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# Gas Access Arrangement Revision

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~~2013 – 2017~~

2018-2022

## Part A of the Access Arrangement for the Distribution System

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2013 Approved Access Arrangement v 2018-2022 Revised Proposal (11 August 2017)

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Please contact the indicated ~~person with~~ owner of the document for any inquiries ~~about the~~ document.

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### 1 Introduction

#### Purpose of this Document

This document is the revision to AusNet Services' Access Arrangement dated ~~January 2008~~ July 2013, in accordance with ~~the~~ rule 52 of the National Gas Rules. For ease of reference, the remainder of this document refers to the revision to the Access Arrangement as the "Access Arrangement".

The Access Arrangement sets out the terms and conditions on which the Service Provider will grant access to its Distribution System.

#### Composition of Access Arrangement

This Access Arrangement is in three parts:

- Part A** this document including *Part A Schedule 1 Ancillary Reference Services & Part A Schedule 2 Access Arrangement Glossary*;
- Part B** *Reference Tariffs & Reference Tariff Policy* including *Part B Schedule 1 Initial Haulage Reference Tariffs* ~~and~~ *Part B Schedule 2 Initial Ancillary Reference Tariffs*; and
- Part C** *Terms & Conditions*.

The Access Arrangement also includes the plans of the Distribution System lodged with the Regulator.

#### Effective Date

The Access Arrangement first came into effect on 1 January 1999. Revisions to the Access Arrangement came into effect on ~~1 January 2003 for the Second Access Arrangement Period. Further revisions to the Access Arrangement came into effect on 1 January 2008 for the Third Access Arrangement Period. These revisions to the Access Arrangement for the Fourth Access Arrangement Period shall come into effect on 1 July 2013.;~~

- (a) 1 January 2003 for the Second Access Arrangement Period;
- (b) 1 January 2008 for the Third Access Arrangement Period; and
- (c) 1 July 2013 for the Fourth Access Arrangement Period.

These revisions to the Access Arrangement for the Fifth Access Arrangement Period shall come into effect on 1 January 2018.

### 2 Definitions and Interpretation

In this Access Arrangement and supporting documents, where a word or phrase is capitalised:

- (a) it has the definition given to that word or phrase in the Glossary contained in Schedule 2 of Part A of this Access Arrangement; or

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- (b) if the word or phrase is not defined in the Glossary, the meaning given to that word or phrase in the National Gas ~~Rules~~Law or National Gas ~~Law~~Rules,

unless the context otherwise requires.

If, during the ~~Fourth~~Fifth Access Arrangement Period, the National Gas Rules, as in force at the date of the approval of the revisions to the Access Arrangement, are substantially amended or replaced and, as a result, a word or phrase defined under this Access Arrangement is no longer defined, to the extent permitted by law, that word or phrase shall continue to have the definition given to it in the National Gas Rules in force as at the date this Access Arrangement was approved for the duration of the ~~Fourth~~Fifth Access Arrangement Period.

### 3 Contact Details

The contact officer for further details on this Access Arrangement is:

~~Katie Yates~~  
 Manager – Economic Regulation  
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 Level 31, 2 Southbank Boulevard  
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 Ph: (03) 9695 ~~66226000~~

### 4 Prior Contractual Rights

No provision in this Access Arrangement deprives any person of a contractual right which was in existence prior to:

- (a) 3 November 1997 (when the Access Arrangement was first submitted to the Regulator);
- (b) 28 March 2002 (when the revisions to the Access Arrangement for the Second Access Arrangement Period were submitted to the Regulator);
- (c) 30 March 2007 (when the revisions to the Access Arrangement for the Third Access Arrangement Period were submitted to the Regulator); ~~and~~
- (d) 30 March 2012 (when the revisions to the Access Arrangement for the Fourth Access Arrangement Period were submitted to the Regulator);
- ~~(d)~~(e) 16 December 2016 (when the revisions to the Access Arrangement for the Fifth Access Arrangement Period were submitted to the Regulator).

### 5 Requirements of National Gas Rules

This section includes the elements set out in ~~Rule~~rule 48 of the National Gas Rules which are applicable to the Service Provider.

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### Pipeline

This Access Arrangement applies to the Service Provider's Distribution System, further details of which can be inspected at the Service Provider's website:

[www.ausnetservices.com.au](http://www.ausnetservices.com.au).

### Services Policy

- 5.2.1 The Service Provider will make Haulage Reference Services and Ancillary Reference Services available to Users or Prospective Users of the Distribution System at the Reference Tariffs and in accordance with the Reference Tariff Policy set out in section 5.3 below. The Reference Services are likely to be sought by a significant part of the market.

The Tariff V Haulage Reference Service is the Haulage Reference Service where the withdrawal of Gas is at a Tariff V Distribution Supply Point.

The Tariff M Haulage Reference Service is the Haulage Reference Service where the withdrawal of Gas is at a Tariff M Distribution Supply Point but does not include Tariff M Connection.

The Tariff D Haulage Reference Service is the Haulage Reference Service where the withdrawal of Gas is at a Tariff D Distribution Supply Point but does not include Tariff D Connection.

The Ancillary Reference Services are those services as described in Schedule 1 of Part A.

- 5.2.2 The Service Provider will provide the Reference Services in accordance with the Regulatory Instruments.
- 5.2.3 The Service Provider will make Distribution Services other than Reference Services available to Users or Prospective Users as agreed or as determined in accordance with any applicable Regulatory Instruments.

Distribution Services other than Reference Services include Tariff D Connection and Tariff M Connection.

- 5.2.4 Upon that Part coming into operation in Victoria, the procedures for the provision of Connection Services will be set out in Part 12A of the National Gas Rules.

An application for a Connection Service may be made by a Customer of the User but, except where ~~Rule~~rule 119O(2) of the National Gas Rules ("Payment of connection charges") applies, and the Customer is paying the charges directly under one of the circumstances set out in ~~Rule~~rule 119O(1), the charges for that service are payable by the User.

The charges for Connection Services will be determined in accordance with any applicable requirements of relevant Regulatory Instruments (including where provided for by those Regulatory Instruments by negotiation between the Customer and the Service Provider or between the User and the Service Provider in accordance with those Regulatory Instruments).

- 5.2.5 The amounts payable for Reference Services and Distribution Services other than Reference Services constitute distribution service charges for the purposes of ~~Rule~~rule 503 of Part 21 of the National Gas Rules ("Obligation to Pay").

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### Reference Tariffs and Reference Tariff Policy

Reference Tariffs and the Reference Tariff Policy applicable to this Access Arrangement are set out in Part B.

#### 5.3.1 Reference Tariffs

Section 1 of Part B describes the application and assignment of Reference Tariffs to Distribution Supply Points. The Reference Tariffs for Haulage Reference Services and Ancillary Reference Services applicable from 1 ~~July 2013~~ January 2018 are set out in clauses 9 and 10 of Part B.

#### 5.3.2 Haulage Reference Tariff Control Formula

Section 3 of Part B describes the formula to be applied in varying, withdrawing or introducing new Haulage Reference Tariffs.

#### 5.3.3 Processing changes to Haulage Reference Tariffs

Section 4 of Part B describes the processes for varying, withdrawing or introducing new Haulage Reference Tariffs.

#### 5.3.4 Calculation of Charges for Haulage Reference Tariffs

Section 5 of Part B describes the calculation of Charges from the application of Haulage Reference Tariffs.

#### 5.3.5 Reference Tariff Policy

Section 6 of Part B sets out the Reference Tariff Policy ~~describing~~which describes the principles used to determine a Reference Tariff. The policy includes:

- (a) 6.1 CPI-X Price path;
- (b) 6.2 New Facilities Investment;
- (c) 6.3 Speculative Capital Expenditure Account;
- (d) 6.4 Efficiency ~~Incentive and Carryover Mechanism~~ Mechanisms.

#### 5.3.6 Fixed Principles

Section 7 of Part B describes ~~a range of~~the Fixed Principles that are to apply to the Access Arrangement.

#### 5.3.7 Relevant Pass -Through Event

Section 8 of Part B describes the procedures to apply as a result of a Relevant Pass Through Event.

### Terms and Conditions

5.4.1 The terms and conditions on which the Service Provider will supply each Reference Service are set out in Part C.



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5.4.2 The terms and conditions on which the Service Provider will supply each Distribution Service other than a Reference Service are set out in Part C.

5.4.3

### New connectionsConnections and modificationsModifications

#### 5.5.1 Applicability

These queuing arrangements are applicable to requests for new Connections or modifications to existing Connections and are subject to the Extensions and Expansions Policy.

#### 5.5.2 Procedure

(a) The Service Provider will administer requests by Prospective Users for Connection or a request by a User or Prospective User for a modification to an existing Connection in the following manner:

(1) The Service Provider will administer requests in the order they are received (on a “first come, first served” basis), including advising the Prospective User as to the charge (if any) for undertaking or modifying the Connection; and

(2) the Service Provider may amend the charge first specified pursuant to clause 5.5.2(a)(1) prior to the Connection being made, if additional requests for undertaking or modifying a Connection are received and those additional requests allow the recovery of the charge over a larger or different group of Prospective Users or Users.

### Extensions/Expansions Policy

#### 5.6.1 Extensions

(a) High pressure extensions

(1) If ~~AusNet Services~~ the Service Provider proposes a high pressure pipeline Extension of the ~~covered pipeline~~ Covered Pipeline, it must apply to the ~~AER~~ Regulator in writing to decide whether the proposed Extension will be taken to form part of the ~~covered pipeline~~ Covered Pipeline and will be covered by this Access Arrangement.

(2) A notification given by ~~AusNet Services~~ the Service Provider under this clause 5.6.1 must:

(aA) be in writing;

(bB) state whether ~~AusNet Services~~ the Service Provider intends for the proposed high pressure pipeline Extension to be covered by this Access Arrangement;

(cC) describe the proposed high pressure Extension and describe why the proposed Extension is being undertaken; and

(dD) be given to the ~~AER~~ Regulator before the proposed high pressure pipeline ~~extension~~ Extension comes into service.

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~~AusNet Services~~(3) The Service Provider is not required to notify the ~~AER~~Regulator under this clause 5.6 to the extent that the cost of the proposed high pressure pipeline Extension has already been included and approved by the ~~AER~~Regulator in the calculation of the Reference Tariffs.

(4) After considering ~~AusNet Services~~the Service Provider's application, and undertaking such consultation as the ~~AER~~Regulator considers appropriate, the ~~AER~~Regulator will inform ~~AusNet Services~~the Service Provider of its decision on ~~AusNet Services~~the Service Provider's proposed coverage approach for the high pressure pipeline ~~extension~~Extension.

(5) The ~~AER's~~Regulator's decision ~~referred to above~~in clause 5.6.1(a)(4) may be made on such reasonable conditions as determined by the ~~AER~~Regulator as will have the effect stated in the decision.

(b) Other extensions and expansions

(1) Any Extensions to the Distribution System which are not high pressure pipeline Extensions within the meaning of this clause will be covered by this Access Arrangement. Any Expansions in the Distribution System will be covered by this Access Arrangement.

(2) For the purposes of this clause, High Pressure means 1050kPa.

### 5.6.2 Effect of Extension/Expansion on Reference Tariffs

- (a) This clause 5.6.2 describes how Users will be charged for a Reference Service where the provision of the Reference Service requires Capital Expenditure constituted by an Extension or Expansion covered by this Access Arrangement (such Users are "Incremental Users"). Where Capital Expenditure is required to provide a Distribution Service other than a Reference Service, the Service Provider will negotiate the charge in good faith with the relevant Users (subject to the relevant provisions of the National Gas Rules).
- (b) Where Capital Expenditure passes the Economic Feasibility Test, Incremental Users will be charged at the prevailing Reference Tariffs and, as permitted by the National Gas Rules, the Service Provider will seek to include the Capital Expenditure in the Capital Base at the next review of the Access Arrangement. The Service Provider may, at its discretion, seek the Regulator's agreement prior to the next review of the Access Arrangement that the Capital Expenditure meets the New Capital Expenditure Criteria under the National Gas Rules.
- (c) Where Capital Expenditure does not pass the Economic Feasibility Test:
- (1) the Service Provider will seek to include the relevant part of the Capital Expenditure in the Capital Base at the next review of the Access Arrangement. The Service Provider may, at its discretion, seek the Regulator's agreement prior to the next review of the Access Arrangement that the relevant part of the Capital Expenditure meets the New Capital Expenditure Criteria;
  - (2) the remaining Capital Expenditure may be (subject to the National Gas Rules):
    - (A) recovered by charging Incremental Users according to the prevailing Reference Tariffs plus a surcharge approved by the Regulator under ~~Rule~~rule 83 of the National Gas Rules;

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- (B) included in a Speculative Capital Expenditure Account under the Reference Tariff Policy in Part B, (in which case Incremental Users would be charged according to the prevailing Reference Tariffs); or
  - (C) recovered by a combination of these approaches (in which case Incremental Users would be charged according to the prevailing Reference Tariffs plus a surcharge approved by the Regulator under ~~Rule~~rule 83 of the National Gas Rules); and
- (3) the Service Provider will notify the relevant Users of its choice between these approaches prior to the relevant New Facility entering ~~in to~~into service.
- (d) The Service Provider may, at its discretion, negotiate a capital contribution with a specific User or Users in respect of a New Facility, in which case, the charge for the User or Users shall be as agreed between the parties ~~for.~~ (For the purposes of determining Reference Tariffs, this Capital Expenditure shall be treated as if it were funded by the Service Provider and the User or Users shall be assumed to be paying a surcharge (if any) that would be approved by the Regulator under ~~Rule~~rule 83 of the National Gas Rules).
- (e) Notwithstanding clauses 5.6.2(c) ~~to~~and 5.6.2(d) above, where the Service Provider considers that some or all of the Capital Expenditure that does not pass the Economic Feasibility Test may pass the System Wide Benefits Test, the Service Provider may propose revisions to the Access Arrangement which have the effect of raising Reference Tariffs immediately (and thus permitting the part of the Capital Expenditure that would pass the System Wide Benefits Test to be included in the Capital Base and recovered through Reference Tariffs immediately).

### 5.6.3 Unreticulated Townships

- (a) The Service Provider's policy for Extensions to unreticulated townships where the Extension was not included in the calculation of the Reference Tariffs or the subject of a competitive tender is as follows:
- (1) ~~any~~Any proposal to reticulate a township, or request to the Service Provider to consider reticulation of a township, will undergo an initial feasibility assessment.
  - (2) If the feasibility assessment indicates that the Extension may be economic, the Service Provider will conduct further investigation that may include proposals for the regulatory treatment of the ~~extension project~~Extension.
  - (3) The Service Provider may approach the Regulator with details of the proposed Extension with a view to agreeing ~~on~~ the regulatory treatment of the ~~extension project~~Extension.
  - (4) Where the agreed regulatory treatment is that the Extension is, if it proceeds, to be covered by this Access Arrangement:
    - (A) the Service Provider will be permitted to recover the Net Financing Cost incurred during the Access Arrangement Period in which the ~~extension~~Extension is commenced in Reference Tariffs to take effect in one or more subsequent Access Arrangement Periods;
    - (B) the Capital Base for the Access Arrangement Period commencing immediately after the commencement of the Extension will be increased by the amount of the Capital Expenditure;

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(C) the Capital Expenditure will not reduce the carry-over of cost-related efficiencies from the Access Arrangement Period in which the Extension is commenced to any subsequent Access Arrangement Period;

provided the Extension:

(D) passes the Economic Feasibility Test; and

(E) would otherwise be uneconomic for the Service Provider if commenced prior to being included in the calculation of Reference Tariffs in future Access Arrangement Periods.

- (5) Once agreement has been reached concerning the regulatory ~~arrangement~~ treatment of the proposed Extension, the Service Provider will undertake a detailed feasibility assessment. Should the outcome of this assessment establish or confirm that the ~~extension~~ Extension is economic (including the consideration of any capital contributions or surcharges) under the agreed regulatory ~~arrangement, then~~ treatment, the ~~extension~~ Extension will progress. Otherwise, further discussions will be held with the Regulator. If, in light of the detailed economic assessment and available regulatory arrangements, the Extension is not economic, the Extension will not proceed.
- (6) Where the Extension is ~~deemed~~ found to be uneconomic, the Service Provider may review the Extension should material changes occur.
- (7) The Service Provider's funding of ~~Extensions~~ an Extension to an unreticulated township is conditional upon (among other things) the Service Provider having sufficient funds available on commercial terms acceptable to the Service Provider.
- (8) The agreed regulatory treatment for a new town extension may involve a capital contribution together with existing zonal tariffs, a surcharge above zonal tariffs, or a separate new town tariff.
- (9) Where the agreed treatment for a new town ~~extension~~ Extension is a separate new town tariff, there shall also be agreed a mechanism to integrate the new town tariff into the form of price control, including in relation to rebalancing constraints.
- ~~A~~ (10) Where the agreed treatment for a new town Extension is to utilise an existing tariff, a new town tariff is not a new tariff for existing customers and is not a new tariff for the purposes of the interpretation of the Reference Tariff control formula.<sup>2</sup>

### Capacity trading requirements Trading Requirements

- 5.7.1 The Service Provider is a Distributor for the purposes of the Market Rules and is subject to those Market Rules to the extent they apply to Distributors.
- 5.7.2 There are no applicable capacity trading requirements for the purposes of ~~Rules~~ rules 48(1)(f) or 105(1) of the National Gas Rules.

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### Change of Receipt or Delivery Point

- 5.8.1 Any change to a Receipt or Delivery Point on the Distribution System will require the consent of the Service Provider. Such consent will not be withheld unless there are reasonable technical or commercial grounds for withholding consent.
- 5.8.2 As the only Receipt Points on the Distribution System are custody transfer points between the Distribution System and other networks, it is unlikely the Service Provider would consent to a request to change a Receipt Point.
- 5.8.3 Requests for changes to any Customer Distribution Supply Point will be considered on a case-by-case basis, subject to technical and commercial feasibility, and will continue to be offered as a Service other than a Reference Service.

### Review and Expiry of Access Arrangement

- 5.9.1 ~~AusNet Services~~The Service Provider will submit revisions to this Access Arrangement to the ~~AER~~Regulator on or before 1 January ~~2017~~2022.
- 5.9.2 The revision commencement date ~~will be~~is 1 January ~~2018~~2023.

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**Schedule 1 of Part A of Access Arrangement by AusNet Services****Ancillary Reference Services**

The following Ancillary Reference Services are provided in relation to Distribution Supply Points at which Gas is withdrawn by or in respect of a Residential Customer:

- (a) **On-site meter and gas installation test:** ~~testing~~ – Testing to check the accuracy of a Meter and the soundness of a Gas Installation, in order to determine whether the Meter is accurately measuring the Quantity of Gas delivered.
- (b) **Disconnection Service** – Disconnection by the carrying out of work, being:
  - (1) removal of the Meter at a Metering Installation, or
  - (2) the use of locks or plugs at a Metering Installation in order to prevent the withdrawal of Gas at the Distribution Supply Point.
- (c) **Reconnection Service** – Reconnection by turning on Supply, including the removal of locks or plugs used to isolate Supply or reinstallation of a Meter if it has been removed, performance of a safety check and the lighting of appliances where necessary.
- (d) **Special Meter Reading Service** – ~~meter~~ Meter reading for a ~~DSP~~ Distribution Supply Point in addition to the scheduled meter readings that form part of the Haulage Reference Services.

The Ancillary Reference Services will be provided on Business Days during normal business hours as advised by ~~AusNet Services~~ the Service Provider from time to time.

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**Schedule 2 of Part A of ~~Access Arrangement~~ by AusNet Services**
**Access Arrangement Glossary**
*Definitions and Interpretation*
**S 2.1 Definitions**

**Access Act** means the *National Gas (Victoria) Act 2008*; (Vic);

**Access Arrangement** means this arrangement for access for third parties to the Distribution System lodged by the Service Provider with, and approved by, the Regulator under the Access Act and National Gas Rules;

**Actual Meter Reading** has the same meaning as in the Retail Market Procedures (Victoria);

**Additional Charge** means any charge imposed on the Service Provider by an Authority which is referable to the User or a Customer, and where such charge is referable to a class of Retailers or Customers rather than an individual Retailer or Customer, that charge will be allocated between the Retailers or Customers (as the case may be) on a fair and reasonable basis by the Service Provider, provided that the Service Provider is not prohibited from passing through that charge to Retailers or Customers under the Regulatory Instruments;

**AEMO** means the Australian Energy Market Operator Limited ABN 94 072 010 327;

**AER** means the Australian Energy Regulator established by section 44AE of the ~~Trade Practices~~ *Competition and Consumer Act 1974 (Cwth 2010 (Cth))*;

**Agreement** means an agreement executed or to be executed by the Service Provider and a User on the Terms and Conditions or an agreement in respect of the terms and conditions for the provision of Distribution Services, as negotiated between the Service Provider and a User;

**Ancillary Reference Service** means a Reference Service as set out in Schedule 1 of Part A of this Access Arrangement;

**Ancillary Reference Tariff** means the tariff that applies to an Ancillary Reference Service;

**Annual MHQ** means the greatest Quantity of Gas (in GJ) withdrawn at a Distribution Supply Point in any hour in a Calendar Year;

**Australian Consumer Law** means Schedule 2 to the *Competition and Consumer Act (Cth) 2010*; (Cth);

**Authority** means any:

- (a) government or regulatory department, statutory corporation (including the Regulator and AEMO), body, instrumentality, minister, agency or other authority; or
- (b) body which is the successor to the administrative responsibilities of that department, statutory corporation, body, instrumentality, minister, agency or authority;

**Averaging Period** for a given Calendar Year means the averaging period corresponding to that year that is specified in the confidential attachment to the Regulator's final decision for the Service Provider for the Fifth Access Arrangement Period;

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**B2B Hub** means the electronic messaging system operated by AEMO for the Gas industry in Victoria or any electronic messaging system which replaces that system;

**Bank Bill Rate** means, for a day, the bank bill standard rate defined to be equal to:

- (a) the “bid rate” (rounded up to four decimal places) quoted on the page entitled “BBSY” of the Reuters Monitor System at or about 10:00 am on that day (or where the day is not a Business Day then on the most recent prior Business Day) for bank accepted bills of exchange which have a tenor of 30 days; or
- (b) if the Bank Bill Rate cannot be determined in accordance with paragraph (a) of this definition, the rate percent per annum agreed by the parties in good faith to be the appropriate rate having regard to comparable indices then available in the current bill market, and in default of agreement within 14 days, the rate nominated by the Service Provider and approved by the Regulator as an appropriate rate;

**Bank Guarantee** means an irrevocable bank guarantee from a trading bank conducting business in Australia in favour of the Service Provider substantially in the form set out in Schedule 1 of the Terms and Conditions, for the Required Bank Guarantee Amount;

**Business Day** means a day other than a Saturday, Sunday or a day which has been proclaimed to be a public holiday in the Melbourne metropolitan area;

**Calendar Year** means a twelve-month period commencing on 1 January;

~~**Carbon Liability** means any liability or cost incurred under or pursuant to the requirements of the Clean Energy Act 2011 (Cth) or any other related or subsequent law, regulation, rule, code, guideline or other legislative or regulatory instrument that creates, regulates or relates to a carbon price mechanism as a result of fugitive emissions (as that term is defined in the Clean Energy Act 2011 (Cth)) from the Service Provider’s Distribution System;~~

~~**Carbon Tariff** means the uplift in Reference Tariffs directly associated with the recovery of Service Provider’s Carbon Liability;~~

**Capital Expenditure Sharing Scheme or CESS** means the scheme provided for in clause 6.4.3 of the Reference Tariff Policy (as varied from time to time);

**Certificate of Compliance** means a notice of installation, or completion of Gas Installation work, from a Gas Installer;

**Change in Taxes Event** means an event where:

- (a) any of the following occurs during the course of the Access Arrangement Period:
  - (i1) a change in a Relevant Tax, in the application or official interpretation of a Relevant Tax, in the rate of a Relevant Tax, or in the way a Relevant Tax is calculated;
  - (i2) the removal of a Relevant Tax;
  - (i3) the imposition of a Relevant Tax; and
- (b) in consequence, the costs to the Service Provider of providing Reference Services are materially increased or materially decreased;

**Charges** means the charges payable by the User to the Service Provider under clause 7 of the Terms and Conditions and includes:



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- (a) the amount determined from the application of the Reference Tariffs in respect of the Reference Services provided to the User in respect of its Customers or such other amount as agreed in writing;
- (b) where Distribution Services other than Reference Services are provided by the Service Provider as set out in Schedule 3 of the Terms and Conditions, the Non-Reference Service Charge;
- (c) Connection Charges; and
- (d) Additional Charges;

**Claim** means any loss, liability, damage, claim, action, dispute, proceeding, demand, cost or expense whether arising in contract, tort (including negligence), equity or otherwise in respect of an event occurring after the Commencement Date;

**Class A Inquiry** means an inquiry identified as an “A” inquiry in the Gas Leak and Emergency Calls Protocol and includes an inquiry relating to a Gas leak or Emergency;

**Class B Inquiry** means an inquiry identified as a “B” inquiry in the Gas Leak and Emergency Calls Protocol and includes an inquiry relating to a Gas leak or Emergency;

**Class C Inquiry** means an inquiry identified as a “C” inquiry in the Gas Leaks and Emergency Calls Protocol and includes an unplanned Interruption;

**Clean Energy Regulator** means the Clean Energy Regulator established by the *Clean Energy Regulator Act 2011* (Cth) or any successor agency;

**Commencement Date** means in respect of an Agreement, the date of commencement of the Agreement as set out in that Agreement;

**Confidential Information** means:

- (a) in respect of a party to an Agreement, the know-how, trade secrets, ideas, concepts, technical and operational information owned by that party or which that party has rights to use;
- (b) in respect of a party to an Agreement, information concerning the affairs or property of or any business, property or transaction in which that party may be or may have been concerned or interested;
- (c) in respect of the User, details of any Customers of the User; and
- (d) any other information which is to be treated in a confidential manner under a Regulatory Instrument with which a party to an Agreement is required to comply;

**Connection** means a physical link between a distribution pipeline and a Customer’s premises to allow the flow of Gas (or such other meaning as may be given to the term “Connection” from time to time by the National Gas Rules);

**Connection Alteration** means an alteration to an existing Connection including an addition, upgrade, extension, expansion, augmentation or any other kind of alteration;

**Connection Charge** means the charge (if any) for a Connection Service as determined pursuant to, where applicable, the Access Arrangement, the Distribution System Code, the National Gas Rules and the National Energy Retail Law;

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**Connection Request** means a request in a form required by relevant Regulatory Instruments and otherwise, to the extent permitted by those Regulatory Instruments, in a form reasonably required by the Service Provider given by the User to the Service Provider requesting a Connection Service or Energisation;

**Connection Service** means either or both of the following:

- (a) the establishment of a new Connection;
- (b) the making of a Connection Alteration;

**Controller** has the same meaning as defined in the Corporations Act;

**Corporations Act** means the *Corporations Act 2001*; (Cth);

**CPI** for a particular Calendar Year is:

~~has the consumer price index: all groups index for the eight state capitals same meaning as published by the Australian Bureau in clause 3.1 of Statistics for the September quarter immediately preceding the start of the relevant Calendar Year the Reference Tariff Policy;~~

~~divided by~~

- ~~(a) the consumer price index: all groups for the eight state capitals as published by the Australian Bureau of Statistics for the September quarter immediately preceding the September quarter referred to in paragraph (a)~~

~~minus one;~~

**Curtail** means to temporarily reduce the injection or withdrawal of Gas to or from the Distribution System;

**Customer** means, as the context requires:

- (a) a customer of the User at a Distribution Supply Point;
- (b) a prospective customer of the User at a Distribution Supply Point (or a point which will become a Distribution Supply Point upon the making of a Connection);

**Customer MHQ** means the maximum hourly Quantity of Gas, expressed in gigajoules per hour (GJ/hour), for delivery to a Tariff D Distribution Supply Point or a Tariff M Distribution Supply Point initially nominated by the User to the Service Provider and agreed to by the Service Provider in writing and then as agreed from time to time between the parties to an Agreement;

**Default Rate** means on a day the default interest rate applying under the National Gas Rules in respect of that day or, if there is no such rate, then the rate percent per annum which is the aggregate of 2 percent per annum and the Bank Bill Rate applicable for that day;

~~**Declared Retailer of Last Resort Event** means the occurrence of an event (of the type contemplated in Division 6, Part 3 of the GIA or Part 6 of the National Energy Retail Law) whereby an existing User for Customers is unable to continue to supply gas and Customers of that User are transferred to, as applicable, the relevant supplier of last resort (as that term is used in the GIA) or the relevant designated RoLR (as that term is used in the National Energy Retail Law), and as a result the Service Provider incurs materially higher or lower costs in providing Reference Services than it would have incurred but for that event;~~

**Deemed Contract** means one of:

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- (a) a contract between the Service Provider and a Customer under section 48 of the GIA; or
- (b) a deemed standard connection contract between the Service Provider and a Customer (as referred to in section 67(a) of the National Energy Retail Law (“Kinds of customer connection contracts”)); or
- (c) a deemed AER approved standard connection contract between the Service Provider and a Customer (as referred to in section 67(b) of the National Energy Retail Law (“Kinds of customer connection contracts”));

**Disconnection** means the carrying out of work to prevent the withdrawal of Gas at a Distribution Supply Point (also referred to as de-energisation in the National Energy Retail Rules);

**Disconnection Request** means a request in a form required by relevant Regulatory Instruments and otherwise, to the extent permitted by those Regulatory Instruments, in a form reasonably required by the Service Provider given by the User to the Service Provider requesting the Disconnection and which must include the reason for requesting the Disconnection and certification that the User is entitled to Disconnect the Customer;

**Distribution Area** has the same meaning as defined in Schedule 2 of the Distribution Licence;

**Distribution Demand Tariff Component** means a Haulage Reference Tariff Component of Haulage Reference Tariff D or of a Haulage Reference Tariff M, as set out in clause 5(3) of the Reference Tariff Policy (as varied from time to time) expressed in \$/GJ for Annual MHQ;

**Distribution Fixed Tariff Component** means a Haulage Reference Tariff Component of Haulage Reference Tariff V, as set out in clause 5(1) of the Reference Tariff Policy (as varied from time to time) and is expressed in \$/day;

**Distribution Licence** means the licence of that name to provide services by means of a distribution pipeline granted to the Service Provider by the Regulator under the GIA (or any licence or authorisation (however described) that replaces that licence);

**Distribution Pipeline** has the same meaning as in the GIA;

**Distribution Services** means:

- (a) Reference Services in relation to Customers;
- (b) such services other than Reference Services that the Service Provider has agreed to provide to the User as set out in Schedule 3 of the Terms and Conditions (including a Tariff D Connection and a Tariff M Connection); and
- (c) other Connection Services (to a Tariff D Connection and a Tariff M Connection);

**Distribution Supply Point** means a point on the Distribution System at which Gas is capable of being withdrawn from the Distribution System for delivery to a Customer, which is normally located at the outlet of a Meter and includes a “supply point” and an “ancillary supply point” as defined in the *Gas Industry (Residual Provisions) Act 1994* (VictoriaVic) in relation to a Distribution System;

**Distribution System** means that part of the Gas Distribution System which is more particularly described in the plan of the Distribution System lodged with the Regulator and any Extension or Expansion of the Distribution System that is covered by the Access Arrangement;

**Distribution System Code** means the Victorian Gas Distribution System Code issued by the Regulator, compliance with which is a condition of the Distribution Licence;

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**Distribution Volume Tariff Component** means a Reference Tariff Component of Haulage Reference Tariff V, as set out in clause 5(2) of the Reference Tariff Policy (as varied from time to time), expressed in \$/GJ for gigajoules of Gas withdrawn in the Peak Period or in the Off-Peak Period;

**Economic Feasibility Test** means the test to determine whether capital expenditure is ~~Conforming Capital Expenditure~~ conforming capital expenditure as constituted by ~~section~~rule 79(1)(a) and ~~section~~rule 79(2)(a) or 79(2)(b) of the National Gas Rules;

**Emergency** means an event or circumstance:

- (a) which the Governor in Council declares by proclamation to be an emergency under Part 9 of the GIA; or
- (b) which it would be reasonable to believe constitutes a situation which may:
  - ~~(i)~~(1) threaten the personal safety of any person; or
  - ~~(ii)~~(2) cause material damage to the Transmission System or some other Transmission Pipeline which connects to the Distribution System; or
  - ~~(iii)~~(3) cause material damage to the Distribution System; or
  - ~~(iv)~~(4) cause material damage to any property, plant or equipment; or
- (c) which constitutes a level two to level five emergency (as set out in the emergency command organisation arrangements adopted by the Service Provider); or
- (d) which constitutes an emergency pursuant to rule 333 of the National Gas Rules (“Emergency”); or
- (e) which otherwise constitutes an “emergency” pursuant to relevant Regulatory Instruments;

**Energisation** means the act of turning on Supply including the removal of any locks or plugs used to isolate Supply or reinstallation of a Meter if it has been removed, performance of a safety check and the lighting of appliances where necessary;

**Energy Retail Code** means the code of that name being a determination of the Regulator under section 43 of the GIA;

**ESC Act** means the *Essential Services Commission Act 2001* (~~Victoria~~Vic);

**ESC** means the Essential Services Commission as constituted pursuant to the ESC Act;

**Estimated Meter Reading** has the same meaning as in the Retail Market Procedures (Victoria);

**Expansion** means the process of upgrading the capacity or service potential of the Distribution System by replacing or enhancing existing plant or equipment or adding new plant or equipment;

**Extension** means extending a Pipeline to enlarge the area to which Gas may be, or is, supplied, including (for the avoidance of doubt) extensions which connect together pre-existing pipeline systems;

**Fifth Access Arrangement Period** means a period commencing on 1 January 2018 and ending on 31 December 2022;

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~~**Financial Failure of a Retailer Event** means the occurrence of an event whereby a User is subject to an Insolvency Event, and as a consequence the Service Provider does not receive revenue which it was otherwise entitled to for the provision of Reference Services;~~

**Financial Year** means the 12 months from 1<sup>st</sup> July to 30<sup>th</sup> June;

**Financially Responsible Organisation (FRO)** has the same meaning as in the Retail Market Procedures (Victoria);

**First Access Arrangement Period** means the period commencing on 1 January 1998 and ending on 31 December 2002;

**Force Majeure Event** means an event beyond the reasonable control of a person which causes a delay in performance, or non-performance, by that person of an obligation and includes without limitation:

- (a) an Emergency;
- (b) a Participant force majeure event or system force majeure event as defined in the National Gas Rules;
- (c) an event consisting of, or analogous to, the issue of a direction under section 106 or section 107 of the *Gas Safety Act 1997* (VictoriaVic); or
- (d) an event consisting of, or analogous to, an act of nature, governmental intervention or act of war, neither anticipated nor controllable by the Service Provider;

**Fourth Access Arrangement Period** means a period commencing on 1 January 2013 and ending on 31 December 2017;

~~**FRO (Financially Responsible Organisation)** has the same meaning as in the Retail Market Procedures (Victoria);~~

**Gas** means any substance which is “gas” for the purposes of the GIA;

**Gas Day** has the same meaning as “gas day” in the Market Rules;

**Gas Distribution Company** has the same meaning as in the GIA;

**Gas Distribution System** has the same meaning as in the GIA;

**Gas Installation** means any Gas equipment located at a Customer’s premises that is not part of the Distribution System;

**Gas Installer** means a person authorised by Regulatory Instruments to install, repair, alter or make any addition to a Gas Installation or to any part of a Gas Installation;

**Gas Interface Protocol** has the same meaning as in the Retail Market Procedures (Victoria);

**Gas Leaks and Emergencies Number** means the Service Provider’s contact telephone number as stated in clause 9.1(e) of the Agreement;

**Gas Leaks and Emergencies Calls Protocol** means the Gas Leak and Emergency Calls, “A” to “C” Priority, version 1.2 as approved by the Victorian Gas Retail Consultative Forum, as that document is amended or replaced from time to time;

**GIA** means the *Gas Industry Act 2001* (VictoriaVic), as amended from time to time;

**GJ** means Gigajoule. 1 GJ is equal to one thousand million Joules (1,000,000,000J);

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**Glossary** means this glossary;

**GST** means goods and services tax or similar value added tax levied or imposed in the Commonwealth of Australia pursuant to the GST ~~law~~Law;

**GST ~~law~~Law** has the same meaning as in *A New Tax System (Goods and Services Tax) Act 1999* (Cth);

**Guaranteed Service Levels** or **GSLs** means the standard of service that must be provided by the Service Provider in respect of certain Distribution Services as set out in a Regulatory Instrument;

**Guarantor** has the meaning given in clause 7.8(a)(1)(B) of the Terms and Conditions;

**Haulage Reference Services** means:

- (a) allowing injection of Gas at Transfer Points;
- (b) conveyance of Gas from Transfer Points to Distribution Supply Points; and
- (c) allowing withdrawal of Gas at Distribution Supply Points;

except to the extent that:

- (d) before the start of the ~~Fourth~~Fifth Access Arrangement Period the Service Provider and the User have agreed in writing that specific pricing applies to that service;
- (e) after the start of the ~~Fourth~~Fifth Access Arrangement Period, the Service Provider and the User agree in writing or in such other form as approved by the Regulator that the service is not to be a Haulage Reference Service; or
- (f) the services are provided to a Transfer Point between a Distribution Pipeline by means of which the Service Provider provides services and a Distribution Pipeline by means of which another Gas Distribution Company (which is not exempt from the requirement to hold a licence because of an Order under section 24 of the GIA) provides services;

**Haulage Reference Tariff** means the tariff that applies to Haulage Reference Services;

**Haulage Reference Tariff Component** means an individual price element comprising part of a Haulage Reference Tariff;

**Haulage Reference Tariff D** means the Haulage Reference Tariff that applies to the Tariff D Haulage Reference Service (including a new Haulage Reference Tariff to apply to that Service introduced pursuant to the Reference Tariff Policy);

**Haulage Reference Tariff M** means the Haulage Reference Tariff that applies to the Tariff M Haulage Reference Service (including a new Haulage Reference Tariff to apply to that Service introduced pursuant to the Reference Tariff Policy);

**Haulage Reference Tariff V** means the Haulage Reference Tariff that applies to the Tariff V Haulage Reference Service (including a new Haulage Reference Tariff to apply to that Service introduced pursuant to the Reference Tariff Policy);

**Heating Value** means the heating value of Gas in the Distribution System as calculated by AEMO in accordance with the Retail Market Procedures (Victoria) or any rules or procedures made under the Retail Market Procedures (Victoria) including the Wholesale Market Energy Calculation Procedures (Victoria);

**Inquiry** means an inquiry or consultation commenced by the Ombudsman under its constitution;

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**Insolvency Event** means the happening of any of the following events in relation to a party to an Agreement:

- (a) an order is made that it be wound up or that a Controller be appointed to it or any of its assets;
- (b) a resolution that it be wound up is passed;
- (c) a liquidator, provisional liquidator, Controller or any similar official is appointed to, or takes possession or control of, all or any of its assets or undertakings;
- (d) an administrator is appointed to it (other than by the Regulator pursuant to the party's ~~licence under the GIA~~ Distribution Licence) or a resolution that an administrator be appointed to it is passed;
- (e) it enters into, or resolves to enter into, an arrangement, compromise or composition with any of, or any class of, its creditors or shareholders, or an assignment for the benefit of any of, or any class of, its creditors; in relation to a potential Insolvency Event in subparagraphs (a) to (d), or (f) to (g) occurring;
- (f) any action is taken by the Australian Securities and Investment Commission to cancel its registration or to dissolve it;
- (g) it is insolvent within the meaning of ~~Section~~ section 95A of the Corporations Act, as disclosed in its accounts or otherwise, states that it is unable to pay its debts or it is presumed to be insolvent under any applicable law; or
- (h) it stops or suspends:
  - (1) the payment of all or a class of its debts; or
  - (2) the conduct of all or a substantial part of its business; or
- (i) if the User is constituted in another jurisdiction, any event having a substantially similar effect to any of the events specified in the preceding paragraphs happens to it under the law of that other jurisdiction;

~~An~~ **Insurance Cap Event** means an event whereby:

- (a) the Service Provider makes a claim or claims on a relevant insurance policy; and receives the benefit of a payment or payments under that policy;
- (b) the Service Provider incurs costs beyond the relevant policy limit; and
- (c) the costs beyond the relevant policy limit materially increase the costs to the Service Provider of providing Reference Services.

For the purposes of this Insurance Cap Event:

- ~~(d) the relevant policy limit is the greater of the Service Provider's actual policy limit at the time of the event that gives rise to the claim and its policy limit at the time the AER made its Final Decision on the Service Provider's access arrangement proposal for the Fourth Access Arrangement Period, with reference to the forecast operating expenditure allowance approved in the AER's Final Decision and the reasons for that decision; and~~
- ~~(e)~~ (d) a relevant insurance policy is an insurance policy held during the ~~Fourth~~ Fifth Access Arrangement Period or a previous period in which access to the pipeline services was regulated;

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- (e) the Service Provider will be deemed to have made a claim on a relevant insurance policy if the claim is made by a related party of the Service Provider in relation to any aspect of the Distribution System or the Service Provider's business.

Note in making a determination in making a determination on an Insurance Cap Event, the Regulator will have regard to, amongst other things:

- (1) the insurance policy for the event;
- (2) the level of insurance that an efficient and prudent Service Provider would obtain in respect of the event; and
- (3) any assessment by the Regulator of the Service Provider's insurance in making its access arrangement decision for the relevant period.

**Insurer Credit Risk Event** means ~~an event of insolvency of the Service Provider's insurer experiences an Insolvency Event~~, as a result of which the Service Provider:

- (a) ~~incurs materially higher or lower costs for insurance premiums; or~~
- (b)(a) ~~in respect of a claim for a risk that would have been insured by the Service Provider's insurer~~ insurer, is subject to a materially higher or materially higher or lower claim limit or a materially higher or materially lower deductible than would have been applied under that policy; or
- (eb) ~~incurs additional costs associated with self-funding an insurance claim, which, would have otherwise been covered by the insolvent insurer;~~

Note: In making its decision to approve or reject a proposed reference tariff variation arising from an Insurer Credit Risk Event, the Regulator will have regard to, amongst other things:

- (c) the Service Provider's attempts to mitigate and prevent the event from occurring by reviewing and considering the insurer's track record, size, credit rating and reputation.
- (d) in the event that a claim would have been made after the insurer became insolvent, whether the Service Provider had reasonable opportunity to insure the risk with a different insurer.

**Interruption** means the planned or unplanned temporary stoppage of Supply to one or more Distribution Supply Points;

**J** means Joule; a unit of energy as defined in AS1000-1979 "The International System of Units (SI) and its Application";

**Licence Fee** means the licence fee and other fees and charges in respect of the Distribution Licence paid or payable by the Service Provider under its Distribution Licence as directed by the Regulator;

**Main** means a low, medium or high pressure pipe in the Distribution System, other than a Service Pipe;

~~**Mains Replacement Event** means the event whereby AusNet Services:~~

- a) ~~completes 348 kilometres of its planned total completion of Historical Volumes of Mains Replacement during the course of the 2013-17 access arrangement period; and~~
- (b) ~~costs are incurred, or are to be incurred, by AusNet Services in the remainder of the 2013-17 access arrangement period to complete a volume of Mains Replacement in excess of the Historical Volumes.~~



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For the purposes of the Mains Replacement Event:

~~Historical Volumes means 415 km being the volume of mains replacement completed by AusNet Services for the 2008 to 2012 access arrangement period, with reference to the AER's decision to approve the 2013–17 access arrangement and its reasons as set out in its Final Decision; and~~

~~Mains Replacement means mains replacement for low pressure to high pressure block rollout, which involves the replacement of:~~

~~(i) low pressure distribution mains with high pressure polyethylene mains through a process of dividing a low pressure region into smaller areas (referred to as blocks) which are then subject to systematic low pressure to high pressure replacement, and~~

~~(ii) includes the minimum amount of replacement of medium pressure supply mains necessary to undertake the proposed low pressure mains replacement in the 2013–17 access arrangement period, as specified in (i)~~

~~Costs are to be determined in accordance with the pre-approved unit rates set out in the AER's decision to approve the 2013–17 access arrangement and its reasons as set out in its Final Decision or, where unit rates have not been pre-approved, are to be determined as otherwise set out in its Final Decision~~

**Market Rules** means Part 19 of the National Gas Rules (“Declared Wholesale Gas Market Rules”);

**Meter** means a device that measures and records quantities of Gas by reference to volume, mass or energy content;

**Metering Installation** means the Meter and associated equipment and installations which may include correctors, regulators, filters, data loggers and telemetry relating to a Distribution Supply Point;

**Metering Data** means data pertaining to the measure of the quantity of Gas flow obtained from a Metering Installation;

**Meter Reading** has the same meaning as in the Retail Market Procedures (Victoria);

**MHQ** means the maximum Quantity of Gas (in GJ) withdrawn at a Distribution Supply Point in any hour;

**MIRN** means in relation to a Distribution Supply Point at any time, the metering installation registration number for that Distribution Supply Point including the checksum for that MIRN;

**National Energy Retail Law** means the National Energy Retail Law as set out in the *National Energy Retail Law (South Australia) Act, 2011 (SA)*;

**National Energy Retail Rules** has the meaning given to that term in the National Energy Retail Law;

**National Gas Law** means the National Gas (Victoria) Law as defined in the Access Act;

**National Gas Rules** means the National Gas Rules made pursuant to the National Gas Law;

**Natural Disaster Event** means any ~~major~~ natural disaster including, but not limited to, fire, flood, or earthquake, or other natural disaster beyond the control of the Service Provider (but excluding those events for which external insurance or self insurance has been included within the Service Provider's forecast operating expenditure) that occurs during the forthcoming Fifth Access Arrangement Period

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and materially increases the costs to the Service Provider of providing Reference Services; provided the fire, flood or other event was not a consequence of the acts or omissions of the Service Provider.

**A National Energy Customer Framework Event** means:

A legislative act or decision that:

- (a) ~~occurs during the Access Arrangement Period;~~
- (b) ~~has the effect of implementing in Victoria, either in part or in its entirety, the National Energy Customer Framework; and~~
- (c) ~~increases the costs to~~ Note: In assessing a Natural Disaster Event pass through application, the Regulator will have regard to, amongst other things:

(a) whether the Service Provider has insurance against the event;

(b) the level of insurance that a prudent Service Provider would obtain in respect of providing Reference Services. ~~the event;~~

~~For the purposes of this pass through event, the National Energy Customer Framework means any legislation, regulations or rules, that give effect in Victoria to any or all of the Schedule to the National Energy Retail Law (South Australia) Act 2011, the National Energy Retail Regulations (South Australia) and the National Energy Retail Rules (South Australia) as amended from time to time, including any amendment, withdrawal or introduction of any associated Victorian legislation, regulations or rules.~~

**Negative Pass Through Amount** means, in relation to the occurrence of a Relevant Pass Through Event, an amount that the Service Provider is required to pay to the User or a factor by which amounts the User is required to pay the Service Provider are reduced;

**Net Financing Cost** means, in respect of an Extension or Expansion, the surplus of the estimated conforming capital expenditure (as that term is used in ~~section~~ rule 79 of the National Gas Rules) ~~),~~ and the operating expenditure (complying with ~~section~~ rule 91 of the National Gas Rules) in respect of, the Extension or Expansion within the Access Arrangement Period in which the Extension or Expansion is commenced over the present value of the estimated incremental revenue that would be derived directly from the Extension or Expansion within that period;

**Non-Reference Service Charge** means the amount payable by the User for the provision of Distribution Services other than Reference Services, being the amount as set out in Schedule 3 of the Terms and Conditions or as agreed between the parties to an Agreement or determined pursuant to the National Gas Rules or other relevant Regulatory Instruments;

**Non Residential Customer** means a Customer who is not a Residential Customer;

**Off-Peak Period** means the period of a Calendar Year except the Peak Period;

**Ombudsman** means the Energy and Water Ombudsman (Victoria) or such replacement entity as performs the function of Ombudsman for the purposes of relevant Regulatory Instruments;

**Pass Through Amount** means a Positive Pass Through Amount or a Negative Pass Through Amount;

**Peak Period** means the period of 1 June to 30 September of a Calendar Year;

**Positive Pass Through Amount** means, in relation to the occurrence of a Relevant Pass Through Event, an amount that a User is required to pay to the Service Provider or a factor by which amounts the User is required to pay the Service Provider are increased;

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**PTRM** means, in relation to the Tariff Control Formula, the Post-Tax Revenue Model used by the Regulator to determine X factors (in accordance with the National Gas Law and National Gas Rules) for each year of the Fifth Access Arrangement Period;

**Quantity** means, in relation to Gas, the energy content of that Gas calculated by multiplying its volume in cubic metres at a temperature of 15 degrees Celsius and an absolute pressure of 101.325 kPa by its Heating Value;

**Reconnect** means the Energisation for or in respect of a Customer following the Disconnection of the Distribution Supply Point at which Gas was prior to Disconnection, withdrawn by or in respect of that Customer (also referred to as re-energisation in the National Energy Retail Rules);

**Reference Service** means the Haulage Reference Service and Ancillary Reference Service as defined in clause 5.2 of Part A of this Access Arrangement;

**Reference Tariff** means the Haulage Reference Tariff and Ancillary Reference Tariff and as varied pursuant to the Reference Tariff Policy;

**Reference Tariff Class** refers to Distribution Supply Points which are assigned to the same Haulage Reference Tariffs;

**Reference Tariff Component** refers to an individual price element comprising part of a Reference Tariff

**Reference Tariff Policy** means the Reference Tariff Policy set out in Part B of this Access Arrangement;

**Regulator** means, as applicable:

- (a) the ESC or any successor agency that becomes responsible for functions conferred on the ESC under a Regulatory Instrument;
- (b) the AER or any successor agency that becomes responsible for the functions conferred on the AER under a Regulatory Instrument;

**Regulatory Change Event** means a change in a regulatory obligation or requirement that:

- (a) falls within no other category of Relevant Pass Through Event; and
- (b) occurs during the course of an Access Arrangement Period; and
- (c) substantially affects the manner in which the Service Provider provides Reference Services; and
- (d) materially increases or materially decreases the costs of providing Reference Services.

**Regulatory Instrument** means the Access Act, National Gas Law, National Gas Rules, GIA, Gas Safety Act 1997 (Victoria), the National Energy Retail Law, the National Energy Retail Rules and any other legislation, any subordinate legislation, licence, code, rules, sub-code, guideline, safety case, order or regulation regulating the gas industry in Victoria, or elsewhere if applicable, whether made under the GIA or other applicable legislation having jurisdiction over the relevant party, including the Market Rules and the Retail Market Procedures (Victoria);

**Regulatory Year** means a period of 12 months ending on 31 December each year;

**Related Body Corporate** means an entity which is related to another entity within the meaning of section 9 of the Corporations Act;

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**Relevant Pass Through Event** means:

- (a) a Change in Taxes Event;
- ~~(b) a Declared Retailer of Last Resort Event;~~~~(c) a Mains Replacement Event;~~
- ~~(d) a National Energy Customer Framework Event;~~
- ~~(e) (b) an Insurer Credit Risk Event;~~
- ~~(f) an Insurance Cap Event;~~
- ~~(g) a Natural Disaster Event;~~
- ~~(e) a Regulatory Change Event;~~
- ~~(f) a Retailer Insolvency Event;~~
- ~~(g) a Terrorism Event;~~
- (i) a Service Standard Event; or
- ~~(j) a Regulatory Change Event;~~ (h) a Terrorism Event;

For the purpose of any Relevant Pass Through Event that includes a reference to materiality, an event is considered to materially increase or materially decrease costs where that event has an impact ~~of which is equal to or greater than~~ one per cent of the smoothed forecast revenue specified in the ~~AER's Regulator's~~ Final Decision, in one or more of the years for the Access Arrangement Period ~~that in which~~ the costs are incurred;

**Relevant Tax** is any Tax payable by the Service Provider, other than:

- (a) income tax and capital gains tax;
- (b) stamp duty, financial institutions duty and bank accounts debits tax;
- (c) penalties, charges, fees and interest on late payments, or deficiencies in payments, relating to any Tax; or
- (d) any Tax that replaces or is the equivalent of or similar to any of the taxes referred to in paragraphs (a) to (b) (including any State equivalent tax);

**Required Bank Guarantee Amount** means the amount of the Bank Guarantee calculated by the Service Provider under clauses 7.8(c) or 7.8(d) of the Terms and Conditions;

**Residential Customer** means a Customer who purchases Gas principally for personal, household or domestic use at the relevant Distribution Supply Point;

**Retailer** means a gas retailer for the purposes of the GIA or a retailer for the purposes of the National Energy Retail Law;

**Retail Contract** means a contract for the sale of Gas by the User to a Customer;

**Retailer Insolvency Event**, until such time as the National Energy Retail Law set out in the Schedule to the National Energy Retail Law (South Australia) Act 2011 of South Australia is applied as a law of Victoria, has the meaning set out in the National Gas Rules as in force from time to time, except that:

- (a) where used in the definition of 'retailer insolvency event' in the National Gas Rules, the term 'retailer' means the holder of a licence to sell gas under the GIA; and

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- (b) other terms used in the definition of retailer insolvency event in the National Gas Rules as a consequence of amendments made to that definition from time to time, which would otherwise take their meaning by reference to provisions of the National Gas Law, the National Gas Rules or National Energy Retail Law not in force in Victoria, take their ordinary meaning and natural meaning, or their technical meaning (as the case may be).

Note: This Retailer Insolvency Event will cease to apply as a Relevant Pass Through Event upon commencement of the National Energy Retail Law in Victoria.

**Retail Market Procedures (Victoria)** means the Retail Market Procedures for Victoria as made pursuant to the National Gas Rules;

**Retail Licence** means a licence to sell Gas granted to a Retailer by the Regulator under Part 3 of the GIA or equivalent authorisation;

**Retail Services** means the following services that are provided by a User to the Service Provider at the Service Provider's request:

- (a) processing of GSL payments under clause 7.6 of the Terms and Conditions;
- (b) notification of Reference Tariffs under clause 9.10(c) of the Terms and Conditions;
- (c) provision of information and documentation to Customers under clause 9.12(b) of the Terms and Conditions;
- (d) delivering to a Customer any notification, information or documentation as requested by the Service Provider under clause 9.12(e) of the Terms and Conditions; and
- (e) delivering to a Customer information as requested by the Service Provider under clause 13.2(b)(4)-(B) of the Terms and Conditions;

but does not include any such services to the extent that the User is obliged to perform those services under the Regulatory Instruments;

~~**RoLR Event** has the meaning given to the term RoLR event in the National Energy Retail Law;~~

**Second Access Arrangement Period** means a period commencing on 1 January 2003 and ending on 31 December 2007;

**Service Pipe** means a pipe ending at a Metering Installation or, for an unmetered site a Gas Installation, which connects a Main or a Transmission Pipeline to a Customer's Premises (as determined by the Service Provider);

**Services Policy** means the policy contained in clause 5.2 of this Access Arrangement;

**Service Standard Event** means a legislative or administrative act or decision that falls within no other category of Relevant Pass Through Event that:

- (a) has the effect of:
  - (1) substantially varying, during the course of an access arrangement period, the manner in which the Service Provider is required to provide a Reference Service;
  - (2) imposing, removing or varying, during the course of an access arrangement period, minimum service standards applicable to Reference Services; or
  - (3) altering, during the course of an access arrangement period, the nature or scope of the Reference Services, provided by the Service Provider; and
- (b) materially increases or materially decreases the costs to the Service Provider of providing Reference Services;

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**Seventh Access Arrangement Period** means the period commencing on 1 January 2028 and ending on 31 December 2032;

**Sixth Access Arrangement Period** means the period commencing on 1 January 2023 and ending on 31 December 2027;

**Specifications** means the quality specifications prescribed by the Gas Safety (Gas Quality) Regulations 2007 (Victoria);

**Substituted Meter Reading** has the same meaning as in the Retail Market Procedures (Victoria);

**Supply** means the delivery of Gas;

**System Wide Benefits Test** means the test to determine whether capital expenditure is conforming capital expenditure as constituted by section rule 79(1)(a) and section rule 79(2)(c) of the National Gas Rules;

**Tariff Control Formula** means the formulae described in clause 3.1 of the Reference Tariff Policy that applies to Haulage Reference Tariffs;

**Tariff D Customer** means a Customer in respect of whom the User is charged Haulage Reference Tariff D;

**Tariff D Distribution Supply Point** means a Distribution Supply Point to which is assigned Haulage Reference Tariff D as determined by the application of clause 1 of the Reference Tariff Policy;

**Tariff D Connection** means the Connection and maintenance of the Connection at a Tariff D Distribution Supply Point;

**Tariff D Connection Charge** means a Non-Reference Service Charge for a Tariff D Connection;

**Tariff D Haulage Reference Service** means a Haulage Reference Service described as such in clause 5.2.1 of Part A of this Access Arrangement;

**Tariff M Customer** means a Customer in respect of whom the User is charged Haulage Reference Tariff M;

**Tariff M Distribution Supply Point** means a Distribution Supply Point to which is assigned Haulage Reference Tariff M as determined by the application of clause 1 of the Reference Tariff Policy;

**Tariff M Connection** means the Connection and maintenance of the Connection at a Tariff M Distribution Supply Point;

**Tariff M Connection Charge** means a Non-Reference Service Charge for a Tariff M Connection;

**Tariff M Haulage Reference Service** means a Haulage Reference Service described as such in clause 5.2.1 of Part A of this Access Arrangement;

**Tariff Report** means a report prepared and published in accordance with clause 1.5 of the Reference Tariff Policy;

**Tariff V Customer** means a Customer in respect of whom the User is charged Haulage Reference Tariff V;

**Tariff V Distribution Supply Point** means a Distribution Supply Point to which is assigned Haulage Reference Tariff V as determined by the application of clause 1 of the Reference Tariff Policy;

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**Tariff V Haulage Reference Service** means a Haulage Reference Service described as such in clause 5.2.1 of Part A of this Access Arrangement;

**Tax** means any royalty (whether based on value, profit or otherwise), tax, duty, excise, levy, fee, rate or charge imposed from time to time during the term of this Access Arrangement by any government or any governmental, semi-governmental or other body authorised by law to impose that tax on or to:

- (a) the Distribution System (or any of its components);
- (b) the operation of the Distribution System; or
- (c) the provision of services by the Service Provider;

**Terms and Conditions** means the terms and conditions referred to in clause 5.4 of Part A and as set out in Part C of this Access Arrangement;

**Terrorism Event** means an act (including, but not limited to, the use of force or violence or the threat of force or violence) of any person or group of persons (whether acting alone or on behalf of in connection with any organisation or government), which:

- (a) ~~from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons (including the intention to influence or intimidate any government and/or put the public, or any section of the public, in fear) and which materially increases the costs to the Service Provider of providing Reference Services.); and~~
- (b) which increases the costs to the Service Provider of providing Reference Services.

Note for the avoidance of doubt, in making a determination on a Terrorism Event, the Regulator will have regard to, amongst other things:

- (c) whether the Service Provider has insurance against the event;
- (d) the level of insurance that an efficient and prudent service provider would obtain in respect of the event; and
- (e) whether a declaration has been made by a relevant government authority that an act of terrorism has occurred.

**Third Access Arrangement Period** means a period commencing on 1 January 2008 and ending on 31 December 2012;

**Transfer Point** means a point at which Gas is transferred from:

- (a) a Transmission Pipeline to a Distribution Pipeline; or
- (b) a Distribution Pipeline to a Distribution Pipeline;

**Transmission System** means a pipeline or a system of pipelines, for the high pressure transmission of Gas operated by AEMO principally in Victoria, and all related facilities, together with:

- (a) all structures for protecting or supporting the pipeline or system of pipelines;
- (b) facilities for the compression of Gas, the maintenance of the pipeline or system of pipelines and the injection or withdrawal of Gas;
- (c) all fittings, appurtenances, appliances, compressor stations, odorisation plants, scraper stations, valves, telemetry systems (including communications towers) and works and buildings used in connection with the pipeline or system of pipelines,

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but excluding storage facilities (being facilities for storing large quantities of Gas) and the Distribution System;

**Transmission Pipeline** has the same meaning as in the GIA;

**Unaccounted for Gas (UAFG)** means the difference between the amount of Gas injected into the Distribution System at all Transfer Points and the amount of Gas withdrawn from the Distribution System at all Distribution Supply Points, including but not limited to leakage or other actual losses, discrepancies due to metering inaccuracies and variations of temperature, pressure and other parameters; and

**X** has the same meaning as in clause 3.1 of the Reference Tariff Policy.



**S 2.2 Interpretation**

- (a) In this Access Arrangement, unless the context requires another meaning a reference:
- (1) to the singular includes the plural and vice versa;
  - (2) to a gender includes all genders;
  - (3) to a document (including this Access Arrangement and a Regulatory Instrument) is a reference to that document (including any Appendices, Schedules and Annexures) as amended, consolidated, supplemented, novated or replaced;
  - (4) to an agreement includes any undertaking, representation, deed, agreement or legally enforceable arrangement or understanding whether written or not;
  - (5) to a notice means a notice, approval, demand, request, nomination or other communication given by one party to another under or in connection with this Access Arrangement;
  - (6) to a person (including a party) includes:
    - (A) an individual, company, other body corporate, association, partnership, firm, joint venture, trust or government agency; and
    - (B) the person's agents successors, permitted assigns, substitutes, executors and administrators; and
    - (C) where that person ceases to exist, is reconstituted, renamed or replaced, or where its powers or functions are transferred to another body, a reference to the body which replaces it or which serves substantially the same purpose or has the same powers or functions;
  - (7) to a law:
    - (A) includes a reference to any legislation, treaty, judgment, rule of common law or equity or rule of any applicable stock exchange; and
    - (B) is a reference to that law as amended, consolidated, supplemented or replaced; and
    - (C) includes a reference to any regulation, rule, statutory instrument, by-law or other subordinate legislation made under that law;
  - (8) to time is to Melbourne time; and
  - (9) to Haulage Reference Tariff D, Haulage Reference Tariff V or Haulage Reference Tariff M includes a reference to a new Haulage Reference Tariff introduced pursuant to the Reference Tariff Policy which supplements or replaces Haulage Reference Tariff D, Haulage Reference Tariff V or Haulage Reference Tariff M respectively and related terms shall be construed accordingly; and
  - (10) the word including or includes means including, but not limited to, or includes, without limitation.
- (b) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.

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- (c) Headings are for convenience only and do not affect interpretation.
- (d) If a period occurs from, after or before a day or the day of an act or event, then, unless a contrary intention appears, it excludes that day.
- (e) A reference to a thing (including, but not limited to, a right) includes any part of that thing.
- (f) A reference to a right includes a remedy, power, authority, discretion or benefit.
- (g) All Reference Tariffs and Reference Tariff Components calculated under this Access Arrangement will be rounded to the accuracy, in terms of the number of decimal places, required by the relevant Service Provider's charging and billing systems.
- (h) A Reference Tariff which has been calculated and rounded under the principles in S 2.2(g) will not be rounded to a different level of accuracy when utilised in calculations made under this Access Arrangement.
- (i) All values used in calculations made under this Access Arrangement, except those values to which S 2.2(g) and ~~S~~ S 2.2(h) apply, will not be rounded.
- (j) When a calculation is required under this Access Arrangement:
  - (1) a year "t" is the year in respect of which the calculation is being made;
  - (2) a year "t-1" is the year immediately preceding year "t"; and
  - (3) a year "t-2" is the year immediately preceding year "t-1".