access arrangement.

## 11.4 Extension and expansion requirements

These provisions specify the method for deciding whether an extension or expansion occurring during an access arrangement period will be treated as part of the covered pipeline and, if so, the impact this will have on reference tariffs.<sup>31</sup> An ‘extension’ allows the pipeline to service new locations, while an ‘expansion’ increases the amount of gas an existing length of pipeline can carry.

Extension and expansion requirements are set out in rule 104 of the NGR.

- the access arrangement may state whether it will apply to incremental services to be provided as a result of a particular extension to the pipeline, or outline how this may be dealt with at a later time<sup>32</sup>
- the access arrangement must state it will apply to incremental services to be provided as a result of any expansion to the capacity of the pipeline and deal with the effects of the expansion on tariffs<sup>33</sup>
- if the access arrangement is to apply to incremental services to be provided as a result of an extension to the pipeline, the requirements must deal with the effect of the extension on the opening capital base, the description of reference services specified in the access arrangement proposal, and tariffs<sup>34</sup>
- the requirements cannot require the service provider to provide funds for extension or expansion works unless the service provider agrees.<sup>35</sup>

JGN’s proposal seeks to align the wording of section 8 (‘Extensions and expansions policy’) of its 2020–25 access arrangement with rule 104 (‘Extension and expansion requirements’) of the NGR, and clarify which expansions and extensions will form part

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<sup>31</sup> Rule 48(1)(g) for full access arrangements, r. 45(1)(f) for limited access arrangements for light regulation services, r. 129(1)(f) for international pipelines, and r. 24(2)(c)(v) for CTP access arrangements.

<sup>32</sup> NGR, rr. 104(1), 104(2).

<sup>33</sup> NGR, r. 104(3).

<sup>34</sup> NGR, r. 104(4).

<sup>35</sup> NGR, r. 104(5).

of its network.<sup>36</sup> This includes defining ‘Network’ by reference to JGN’s four covered pipelines as set out in section 11 (‘Consolidated access arrangement’) of its 2020–25 access arrangement.<sup>37</sup>

Our draft decision is to accept JGN’s proposed amendments for extensions and expansions in its 2020–25 access arrangement.

## 11.5 Capacity trading requirements

An access arrangement must set out capacity trading requirements, which deal with the transfer of a user’s contracted capacity to another user.<sup>38</sup>

Capacity trading requirements are set out in rule 105 of the NGR.

- the requirements must provide for the transfer of capacity in accordance with relevant rules/Procedures governing the relevant gas market in which the service provider is a registered participant, or in accordance with rule 105 if the service provider is not a registered participant or the rules/Procedures do not deal with capacity trading<sup>39</sup>
- a user may, without the service provider’s consent, transfer, by way of subcontract, all or any of the user’s contracted capacity to a third party subject to rights, obligations and notification requirements set out in the rules<sup>40</sup>
- a user may, with the service provider’s consent, transfer all or any of the user’s contracted capacity to a third party subject to rights, obligations and contractual consequences set out in the rules.<sup>41</sup> In this case, the service provider must not withhold its consent unless it has reasonable grounds, based on technical or commercial considerations, for doing so<sup>42</sup>
- the requirements may specify in advance conditions under which consent will or will not be given, and conditions to be complied with if consent is given.<sup>43</sup>

JGN’s has proposed additional wording to section 8 (‘Capacity trading’) of its proposed 2020–25 access arrangement to reflect that its current (2015–20) Reference Service Agreement does not provide for contracted capacity to a user. JGN proposes to provide such capacity, if required, in accordance with rule 105 (‘Capacity trading requirements’) of the NGR.<sup>44</sup>

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<sup>36</sup> JGN, *Attachment 9.1 – Explanation of proposed revisions to the 2015–20 access arrangement*, June 2019, p. 7.

<sup>37</sup> Section 11 of JGN’s proposed 2020–25 access arrangement states that its network is comprised of four covered pipelines: the Wilton-Newcastle pipeline (‘northern trunk’), the Wilton-Wollongong pipeline (‘southern trunk’), the NSW Distribution System, and the Central West Distribution System.

<sup>38</sup> NGR, r. 48(1)(f).

<sup>39</sup> NGR, r. 105(1).

<sup>40</sup> NGR, r. 105(2).

<sup>41</sup> NGR, r. 105(3).

<sup>42</sup> NGR, r. 105(4).

<sup>43</sup> NGR, r. 105(6).

<sup>44</sup> JGN, *Attachment 9.1 – Explanation of proposed revisions to the 2015–20 access arrangement*, June 2019, p. 7.



Our draft decision is to accept JGN's proposed amendments for capacity trading in its proposed 2020–25 access arrangement.

## 11.6 Changing receipt or delivery points

An access arrangement must set out the terms and conditions for changing receipt and delivery points.<sup>45</sup>

Requirements for changing receipt or delivery points by a user are set out in rule 106 of the NGR.

- an access arrangement must provide for the change of a receipt or delivery point by a user, with the service provider's consent, where the service provider must not withhold its consent unless it has reasonable grounds, based on technical or commercial considerations, for doing so.<sup>46</sup>
- the access arrangement may specify in advance conditions under which consent will or will not be given, and conditions to be complied with if consent is given.<sup>47</sup>

JGN's proposal seeks amendments to section 10 ('Changing receipt and delivery points') of its proposed 2020–25 access arrangement for the purpose of consistency with defined terms elsewhere in its access arrangement.<sup>48</sup>

For consistent purposes, our draft decision is to accept JGN's proposed amendments for changing receipt and delivery points in its proposed 2020–25 access arrangement.

## 11.7 Review submission date and revision commencement date

Rule 49(1) of the NGR requires that a full access arrangement that is not voluntary must contain a review submission date and a revision commencement date and must not contain an expiry date.

Under the NGR:<sup>49</sup>

- a 'review submission date' means a date on or before which an access arrangement revision proposal is required to be submitted
- a 'revision commencement date' means the date fixed in the access arrangement as the date on which revisions resulting from a review of an access arrangement are intended to take effect.

Rule 50(1) of the NGR requires JGN, as part of its access arrangement proposal, to propose a 'review submission date' and a 'revision commencement date'. The

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<sup>45</sup> NGR, r. 48(1)(h).

<sup>46</sup> NGR, r. 106(1).

<sup>47</sup> NGR, r. 106(2).

<sup>48</sup> JGN, *Attachment 9.1 – Explanation of proposed revisions to the 2015–20 access arrangement*, June 2019, p. 7.

<sup>49</sup> NGR, r. 3.



proposed revision commencement date must be not less than 12 months after the proposed review submission date.

Under rule 50(2) of the NGR, we must approve the dates proposed by JGN if we are satisfied that those dates are consistent with the NGO and the revenue and pricing principles and if the proposed revision commencement date is not less than 12 months after the proposed review submission date.

JGN has proposed a review submission date of 30 June 2024 and a revision commencement date of 1 July 2025 in its proposed 2020–25 access arrangement.<sup>50</sup>

The access arrangement period for JGN's 2020–25 access arrangement is 1 July 2020 to 30 June 2025. The access arrangement period for JGN's subsequent 2025–30 access arrangement is likely to be 1 July 2025 to 30 June 2030.

Our draft decision is to accept JGN's proposed review submission date and revision commencement date for its proposed 2020–25 access arrangement.

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<sup>50</sup> JGN, *Access arrangement – JGN's NSW gas distribution network, 1 July 2020 – 30 June 2025*, June 2019, cl. 1.3, 1.4.