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Australian Gas Networks (SA) – Reference Service Proposal – 2021-26 Gas Access Arrangement

AGL would like to take this opportunity to comment on the AGN (SA) *Reference Service Proposal – 2021-26 Gas Access Arrangement* (Reference Service Proposal) released by the Australian Energy Regulator (AER) on the 28 June 2019.

The Reference Service Proposal is the first stage in assessing AGN's next Access Arrangement for its South Australian natural gas distribution network over the regulatory period of 2021 - 26. We understand it outlines the proposed pipeline services to meet users' needs for haulage and ancillary purposes and how they will be regulated.

AGL has participated in the AGN Retailer Reference Group and during this engagement process has been provided information and been consulted with on these services. As such, AGL is supportive of a continuation of the current reference services in the next regulatory period.

AGL also notes AGN's preference to retain the following three services as ancillary non-reference services:

- Meter alteration/ removal;
- Special meter reading for out of hours; and
- specified Same Day Service;

AGL supports the position that meter relocation should be a non-regulated quoted service to reflect the variable costs and low volume of requests.

AGL also understands the reasoning in keeping the other two services as non-regulated ancillary services for this regulatory period was the current low demand for these services and the ability to use the standard regulated service as an alternative. AGL believes this is a reasonable approach for this regulatory period.

However, AGL would highlight that retailers are looking to utilise these services more often in the future given customers' changing preferences and requirements. AGL has discussed this with AGN and does not believe its retention as a non-regulated service will be an impediment in the near future but would signal to the AER that in medium term, accelerated demand for these services may require them to be better classified as regulated ancillary services.



Should you have any questions in relation to this submission, please contact me on (03) 8633 6207 or Patrick Whish-Wilson on (02) 9921 2207.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Elizabeth Molyneux', written in a cursive style.

Elizabeth Molyneux
GM of Energy Markets Regulation