



Australian
Gas Networks

Attachment 5.1

Terms & Conditions Submissions

Final Plan 2023/24 – 2027/28

July 2022

I would welcome an opportunity to discuss this with you further, and would be happy to assist in the preparation of GTCs that reflect the National gas credit support regime.

Yours sincerely

A large black rectangular redaction box covering the signature area.A short black horizontal redaction bar.A long black horizontal redaction bar.

Annexure – Summary of the National gas credit support regime – Division 4 of Part 21 of the National Gas Rules

- A distributor may only require a retailer to provide credit support if, within the previous 12 months, the retailer has failed to pay in full:
 - the charges contained in 3 statements of charges by the due date for payment; or
 - the charges contained in 2 consecutive statements of charges by the due date for payment; or
 - the charges contained in 1 statement of charges within 15 business days of the due date for payment.
- A distributor may only require a retailer to provide credit support up to an amount equal to the charges contained in the most recent statement of charges that gave rise to the requirement for the retailer to provide credit support.
- If the retailer fails to pay charges contained in a statement of charges, but the charges are disputed, and the retailer has complied with the relevant dispute resolution requirements, the retailer will not be considered in default in payment of the disputed charges and the distributor will not be entitled to require the retailer to provide credit support.
- A retailer must, on receiving a valid request by a distributor, provide credit support to the distributor in accordance with the credit support rules. The credit support provided by the retailer must be:
 - for an amount requested by the distributor, not exceeding an amount equal to the charges contained in the most recent statement of charges that gave rise to the requirement for the retailer to provide credit support; and
 - provided within 5 business days of the distributor's request; and
 - an acceptable form of credit support in favour of the distributor.
- A retailer must ensure that at all times the aggregate undrawn amount of the credit support is not less than the amount properly requested by the distributor.
- A retailer required to provide credit support under these rules must provide the credit support in an acceptable form. An acceptable form of credit support is:
 - a form of credit support that the retailer agrees to provide, and the distributor agrees to accept; or
 - an undertaking:
 - substantially in the prescribed form; and
 - issued by a financial institution acceptable to the distributor.
- A distributor may only apply or draw on the credit support if:
 - the distributor has given not less than 3 business days' notice to a retailer that it intends to apply or draw on the credit support in respect of an amount due and payable by the retailer to the distributor, and that amount remains outstanding; and
 - there is no unresolved dispute about the retailer's liability to pay that amount.
- If a distributor and a retailer no longer have any shared customers, or in the 12 months since the credit support was provided, a retailer has paid in full the charges contained in each statement of charges issued in that 12 month period by the due date for payment, the distributor must pay, cancel or return to the retailer as appropriate, any balance of credit support outstanding after payment of all amounts owing by the retailer to the distributor.
- A retailer must not take any steps to restrain (by injunction or otherwise):
 - an issuer of credit support from paying out, or otherwise satisfying, a claim properly made by the distributor under the terms of the credit support; or
 - the distributor from making a claim on the credit support in accordance with the credit support rules; or
 - the distributor from using the money obtained by calling on the credit support.
- If a retailer insolvency event occurs, a distributor may, within 90 business days, apply to the AER for approval to vary one or more reference tariffs by a retailer insolvency pass through amount. The AER will then determine a retailer insolvency pass through amount that reflects the increase in the retailer insolvency costs that the distributor has incurred and is likely to incur in providing reference services until the end of the applicable access arrangement period solely as a consequence of the retailer insolvency event. Such amount does not include any amount recovered or recoverable from a retailer or a guarantor of a retailer or any costs that are recoverable under a RoLR cost recovery scheme distributor payment determination. If the AER approves a retailer insolvency pass through amount, the distributor's access arrangement is taken to be amended so that:

- the retailer insolvency event is taken to be an approved cost pass through event under that access arrangement; and
- the retailer insolvency pass through amount is taken to be an approved cost pass through amount under that access arrangement, allowing variation of the distributor's reference tariffs.

Retailer Survey - Aligning Terms and Conditions

SURVEY RESPONSE REPORT

11 July 2019 - 19 October 2021

PROJECT NAME:

Engaging Victorians on the future of our gas networks (July 2023 – June 2028)



SURVEY QUESTIONS

Q1 | Please provide your name

Anonymous

8/20/2021 12:53 PM

[REDACTED]

Anonymous

9/20/2021 01:16 PM

[REDACTED]

Optional question (2 response(s), 1 skipped)

Question type: Single Line Question

Q2 | Please provide the retailers name

Anonymous

8/20/2021 12:53 PM

EnergyAustralia

Anonymous

9/20/2021 01:16 PM

Red and Lumo Energy

Optional question (2 response(s), 1 skipped)

Question type: Single Line Question

Q3 | As retailers, where do you see the opportunities for alignment of the Terms and Conditions across the three gas network businesses (AGN, AusNet, MGN)?

Anonymous

8/20/2021 12:53 PM

Customer own reads, in line with the process of the NSW gas network businesses. Streamline process, consider how to make the process less time consuming/ more efficient.

Anonymous

9/20/2021 01:16 PM

While not being opposed to the alignment of the terms and conditions of access across the three Victorian gas network businesses, it is more important that the services and outcomes for both us and our customers are delivered in a consistent manner

Optional question (2 response(s), 1 skipped)

Question type: Essay Question

Q4 | What should we focus on in developing our Terms and Conditions for the three gas network businesses?

Anonymous

9/20/2021 01:16 PM

We consider that it is important that the terms and conditions of access are both fair and reasonable and developed in a manner that makes it easy for consumers to understand

Optional question (1 response(s), 2 skipped)

Question type: Essay Question

15 December 2021

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Dear [REDACTED],

Re: AGN Victoria and Albury and Multinet Gas Networks GT&Cs

Simply Energy welcomes the opportunity to provide feedback on the proposed General Terms and Conditions (GT&Cs) applicable to the provision of Reference Services for the Australian Gas Networks (AGN) and Multinet Gas access arrangements from 1 July 2023 to 30 June 2028.

Simply Energy is a leading energy retailer with approximately 730,000 customer accounts across Victoria, New South Wales, South Australia, Queensland and Western Australia.

While Simply Energy is largely comfortable with the proposed changes to the GT&Cs, we are concerned that AGN and Multinet have proposed to retain largely the same credit support provisions as have applied during the 2018-22 access arrangement (clause 27). These provisions are more onerous than the credit support requirements in the National Energy Customer Framework (NECF) jurisdictions and do not reflect the actual credit risk that most retailers place on AGN and Multinet. Procuring the necessary bank guarantees to satisfy the requested credit support can be costly, and ultimately increases the costs of serving Victorian gas customers.

We acknowledge that clause 27 of the proposed GT&Cs is consistent with AGN's GT&Cs that are applicable to its South Australian gas access arrangement from 1 July 2021 to 30 June 2026. However, because the rules underpinning these clauses differ between Victoria and South Australia, in effect there will be inconsistency in how credit support requirements are applied across all networks operating under the Australian Gas Infrastructure Group (AGIG) banner.

Simply Energy appreciates AGIG's approach to consultation to-date, and in that spirit, we request that AGN and Multinet revise their credit support provisions prior to the submission of their access arrangement proposals to the Australian Energy Regulator on 1 July 2022. Simply Energy is open to assisting AGN and Multinet prepare updated provisions that would reflect the credit support requirements that apply for gas retailers and distribution networks in the NECF jurisdictions (including in AGN's South Australian gas distribution network).

Simply Energy welcomes further discussion in relation to this submission. To arrange a discussion or if you have any questions please contact [REDACTED]

Yours sincerely

[REDACTED]

[Redacted]
[Redacted]
Simply Energy

From: [REDACTED]
To: [REDACTED]
Subject: RE: [EXTERNAL] Re: AGN Victoria and Albury and Multinet Gas Networks GT&C's
Date: Thursday, 21 April 2022 7:24:25 AM
Attachments: [image001.png](#)
[image002.png](#)
[image031169.png](#)
[image03904.jpg](#)

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Thanks for reply [REDACTED] we are looking further into our various 'network imbalance' positions around the country and what the potential consequences are at each so good to know this is not an issue for these networks

Kind regards,



[REDACTED]
Weston Energy Pty Ltd
P [REDACTED] M: [REDACTED]
A: Suite 18, Level 11, 809-8111 Pacific Hwy, Chatswood, NSW 2067
W: www.westonenergy.com.au E [REDACTED]

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On Mon, Apr 11, 2022 at 5:23 PM [REDACTED] wrote:

Hi [REDACTED]

Apologies for the delay

Just coming back to you on your question

The short answer is that there is no need to address the negative network balance

In financial terms, our understanding is that, through the operation of the declared wholesale gas market in Victoria, a Network User will only pay for the gas actually delivered on their behalf (plus a contribution to UAAG)

So, from a financial perspective, a Network User will be kept balanced – whether the balance is a negative balance or a positive balance

The purpose of clause 28.7 is not to deal with balancing or the financial implications of balancing. Rather, the clause deals with a very narrow legal issue

The legal issue is that, if a Network User has paid for gas but that gas is not delivered out of the network then, potentially, the Network User might have a claim to title to that gas – at least, in circumstances where the gas is never delivered out of the network (and, thus, the gas is never taken into account in the Declared Wholesale Gas Market (DWGM) balancing process)

This issue might be more theoretical than real because, if the network is continuing to operate, and gas is continuing to be delivered out of the network then, at some stage the gas should be delivered out of the network and it should then be taken into account through balancing in the DWGM

There is no need to address the converse situation – the so-called negative imbalance – because the Network User cannot own nothing – ie the network user cannot have legal title to negative gas

Hope this helps

Regards,

[REDACTED]

[REDACTED]



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PO Box 6468, Halifax St, SA, 5000 Australia

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From: [REDACTED]
Sent: Wednesday, 2 March 2022 11:14 AM
To: [REDACTED]
Subject: [EXTERNAL] Re: AGN Victoria and Albury and Multinet Gas Networks GT&C s

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Good morning [REDACTED]

The proposed amendments look ok from our perspective however I am interested in CI 28 7 Imbalance on Termination as it only seems to mention what happens if there is gas remaining in the network and not delivered, but not the opposite of a user having supplied less gas to the network than that which has been delivered to the User's customers or is this concept of a 'negative' network imbalance not a possible scenario so doesn't need to be considered?

In regards to the RRG, we would like to have the opportunity to participate though it would be a good idea to include [REDACTED] on any invitations as I will be working reduced days for the next few months

Kind regards,



[REDACTED]
Weston Energy Pty Ltd
P: [REDACTED] M: [REDACTED]
A: Suite 18, Level 11, 809-811 Pacific Hwy, Chatswood, NSW 2067
W: www.westonenergy.com.au E: [REDACTED]

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On Tue, Mar 1, 2022 at 4:44 PM [REDACTED] wrote:

Hi All,

This email deals with:

- 1 AGN's Victorian and Albury Gas Distribution Networks Access Arrangement – General Terms & Conditions, and
- 2 An invitation to join AGIG's Retailer Reference Group

1. AGN VICTORIAN & ALBURY DISTRIBUTION NETWORKS ACCESS ARRANGEMENT – GENERAL TERMS & CONDITIONS

We **attach** the proposed General Terms and Conditions (**GTCs**) applicable to the provision of Reference Services for the consolidated AGN Victorian and Albury Distribution Networks for the Access Arrangement Period from 1 July 2023 to 30 June 2028

Also **attached** are a set of notes to explain the proposed changes

We appreciate this may not be your area of responsibility, and if it isn't, can you please forward on to the person in your organisation who is responsible for regulatory matters, and let us know who that is?

Our approach is to seek to standardise the GTCs across all of our networks, and all of our haulage agreements, wherever this is possible having regard to jurisdictional differences

An important element of this approach involves listening to comments from retailers and self-contracting users and amending the GTCs where appropriate to incorporate improvements

The GTCs for Victoria and Albury for the 2023-2028 AA period are based on the GTCs for the prior AA period

The attached version is marked-up to show the changes that have been made. We have included a separate document with notes on the proposed amendments to the Vic-Albury GTCs

In broad terms, to prepare the attached Vic-Albury GTCs:

- (a) The Vic-Albury GTCs were updated to reflect changes to the South Australian GTCs that were made during the most recent South Australian AA review

(b) We reviewed changes to its GTCs which have been agreed with retailers and self-contracting users, outside the AA review process, in the context of individual haulage agreement negotiations. These changes were incorporated into the attached Vic-Albury GTCs where they were of general application and relevance to all retailers and self-contracting users.

(c) We reviewed applicable regulatory instruments and updated the attached Vic-Albury GTCs to accommodate changes in regulatory instruments and other factual circumstances or developments.

(d) Finally, the attached Vic-Albury GTCs were reviewed generally to correct typographical or grammatical errors.

This approach continues the process we have followed, over many years, of keeping GTCs subject to continuous review and improvement.

We propose to apply the AGN Victorian and Albury GTCs for the Multinet network. It is expected that the Multinet Victorian GTCs will be exactly the same as the AGN GTCs save for changes in names and network specific details (such as the receipt points listed in Appendix 1 to the GTCs). As the AGN GTCs and the Multinet GTCs have very different drafting styles and formatting we are therefore not proposing to detail the changes line-by-line.

The proposed alignment of Multinet GT&C s with Vic-Albury GT&C s has been taken for the following reasons:

(a) It allows consistency across all networks operating under the AGIG banner.

(a) It recognises that the AGN GTCs have been subjected to a process of continual review and improvement across multiple jurisdictions.

(b) Multinet GTCs contain elements that are beyond the scope contemplated in the National Gas Rules. Rule 48 of the National Gas Rules requires an access arrangement to set out the terms and conditions on which a service provider will provide a reference service. This rule defines the permitted scope of the terms and conditions. Many clauses within the Multinet GTCs go beyond this scope and seek to regulate the general relationship between distributors and network users.

(c) We consider that the AGN GTCs are a better starting point than the Multinet GTCs from the perspective of readability.

We would appreciate any feedback by 31 March, 2022.

Please note that this is the first round of engagement on the GT&C s, with a further two rounds planned leading up to submission on 1 July 2022.

2. AN INVITATION TO JOIN AGIG'S RETAILER REFERENCE GROUP

We would also like to extend an invitation for your business to join AGIG's Retailer Reference Group (RRG).

The RRG comprises retailers and key staff in AGIG. Members meet regularly to discuss and share information regarding issues of importance, in particular, around the development of AGIG's expenditure proposals and regulatory plans for our networks across Australia.

Please let me know if you are interested in your business being represented at the RRG and we will ensure you receive upcoming meeting invitations.

If you have any queries please do not hesitate to contact me.

Thanks and regards,

[Redacted signature block]



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From: [REDACTED]
To: [REDACTED]
Cc: [REDACTED]
Subject: [EXTERNAL] RE: AGN Victoria and Albury and Multinet Gas Networks GT&C's
Date: Friday, 1 April 2022 10:16:09 AM
Attachments: [image001.png](#)
[image002.png](#)
[image004.jpg](#)

WARNING: This is an email from an external source. Think before you click.

Hi [REDACTED]

Tango Energy thanks you for the opportunity to provide feedback on the Australian Gas Networks' (AGN) general terms and conditions. Our preliminary feedback is set out below. We would also like to accept your invitation to join the retailer reference group.

Clause 11.1 Meter Reading Schedule

This proposed amendments intend to remove the specific requirements AGN must undertake with regards to conducting a scheduled meter read, instead having a sole provision providing that AGN will use "reasonable endeavours" to read meters in accordance with the metering schedule under the Retail Market Procedures. What constitutes a reasonable endeavour is a question of fact and can be attributed to a variety of circumstances. If AGN wishes to rely on the term of reasonable endeavours, Tango Energy would ask that some form of parameters are established in order to identify what actions do and do not constitute reasonable endeavours.

Clause 27.1 Credit support

This clause requires network users to provide credit support to AGN on request, whether by law or by any of the clauses in the agreement. However, credit support should only be sought in circumstances where there is a genuine risk of a retailer not meeting its payments under the agreement, such as a history of late payment of AGN's invoices. Requirements to provide upfront credit support has additional costs associated with obtaining the relevant funds, resulting in less favourable market offers being made available to end-use customers. Tango Energy asks that AGN consider harmonising its credit support requirements to be consistent with those for gas distributors operating in NECF jurisdictions.

Clause 32.2 Customer Details

This proposed amendment gives AGN the power to request information from network users about a shared customer for purposes relating to "operation, maintenance or management of a network" as well as other means permitted by law. Similar to the issue of reasonable endeavours this provides AGN broad rights to request information from network users. Tango Energy notes that previously AGN would only be able to request information if it was regarding planned or unplanned interruptions. Extending these reasons for requests to a broad range of factors that could apply in almost any circumstance widens the scope of information requests unnecessarily. Tango Energy requests that the scope of any information request of a shared customer be narrowed and that AGN identifies the exact circumstances it would need this information, for instance in life support circumstances.

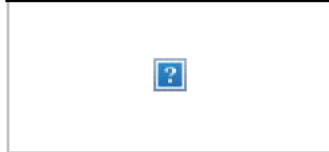
Clause 36.7 Disclosure to Associated Companies

This proposed amendment extends the individuals and parties to whom AGN can disclose information. The list given in the amendment gives AGN the ability to disclose information to a broad spectrum of individuals and bodies; however, the reason for disclosure is only defined as “for proper corporate purposes”. This purpose is too broad, and Tango Energy requests that any provision of information that is being disclosed should be limited to the administration of the agreement. Moreover, appropriate protections should be in place in respect of any personal information that may be exchanged.

If you have any questions or wish to discuss any of this further feel free to contact me.

Regards,

[Redacted signature]



Tango Energy Pty Ltd - Owned by Pacific Hydro Australia

Level 13, 700 Collins Street, Docklands, Victoria 3008

[Redacted contact information]

tangoenergy.com

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From: [Redacted]

Sent: Tuesday, 1 March 2022 4:44 PM

To: [Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]

Subject: AGN Victoria and Albury and Multinet Gas Networks GT&C's

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Terms & Conditions, and

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If you have any queries please do not hesitate to contact me.

Thanks and regards,



[Redacted]



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