

20 January 2020

Mr Warwick Anderson
General Manager Network Finance & Reporting
Australian Energy Regulator
GPO Box 520
Melbourne Vic 3001

Dear Warwick

Gas PTRM and roll-forward model review

I refer to the above review and welcome the opportunity to respond on behalf of the Australian Gas Infrastructure Group (AGIG). Overall, we can see no major issues with the changes the AER has made to the two models. We have reviewed the models and believe that they reflect the changes the AER proposes to make.

The AER asks three specific questions in relation to the gas PTRM, and we provide our responses below:

- In respect of ancillary reference services, treating them as opex in the manner suggested is reasonable;
- In respect of optionality, we do not have any particular requirements for additional “switches” similar to the one implemented for the base year at the present time. However, we would appreciate the AER remaining open to allowing other modifications as necessary in future; and
- In respect of transmission business revenue smoothing, we do not make use of this model ourselves as all of our businesses regulated by the AER are in gas distribution.

Should you have any queries in respect of the above, please contact Will Chivell ([REDACTED]) or myself.

Yours sincerely

[REDACTED]
Craig de Laine
General Manager - People & Strategy