Compliance Checklist – Rules and Law National Gas rules (version 59)

Rule	Provision	Proposal cross reference
National Gas	s Law	
132	(1) A covered pipeline service provider must submit to the AER, for approval by the AER under the Rules, a full access arrangement or revisions to an applicable access arrangement that is a full access arrangement, in respect of the pipeline services the provider provides o intends to provide—	AA Proposal submitted 1 July 2022 r
	(a) in the circumstances specified by the Rules; and	
	(b) within the period of time specified by the Rules.	
National Gas	s Rules	
Part 8 – Acce	ess Arrangements	
Division 2 – A	access arrangement information	
42	General requirements for access arrangement information	AAI, all chapters
42(1)	Access arrangement information for an access arrangement or an access arrangement proposal is information that is reasonably necessary for users and prospective users:	
	 (a) to understand the background to the access arrangement or the access arrangement proposal; and 	
	(b) to understand the basis and derivation of the various elements of the access arrangement or the access arrangement proposal.	
42(2)	Access arrangement information must include the information specifically required by the Law.	AAI, all chapters
43	Requirement to provide access arrangement information	AAI, all chapters
43(1)	A service provider, when submitting an access arrangement proposal for the AER's approval, must submit, together with the proposal, access arrangement information for the access arrangement proposal.	
43(2)	If particular information (sensitive information) is confidential, and its public disclosure could cause undue harm to the legitimate business interests of the service provider, a user or prospective user, the AER may permit the service provider to submit access arrangement information in a form, approved by the AER, in which the sensitive information:	AAI, also refer to confidentiality response document
	(c) is aggregated or generalised so as to avoid disclosure of the elements that make it sensitive; or	

(d) if that is not possible – is entirely suppressed.

Division 4 – Full access arrangements

50(1)

Division 4 – F	ull access arrangements	
48(1)(a)	Requirements for full access arrangement (and full access arrangement proposal)	•
48(1)(a)	The full access arrangement must identify the pipeline to which the access arrangement relates and include a reference to a website at which a description of the pipeline can be inspected.	Access arrangement, Part A, clause 5.1
48(1)(b)/	The full access arrangement must describe all of the pipeline services that the service provider can reasonably provide on the pipeline, which must be consistent with the AER's reference service proposal decision under rule 47A, unless there has been a material change in circumstances.	Access arrangement, Part A, clause 5.1
48(1)(c)	The full access arrangement must specify the reference services, which must be consistent with the AER's reference service proposal decision under rule 47A, unless there has been a material change in circumstances.	Access arrangement, Part A, clause 5.2
48(1)(c1)	The full access arrangement must if the information provided under subrules (1)(b) or (1)(c) is different to the AER's reference service proposal decision under rule 47A, describe the material change in circumstances that necessitated the change having regard to the reference service factors	
48(1)(d)(i), (ii)	The full access arrangement must specify, for each reference service, the reference tariff, and the other terms and conditions on which each reference service will be provided.	Access arrangement, Parts B and C
48(1)(e)	The full access arrangement must, if the access arrangement is to contain queuing requirements, set out the queuing requirements	Access arrangement, Part A, clause 5.5
48(1)(f)	The full access arrangement must specify the capacity trading requirements.	Access arrangement, Part A, clause 5.7
48(1)(g)	The full access arrangement must set out the extension and expansion requirements.	Access arrangement, Part A, clause 5.6
48(1)(h)	The full access arrangement must state the terms and conditions for changing receipt and delivery points.	Access arrangement, Part A, clause 5.8
48(1)(i),(j)	If there is to be a review submission date – state the review submission date and the revision commencement date; and If there is to be an expiry date – state the expiry date	Access arrangement, Part A, clause 5.9
D		
	Review and expiry of certain access arrangements	A 0.000
49(1)(a), (b)	Review submission, revision commencement and expiry dates A full access arrangement (other than a voluntary access arrangement) must contain a review submission date and a revision commencement date and must not contain an expiry date.	Access arrangement, Part A, clause 5.9
50	Review of access arrangements	
FO(1)	A continuous states are states as a superior state of the	

A service provider, as part of an access arrangement proposal for a full access arrangement (other than a voluntary access arrangement),

must propose a review submission date and a revision commencement date. The proposed revision commencement date must be not less than 12 months after the proposed review submission date.

52 Access arrangement revision proposal

52(1) On or before the review submission date of an applicable access arrangement, a service provider must, submit an access arrangement revision proposal to the AER.

AA Proposal submitted 1 July 2022

- 52(2) The access arrangement revision proposal must:
 - (a) set out the amendments to the access arrangement that the service provider proposes for the ensuing access arrangement period; and

AA Proposal submitted 1 July 2022

(b) incorporate the text of the access arrangement in the revised form.

Part 9 – Price and revenue regulation

Division 1 - Preliminary

72 Specific requirements for access arrangement information relevant to price and revenue regulation

The access arrangement information must include: 72(1)(a)

(i) Provided in the capex model and RIN templates.

arrangement period; and

- (ii) Provided in the RIN templates.
- (ii) operating expenditure (by category) over the earlier access arrangement period; and

(i) capital expenditure (by asset class) over the earlier access

- (iii) Provided in the RIN templates.
- (iii) usage of the pipeline over the earlier access arrangement period showing:
 - (A) for a distribution pipeline, minimum, maximum and average demand and, for a transmission pipeline, minimum, maximum and average demand for each receipt or delivery point; and
 - (B) for a distribution pipeline, customer numbers in total and by tariff class and, for a transmission pipeline, user numbers for each receipt or delivery point
- 72(1)(b) The access arrangement information must include how the capital AAI Chapter 8, base is arrived at and, if the access arrangement period commences depreciation model at the end of an earlier access arrangement period, a demonstration of and RFM. how the capital base increased or diminished over the previous access arrangement period.
- 72(1)(c) The access arrangement information must include the projected capital base over the access arrangement period, including:

AAI Chapters 6 and 9, capex model and depreciation model.

- (i) a forecast of conforming capital expenditure for the period and the basis for the forecast; and
- (ii) a forecast of depreciation for the period including a demonstration of how the forecast is derived on the basis of the proposed depreciation method.
- 72(1)(d) The access arrangement information must include to the extent it is practicable to forecast pipeline capacity and utilisation of pipeline capacity over the access arrangement period, a forecast of pipeline capacity and utilisation of pipeline capacity over that period and the basis on which the forecast has been derived

AAI Chapter 4 and response to RIN templates.

72(1)(e)		AAI Chapter 7, opex model.
72(1)(f)	[Deleted]	
72(1)(g)	The access arrangement information must include the allowed rate of return for each regulatory year of the access arrangement period.	AAI Chapter 10.
72(h)	including the allowed imputation credits referred to in that rule.	imputation credits and estimated corporate income tax are included in Chapter 11.
72(1)(i)	The access arrangement information must include, if an incentive mechanism operated for the previous access arrangement period - the proposed carry-over of increments for efficiency gains or decrements for efficiency losses in the previous access arrangement period and a demonstration of how allowance is to be made for any such increments or decrements.	AAI Chapter 14.
72(1)(j)	The access arrangement information must include the proposed approach to the setting of tariffs including:	AAI Chapters 15 and 17.
	 the suggested basis of reference tariffs, including the method used to allocate costs and a demonstration of the relationship between costs and tariffs; and 	
	(ii) a description of any pricing principles employed but not otherwise disclosed under this Rule.	
72(1)(k)	The access arrangement information must include the service provider's rationale for any proposed reference tariff variation mechanisms.	AAI Chapter 15.
72(1)(I)	The access arrangement information must include the service provider's rationale for any proposed incentive mechanism.	AAI Chapter 14.
72(1)(m)	The access arrangement information must include the total revenue to be derived from pipeline services for each regulatory year of the access arrangement period.	AAI Chapter 12.
72(2)	The access arrangement information for an access arrangement variation proposal related to a full access arrangement must include so much of the above information (referred to in 72(1)) as is relevant to the proposal.	` '
72(3)	access arrangement information for a full access arrangement	The AAI is consistent with the financial models.
	•	Noted. The AAI
73(1)	Financial information must be provided on:	details how the financial information
		is presented.
	(b) a real basis; or	
	(c) some other recognised basis for dealing with the effects of inflation.	

73	(2)	The basis on which financial information is provided must be stated in the access arrangement information	AAI Chapter 1
73)	(3)	All financial information must be provided, and all calculations made, on the same basis and using any applicable financial models published by the AER under these Rules.	Noted. All I information has been prepared in accordance with the AER's financial models.
		Forecasts and estimates	AAI, all chapters and
74	(1)	Information in the nature of a forecast or estimate must be supported by a statement of the basis of the forecast or estimate.	associated appendices
74	(2)	A forecast or estimate:	AAI, all chapters and
		(a) must be arrived at on a reasonable basis; and	associated appendices
		(b) must represent the best forecast or estimate possible in the circumstances.	5-10-10-10-10-10-10-10-10-10-10-10-10-10-
75		Inferred or derivative information	AAI, all chapters and
75		Information in the nature of an extrapolation or inference must be supported by the primary information on which the extrapolation or inference is based.	associated appendices
75	A	Preparation and amendment of financial models	Noted. All AER
75,	A(2)	If the AER publishes a financial model under this rule, a service provider must use the model in accordance with the requirements of these rules	models have been used in accordance with the Rules requirements.
D:	vision 2	Puilding block approach	

Division 3 – Building block approach

76 Total Revenue

PTRM, RFM, AAI Chapter 12.

Total revenue is to be determined for each regulatory year of the access arrangement period using the building block approach in which the building blocks are:

- (a) a return on the projected capital base for the year (See Divisions 4 and 5); and
- (b) depreciation on the projected capital base for the year (See Division 6); and
- (c) the estimated cost of corporate income tax for the year (See Division 5A); and
- (d) increments or decrements for the year resulting from the operation of an incentive mechanism to encourage gains in efficiency (See Division 9); and
- (e) a forecast of operating expenditure for the year (See Division 7).

Division 4 – The Capital base

77(2) If an access arrangement period follows immediately on the conclusion RFM, Depreciation of a preceding access arrangement period, the opening capital base model, AAI Chapter for the later access arrangement period is to be:

8 and 6.

(a) the opening capital base as at the commencement of the earlier access arrangement period (adjusted for any difference

- between estimated and actual capital expenditure included in that opening capital base); plus:
- (b) conforming capital expenditure made, or to be made, during the earlier access arrangement period; plus:
- (c) any amounts to be added to the capital base under 82, 84 or 86; plus
- (c1) in relation to any existing extension specified in the extension and expansion requirements in accordance with rule 104(2), the following value:
 - (i) the cost of construction of the extension;

plus

(ii) capital expenditure on the extension since construction of the extension;

less:

- (iii) depreciation of the extension since the date the extension was commissioned; and
- (iv) the value of pipeline assets constituting the extension disposed of since commissioning of the extension;

less:

- (d) depreciation over the earlier access arrangement period (to be calculated in accordance with any relevant provisions of the access arrangement governing the calculation of depreciation for the purpose of establishing the opening capital base); and
- (e) redundant assets identified during the course of the earlier access arrangement period; and
- (f) the value of pipeline assets disposed of during the earlier access arrangement period.

78 Projected capital base

78

79(1)

The projected capital base for a particular period is:

(a) the opening capital base;

plus:

(b) forecast conforming capital expenditure for the period;

less:

- (c) forecast depreciation for the period; and
- (d) the forecast value of pipeline assets to be disposed of in the course of the period.

79 New capital expenditure criteria

Conforming capital expenditure is capital expenditure that conforms with the following criteria:

AAI Chapter 6 and associated appendices.

- (a) the capital expenditure must be such as would be incurred by a prudent service provider acting efficiently, in accordance with accepted good industry practice, to achieve the lowest sustainable cost of providing services; and
- (b) the capital expenditure must be justifiable on a ground stated in 79(2); and

PTRM, RFM, Depreciation model, AAI Chapters 6, 8 and 9.

AAI Chapter 6 and

associated

appendices.

(c) the capital expenditure must be for expenditure that is properly allocated in accordance with the requirements of subrule (6).

79(2) Capital expenditure is justifiable if:

- (a) the overall economic value of the expenditure is positive; or
- (b) the present value of the expected incremental revenue to be generated as a result of the expenditure exceeds the present value of the capital expenditure; or
- (c) the capital expenditure is necessary:
 - (i) to maintain and improve the safety of services; or
 - (ii) to maintain the integrity of services; or
 - (iii) to comply with a regulatory obligation or requirement; or
 - (iv) to maintain the service provider's capacity to meet levels of demand for services existing at the time the capital expenditure is incurred (as distinct from projected demand that is dependent on an expansion of pipeline capacity); or
- (d) the capital expenditure is an aggregate amount divisible into two parts, one referable to incremental services and the other referable to a purpose referred to in paragraph (c) and the former is justifiable under paragraph (b) and the latter under paragraph (c).
- 79(3) In deciding whether the overall economic value of capital expenditure Noted. Our is positive, consideration is to be given only to economic value directly approach is accruing to the service provider, gas producers, users and end users. consistent w

Noted. Our approach is consistent with this requirement.

- 79(4) In determining the present value of expected incremental revenue:
 - (a) a tariff will be assumed for incremental services based on (or extrapolated from) prevailing reference tariffs or an estimate of the reference tariffs that would have been set for comparable services if those services had been reference services; and

Noted. Our approach is consistent with this requirement.

- (b) incremental revenue will be taken to be the gross revenue to be derived from the incremental services less incremental operating expenditure for the incremental services; and
- (c) a discount rate is to be used equal to the rate of return implicit in the reference tariff.
- 79(5) If capital expenditure made during an access arrangement period conforms, in part, with the criteria laid down in this rule, the capital expenditure is, to that extent, to be regarded as conforming capital expenditure.

Noted. Our approach is consistent with this requirement.

79(6) Conforming capital expenditure that is included in an access Noted. Our arrangement revision proposal must be for expenditure that is allocated approach to between:

Noted. Our dapproach to conforming capital expenditure satisfies this requirement.

- (a) reference services;
- (b) other services provided by means of the covered pipeline; and
- (c) other services provided by means of uncovered parts (if any) of the pipeline,

in accordance with rule 93.

Division 5 – Rate of return

87 Rate of return Chapter 10.

The return on the projected capital base for a service provider for a regulatory year of an access arrangement period for an applicable access arrangement (RPCB₁) is to be calculated using the following formula:

 $RPCB_{t} = a_{t} \times v_{t}$

where:

at is the allowed rate of return for the regulatory year; and

 v_t is the value, as at the beginning of the regulatory year, of the projected capital base for the regulatory year (as established under rule 78 and subject to rule 82(3)).

Division 5A – Estimated cost of corporate income tax

87A Estimated cost of corporate income tax

Chapter 11.

The estimated cost of corporate income tax of a service provider for each regulatory year of an access arrangement period (ETCt) is to be estimated in accordance with the following formula: ETCt = (ETIt ×rt) (1 – y)

Where

ETIt is an estimate of the taxable income for that regulatory year that would be earned by a benchmark efficient entity as a result of the provision of reference services if such an entity, rather than the service provider, operated the business of the service provider;

rt is the expected statutory income tax rate for that regulatory year as determined by the AER; and

 $\boldsymbol{\gamma}$ is the allowed imputation credits for the regulatory year.

Division 6 - Depreciation

88 Depreciation schedule

88(1) and (2) The depreciation schedule sets out the basis on which the pipeline assets constituting the capital base are to be depreciated for the purpose of determining a reference tariff.

The depreciation schedule may consist of a number of separate schedules, each relating to a particular asset or class of assets.

AAI Chapter 9, Depreciation model, PTRM.

89 Depreciation criteria

89(1) The depreciation schedule should be designed:

- AAI Chapter 9, PTRM, RFM, Depreciation model.
- (a) so that reference tariffs will vary, over time, in a way that promotes efficient growth in the market for reference services; and
- (b) so that each asset or group of assets is depreciated over the economic life of that asset or group of assets; and
- (c) so as to allow, as far as reasonably practicable, for adjustment reflecting changes in the expected economic life of a particular asset, or a particular group of assets; and
- (d) so that (subject to the Rules about capital redundancy), an asset is depreciated only once (i.e. that the amount by which the asset is depreciated over its economic life does not exceed the value of the asset at the time of its inclusion in the capital



- base (adjusted, if the accounting method approved by the AER permits, for inflation)); and
- (e) so as to allow for the service provider's reasonable needs for cash flow to meet financing, non-capital and other costs.

90 Calculation of depreciation of rolling forward capital base from one access arrangement period to the next 90(1)

AAI Chapter 9, RFM, Depreciation model.

A full access arrangement must contain provisions governing the calculation of depreciation for establishing the opening capital base for the next access arrangement period after the one to which the access arrangement currently relates.

90(2) The provisions must resolve whether depreciation of the capital base is AAI Chapter 9, RFM, to be based on forecast or actual capital expenditure.

Depreciation model.

Division 7 – Operating expenditure

91 Criteria governing operating expenditure

Operating expenditure must be such as would be incurred by a prudent service provider acting efficiently, in accordance with accepted good industry practice, to achieve the sustainable cost of delivering pipeline services.

AAI Chapter 7 and associated appendices.

91(2) The forecast of required operating expenditure of a pipeline service provider that is included in the full access arrangement must be for expenditure that is allocated between:

Noted. Our approach to operating expenditure complies with this

- (a) reference services;
- (b) other services provided by means of the covered pipeline; and requirement.
- (c) other services provided by means of uncovered parts (if any) of the pipeline,

in accordance with rule 93.

Division 8 - Tariffs

91(1)

92 Revenue equalisation

AAI Chapter 15.

- 92(1) A full access arrangement must include a mechanism (a reference tariff variation mechanism) for variation of a reference tariff over the course of an access arrangement period.
- 92(2) Except to the extent that subrule (3) applies, the reference tariff AAI Chapter 15 and variation mechanism must be designed to equalise (in terms of present PTRM. values):
 - (a) forecast revenue from reference services for the access arrangement period; and
 - (b) the portion of total revenue allocated to reference services for the access arrangement period.
- If there is an interval between a revision commencement date stated in N/A 92(3) a full access arrangement and the date on which revisions to the access arrangement actually commence (the interval of delay):
 - (a) reference tariffs, as in force at the end of the previous access arrangement period, must continue without variation for the interval of delay; but
 - (b) the operation of this subrule must be taken into account in fixing reference tariffs for the new access arrangement period, such

that there may be an adjustment for any under-recovery or over-recovery by the service provider as a result of the continuation of reference tariffs from the previous access arrangement period during the interval of delay.

93 Allocation of total revenue and costs

PTRM.

- 73(1) Total revenue is to be allocated between reference and other services in the ratio in which costs are allocated between reference and other services.
- 93(2) Costs are to be allocated between reference and other services as follows:

PTRM.

- (a) costs directly attributable to reference services are to be allocated to those services; and
- (b) costs directly attributable to pipeline services that are not reference services are to be allocated to those services; and
- (c) other costs are to be allocated between reference and other services on a basis (which must be consistent with the revenue and pricing principles) determined or approved by the AER.

94 Tariffs – distribution pipelines

AAI Chapter 17.

- For the purpose of determining reference tariffs, customers for reference services provided by means of a distribution pipeline must be divided into tariff classes.
- 94(2) A tariff class must be constituted with regard to:

AAI Chapter 17.

- (a) the need to group customers for reference services together on an economically efficient basis; and
- (b) the need to avoid unnecessary transaction costs.
- 94(3) For each tariff class, the revenue expected to be recovered should lie AAI Chapter 17. on or between:
 - (a) an upper bound representing the stand alone cost of providing the reference service to customers who belong to that class; and
 - (b) a lower bound representing the avoidable cost of not providing the reference service to those customers.
- 94(4) A tariff, and if it consists of two or more charging parameters, each charging parameter for a tariff class:

AAI Chapter 17.

- (a) must take into account the long run marginal cost for the reference service or, in the case of a charging parameter, for the element of the service to which the charging parameter relates;
- (b) must be determined having regard to:
 - (i) transaction costs associated with the tariff or each charging parameter; and
 - (ii) whether customers belonging to the relevant tariff class are able or likely to respond to price signals.
- 94(5) If, however, as result of the operation of 94(4), the service provider may PTRM. not recover the expected revenue, the tariffs must be adjusted to ensure recovery of expected revenue with minimum distortion to efficient patterns of consumption.

Noted. Our view is that the proposed

96	Prudent discounts	N/A	
96(1)	The AER may, on application by a service provider, approve a discount for a particular user or prospective user or a particular class of users or prospective users.		
97	Mechanics of reference tariff variation	AAI Chapters 17.	
97(1)	A reference tariff variation mechanism may provide for variation of a reference tariff:		
	(a) in accordance with a schedule of fixed tariffs; or		
	(b) in accordance with a formula set out in the access arrangement; or		
	(c) as a result of a cost pass through for a defined event (such as a cost pass through for a particular tax); or		
	(c1) as a result of the application of a portion of the revenue generated from the sale of rebateable services to reduce the reference tariff as contemplated under rule 93(3); or		
	(d) by the combined operation of 2 or more or the above.		
97(4)	A reference tariff variation mechanism must give the AER adequate oversight or powers of approval over variation of the reference tariff.	AAI Chapter 17.	
97(5)	Except as provided by a reference tariff variation mechanism, a reference tariff is not to vary during the course of an access arrangement period.	AAI Chapter 17.	
Division 9 – Incentive mechanisms			
Division 9 -	Incentive mechanisms		
Division 9 – 98	Incentive mechanisms Incentive mechanism	AAI Chapter 14 and	
		AAI Chapter 14 and associated appendices	
98	Incentive mechanism A full access arrangement may include (and the AER may require it to include) one or more incentive mechanisms to encourage efficiency in	associated appendices	
98 98(1)	Incentive mechanism A full access arrangement may include (and the AER may require it to include) one or more incentive mechanisms to encourage efficiency in the provision of services by the service provider. An incentive mechanism may provide for carrying over increments for efficiency gains and decrements for losses of efficiency from one	associated appendices	
98 98(1) 98(2) 98(3)	Incentive mechanism A full access arrangement may include (and the AER may require it to include) one or more incentive mechanisms to encourage efficiency in the provision of services by the service provider. An incentive mechanism may provide for carrying over increments for efficiency gains and decrements for losses of efficiency from one access arrangement period to the next. An incentive mechanism must be consistent with the revenue and	associated appendices AAI Chapter 14.	
98 98(1) 98(2) 98(3)	Incentive mechanism A full access arrangement may include (and the AER may require it to include) one or more incentive mechanisms to encourage efficiency in the provision of services by the service provider. An incentive mechanism may provide for carrying over increments for efficiency gains and decrements for losses of efficiency from one access arrangement period to the next. An incentive mechanism must be consistent with the revenue and pricing principles.	associated appendices AAI Chapter 14. AAI Chapter 14.	
98 98(1) 98(2) 98(3) Division 10 -	Incentive mechanism A full access arrangement may include (and the AER may require it to include) one or more incentive mechanisms to encourage efficiency in the provision of services by the service provider. An incentive mechanism may provide for carrying over increments for efficiency gains and decrements for losses of efficiency from one access arrangement period to the next. An incentive mechanism must be consistent with the revenue and pricing principles. Fixed principles (1) A full access arrangement may include a principle declared in the	associated appendices AAI Chapter 14. AAI Chapter 14.	
98 98(1) 98(2) 98(3) Division 10 -	Incentive mechanism A full access arrangement may include (and the AER may require it to include) one or more incentive mechanisms to encourage efficiency in the provision of services by the service provider. An incentive mechanism may provide for carrying over increments for efficiency gains and decrements for losses of efficiency from one access arrangement period to the next. An incentive mechanism must be consistent with the revenue and pricing principles. Fixed principles (1) A full access arrangement may include a principle declared in the access arrangement to be fixed for a stated period. (2) A principle may be fixed for a period extending over 2 or more	associated appendices AAI Chapter 14. AAI Chapter 14.	
98 98(1) 98(2) 98(3) Division 10 - 99(1)	Incentive mechanism A full access arrangement may include (and the AER may require it to include) one or more incentive mechanisms to encourage efficiency in the provision of services by the service provider. An incentive mechanism may provide for carrying over increments for efficiency gains and decrements for losses of efficiency from one access arrangement period to the next. An incentive mechanism must be consistent with the revenue and pricing principles. Fixed principles (1) A full access arrangement may include a principle declared in the access arrangement to be fixed for a stated period. (2) A principle may be fixed for a period extending over 2 or more access arrangement periods. (3) A fixed principle approved before the commencement of these rules, or approved by the AER under these rules, is binding on the AER	associated appendices AAI Chapter 14. AAI Chapter 14.	

The provisions of an access arrangement must be consistent with:

(a) the national gas objective; and

100(1)

(b) these Rules and the Procedures as in force when the terms and AA is consistent with conditions of the access arrangement are determined or revised.

this requirement.

Division 2 - Specific provisions

104

(1) Extension and expansion requirements may state whether the applicable access arrangement will apply to incremental services to be provided as a result of a particular extension to the pipeline made during the access arrangement period or may allow for later resolution of that question on a basis stated in the requirements.

Chapter 20

Proposed access arrangement, Part A, clause 5.6

- (2) Extension and expansion requirements may, if the service provider agrees, state that the applicable access arrangement will apply to incremental services to be provided as a result of a particular extension to the pipeline made before the revision commencement date for the applicable access arrangement.
- (3) Extension and expansion requirements must state that the applicable access arrangement will apply to incremental services to be provided as a result of any expansion to the capacity of the pipeline during the access arrangement period and deal with the effect of the expansion on tariffs.
- (4) Extension and expansion requirements included in a full access arrangement must, if they provide that an applicable access arrangement is to apply to incremental services provided as a result of an extension to the pipeline:
 - (a) in the case of extensions made before the revision commencement date for the applicable access arrangement deal with:
 - i. the effect of the extension on the opening capital base under rule 77(2)(c1); and
 - ii. the effect of the extension on the description of reference services specified in the access arrangement proposal; and
 - (b) in all cases, deal with the effect of the extension on tariffs.
- (5) The extension and expansion requirements cannot require the service provider to provide funds for work involved in making an extension or expansion unless the service provider agrees.

105 **Capacity Trading Requirements**

Chapter 20

105(1) Capacity trading requirements must provide for transfer of capacity: Proposed access arrangement, Part A, clause 5.7

- (a) if the service provider is registered as a participant in a particular gas market – in accordance with Rules or Procedures governing the relevant gas market; or
- (b) if the service provider is not so registered, or the relevant Rules or Procedures do not deal with capacity trading – in accordance with this rule

105(6) The capacity trading requirements may specify in advance conditions Chapter 20 under which consent will or will not be given, and conditions to be complied with if consent is given.

Proposed access arrangement, Part A, clause 5.7

106 Change of receipt or delivery point by user

Chapter 20

106(1) An access arrangement must provide for the change of a receipt or delivery point in accordance with the following principles:

(a) a user may, with the service provider's consent, change the user's receipt or delivery point;

Proposed access arrangement, Part A, clause 5.8

(b) the service provider must not withhold its consent unless it has reasonable grounds, based on technical or commercial considerations, for doing so.

Chapter 20

The access arrangement may specify in advance conditions under which consent will or will not be given, and conditions to be complied with if consent is given.

106(2)

Proposed access arrangement, Part A, clause 5.8