

Attachment 14.4

Response to Draft Decision on Network Access

SA revised Final Plan July 2021 – June 2026
January 2021

1. Response to Draft Decision on Network Access

We have accepted the AER’s Draft Decision on our proposed AA Document and terms and conditions.

1.1. Overview

This attachment sets out our response to the AER’s Draft Decision on our proposed Access Arrangement (AA) Document and our proposed terms and conditions of access to our SA gas distribution network over the next (2021/22 to 2025/26) AA period.

Our terms and conditions set the contractual arrangements between AGN and network users. We are continuing the process of standardising our proposed terms and conditions across Australia.

1.2. Stakeholder and customer feedback

In preparing the revised Final Plan we have continued to engage with stakeholders, including our Reference Groups and through submissions to the AER on our Final Plan.

A summary of the feedback provided on network is provided in Table 1.1 below.

Table 1.1 Summary of customer and stakeholder feedback

Customer and Stakeholder Feedback	Our Response
<p>Origin Energy in their submission to the AER sought to seek changes to the indemnity and liability provisions in our proposed terms and conditions:¹</p> <p><i>"In relation to clauses 33.4 and 33.5, AGN propose that the network user will indemnify AGN against all loss, cost, expense or damage which AGN might suffer in relation to distribution services and any curtailment or interruption of the delivery of gas respectively... We consider that Origin's liability under indemnities should be capped at a mutually agreed level.</i></p> <p><i>We consider that Origin's liability under indemnities should be capped at a mutually agreed level. Furthermore, the language in the indemnities should better align with what a court would hold Origin liable for under common law. This would help to ensure the indemnities themselves are more balanced."</i></p>	<p>The clauses 33.4 and 33.5 have been in place since July 2011 and have undergone only very minor changes over the last nine years relating to industry terminology, business name change and clause number. We had not proposed any changes to clause 33.5 for the 2021/22 to 25/26 period.</p> <p>The Terms and Conditions already:</p> <ul style="list-style-type: none"> • exclude liability for all economic and monetary loss, to the extent permitted by law (clause 29.6); and • impose a maximum aggregate liability of \$100 million per event for liability for death, personal injury or property damage, where permitted by law (clause 29.7). <p>We have accepted the AER’s Draft Decision in relation to the terms and conditions and we are not proposing any further changes.</p> <p>We support the AER’s view that the issues relating to the gas liability and indemnity regime could be discussed at an industry working group level.</p> <p>Our proposed terms have gone through considerable consultation with stakeholders over the past seven years as we have continued standardising our terms across our networks. More information can be found in Attachment 14.2A.</p>

¹ Origin Energy, Submission on AGN Proposal 2021–26, 10 August 2020.

1.3. AER Draft Decision

The AER's Draft Decision accepted our proposed terms and conditions for the next AA period and noted that:

AGN consulted extensively with its RRG, providing a number of opportunities to comment on draft terms and conditions and incorporate feedback over a 12 month period that commenced in April 2019.²

The AER's Draft Decision in respect of our non-tariff components is summarised in Table 1.2 below.

Table 1.2: Summary of the AER's Draft Decision on network access

	AER Draft Decision	AER Comment
Terms and conditions	Accept	Approved our proposed terms and conditions and consider it to be reasonably balanced between the parties. ³ Encouraged continued engagement on issues relating to gas liability and indemnity after its decision, potentially at an industry working group level.
Proposed amendments to the AA Document	Accept	Accepted our proposed amendments for: ⁴ <ul style="list-style-type: none"> • Queuing requirements • Extensions and expansions requirements • Capacity trading requirements; and • Change of receipt or delivery point by the user.
Revision submission and commencement	Accept	Accepted our proposed review submission date of 30 June 2025 and revision commencement date of 1 July 2026. ⁵

Note: In this 'traffic light' table, green shading represents the AER's acceptance of our Final Plan, orange represents the AER's modification of our Final Plan and red shading represents the AER's rejection of our Final Plan.

² AER, Draft Decision, Attachment 11, p. 7.

³ AER, Draft Decision, Attachment 11, pp. 4-9.

⁴ AER, Draft Decision, Attachment 11, pp. 10-12.

⁵ AER, Draft Decision, Attachment 11, pp. 13-14.

1.4. Our Response to the Draft Decision

Our revised Final Plan accepts the AER Draft Decision in full in relation to the non-tariff components for our SA gas distribution network over the next (2021/22 to 2025/26) AA period.

A summary of our response to the AER's Draft's Decision is provided in Table 1.3 below. More information can be found in Attachment 14.2A.

Table 1.3: Summary of our response to the AER's Draft Decision on network access

	AER Draft Decision	Our response	Our comment
Terms and conditions	Accept	Accept	We have accepted the AER's Draft Decision.
Proposed amendments to the AA Document	Accept	Accept	We have accepted the AER's Draft Decision. Maintain existing sections in our AA Document
Revision submission and commencement	Accept	Accept	We have accepted the AER's Draft Decision. Maintain review submission date of 30 June 2025 and a revision commencement date of 1 July 2026.

Note: In this 'traffic light' table, green shading represents the acceptance, orange represents a modification and red shading represents a rejection

1.5. Summary

We consider that the process of standardising our terms across our networks is consistent with achieving lowest sustainable costs for our customers. The AER's Draft Decision accepted our proposed terms and condition and we have accepted the AER's Draft Decision on our proposed AA Document and terms and conditions.