

# Appendix 3

## Responses to revisions to the Access Arrangement required by the Draft Decision

Draft Decision Revision Reference	Required Amendment	Location of AusNet response	Required amendments – accepted	Required amendments – not accepted	
<b>Services covered by the Access Arrangement</b>					
1.1	Access Arrangement (all parts)	Make all necessary amendments to reflect our draft decision for the 2023–28 access arrangement period.	Section 4.5.3 of Access Arrangement Information	We did not accept that the small customer abolishments should be bundled with haulage reference service. We have proposed a new pass through event to minimise the customer impact of this approach.	
<b>Capital Base</b>					
2.1	Roll Foward model2024-28 PTRM	Make all necessary amendments to reflect this Draft Decision on the roll forward of the capital base for the 2018–22 access arrangement period and the six-month extension period, and to reflect this draft decision on the projected capital base for the 2023–28 access arrangement period.	Section 4.5.5 of Access Arrangement Information Roll Foward model 2024-28 PTRM	We accepted most of the required amendments	We did not accept the Draft decision on our proposed shortening of the asset lives on a forward-looking basis for Transmission Pipelines, Distribution Pipelines and Service Pipes. In line with our Revised Proposal, we have proposed three new asset classes in the PTRM with a 50-year standard life - applicable to capital base additions commencing from 1 July 2023.

<b>Draft Decision Revision Reference</b>	<b>Required Amendment</b>	<b>Location of AusNet response</b>	<b>Required amendments – accepted</b>	<b>Required amendments – not accepted</b>
<b>Depreciation</b>				
4.1      2024-28 PTRM	Make all necessary amendments to reflect this draft decision on the regulatory depreciation amounts for the 2023–28 access arrangement period.	Section 4.5.5 of Access Arrangement Information 2024-28 PTRM	We accepted most of the required amendments	We did not accept: <ul style="list-style-type: none"> <li>• The application of a 0 real price path constraint for our price path. As such, we did not accept the AER's lower approved amount of accelerated depreciation.</li> <li>• The Draft Decision on our proposed shortening of the asset lives on a forward-looking basis for Transmission Pipelines, Distribution Pipelines and Service Pipes.</li> </ul>
<b>Operating expenditure</b>				
6.1      Opex model	Make all necessary amendments to reflect our Draft Decision on the proposed opex allowances for the 2023-28 access arrangement period, as set out in section 6.1.	Opex model AA, Part B, clause 3.1.1(b)	We accepted all the required amendments	
<b>Corporate Income Tax</b>				
7.1      2024-28 PTRM	Make all necessary amendments to reflect this draft decision on the proposed cost of corporate income tax for the 2023–28 access arrangement period.	2024-28 PTRM	We accepted all the required amendments	
<b>Operating Expenditure Incentive Mechanism</b>				
8.1-8.9    AA, Part B, clause 6.4.2	Revise to make the access arrangement proposal acceptable as set out in Table 8.2.	AA, Part B, clause 6.4.2	We accepted all the required amendments	

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<b>Reference Tariff Setting</b>					
9.1	Reflect the changes described in Attachment 9 of the Draft Decision in the access arrangement.	Section 4.5.3	We accepted the majority of the required amendments	We did not accept removing our proposed ancillary reference service price for small customer connection abolishments.	
<b>Relevant Pass Through Events</b>					
10.1	Access Arrangement (AA), Part A, Schedule 2	Amend 'Change of Taxes' definition as per Table 10.1	AA, Part A, Schedule 2,	All required amendments	
10.1	Access Arrangement (AA), Part A, Schedule 2	Amend 'Insurance Coverage Event' definition as per Table 10.1	AA, Part A, Schedule 2	Partial acceptance of the required amendments	<p>It is more accurate to describe the pipeline services as being regulated, rather than the Service Provider.</p> <p>'Network' is not limited to the infrastructure providing regulated services and may be too broad.</p> <p>An alternative formulation to 'pass through application' is proposed to better reflect that the Event triggers a Reference Tariff Variation process (see AA, Part B, clause 8).</p> <p>References to 'Regulator' are retained to maintain consistency with the remainder of the AA.</p>
10.1	Access Arrangement (AA), Part A, Schedule 2	Amend 'Insurer's Credit Risk Event' definition as per Table 10.1	AA, Part A, Schedule 2	Partial acceptance of the required amendments	<p>References to 'Regulator' are retained to maintain consistency with the remainder of the AA.</p> <p>An alternative formulation to 'pass through application' is proposed to better reflect that the Event triggers a Reference Tariff Variation process (see AA, Part B, clause 8).</p> <p>Retaining 'insurer' is a more specific reference.</p>
10.1	Access Arrangement (AA), Part A, Schedule 2	Amend 'Natural Disaster Event' definition as per Table 10.1	AA, Part A, Schedule 2	Partial acceptance of the required amendments	References to 'Regulator' are retained to maintain consistency with the remainder of the AA.

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					An alternative formulation to 'pass through application' is proposed to better reflect that the Event triggers a Reference Tariff Variation process (see AA, Part B, clause 8).
10.1	Access Arrangement (AA), Part A, Schedule 2	Amend 'Retailer Insolvency Event' definition as per Table 10.1	AA, Part A, Schedule 2		Adding 'retailer insolvency event' is not required to maintain the grammatical given the structure of the phrase.
10.1	Access Arrangement (AA), Part A, Schedule 2	Amend 'Terrorism Event' definition as per Table 10.1	AA, Part A, Schedule 2	Partial acceptance of the required amendments	'GIA' is defined in Schedule 2 of Part A. References to 'Regulator' are retained to maintain consistency with the remainder of the AA. An alternative formulation to 'pass through application' is proposed to better reflect that the Event triggers a Reference Tariff Variation process (see AA, Part B, clause 8).
<b>Definitions and Interpretations</b>					
11.2	AA, Part C, clause 1.1	Replace 'National Electricity Law and National Electricity Rules' with 'National Gas Law and National Gas Rules'.	AA, Part C, clause 1.1	All required amendments	
<b>National Gas Amendment (DWGM Distribution connected facilities) Rule 2022</b>					
11.1	AA, Part C	Make all amendments necessary to give full effect to the amending Rule		All required amendments	
<b>Gas Leaks and Emergencies Calls Protocol</b>					
11.3	AA, Part A, Schedule 2	Amend the definition of 'Gas Leaks and Emergencies Calls Protocol' to refer to a website which can be reliably located throughout the Access Arrangement Period.	AA, Part A, Schedule 2 (various) AA, Part C, clauses 9.1 and 9.2(a) and (b)	All required amendments.	Additional amendments are proposed to more fully implement the substance of the revisions required by the AER.

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<b>Customer Information</b>					
11.4	AA, Part C, clause 9.4	<p>Review and amend proposed clause 9.4:</p> <p>to cross reference information requirements for life support customers to the Gas Retail Market System's B2B procedures and to the energy retailer code of practice.</p> <p>to make clearer that the requirements in clause 9.4 apply 'except to the extent the details have already been provided by the User to the Service Provider'</p> <p>to update clause 9.4(b)(3) to retain a 1 month timeframe requirement for being notified of a change in customer details (via the gas B2B transactions)</p> <p>to make clearer where requirements apply only where information is available to the retailer.</p>	AA, Part C, clause 9.4(a) and (b)	All required amendments.	
<b>Credit support</b>					
11.5	AA, Part C, clause 7.8	Present an alternative credit support framework that re-balances risk between AusNet, retailers and customers by reducing the cost of pre-emptive, up-front risk management and balancing this with ex post recovery only where the risk is realised.	AA, Part C, clause 7.8	All required amendments.	Consequential amendments are proposed to the 'Retailer Insolvency Event' definition to clarify that no materiality threshold applies.
<b>Capital Expenditure Incentive Mechanism</b>					
13.1	AA, Part B, clause 6.4.3	Make all necessary amendments to the access arrangement to remove	AA, Part B, clause 6.4.3	All required amendments	

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13.2 CESS model	<p>forecast capex for new connections from the CESS calculation.</p> <p>Revise as necessary to update CPI, real vanilla WACC, and reported capex inputs in the calculation of the CESS, in line with our draft decision.</p>	CESS model	All required amendments	