

Attachment 14.1

Engagement with the Retailer Reference Group on the Proposed Terms and Conditions

SA Final Plan July 2021 – June 2026
July 2020

1. Introduction

This attachment summarises feedback from Australian Gas Network's (AGN) Retailer Reference Group (RRG) pertaining to the proposed terms and conditions (proposed terms) to apply to the South Australian gas distribution networks (the networks) over the next (2021/22 to 2025/26) Access Arrangement (AA) Period. The RRG comprises representatives from retailers that operate in our Victorian and Albury natural gas distribution markets (see Section 5.5.3 of the Final Plan for a description of our RRG).

We provided our RRG a number of opportunities to comment on our proposed terms and our plans, including:

- 29 April 2020 – We provided an overview on our proposed approach for engaging on our terms and conditions and sort feedback on our overarching objectives and approach;
- 24 July 2019 – We discussed our first draft of the proposed changes and circulated the first draft of the proposed terms to the Retailer Reference Group for their comment;
- September 2019 – We received three sets of comments from members of the RRG relating to 18 clauses;
- 8 November 2019 – We discussed with the RRG their feedback and the first draft;
- 18 December 2019 – After considering the feedback received on the earlier draft, we issued a further draft of the proposed terms to our RRG;
- 17 February 2020 – We published our Draft Plan for the South Australian Network which included a discussion on the terms and conditions;
- 18 February 2020 – We meet with the RRG to discuss the second draft of the proposed terms and sort further feedback;
- 9 April 2020 – We meet with the combined South Australian Reference Group (SARG), RRG and Australian Energy Regulator's Consumer Challenge Panel (CCP) to discuss the Draft Plan including the proposed terms. We also resent the second draft of the proposed terms to seek feedback on the proposed changes;
- Late April 2020 - We received three sets of comments from members of the RRG on the second draft;
- 28 May 2020 – We detailed to the SARG, RRG and CCP how we were proposing to respond in the Final Plan to the feedback we had received on the proposed terms.

Feedback was received from the RRG via discussion in RRG meetings, direct email correspondence, one on one meetings and via written submission on the Draft Plan.

2. Consultation on our proposed Terms and Conditions

Table 1 sets out all the feedback received from our RRG on the draft terms including how we have incorporated their feedback into our proposed terms and conditions (T&C's).

Table 1: RRG Engagement on our Draft Terms and Conditions and our Consideration in the Proposed Terms and Conditions

Clause	Retailer Reference Group Feedback	Our Response to Feedback in the Proposed Terms and Conditions
1.2	<p>Energy Australia (EA):</p> <p>We consider that given the relationship between AGN and network users are governed by the national gas rules/national gas law, acknowledgement that the NGR/NGL prevail in the event of inconsistency between these terms or specific terms and the NGR/NGL would be beneficial to the all parties.</p>	<p>We requested that EA identify any inconsistencies they believe exist between the National Gas Law (NGL) and the National Gas Rules (NGR) and the T&C's to ensure we can review and address these.</p> <p>We conducted a thorough review of the T&C's. We removed footnotes associated with Clause 27.1, 27.6 and 27.9, which referred to outdated referenced to the NGR. No further inconsistencies were identified.</p> <p>It should also be noted that the NGR states in relation to Part 21 Retailer support obligations between distributors and retailers that Part 21 prevails over anything inconsistent in a distributor's access arrangement or gas service agreement – see rule 501(b).</p>
7	<p>AGL</p> <p>In response to COVID-19 propose that the requirements for temporary increases and decreases in MDQ be more flexible and faster, to allow customers to operate in a more cost effective manner during temporary shutdowns or re-starts.</p> <p>Possible new clause</p> <p><i>Reduction of MDQ for Directed Changes in Extenuating Circumstances</i></p> <p><i>A request for a temporary reduction in MDQ may be made, or granted, when a business may be required to suddenly reduce its operation as a result of a direction by an external party.</i></p> <p><i>Requests made under these circumstances, will be responded to as quickly as possible, and where granted, will be made with the most appropriate effective date.</i></p>	<p>We are currently liaising directly with large users on how we can support their operations and believe that this is a more flexible and faster approach than including any processes in the T&C's. These T&Cs will not take effect until 1 July 2021. By that time, it is possible that we are beyond the impact of COVID-19.</p>

8 **AGL**
 Given the environment we're in and the likely possibility of businesses needing to temporarily shut down and re-start, AGL would like to propose that the requirements for temporary increases and decreases in MDQ be more flexible and faster, to allow customers to operate in a more cost effective manner during temporary shutdowns or re-starts.

Increase of MDQ following a Directed Reduction in Extenuating Circumstances

A request for a temporary increase in MDQ may be made, or granted, when a business may be resuming operation after a reduction in consumption due to as a result of a direction by an external party.

Requests made under these circumstances, will be responded to as quickly as possible, and where granted, will be made with the most appropriate effective date and a reasonable period.

Consistent with our response to clause 7, we are currently liaising directly with large users on how we can support their operations and believe that this is a more flexible and faster approach than including any processes in the T&C's. These T&Cs will not take effect until 1 July 2021. By that time, it is possible that we are beyond the impact of COVID-19.

9 **AGL**
 With the inclusion of Hydrogen into the SA (and other) gas systems there is concern that the substantial difference in the Heating Value of the gas could lead to some customers being billed incorrectly (likely over billed due to the higher volume for same calorific content).

9.9 Metering Installation Capability

Where required due to substantial changes in authorised gas characteristics AGN will be responsible for ensuring that suitable has quality measurement devices are installed and the customer Delivery Point is suitably defined for correct energy calculations.

AGL further engagement

Noted.

AGL does not see these metering plans and therefore has no visibility of this process. However, AGL is glad to hear that AGN and the OTR will ensure that appropriate metering requirements, in particular Heating

Clause 4.1.1 of the SA Gas Metering Code¹) requires gas to be converted to units of energy for billing purposes using the heating value calculated by the distributor in accordance with a methodology approved by the Technical Regulator (OTR). The OTR determines how the methodology for the calculation of heating value. This is also addressed through the OTR approved Gas Measurement Management Plan. Provisions in the T&Cs will not override the methodology approved by the OTR.

¹ ESCOSA, Metering code GMC/04 (effective from 7 February 2013), <https://www.escosa.sa.gov.au/ArticleDocuments/619/130131-GasMeteringCode-GMC04.pdf.aspx?Embed=Y>

Values, will be provided to the market to deal with the inclusion of Hydrogen in the distribution network.

11.1 to 11.6 **Alinta Energy (Alinta)** seeks clarity to defined this term and also seek AGN to confirm that it is being used in accordance with NER.

Red Energy (Red) and Lumo Energy (Lumo)

AGN have proposed to include the words ‘use its best endeavours to’ in the provision of scheduled meter readings in clauses 11.1 through to 11.6. It is unclear why AGN would require the addition of a best endeavours caveat, where the obligations to read meters are clearly articulated in the Retail Market Procedures (SA) as published by the Australian Energy Market Operator (AEMO). Red and Lumo do not support any change to these clauses, as they have flow on effects to customers where AGN does not conduct scheduled meters. Provision of late or delayed reads, outside the 90 day window will result in customers receiving late bills, which may place unnecessary strain on their finances. Additionally, where AGN does not provide reads to retailers, it is likely to make retailers non-compliant with rule 24 of the National Energy Retail Rules (NERR) which requires retailers to issue bills once every 100 days. This is a civil penalty provision, and under the terms and conditions AGN does not take on the liability of retail non-compliances.

AGL

Noted are proposed amend to align with clause 3.1.1(e), SA RMPs – no issue

The term “best endeavours” is used in various sections of the NGL, NGR, National Energy Retail Law (NERL) and National Energy Retail Rules (NERR). We can confirm it is being used in accordance with these instruments.

Under the new Retail Market Procedures, clause 3.1.1(e) says that a network operator must use “reasonable endeavours” to read meters in accordance with the applicable meter reading schedule or as otherwise agreed with the current user for the delivery point to which the relevant meters.

We have proposed in response to Red and Lumo feedback to replace clauses 11.1 to 11.6 with a clause that mirrors the terms of clause 3.1.1(e), SA RMPs.

We would like to highlight that if AGN cannot undertake an actual physical meter read, AGN is required to provide an estimated meter read (rule 3.5.3, SA Retail Market Procedures² and clause 4.5.1, Gas Metering Code) and the retailer would then issue a bill to the customer based on an estimate. Thus ensuring compliance with rule 24 of the NERR.

12

AGL

AGL is concerned that where Users are procuring their gas through a market mechanism (eg STTM) the User may not have a relationship with any shipper or the affected shipper, nor can the User make requirements on that shipper.

Proposing to amend clause 12 so Network Users are not responsible under clause 12 for off-specification gas supplied at the Adelaide hub.

Added Clause:

12.3 Network User Responsibility

(a) If Gas is delivered through a User Receipt Point that forms part of an STTM hub as described in the STTM Rules and the STTM Procedures then:

² AEMO, Retail Market Procedures SA version 17.0 (clean) - effective 10 February 2020 - <https://aemo.com.au/energy-systems/gas/gas-retail-markets/procedures-policies-and-guides/south-australia>

As such, AGL suggests that a User may not be able to meet these requirements in such a circumstance.

12 Gas Specification

12.0 Where the User is procuring its gas through the relevant wholesale market, The User will only be responsible for ensuring Gas Quality Specifications to the extent that they have a formal relationship with a Shipper or are themselves a shipper.

AGL further engagement

Noted. AGL appreciates the change.

(i) the Network User is not required to ensure that the Gas complies with clause 12.1; but

(ii) where the Network User supplies gas to the STTM hub, the Network User will be responsible to ensure that the Gas complies with the gas quality specifications specified in the STTM Rules for that STTM hub.

(b) In the case of any other User Receipt Point, the Network User must ensure that Gas delivered by or for the account of the Network User meets the specifications required under clause 12.1.

13

AGL

AGL is concerned that where Users are procuring their gas through a market mechanism (eg STTM) the User may not have a relationship with any shipper or the affected shipper, nor can the User make requirements on that shipper.

As such, AGL suggests that a User may not be able to meet these requirements in such a circumstance.

12 Gas Specification

13.0 Where the User is procuring its gas through the relevant wholesale market, The User will only be responsible for ensuring Gas Receipt Pressures to the extent that they have a formal relationship with a Shipper or are themselves a shipper.

AGL further engagement

Noted. AGL appreciates the change.

Proposing to amend clause 13 so Network Users are not responsible under clause 13 for gas pressures supplied at the Adelaide hub.

13.3 Network User Responsibility

(a) The Network User is not responsible to AGN for gas pressures at a User Receipt Point that forms part of the STTM hub as described in the STTM Rules and the STTM Procedures.

(b) In the case of any other User Receipt Point, the Network User must ensure that Gas delivered by or for the account of the Network User to that Receipt Point is delivered within the pressure limits required by clause 13.1.

14

AGL

AGL is concerned that where Users are procuring their gas through a market mechanism (eg STTM) the User may not have a relationship with any shipper or the affected shipper, nor can the User determine whose gas is being injected or withheld.

As such, AGL suggests that a User may not be able to meet these requirements in such a circumstance.

Please note Clause 14 imposes obligations on AGN, not Network Users.

12 Gas Specification

14.0 Where the User is procuring its gas through the relevant wholesale market, The User will only be responsible for ensuring Gas Delivery Pressures to the extent that they have a formal relationship with a Shipper or are themselves a shipper.

AGL Further engagement

Noted. No Issue

16.1	<p>AGL</p> <p>AGL Notes that where a User is a registered Market participant, the AEMO registration confers title to gas at any approved market receipt point.</p> <p>AGL Further engagement</p> <p>Noted. No Issue.</p>	<p>In South Australia, in the case of gas supplied to the Adelaide hub via the Short Term Trading Market, title to that gas passes at each custody transfer point:</p> <p>(a) from the Trading Participants who are taken to have supplied natural gas to that custody transfer point;</p> <p>(b) to the Trading Participants who are taken to have withdrawn natural gas from the hub,</p> <p>in the respective quantities determined in accordance with subdivision 3, Division 7, Part 20, National Gas Rules – see rule 418(1) and (2), National Gas Rules.</p> <p>There is no need to amend clause 16.1. The Network User needs to give the warranty to confirm to AGN that the Network User has title to gas. The only significance of rule 418 is that it provide a basis for the Network User to satisfy itself that the warranty is correct.</p>
16.3	<p>EA Added: “<i>Subject to clause 29.6</i>”</p> <p>We suggest that AGN amend this clause as written.</p>	<p>This was requested in the Victorian and Albury T&C’s by AGL and the Australian Energy Regulator (AER) rejected the change.</p> <p>AGN supports the AER view that the change is not required.³</p>
17	<p>AGL</p> <p>AGL is concerned that a large Network curtailment, may have substantial market wholesale impacts. Recent events in another STTM market have led to substantial costs being borne by Market Participants which may have been avoidable.</p>	<p>We are not aware of the large network curtailment mentioned and, without knowledge of that event, we do not fully understand the comment. We do not support the proposed clause because it places responsibility on AGN to assess whether market mechanisms can affect an increase or decrease in gas load. AGN is not involved in trading in the STTM we believe this a role AEMO rather than AGN.</p>

³ Australian Energy Regulator July 2017, Attachment 12 – Non tariff components | Draft decision - AGN Victoria and Albury gas access arrangement 2018–22, page 12-6.

This is particularly important where load reductions have time to be implemented and can be done through wholesale or retail mechanisms.

17.2.1 *Retailer Provision of Curtailment*

Where there is sufficient time for Users to utilise market mechanisms to affect a load increase or decrease, AGN will provide notices to the relevant users and seek to use market mechanisms to affect an increase or decrease in gas load.

AGL Further engagement

Two examples in NSW. Jemena Networks curtailed delivery to Wilton via directions to the transmission pipeline rather than through the market.

The result of these events was a substantial market cost to the shippers due to changes in their scheduled deliveries. If the direction had been issued via the market, the shippers would have been able to adjust their offers and the market costs would have been minimal.

AGL would not expect AGN to be required to use form of mechanism in an immediate event, but AGNs understanding of the impact and mechanism of a substantial curtailment on market outcomes is of substantial value.

Examples of events discussed with AGN. Majority of AGN assets unlikely to cause a significant curtailment event.

<p>17.4</p>	<p>EA added: "<i>promptly</i>" We suggest that AGN amend this clause as written.</p>	<p>"<i>promptly</i>" add to clause 17.4 as per EA request</p>
<p>17.7</p>	<p>EA: "We consider that clause 17.5, clause 17.6, clause 17.7 are unnecessary given the protections afforded to AGN under NERR 94. We suggest AGN delete these clauses."</p>	<p>First, it is important to recognise that the T&C's apply to all Network Users and some of those Network Users are not "retailers" within the meaning of the NERR so rule 94 of NERR is not always available to AGN.</p> <p>Second, rule 94 of the NERR is not enforceable by AGN. The NERR can only be enforced by persons (other than the AER) in accordance with Division 3 of Part 13 of the NERL – see section 289, NERL. In the case of a person other than the AER, Division 3 of Part 13 only allows that person to enforce a "conduct provision" – see section 289(3) and sections 292 and 293 of NERL.</p> <p>Rule 94 of NERR is not a "conduct provision" – see section 4(2), NERL – and refer to the National Energy Retail Regulations. Rule 94 can only be enforced by the AER. The rule does not provide AGN with any protection.</p>

	<p>We thus believe these clauses are necessary.</p>
<p>20 EA:</p> <p>We request AGN include a clause to give effect to AGN’s obligation to notify of changes to charges (see NGR clause 512).</p>	<p>It is our view that it is not necessary to refer to rule 512.</p> <p>Consistent with the national gas objective, it is desirable to keep the T&C’s as simple and flexible as possible as this minimises compliance costs and transaction costs. It is also desirable to avoid references to specific clauses or rules so as to avoid the situation where those references become outdated as a result of legislative change. Consistent with this philosophy, we would not recommend a reference to rule 512.</p> <p>It is also undesirable to refer to rule 512 because the rule is relevant to retailers only and not other Network Users, who are not retailers.</p>
<p>20.2 AGL</p> <p>Clarity with respect to the NERR</p> <p>AGL notes that within Clause 20.2 AGN has made reference to retailers’ not being permitted to recover charges, which is only one portion of the NERR in respect to User and network obligations.</p> <p>For clarity, AGL suggests that the T & Cs refer to the obligations under the NERR as amended from time to time.</p> <p><i>20.2 Liability for Charges</i></p> <p><i>The arrangements set out in the National Energy Retail Rules detailing the various obligations between Distribution Networks and Retailers for ongoing charges form part of these arrangements.</i></p> <p>AGL Further engagement</p> <p>Noted</p>	<p>Clause refers to retailers not being permitted to recover charges and states that, in those circumstances, clause 22.1 applies. Clause 22.1 is identical terms to rule 508, Part 21, NGR. It is the NGR, and not the NERR, which contain the billing and payment rules. NGR Part 21 prevails over anything inconsistent in a distributor’s AA.</p> <p>This issue was raised on two previous occasions (SA & Victoria) in submissions on AGN’s T&C’s. On both occasions, the AER has rejected any change. We continue to accept the AER decision.</p>
<p>20.2(a) AGL</p> <p>Under the NERR, a retailer is unable to establish a Deemed Contract for supply, unless a consumer is actually taking supply. Where there is no energy being consumed, the retailer is unable to establish a Deemed contract with that customer, and this also means that there is no shared customer at that DP.</p>	<p>Clause 20.2(a) relates to base charges which are imposed even when no gas is taken at a delivery point. The effect of the clause is that, whilst a retailer remains registered as the current user for a delivery point, it remains liable to pay base charges, even if no energy is being taken because a site is unoccupied.</p> <p>If a retailer does not wish to pay base charges for a delivery point where the site is unoccupied, the retailer should request AGN to remove the meter and</p>

In these circumstances, this means that a retailer is unable to commence any process to disconnect those sites or charge a customer for network charges.

AGL therefore seeks clarity in this situation and proposes the following: the Network User is liable for any component of the Distribution Service Charges which accrues in relation to a User DP whilst there is no a Shared Customer in respect of that User DP;

deregister the delivery point. If the retailer does not do this, then it is appropriate that the retailer continues to pay base charges for so long as it requires AGN to maintain meters and other assets at an unoccupied site.

AGL has raised this issue on two previous occasions in submissions on AGN's General Terms and Conditions. On both occasions, the AER has rejected any change.

In the case of the 2018-2022 Victorian Access Arrangement Review, see:

- (a) AGL's submissions on AGNs Terms and Conditions for the Victoria and Albury Access Arrangement, where AGL requested the deletion of clause 20.2⁴; and
- (b) AER's decision to reject AGL's comments and accept clause 20.2(a) – see AER Draft Decision, July 2017.⁵

In the case of the 2016-2021 SA Access Arrangement Review – see:

- (a) AGL's submissions on AGNs Terms and Conditions for the South Australian Access Arrangement, where AGL requested the deletion of clause 20.2⁶; and
- (b) AER's final decision, accepting clause 20.2(a) – see AER Final Decision, May 2016, Attachment 12, Non-Tariff Components, section 12.2.4, "Recovery of Charges"⁷.

20.2

AGL

(b)

For clarity, AGL would seek to ensure that sites which are plugged (de-energised) would no longer attract network charges, as AGL is not entitled to collect such charges from a customer when there is no supply of gas.

(b) if there is a Shared Customer in respect of a User DP and the Network User is not permitted to recover Distribution Service Charges from that Shared Customer under the NERL or NERR, clause 22.1 applies

The AER has previously held (on two occasions) that AGN is entitled to recover charges for unoccupied or de-energised sites. If AGL wishes to stop paying charges, it needs to request decommissioning and deregistration of the site – see previous comments on clause 20.2(a) above.

Clause 20.2(b) reflects the terms of rule 508, NGR.

⁴ https://www.aer.gov.au/system/files/AGL%20Energy%20Limited%20-%20Victorian%20gas%20access%20arrangement%20proposals%20-%2031%20March%202017_2.pdf

⁵ Australian Energy Regulator July 2017, Attachment 12 – Non tariff components | Draft decision - AGN Victoria and Albury gas access arrangement 2018–22, page 12-6.

⁶ <https://www.aer.gov.au/system/files/AGL%20-%20Submission%20on%20Australian%20Gas%20Networks%20%28South%20Australia%29%20Access%20Arrangement%20Proposal%202016-21%20-%202011%20August%202015.pdf>

⁷ <https://www.aer.gov.au/system/files/AER%20-%20Final%20decision%20Australian%20Gas%20Networks%20Access%20Arrangement%20-%20Attachment%2012%20-%20Non-tariff%20components%20-%20May%202016.DOCX>

and AGN is not permitted to recover those Distribution Service Charges from the Network User; for clarity, this includes Distribution Services Charges for the period sites are de-energised; and

<p>22.3 EA:</p> <p>We request AGN remove clause 22.3 completely or amend clause 22.3(a)(i) to read 'unless notice of that claim is given...'</p>	<p>We believe our approach will lead to the more efficient and timely resolution of disputes about charges and is consistent with the recently AER approved Victorian and Albury T&C's</p> <p>Changes were requested in the Victorian and Albury T&C's by AGL (including deleting sections of the clause) and the AER rejected the change.⁸</p>
<p>22.3 (c) Red and Lumo</p> <p>Do not support the addition of this subclause. Subclause 22.3(a)(i) restricts Network users from making a claim to adjust Distribution Service Charges unless full particulars of that claim are given by the Network User to AGN within three months after the claim becomes known (or should have become known) to the Network User. Through the inclusion of subclause 22.3(c) AGN clarifies that "should have become known" means "would have become known" had the Network User acted diligently. The addition of this subclause assumes network users (retailers) do not exercise reasonable care or act in a diligent and prudent manner which we do not agree with. We do not support the inclusion of sub clause 22.3(c), and recommend it be deleted as it creates unnecessary confusion regarding the manner in which clause 22.3(a)(i) should be applied.</p> <p>AGL</p> <p>Noted</p>	<p>Clause 22.3 as drafted reflects the outcome of previous consultation with retailers in the context of the South Australian AA and, in particular, changes made by AGN to clause 22.3 in response to previous submissions from AGL Energy and Simply Energy (<i>see pages 1-2 of AGN AA Proposal for the South Australian gas distribution network, Attachment 17.2, "Engagement with Australian Gas Networks Retailer Reference Group on Terms and Conditions"</i>).</p> <p>The AER considered submissions and approved clause 22.3 in the AER's Draft Decision on the South Australian AA (see "AER Draft Decision, Attachment 12 – Non-tariff Components" pages 12-15 to 12-16¹⁰).</p> <p>The three month time limit is not unreasonable because that time limit only runs from the time at which a user becomes aware of a claim.</p> <p>It is not unreasonable for AGN to require users to notify AGN of claims of which users are aware. At the same time, it is unreasonable for users to fail to notify claims after they have become aware of the claims.</p> <p>A period of three months should give a User sufficient time to notify AGN of any claim of which the retailer becomes aware.</p>

⁸ Australian Energy Regulator July 2017, Attachment 12 – Non tariff components | Draft decision - AGN Victoria and Albury gas access arrangement 2018–22, pages 12-8 to 12-9.

⁹ <https://www.aer.gov.au/system/files/Australian%20Gas%20Networks%20-%20Attachment%202017.2%20Engagement%20with%20the%20AGN%20Retailer%20Reference%20Group%20-%20July%202015.pdf>

¹⁰ <https://www.aer.gov.au/system/files/AER%20-%20Draft%20decision%20Australian%20Gas%20Networks%20access%20arrangement%20-%20Attachment%2012%20-%20Non-tariff%20components.DOCX>

	<p>Moreover, as noted in the previous submissions on this clause, the clause does not prevent a retailer from pursuing any claim which it is required by law to pursue on behalf of a customer – see clause 22.3(b).</p> <p>As part of our engagement in Victoria Origin Energy’s had requested greater clarity regarding the definition of the term ‘should become known’. In response to this request 22.3(c) was added.(see page 9 Attachment 15.5 Engagement on Proposed Terms and Conditions¹¹)</p>
<p>27 EA:</p> <p>We suggest that AGN amend section 27 to reflect the new credit support scheme. As currently written, this section appears to be based on the old credit support regime. Significant changes to the regime occurred in 2017 and this should be reflected in these terms. See https://www.aemc.gov.au/rule-changes/retailer-distributor-credit-support-requirements</p>	<p>Clause 27.1 states that the Network User must provide credit support in accordance with the law and, if not required by law, in accordance with clause 27.</p> <p>Clause 27 does not apply where a Network User is a retailer and the new credit support regime in Part 21 imposes inconsistent requirements.</p> <p>Clause 27 imposes credit support requirements to Network Users who are not retailers for the purposes of Part 21, NGR.</p> <p>Note - it would not be appropriate for non-retailers to have the same credit support regime as retailers, primarily because there is no automatic pass-through of unpaid distribution charges where a non-retailer suffers an insolvency event (compare rule 520, NGR, which allows a distributor to pass-through retailer insolvency costs).</p> <p>We have removed footnotes associated with Clause 27.1, 27.6 and 27.9, which referred to outdated referenced to the NGR.</p>
<p>27.1 EA:</p> <p>We suggest AGN amend this footnote as these are outdated rules. The current rules are in Division 4 of part 21 of version 49 of the NGR. Clause 27 needs to be modified such that, if the law does not apply, this clause adopts the same provisions as the current version of the credit support rules in the NGR.</p>	<p>Footnote deleted.</p> <p>The footnote was originally included when the credit support rules were first introduced so as to guide the AER and Network Users. It is no longer necessary and should be deleted for the reasons explained in response to the comments on clause 20.</p>

¹¹ <https://www.aer.gov.au/system/files/AGN%20-%20Attachment%2015.5%20-%20Engagement%20on%20the%20proposed%20terms%20and%20conditions%20-%202014%20August%202017.pdf>

<p>27.2 Red and Lumo</p> <p>Do not support the proposed changes to this clause. While we agree that AGN should align terms and conditions, we prefer this existing clause be mirrored into the AGN's terms and conditions for Victorian and Albury.</p>	<p>Clause 27.2 was amended to "5 business days" because 5 business days is the time period required by rule 515(2)(b) of the National Gas Rules.</p> <p>Rule 515(2)(b) states that the credit support provided by a retailer must be provided within 5 business days of a distributor's request.</p> <p>Rule 515(2)(b) prevails over any inconsistent provisions in a distributor's access arrangement or gas service agreement (see rule 501(b), National Gas Rules).</p> <p>The previous SA T&Cs allowed 10 business days for the provision of credit support because that was the period allowed under former rule 523. Rule 523 was repealed and replaced on 9 February 2017 pursuant to the National Gas Amendment (Retailer-Distributor Credit Support Requirements) Rule 2017 No 1.</p>
<p>27.2 (a) EA want to add:</p> <p><i>"not exceeding an amount equal to the charges contained in the most recent statement of charges that gave rise to the requirement for the Network User to provide credit support"</i></p> <p>We suggest AGN amend clause 27.2 (a) to reflect the language used in clause 515 of the NGR.</p>	<p>Clause 27 deals with credit support for Network Users who are not retailers within the meaning of Part 21, NGR. Clause 27.2(a) is not relevant to retailer and the amount of permitted credit support is defined by rules 514(2) and 515(2), NGR.</p>
<p>27.4 EA:</p> <p>We suggest AGN delete clause 27.4 as it no longer exists in credit support regime</p>	<p>Clause 27 deals with credit support for Network Users who are not retailers within the meaning of Part 21, NGR. AGN should maintain clause 27.4 for use in situations outside Part 21, where AGN is entitled to require credit support.</p>
<p>27.6 EA:</p> <p>We suggest AGN delete clause 27.6 as it no longer exists in credit support regime</p>	<p>Footnote deleted.</p> <p>Clause 27 deals with credit support for Network Users who are not retailers within the meaning of Part 21, NGR. AGN should maintain clause 27.4 for use in situations outside Part 21, where AGN is entitled to require credit support.</p>
<p>28.6 Red and Lumo</p> <p>Do not support the proposed changes to this clause. While we agree that AGN should align terms and conditions, we prefer this existing clause be mirrored into the AGN's terms and conditions for Victorian and Albury.</p>	<p>Clause 28.6 was deleted from the Victorian T&Cs at the request of AGL.</p> <p>The clause has no practical operation in Victoria or South Australia because it refers to charges that are paid in advance and says that AGN has no obligation to refund charges paid in advance. There are no charges paid in advance. All charges are paid in arrears.</p>

<p>28.8 EA want to delete: "<i>the negligent</i>"</p> <p>We question why this should be restricted to negligent acts. We suggest amending as drafted.</p> <p>AGL</p> <p>Note</p>	<p>Deleted "<i>the negligent</i>" as requested by EA.</p>
<p>29 EA:</p> <p>We consider that AGN should include a standard clause that clarifies that AGN's liability is not limited or excluded:</p> <p>(a)for death or personal injury caused by its negligence or willful misconduct or that of its employees, agents or subcontractors as applicable;</p> <p>(b)for fraud or fraudulent misrepresentation by it or its employees, agents or subcontractors as applicable;</p> <p>(c)where liability cannot be limited or excluded by applicable law;</p> <p>(d) for unauthorised disclosure of Confidential Information</p>	<p>Clause 29 reflects the outcome of previous consultation with retailers in the context of the South Australian AA.</p>
<p>29.1 (b) EA want to add: "<i>death or personal</i>" and "<i>, wilful misconduct or breach of this Agreement</i>"</p> <p>We suggest AGN amend clause 29.1(b) as written.</p> <p>We suggest AGN include the amended wording as this is standard practice for commercial agreements</p> <p>Red and Lumo</p> <p>Support the proposed changes made by Energy Australia to clause 29.1(b). We consider this addition reasonable and appropriate.</p> <p>AGL</p> <p>Noted</p>	<p>Added "<i>death or personal</i>" to clause 29.1(b)</p>
<p>29.5 EA want the following changes:</p>	<p>Like clause 22.3, clause 29.5 reflects the outcome of previous consultation with retailers and the AER in the context of the South Australian AA.</p>

<p>Deletion of “full particulars” and “are” Addition of “notice of”, “is” and “reasonably” We consider that It is unreasonable to expect full particulars of a claim in a three-month timeframe. We suggest amending as written We suggest amending as written</p>	<p>In its Draft Decision on the South Australian T&C’s, the AER considered submissions on clause 29.5 and approved the clause as drafted by AGN¹². AGN believes that the AER’s previous decision on these issues are correct.</p>
<p>29.7 EA \$100 million is quite high for us as the receiver of services. We suggest changing this to \$5million in the aggregate for all claims in a Financial Year by the other party.</p>	<p>This clause was developed having regard to AGN’s insurance. We can consider extending clause 29.7 to cover economic and monetary loss where liability for that loss is not excluded by clause 29.6 (that is, where the exclusion is not permitted by law). We requested further feedback to understand EA’s comment. No further feedback was provided.</p>
<p>31 EA: We consider that AGN should include a clause that requires the affected party to notify the other party and also take reasonable steps to mitigate the effect of the force majeure, particularly given clause 31.1 (g).</p>	<p>The NGR already covers notice of force majeure events where they interrupt or curtail gas supply and we believe an additional requirement is unnecessary. Clause 31.4, already requires a party to take all reasonable endeavours to overcome or remedy force majeure.</p>
<p>31.1 Alinta Energy seeks AGN confirmation that “A party” is defined to be AGN resources (ie non retailer involvement required in the event type) and 32.1 Alinta Energy seeks definition of “party” under this obligation</p>	<p>The term “party” means a party to the Agreement. We are proposing to change clause 31.1 and 32.1 (we have reviewed the entire T&C’s and also proposed to change clauses 37, 38 and 39) so that Party is not capitalised. Our approach to drafting has been to keep the T&C’s as simple as possible. Consistent with this philosophy, definitions have not been included except where necessary.</p>
<p>32.2 EA: We consider that Clause 32.2 is inconsistent with the NERR in its current form. It should be amended to reflect mutual responsibility. Alinta Energy:</p>	<p>At the commencement of engagement of the terms and condition AGN proposed the following clause to align with a clause in the AusNet Services and Multinet Gas clause 9.4 Part C – Terms and Conditions 30 November 2017.¹³ This included the addition of the following:</p>

¹² AER South Australian Draft Decision, Attachment 12 – Non-tariff Components” page 12-16

¹³ Multinet Gas terms and conditions can be found here multinetgas.com.au/wp-content/uploads/2018/01/AER-Approved-access-arrangement-Multinet-Gas-2018-22-Part-C-term....pdf

Seeks AGN to update this key section to ensure customer information is stored securely and will not be used for any other unauthorised means.

Seeks AGN to include a clause indicating that Customer details will be used in accordance with existing legislation/Gas governing entities as required to carry out this obligation and at no cost.

Alinta Energy has strict obligations imposed on it by the Foreign Investment Review Board around how it collects, holds, uses and discloses its Customer Data, Gas Data and Personal Information. The requested changes to clauses 32.2, 36.6 and 36.7 would put Alinta Energy at a high risk of being unable to comply with those conditions. Alinta Energy is unable to accept these conditions unless a caveat around the use or disclosure of that information can be included as set out in the attached document, or a similar restriction on the access and disclosure of these categories of information outside of Australia is included in these conditions.

Alinta Energy proposed changes:

Notwithstanding any other clause of this Agreement, AGN must, and must procure

that its personnel, related bodies corporate, CK Group Companies, Sister Companies, subcontractors and agents must:

- (i) only collect, hold, use, disclose or otherwise deal with Regulated Information to the extent required for the purpose of this Agreement and in accordance with this clause;
- (ii) store Regulated Information only within Australia;
- (iii) only allow access to Regulated Information from within Australia and must not take Regulated Information outside of Australia;
- (iv) not export any Bulk Personal Data Records and put in place appropriate security controls, or other controls provided by the Network User, to prevent the export of Bulk Personal Data Records;
- (v) for any Customer Data stored in the cloud, store such Customer Data with a cloud provider listed on the Australian Signals Directorate ("ASD") Certified Cloud Services List and Gateway Services that are certified by ASD;
- (vi) not do or omit to do anything with Regulated Information that would cause the Network User to breach any applicable laws;

"(a) name;

(b) contact name;

(c) land-line telephone number and mobile telephone number;

(d) postal address for service of notices (either residence, business or postal address) and email address;

(e) site address for MIRN;

(f) MIRN;

(g) the estimated Quantity of, and the period over which, Gas is to be Supplied including estimated Customer MHQ and annual Quantity requirements;

(h) for a typical 24 hour operation the estimated loads expected for each hour of that day;

(i) whether there are any medical exemptions relating to the Customer and if the Customer is dependent upon any form of life support equipment which could be affected by a Gas supply outage, the nature of that equipment and a copy of the certificate from a medical practitioner confirming this and the nature of the condition;

(j) details of any special circumstances (such as meter access restrictions) of which the Customer has informed the User or of which the User is otherwise aware, and which the Service Provider requires to assist it to comply with its obligations under the Regulatory Instruments."

As part of our customer engagement a majority of customers expressed that they want to be contacted by mobile for unplanned interruptions and via email for planned interruptions. We do not currently have this customer information and believe that if a retailer does have this information AGN should be able to request the information from retailers. We would also like to contact Life Support customers directly and having both email addresses and mobile numbers would assist the efficient and cost effective sharing of important information with these customers. Having email addresses, we will also be able to demonstrate our compliance to a number of NERR obligations.

The COVID-19 pandemic has also highlighted issues with relying on the postal delivery of customer notification. In a Compliance Bulletin from the AER dated 12 May 2020 they highlight the delays in postal deliveries and stated:

- (vii) promptly cooperate with requests, enquiries and directions from the Network User, and provide requested information or other assistance required by the Network User, in relation to the management of Regulated Information and compliance with this clause;
- (viii) upon request, provide the Customer with an annual compliance statement within 30 days, certifying compliance with this clause during the prior 12 months, including (without limitation) detail regarding AGN's holdings, storage and accessibility of Regulatory Information; and
- (ix) immediately notify the Network User if it becomes aware of a suspected or actual breach of this clause.

Bulk Customer Data means data about multiple parties that receive or consume products (goods or services) whether or not they are an existing, past or potential customer of the Network User, or any of its related bodies corporate (as defined by the Corporations Act 2001 (Cth)).

Bulk Personal Information means any holdings or files of personal information (information or an opinion about an identified individual, or an individual who is reasonably identifiable), within the meaning of the Privacy Act 1988 (Cth), about multiple individuals.

Bulk Personal Data Records means all data obtained about an individual whether or not the individual is identifiable and will include raw facts or unprocessed information about individuals.

Customer Data means data about a party that receives or consumes products (goods or services) whether or not they are an existing, past or potential customer of the Network User, or any of its related bodies corporate (as defined by the Corporations Act 2001 (Cth)).

Electricity or Gas Data means data as to the quantum of gas and/or electricity delivered (both historical and current load demand) from or to any one or more sites (or their connection points).

Regulated Information means any Bulk Personal Information, Bulk Customer Data and Electricity or Gas Data.

"The AER expects businesses to take proactive steps to manage delayed postal delivery times such as changing notification timeframes, or transitioning to digital delivery methods."

Without the provision of email addresses or mobile phone numbers from retailers it will be very difficult for AGN to take cost effective steps to transition to digital delivery methods.

We believe there is no specific requirement in the NERR for a retailer to share customer information with a distributor.

As stated this information is already required to be provided to AusNet Service and Multinet Gas Network since 1 January 2018 under the AER approved terms and conditions. Jemena also in their recently AER approved terms and conditions added a clause to request customer details from retailers.

The clause 36.5 require AGN to comply with the confidentiality obligations imposed on AGN under the NGL and the NGR. Part 16 of the NGR requires AGN to take all practicable steps to protect "relevant confidential information" from improper disclosure or use (rule 137(2)) and to not use "relevant confidential information" other than for the purposes for which that information as given to AGN (rule 173(1)(b)). "Relevant confidential information" is defined in rule 136.

Clause 15.1 of our South Australia – Deemed Standard Connection Contract states:

"We will comply with all relevant privacy legislation in relation to your personal information. You can find a summary of our privacy policy on our website^{14/15}

We propose that FIRB conditions should not be addressed in the T&C's but should be addressed by Alinta and AGN in the Special Conditions for the Alinta Energy haulage agreement. The issue is not relevant or necessarily relevant to other Network Users and it is not appropriate to address this type of bespoke issue through standard T&C's. AGN requests that Alinta provide a copy of the relevant clauses of the Alinta FIRB conditions. This will enable us to assess the appropriateness of the clause proposed by Alinta.

We have reviewed Red Energy's Privacy Policy particularly:

¹⁴ AGN's South Australian Deemed Standard Connection Contract can be found here, australiangasnetworks.com.au/-/media/files/agn/gas-connections/contract-information/deemed-standard-connection-contract-sav21-december-2018.pdf?la=en

¹⁵ AGN's Privacy Policy can be found australiangasnetworks.com.au/privacy-policy

Red/Lumo Energy:

We do not support the inclusion of this clause and consider it to be unnecessary. We currently comply with AEMO’s SA FRC B2B System specifications which is similar but more workable in practice. It includes a requirement to provide a range of specific customer details for a B2B transaction which includes providing updated Customer Details Notifications to AGN notifying them of any changes that occur on-site using the B2B transaction. As part of this requirement, we must also provide address and customer phone number/s where applicable.

However, clause 32.2 of the AA does not include any information regarding the frequency at which customer specific information should be delivered, nor the method of delivery of the information. It only requires a customer have both a landline and a mobile number, which we consider to be unreasonable given not everyone has this.

In addition to this, clause 32.2 of the AA requires us to provide a customer’s email address as information. However, a customer’s email address is not a field that exists within the SA FRC B2B System specifications transaction. In addition, this creates problems for us as we collect email addresses for specific purposes, which is reflected in the current Privacy Agreement that we have with our customers. The Privacy Agreement does not detail the provision of the email address to distributors.

Red and Lumo Energy Further feedback

Red and Lumo oppose the inclusion of this clause. There is an existing obligation for retailers to provide the network with information about Shared Customers in the NERR and reflected in the Retail Market Procedures. There is an existing transaction that provides this information between the retailer and the network. Should AGN wish to add additional items to the provision of Shared Customer information, this should take place via an AEMO process, not via the GAA.

We are comfortable with the inclusion of a customer details clause that specifies that Network Users must provide information to AGN in accordance with the Retail Market Procedures and all other applicable laws. Applicable laws must also include privacy requirements, as this information includes ‘Personal Information’ for the purposes of the Privacy Act . There is no need for any additional contractual obligations

(i) clauses 2.1(1) and esp. 4.1(2) of Red Energy’s Privacy Policy - <https://www.redenergy.com.au/docs/Red-Energy-Privacy-Policy.pdf>;

(ii) fourth paragraph, Red Energy Privacy Collection Statement for Customers or Potential Customers

We requested further information to understand why Red Energy believes that these clauses do not allow disclosure of e-mail addresses to AGN.

There is no obligation in ESCOSA’s Gas Metering Code to provide AGN with the estimated quantity of, and the period over which, gas is to be supplied including estimated customer MHQ for all customers is excessive.

In response to feedback from retailers we have removed the specifics and subclauses from the proposed clause 32.2. the proposed clause is now worded as follows:

"In particular, but without limitation, if the Network User is a Gas Retailer, then, if requested by AGN, the Network User will promptly provide AGN with any information about a Shared Customer which is held by the Network User and required by AGN for a purpose or purposes relating to the operation, maintenance or management of the Network or the provision of Distribution Services or for other purposes permitted by law. If that information is provided to AGN, AGN must use it only for those purposes."

We believe this amended wording addresses a number of the concerns from retailers. We are happy for the details on how the information will be shared to be maintained in the Retail Market Procedure or equivalent AEMO documentation.

to be placed on Network Users to supply this information. Further, we are comfortable with the final statement (with the change marked amendment) being specified in the terms and conditions:

AGN may must only use information disclosed to it under this clause for the purposes relating to the operation, maintenance and management of the Distribution System, the provision of Distribution Services and the Supply of Gas to End-Users.

Specifically, we object to all other elements of clause 32.2, including:

- Subclause 32.2(g) - estimated customer MHQ

The obligation to provide AGN with the estimated quantity of, and the period over which, gas is to be supplied including estimated customer MHQ for all customers is excessive.

This information must be supplied to the network upon establishment of the metering installation, and this is already covered in ESCOSA's Gas Metering Code. There is no need to replicate these requirements in the terms and conditions.

- Subclause 32.2(h) - typical 24 hour operation Consistent with subclause 32.2(j), this should only be required for large customers, and this information is provided by retailers to AGN upon installation of an interval meter. There is no need to replicate this requirement in the terms and conditions as it is an existing requirement.
- Subclause 32.2(j) - special circumstances This subclause requires a Network User to provide the details of any special circumstances (such as meter access restrictions) of which a Shared Customer has informed the Network User or of which the Network User is otherwise aware, and which AGN requires to assist it to comply with its obligations under regulatory instruments. Red and Lumo, and other retailers, would provide this information to AGN as a normal course of its business. As such, it is not necessary.

AGL

AGL notes that there are already obligations for Users to provide networks with customer details within the AEMO System Specification which include information details and delivery mechanisms.

AGL does not support the concept of providing customer information but does not support them being included in these Terms and Conditions, as the content and delivery mechanisms may be subject to change in the near future and over time.

As such, AGL would suggest that the specifics be removed from these Terms and Conditions, and at most a reference to these obligations as detailed in the relevant AEMO System Specification be included.

In particular, AGL notes that there are already various consultations underway on this topic within the Gas Retail Consultative Forum (GRCF) and would not want to hamper those changes as a result of obligations within these Terms and Conditions.

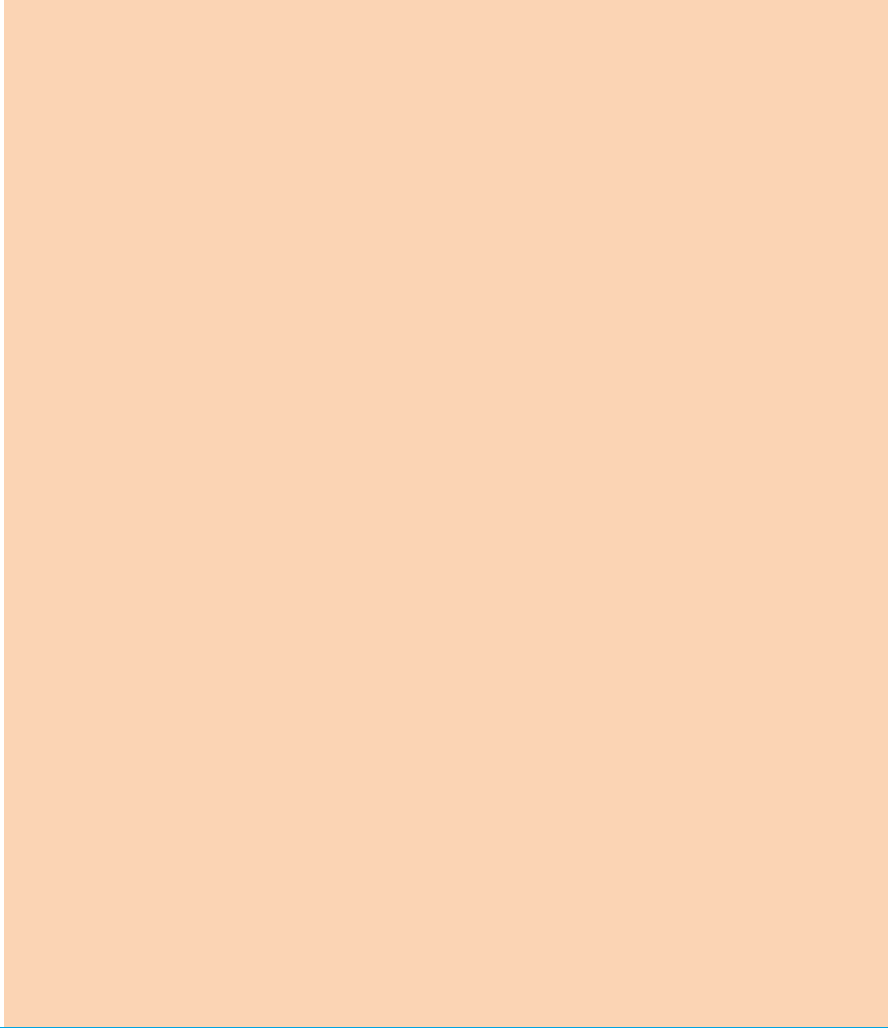
AGL further feedback

The SA Retail Gas Procedures specify the provision of customer details by retailers to AGN via the SAWA Interface Document. The form of that information is specified in the gas Participant Build Pack 1 – CSV specification for T900 report. This is an instrument of the SA Gas Retail Procedures.

AGL fully supports AGN being able to undertake contact for the purposes of planned and unplanned network activities, to the extent that it has been developing change proposals to more efficiently provide both customer details and Life Support Details in a consistent manner to gas networks across the Australian Retail Gas Markets (Qld, NSW, Vic, SA and WA).

These proposed changes are currently undergoing consultation and AGL is concerned that by placing so much detail within the T&Cs that the current mechanisms may have to be scrapped or modified and that the proposed mechanisms (CDN/CDR; LSN/LSR) may not be implemented in SA.

AGL is supportive of a generic obligation being retained within the T&Cs and reference the relevant technical document, but strongly urges AGN to remove the specifics from the T & Cs



<p>We consider that consequential loss should be excluded per the intention of clause 29.6.</p> <p>Added to 33.2 and 33.3</p> <p><i>"Subject to clause 29.6 and sub-clause 33.6,"</i></p> <p>Added to 33.4 and 33.5</p> <p><i>"clause 29.6 and"</i></p> <p>Added to 33.6</p> <p><i>"33"</i></p>	<p>AGN supports the AER view that the change is not required.¹⁶</p>
<p>35.4 EA added <i>", if reasonably requested by AGN,"</i></p> <p>We suggest amending clause 35.4 as written</p>	<p>We believe the change is unnecessary. Clause 35.4 obliges a Network User to give reasonable assistance whenever required by AGN (or its officers, servants, agents or contractors). Nothing is added to the clause by including the words "if reasonably requested". "Required" is another word for "requested" and, if the required assistance is unreasonable, the request is unreasonable.</p>
<p>35.5 AGL</p> <p>NERR Shared responsibility</p> <p>AGL notes that under the NECF principles, that a customer is a shared customer, which means both parties have obligations.</p> <p>AGL notes that there are circumstances where AGL receives regular meter readings, but when it comes to disconnections and special reads, there are cases where the service orders are returned with a No Access response.</p> <p>While AGL can understand that there are valid circumstances where this exists, AGL also suggest that AGN could ensure that it is being proactive with customers in relation to ensuring that they have access to undertake any service on an AGN meter when requested to do so.</p> <p>This would include access keys to multi sites, letters to customers when meters are obstructed or blocked, locations of new or relocated meter installations to minimise customer blocking of meters etc.</p>	<p>This would make AGN liable whenever we are unable to gain access to a metering installation. This is not appropriate because we cannot ensure (or guarantee) that we will always gain access to metering installations.</p> <p>We already take proactive steps to obtain access and where we cannot obtain meter reads we leave details for customers to contact us to provide a "customer self read".</p> <p>We are also limited with what proactive steps we can take without further customer details. We have found that customers may discard material as it is not addressed to them directly as it resembles "marketing material".</p>

¹⁶ Australian Energy Regulator July 2017, Attachment 12 – Non tariff components | Draft decision - AGN Victoria and Albury gas access arrangement 2018–22, page 12-6.

35.0 AGN Obligation to ensure Access to Metering Installation

AGN will make best endeavours to ensure that access to its metering installations remains unobstructed and that it has ensured customers have provided access to those metering installations as required.

35.6 **EA** added “, despite the use of best endeavours and all prudent operating practices,”

We suggest AGN amend clause 35.6 as written.

We believe the change is unnecessary. Clause 35.6 only applies where AGN is “unable” to obtain access. If AGN is able to obtain access by using best endeavours or prudent operating practices, then AGN is not unable to obtain access.

36.7 **EA:**

We consider that clause 36.7 is very broad, particularly from (b) onwards. We suggest either those sub-clauses need to be removed or the disclosure needs to be subject to the User given consent to the disclosure (such consent not to be unreasonably withheld).

Alinta Energy:

Has strict obligations imposed on it by the Foreign Investment Review Board around how it collects, holds, uses and discloses its Customer Data, Gas Data and Personal Information. The requested changes to clauses 32.2, 36.6 and 36.7 would put Alinta Energy at a high risk of being unable to comply with those conditions. Alinta Energy is unable to accept these conditions unless a caveat around the use or disclosure of that information can be included as set out in the attached document, or a similar restriction on the access and disclosure of these categories of information outside of Australia is included in these conditions.

Red and Lumo

Do not support these clauses. Generally speaking, we don’t object to the sharing of information between AGN and any of its affiliated companies, as long as they do not offer services into a competitive energy market.

However, where a AGN affiliate company offers contestable energy services, then AGN must comply with the relevant ring fencing provisions in the National Gas Law (NGL). This includes the provisions that protect against cross subsidies and discrimination in favour of affiliates.

AGN amended the last sentence of clause 36.7 so AGN has an obligation to ensure that persons who receive information from AGN abide by the same confidentiality obligations as apply to AGN.

Proposed wording:

“AGN must ensure that its associate companies comply with any confidentiality obligations imposed pursuant to the National Gas Law or the National Gas Rules”

Alinta Energy’s comment relates to a foreign investment approval that is specific to Alinta Energy. This issue should be addressed in the Special Conditions that form part of the individual haulage agreement between Alinta Energy and AGN.

We believe this clause should be included in the T&Cs because it is necessary and reasonable for the good corporate governance of AGN. .

We do not agree with the argument put forward by Red Energy and Lumo as we must comply with ring-fencing obligations. The inclusion of this clause does not mean we are no longer required to comply with ring-fencing obligations.

Therefore, AGN must ensure it does not discriminate in contestable markets through one of its affiliated entities providing contestable energy services. AGN will have a significant amount of information about its gas network and this information could provide any of its affiliates with an unfair advantage in a competitive market. Therefore, clauses 36.7(a)-(e) should be abolished and replaced with the obligation for AGN to:

- manage any dealings with related affiliates on an arm's length basis
- deal with its related affiliates and their competitors, or customers of those competitors, on substantially the same terms and conditions and provide substantially the same quality, reliability and timeliness of service.
- avoid providing information to its related affiliate that AGN has obtained through its dealings with a competitor of that provider that may advantage the provider Finally, to the extent AGN is permitted to disclose information to its affiliated companies, this disclosure should be subject to a corresponding obligation to that which applies to related bodies corporate in clause 31.6 (ie. AGN must ensure each affiliate does not disclose the Confidential Information to any person to whom AGN could not make disclosure pursuant to the Agreement).

3. Proposed Victorian and Albury Terms and Conditions

As discussed in our Final Plan (see Section 14) we commenced a process of standardising our terms across all jurisdictions where we have networks in 2012. We believe there are a number of benefits to our customers as it promotes greater efficiency across the industry and reduces transaction costs.

Our approach to the proposed terms and conditions included:

- harmonising the proposed terms with the Victorian and Albury Terms and Conditions taking into consideration that jurisdictional differences will always contribute to some variation;
- incorporating "standard amendment" incorporated into South Australian haulage agreements in the last few years
- incorporating feedback from our Retail Reference Group (RRG) on the proposed Terms and Conditions;
- incorporating feedback from written submission on the proposed Terms and Conditions; and
- incorporating any further feedback on the proposed Terms and Conditions..

Table 2 summarises the specific changes to the proposed terms (these changes are marked in Attachment 14.3 to the Final Plan), including that arising from the above feedback from our RRG.

It is noted that the following abbreviations apply in the following table:

- AEMC = Draft rule determination for National Electricity Amendment (Retailer-distributor credit support requirements) Rule 2016 National Gas Amendment (Retailer-distributor credit support requirements) Rule 2016 by the Australian Energy Market Commission (AEMC) dated 27 October 2016.
- Alignment = changes as a result of changes to the AER approved terms and conditions for Victoria and Albury;
- Feedback from RRG = changes as a direct result of discussion with our RRG;
- Other = other minor amendments to correct simple errors or improve language;
- Multinet Gas = changes as a result of changes to the Multinet Gas AER approved terms and conditions for Victoria; and
- Standard amendment = changes to clauses have been a "standard amendment" incorporated into South Australian haulage agreements in the last few years.

Table 2: Summary of changes of South Australian proposed Terms and Conditions

Clause	Proposed Changes	Comment	Reference
Front Page	Amend dates	Update dates for new Access Arrangement Period.	Other
Terms & Condition	Missing close bracket	Correct typographical error.	Other
3.3	The term " <i>current user</i> " has been replaced with " <i>user or current user</i> " as both terms are used interchangeably in the SA Retail Market Procedures.	The proposed changes to this clause have been a "standard amendment" incorporated into South Australian haulage agreements in the last few years.	Standard amendment
5.3	Replaced " <i>during the most recent Cycle for that DP</i> " with " <i>which is the subject of that statement of charges</i> "	The proposed change is as a result of the changes to clause 11, which changed to align with the SA Retail Market Procedures	Standard amendment
7.7	Replaced " <i>1</i> " with " <i>one</i> "	Spelled out	Other
7.8	Replaced " <i>6</i> " with " <i>six</i> "	Spelled out	Other
11.1 to 11.6	Replaced clause 11.1 to 11.6 with: " <i>Scheduled Meter Readings AGN will use reasonable endeavours to read meters in accordance with the meter reading schedule under the Retail Market Procedures or as otherwise agreed with the Network User or at such other times as is required by law.</i> " Clause 11.7 is now clause 11.2.	The proposed change is to align with the recent changes to the Australian Energy Market Operator (AEMO) Retail Market Procedures (RMP). Under the new RMP, clause 3.1.1(e) says that a network operator must use "reasonable endeavours" to read meters in accordance with the applicable meter reading schedule or as otherwise agreed with the current user for the delivery point to which the relevant meters relate. Throughout the engagement process we were asked by the RRG to ensure that clauses and definitions aligned with the RMP.	RRG
12.1	Replaced " <i>The Network User will ensure</i> " with " <i>AGN requires</i> " and deleted " <i>by or for the account of the Network User</i> "	The proposed amendment is as a result of feedback from AGL. AGL was concerned that where Users are procuring their gas through a market mechanism (eg STTM) the User may not have a relationship with any shipper or the affected shipper, nor	RRG

		can the User make requirements on that shipper.	
12.3	<p>Added Clause:</p> <p><i>"12.3 Network User Responsibility</i></p> <p><i>(a) If Gas is delivered through a User Receipt Point that forms part of the STTM hub as described in the STTM Rules and the STTM Procedures then:</i></p> <p><i>(i) the Network User is not required to ensure that the Gas complies with clause 12.1; but</i></p> <p><i>(ii) where the Network User supplies gas to the STTM hub, the Network User will be responsible to ensure that the Gas complies with the gas quality specifications specified in the STTM Rules for that STTM hub.</i></p> <p><i>(b) In the case of any other User Receipt Point, the Network User must ensure that Gas delivered by or for the account of the Network User meets the specifications required under clause 12.1."</i></p>	<p>The proposed amendment is as a result of feedback from AGL. AGL was concerned that where Users are procuring their gas through a market mechanism (eg STTM) the User may not have a relationship with any shipper or the affected shipper, nor can the User make requirements on that shipper.</p>	RRG
13.1	<p>Replaced <i>"The Network User will ensure"</i> replaced with <i>"AGN requires"</i> and replaced <i>"by or for the account of the Network User"</i> with <i>"to be"</i></p>	<p>The proposed amendment is as a result of feedback from AGL. AGL was concerned that where Users are procuring their gas through a market mechanism (eg STTM) the User may not have a relationship with any shipper or the affected shipper, nor can the User make requirements on that shipper.</p>	RRG
13.3	<p>Added Clause:</p> <p><i>"Network User Responsibility</i></p> <p><i>The Network User is not responsible to AGN for gas pressures at a User Receipt Point that forms part of the STTM hub as described in the STTM Rules and the STTM Procedures.</i></p> <p><i>In the case of any other User Receipt Point, the Network User must ensure that Gas delivered by or for the account of the Network User to that Receipt Point is delivered within the pressure limits required by clause 13.1."</i></p>	<p>The proposed amendment is as a result of feedback from AGL. AGL was concerned that where Users are procuring their gas through a market mechanism (eg STTM) the User may not have a relationship with any shipper or the affected shipper, nor can the User make requirements on that shipper</p>	RRG

13.5 and 13.7	Changed clause cross-reference due to the addition of 13.3	Addition of clause 13.3 changed references.	other
15.3	The clause cross-referenced clause 15 rather than clause 14.	Correct typographical error.	Other
16.1	Deleted " <i>free and clear of all mortgages, charges and other encumbrances and all other third party rights and claims in and to any Gas (other than any floating charge that has not become a fixed charge and that permits the Network User to sell or supply that Gas)</i> ".	Change to align the proposed terms of the clause with the equivalent clause in the Victorian and Albury T&C's. Change to Victorian and Albury T&C's were the result of AGN accepting AGL's feedback and amending the clause.	Alignment
17.3 (a)	"any" changed to "those".	Change to align the proposed terms of the clause with the equivalent clause in the Victorian and Albury T&C's. Change to Victorian and Albury T&C's were the result of a change to improve language.	Alignment
17.4	Added " <i>promptly</i> "	The proposed amendment is as a result of feedback from Energy Australia to insert "promptly" in the clause.	RRG
17.7	Added " <i>use best endeavours to</i> "	Change to align the proposed terms of the clause with the equivalent clause in the Victorian and Albury T&C's. Change to Victorian and Albury T&C's were the result of AGN accepting AGL's feedback and amending the clause.	Alignment
20.2	The term " <i>current user</i> " has been replaced with " <i>user or current user</i> " as both terms are used interchangeably in the SA Retail Market Procedures.	The proposed changes to this clause have been a "standard amendment" incorporated into South Australian haulage agreements in the last few years.	Standard amendment
20.2 (b)	Change term from " <i>Charge</i> " to " <i>Charges</i> "	Correct typographical error.	Other
22.3 (c)	Addition of: <i>"For the purposes of this clause, "should have become known" means would have become known to the Network User if the</i>	Change to align the proposed terms of the clause with the equivalent clause in the Victorian and Albury T&C's.	Alignment

	<i>Network User had exercised reasonable care and acted in a diligent and prudent manner."</i>	Change to Victorian and Albury T&C's were the result of AGN accepting AGL's and Origin's feedback and having amended the clause.	
23 (f) (i) and (ii)	Replaced "3" with "three"	Spelled out	Other
27.1	Deletion of Footnote	Proposed change is a result of a request from Energy Australia to delete the footnote due to changes to the National Gas Rules.	RRG
27.2(b)	Changed "10 Business Days" to "five Business Days"	Change to align the proposed terms of the clause with the equivalent clause in the Victorian and Albury T&C's. Change to Victorian and Albury T&C's were the result of Rule 2016 by the Australian Energy Market Commission dated 27 October 2016.	AEMC
27.5	Replaced "default rate" with "Default Interest Rate"	This proposed change is to align with the National Gas Rules. In section 11 (the Glossary) of the Access Arrangement, "Default Interest Rate" has been added with the meaning given to it in the National Gas Rules (see rule 3- it is 2% above BBSW or another rate determined by AEMO).	Standard amendment
27.6	Deletion of Footnote	Proposed change is a result of a request from Energy Australia to delete the footnote due to changes to the National Gas Rules.	RRG
27.7	Replaced "3" with "three"	Spelled out	Other
27.9	Deletion of Footnote	Proposed change is a result of a request from Energy Australia to delete the footnote due to changes to the National Gas Rules.	RRG
28.6	Deletion of clause	Change to align the proposed terms of the clause with the equivalent clause in the Victorian and Albury T&C's. Change to Victorian and Albury T&C's were the result of AGN accepting	Alignment

		AGL's feedback and having amended the clause.	
28.8	Replaced "86.3" with "28.3" delete "of the General Terms and Conditions" and changing "current user" to "user or current user". Replace "the negligent" with "an".	Change to align the proposed terms of the clause with the equivalent clause in the Victorian and Albury terms and conditions. The proposed change is in response to a request from Energy Australia.	Alignment RRG
29.1(b)	Addition of "death or personal"	The proposed change is in response to a request from Energy Australia.	RRG
29.7	Correct typographical error, replaced "or" with "of".	This change is a standard amendment that has been incorporated into South Australian haulage agreements over the last few years.	Standard amendment
31 and 32	Replaced "Party" with "party"	In response to feedback from Alinta Energy we are proposing to remove the capitalisation of "Party" as it is not a defined term in the Glossary.	RRG
32.2	Inserted Clause "32.2 Customer Details <i>In particular, but without limitation, if the Network User is a Gas Retailer, then, if requested by AGN, the Network User will promptly provide AGN with any information about a Shared Customer which is held by the Network User and required by AGN for a purpose or purposes relating to the operation, maintenance or management of the Network or the provision of Distribution Services or for other purposes permitted by law. If that information is provided to AGN, AGN must use it only for those purposes.</i> "	In response to customer feedback as part of the customer workshops we heard that customers want to be communicated with by a number of digital channels. We presently do not have customer details such as name, phone number or email addresses to communicate with customers. We consider it beneficial for customers if we have this information thus we have inserted a clause to be able to request the information from retailers. Jemena has recently added a clause in their T&C's to be able to obtain customer information and both Multinet Gas Networks and AusNet Gas also have a clause to request customer information from retailers.	Customer Feedback Alignment
33.4	Changed "Service provided by AGN to the Network User pursuant to the Agreement" to "Distribution Service provided by AGN to the Network User under or in relation to the Agreement"	This proposed change is to address the fact that "Service" was not a defined term and to align the clause with the definition of "Distribution Service" in section 11 (Glossary) of the Access Arrangement.	Standard amendment

34.1	Deletion of <i>"insurers approved by AGN (which approval shall not be unreasonably withheld)"</i> ; insertion of <i>"with reputable and solvent insurers"</i> and <i>"(or, if the Network User is not a Gas Retailer, against whatever risks a person carrying on business would prudently insure)"</i> .	<p>Change to align the proposed terms of the clause with the equivalent clause in the Victorian and Albury T&C's.</p> <p>Change to Victorian and Albury T&C's were the result of AGN accepting AGL's feedback and having amended the clause.</p> <p>Change to accommodate self-contracting users. This change is a standard amendment that has been incorporated into South Australian haulage agreements over the last few years.</p>	Alignment
34.4	Deletion of <i>" , or might have arisen, "</i>	<p>Change to align the proposed terms of the clause with the equivalent clause in the Victorian and Albury T&C's.</p> <p>Change to Victorian and Albury T&C's were the result of AGN accepting AGL's feedback and having amended the clause.</p>	Alignment
34.5	Deletion of clause "Claim Settlement"	<p>Change to align the proposed terms of the clause with the equivalent clause in the Victorian and Albury T&C's</p> <p>Change to Victorian and Albury T&C's were the result of AGN accepting AGL's feedback and having amended the clause.</p>	Alignment
34.6	Deletion of clause "Failure to Insure"	<p>Change to align the proposed terms of the clause with the equivalent clause in the Victorian and Albury T&C's.</p> <p>Change to Victorian and Albury T&C's were the result of AGN accepting AGL's feedback and having amended the clause.</p>	Alignment
36.6	New Clause added <i>"Each party may disclose Confidential Information to any body corporate that is its related body corporate (within the meaning of the Corporations Act 2001). However, the party must ensure that its related body corporate does not disclose</i>	<p>Change to align the proposed terms of the clause with the equivalent clause in the Victorian and Albury T&C's.</p>	Alignment

the Confidential Information to any person to whom the party could not make disclosure pursuant to the Agreement."

Change to Victorian and Albury T&C's were the result of AGN accepting AGL's feedback and having amended the clause.

36.7	<p>New Clause added</p> <p><i>"Disclosure to Associated Companies AGN may disclose information (including information relating to the Network User or this Agreement) to:</i></p> <p><i>(a) Cheung Kong Infrastructure Holdings Limited, Power Assets Holdings Limited, CK Property Holdings Limited or CK Hutchinson Holdings Limited ("the CK Group Companies") (each of which is a company listed on the Hong Kong Stock Exchange);</i></p> <p><i>(b) any company in which any of the CKI Group Companies has a substantial holding (as defined in the Corporations Act) and the operations or business of which is owned, operated or managed in common or conjunction with the operations or business of AGN (including, but without limitation, DBNGP Holdings Pty Limited, DDG Operations Pty Ltd and Multinet Group Holdings Pty Ltd) ("the Sister Companies");</i></p> <p><i>(c) any Related Body Corporate of AGN, any of the CK Group Companies or any of the Sister Companies; or</i></p> <p><i>(d) any director, officer, employee, agent, insurer, contractor, banker, financial adviser, technical adviser or professional adviser of AGN, any of the CK Group Companies or any Related Body Corporate of AGN, any of the CK Group Companies or any of the Sister Companies; or</i></p> <p><i>(e) any bona fide proposed or prospective transferee (and their respective directors, officers, employees, agents, insurers, contractors, consultants, bankers, financiers, financial advisers, technical advisers or professional adviser, Related Bodies Corporate, co-bidders or bid consortium members and actual or proposed joint venturers).</i></p> <p><i>The Network User consents to the disclosure of information as contemplated by this clause provided that information is disclosed only to the extent reasonably necessary for proper corporate purposes. AGN must ensure that its associate companies comply</i></p>	<p>This change is a standard amendment that has been incorporated into haulage agreements over the last few years (both South Australia and elsewhere).</p> <p><i>"AGN must ensure that its associate companies comply with any confidentiality obligations imposed pursuant to the National Gas Law or the National Gas Rules."</i> Added to address feedback from Alinta Energy</p>	<p>Standard amendment</p> <p>RRG</p>
------	--	---	--------------------------------------

with any confidentiality obligations imposed pursuant to the National Gas Law or the National Gas Rules."

37	Replaced "Party" with "party"	In response to feedback from Alinta Energy we are proposing to remove the capitalisation of "Party" as it is not a defined term in the Glossary.	RRG
37.5	Insert "Resolution Institute (ABN 69 008 651 232)" and delete "Institute of Arbitrators and Mediators Australia".	This change is a standard amendment that has been incorporated into South Australian haulage agreements over the last few years.	Standard amendment
38	Replaced "Party" with "party"	In response to feedback from Alinta Energy we are proposing to remove the capitalisation of "Party" as it is not a defined term in the Glossary.	RRG
38.1	Deletion of "by facsimile" and "Any communications sent by facsimile will be deemed to have been received on the date of dispatch if a transmission report from the sending facsimile machine indicates that the facsimile was sent in its entirety to the facsimile number of the addressee. If a notice is sent by facsimile after 5pm in the place to which the notice is sent, then the notice will be deemed to be received on the next Business Day."	Remove facsimile.	Other
38.2	Change of "Chief Operating Officer" to "Chief Customer Office". Deletion of fax number and insertion of email details	Update to contact details	Other
39.1	Replaced "Party" with "party"	In response to feedback from Alinta Energy we are proposing to remove the capitalisation of "Party" as it is not a defined term in the Glossary.	RRG
39.2	Addition of "Whatever appropriate", "version 17 of" "time" and "user or" Deletion of "commencement".	Change to align the proposed terms of the clause with the equivalent clause in the Victorian and Albury T&C's. Change to Victorian and Albury T&C's were the result of AGN accepting Red Energy's feedback and have amended the clause.	Alignment

Attachment 14.1

42.1	The term " <i>current user</i> " has been replaced with " <i>user or current user</i> " as both terms are used interchangeably in the SA Retail Market Procedures.	The proposed changes to this clause have been a "standard amendment" incorporated into South Australian haulage agreements in the last few years.	Standard amendment
42.2	Addition of " <i>1979</i> " and change " <i>1973</i> " to " <i>1996</i> "	Changes to titles of material referenced	Other
Appendix 1	Added receipt points " <i>Wasley</i> " and " <i>Waterloo Corner</i> "	Added " <i>Wasley</i> " and " <i>Waterloo Corner</i> "	Other