Attachment 6.1

Response to Draft Decision: Pipeline Services

2016/17 to 2020/21 Access Arrangement Information Response to Draft Decision



Page Intentionally left blank Page Intentionally

1 Response to Draft Decision on Pipeline Services

1.1 Introduction

This attachment sets out Australian Gas Networks Limited's (AGN's) response to the Australian Energy Regulator's (AER's) Draft Decision on the pipeline services to apply over the next (2016/17 to 2020/21) Access Arrangement (AA) period.

The National Gas Rules (NGR) require AGN to define in its AA Proposal the type and nature of pipeline services to be provided over the relevant AA period, including both Reference Services and Non-Reference Services.

The AER accepted AGN's proposed pipeline services as outlined in Chapter 6 of the Initial AA Proposal submitted on 1 July 2015.¹

1.2 AER Draft Decision

The AER found AGN's proposed pipeline services to be compliant with the NGR, noting that the proposed Reference Services for the next AA period were "generally consistent with those reference services we [the AER] found compliant with the NGR for the current access arrangement".²

TABLE 1.1: SUMMARY OF AER'S DRAFT DECISION ON PIPELINE SERVICES					
	AER Draft Decision	AER Comment			
Haulage Reference Services	Accept AGN Proposal	Compliant with the NGR.			
Ancillary Reference Services	Accept AGN Proposal				
Non-Reference Services	Accept AGN Proposal				
Service Standards	Accept AGN Proposal				

1.3 AGN Response to the Draft Decision

AGN accepts the AER's Draft Decision.

TABLE 1.2: SUMMARY OF AGN'S RESPONSE TO THE AER DRAFT DECISION ON PIPELINE SERVICES					
	AER Draft Decision	AGN Response	AGN Comment		
Haulage Reference Services	Accept AGN Proposal	Accept AGN Proposal	No comment.		
Ancillary Reference Services	Accept AGN Proposal	Accept AGN Proposal			
Non-Reference Services	Accept AGN Proposal	Accept AGN Proposal			
Service Standards	Accept AGN Proposal	Accept AGN Proposal			

¹ AGN 2015; "Chapter 6, South Australian Access Arrangement Information", July 2015.

² AER 2015, "Attachment 1 – Services covered by the access arrangement | Draft decision: Australian Gas Networks Access Arrangement 2016-21", November 2015, pg. 1-8.

1.4 Summary

Over the next AA period AGN will offer the following pipeline services:³

- Haulage Reference Services:
 - Domestic Haulage Service this service provides for the delivery of gas to Delivery Points (DPs) where natural gas is used primarily for domestic purposes;
 - Demand Haulage Service this service provides for the delivery of gas to Delivery Points (DPs) with an annual consumption that is equal to or greater than 10 terajoules per year; and
 - Commercial Haulage Service this service applies to all DPs that are not Demand DPs or Domestic DPs.
- Ancillary Reference Services:
 - Disconnection installing locks or plugs at the Metering Installation of a Domestic DP in order to prevent the withdrawal of gas at the DP;
 - Reconnection restoring the ability to withdraw gas at a Domestic DP, following a previous Disconnection, which service includes the removal of any locks or plugs used to isolate supply, performance of a safety check and the lighting of appliances where necessary;
 - Special Meter Read meter reading for a DP that is in addition to the scheduled meter reading that forms part of the Haulage Reference Service;
 - *Meter and Gas Installation Test* on-site testing to check the measurement accuracy of a Metering Installation and the soundness of the gas installation downstream of the Metering Installation;
 - Meter Removal removal of a meter at a Metering Installation in order to prevent the withdrawal of natural gas at the DP; and
 - *Meter Reinstallation* reinstallation of a meter at a Metering Installation, performance of a safety check and the lighting of appliances where necessary.
- Non-Reference Services these relate to services that are not required by the majority of the market and that AGN negotiates a price for on a case-by-case basis.

³ Further detail is available in Chapter 6 of AGN's South Australian Access Arrangement Information (July 2015).