

Attachment 14.2

Summary of changes to Access Arrangement including Terms and Conditions

SA Final Plan July 2021 – June 2026
July 2020

1. Introduction

This attachment summarises the changes to Australian Gas Networks Limited (AGN) Access Arrangement (AA) Document and the proposed terms and conditions (proposed terms) to apply to the South Australian gas distribution network over the next (2021/22 to 2025/26) AA Period.

The AA Document sets out the proposed prices, terms and conditions under which we offer access to our networks. The format of the proposed AA Document remains largely unchanged from the current (2016/17 to 2020/21) period AA Document.

The proposed changes to our current AA fall into the following categories:

- harmonisation with Victorian and Albury approved AA Document;
- feedback from our Retail Reference Group (RRG) on our proposed Terms and Conditions;
- align our approach with other network businesses' approved AA; and
- changes to more closely align the drafting of particular provisions with the National Gas Rules (NGR) particularly where the rules have been amended since the commencement of the 2016/17 to 2020/21 AA Document.

The key changes are outlined in the Table 1 below. This table does not include mechanical drafting or other formatting changes (e.g. paragraph renumbering, new or amended subheadings).

2. AA Document Amendments

The key changes to the AA Document are outlined in the Table 1 below. This table does not include mechanical drafting or other formatting changes (e.g. paragraph renumbering, new or amended subheadings).

Table 1: Explanation of proposed revisions to the current AA

Section	Overview	Summary of Proposed Changes
1. Introduction	Purpose, commencement date, and contacts details for the AA	Key changes proposed include updated: <ul style="list-style-type: none"> • Revision Commencement Date (1 July 2021); • Addition to definitions and interpretation to include reports and other sources of data; and • Contact Details.
2. Services	A description of the services AGN will provide over the next AA period	Change to reference updated numbering in the Retail Market Procedures. No changes to Services (Haulage and Ancillary Reference Services).
3. Reference Tariffs	An overview of our reference tariffs over the next AA period	Key changes proposed include updated: <ul style="list-style-type: none"> • Initial Reference Tariff Date (1 July 2021) and Access Arrangement Period number (Fifth); • Corrected the reference to Tanunda region; • Corrected to reference the updated Annexure C Map; • Corrected reference to table numbering; and • Website address change for tariff schedules.
4. Reference Tariff Policy - General	A description of how the reference tariffs are determined, how Network Users are assigned tariffs and the basis for their annual adjustment through the Reference Tariff Control Formulae and the Cost Pass Through Event Adjustment over the next AA period	Key changes proposed include updated: <ul style="list-style-type: none"> • Website address change for tariff schedules; • Updated dates as required and Access Arrangement Period number (Fifth); • Minor correction to "Cost Pass through Event" capitalisation;

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		<ul style="list-style-type: none"> • Minor corrections to Regulatory Change Event, Service Standard Event and Tax Change Event; and • Change to Terrorism Event definition to align with terminology in the <i>Criminal Code Act 1995</i> (Cth).
5. Reference Tariff Policy – Incentive Mechanisms	A description of how the incentive arrangements will apply over the next AA period	<p>Key changes proposed include updated:</p> <ul style="list-style-type: none"> • Updated dates as required; • Insertion of Clause 5.2 Capital Expenditure Sharing Scheme as detailed in Section 11.4 of the Final Plan.
6. Terms and Conditions	An overview of our proposed terms and condition and the conditions that a Prospective Network User must satisfy prior to entering into an agreement	No changes.
7. Capacity Trading	A description of the capacity trading and queuing requirements for our networks over the next AA period. This section also details the processes for changes to Delivery Points	<p>Key changes proposed include the following updates as a result of the changes to the NGR to incorporate the National Gas Amendment (Regulation of covered pipelines) Rule 2019 No. 1:</p> <ul style="list-style-type: none"> • Clause 7.2 Delivery and receipt points; and • Insertion of Clause 7.3 Queuing to align with rule 103 of the NGR.
8. Network Extension and Expansions	A description of the regulatory treatment of network extensions and expansion over the next AA period	We have proposed a number of change to the Network Extensions and Expansions as a result of the changes to the NGR (rule 104) to incorporate the National Gas Amendment (Regulation of covered pipelines) Rule 2019 No. 1.
9. Speculative Capital Expenditure	A description of how non-conforming capital expenditure will be treated by AGN in the next AA period	<p>Insertion of new Clause 9 Speculative Capital Expenditure and is included to detail the treatment of non-conforming capital expenditure under the National Gas Rules.</p> <p>This clause is to align with the Victorian and Albury approved AA Document.</p>
10. Review of the Access Arrangement	The date the next revised AA will be provided to the AER and the commencement date of the next AA Document	<p>Clause 10 has been updated to include updated:</p> <ul style="list-style-type: none"> • Revisions Submission Date (on or before 1 July 2025); and • Revisions Commencement Date (1 July 2026).
11. Glossary	Defines terms used throughout the AA Proposal	Insertion of a number of definitions as a result of the changes to the NGR (Covered Pipeline, Default Interest Rate, Independent Expert and Network User Policy), changes to the Retail Market Procedures (Cycle, STTM hub,

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STTM Procedures, STTM Rules) and the addition of Mount Barker (New Towns).

Annexure A	AGN's SA Gas Distribution Region	Updated a new map to include Tanunda and Mount Barker.
Annexure B	Tariff Schedule – 2021/22	<p>Key changes proposed include updated:</p> <ul style="list-style-type: none"> • Updated for the Tariff Schedule 2016/17 to Tariff Schedule 2021/22; • Revised Tariff name from Tariff R – Tanunda to Tariff R – New Towns to incorporate the Mount Barker gas network extension; and • Revised Tariff name from Tariff C – Tanunda to Tariff C – New Towns to incorporate the Mount Barker gas network extension
Annexure C	Map showing Tariff D Regions of the Network	<p>Clarified that the Map relates to Tariff D.</p> <p>Updated a new map to include Tanunda and Mount Barker.</p> <p>Updated the map to include the Adelaide Region Tariff Zones.</p>
Annexure D	Map showing Zones within the Adelaide Region	Deleted as this is now included in Annexure C
Annexure E	Reference Tariff Control Formulae	<p>Box 1: – Tariff Control Formula changes are as follows:</p> <ul style="list-style-type: none"> • Adopted definition of CPI and X factor from the AER in its recent decision for our Victorian and Albury network; and • Updated dates. <p>Box 2: – Rebalancing Control Formula changes are as follows:</p> <ul style="list-style-type: none"> • Adopted definition of CPI and X factor from the AER in its recent decision for our Victorian and Albury network; and • Updated dates. <p>Box 3: – Annual Update of Return on Debt Formula changes are as follows:</p> <ul style="list-style-type: none"> • Adopted changes from the AER in its recent decision on the Rate of Return Instrument. <p>Box 4: – Unaccounted for Gas Price Variation Formula changes are as follows:</p> <ul style="list-style-type: none"> • Updated forecast price for Unaccounted for Gas;

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- Updated dates; and
- Adopted definition of CPI and X factor from the AER in its recent decision for our Victorian and Albury network.

Box 5: – Pass Through Adjustment Factor Formula changes are as follows:

- Updated dates;
- Removed definition not referenced in the formula; and
- Adopted definition of CPI and X factor from the AER in its recent decision for our Victorian and Albury network.

Annexure F	Specific Terms and Conditions	<p>Updated User Receipt Points by adding:</p> <ul style="list-style-type: none"> • The outlet of the Virginia Gate Station; • The outlet of the Wasley Gate Station; and • The outlet of the Waterloo Corner Gate Station.
Annexure G	General Terms and Conditions	<p>A marked up version of the Proposed South Australian Terms and Conditions are contained in Attachment 15.3. Attachment 15.1 details the basis for these changes and the engagement undertaken on these changes.</p>
Annexure H	Heating Value Zones in Metropolitan Adelaide	<p>Replaced Map with Table 8</p>
Annexure I	Asset Performance Index	<p>Insertion of this new Annexure is a result of the insertion of Clause 5.2 Capital Expenditure Sharing Scheme as detailed in Section 11.4 of the Final Plan.</p>
Annexure J	Pipeline Services	<p>Insertion of this new Annexure is a result of rule 48(1)(b) of the National Gas Rules which requires the full Access Arrangement to describe all pipeline services that the service provider can reasonably provide on the pipeline.</p>

Appendix A AA Document marked version