

Sebastian Roberts
General Manager, Transmission and Gas
Australian Energy Regulator
GPO Box 520, Melbourne VIC 3001

Dear Sebastian

Re: Victorian Gas Access Arrangement Review Process

We are writing regarding the impact of the *National Energy Legislation Amendment Act 2020* (Vic) (the Amendments) amending the *National Gas (Victoria) Act 2008* (the Act) which has now been enacted and given royal assent. Specifically, we are writing regarding changes to the timeframes for the review of the Access Arrangements (AA) for the Victorian gas distribution networks.

We are seeking your agreement to delay two elements of the AA process such that they align with the now delayed commencement of the next AA period created by the Amendments. The specific proposed changes are outlined in the table below.

Milestone	Original	Proposed
Reference Services Proposal due to AER	1 December 2020	1 July 2021
Review Submission Date (AA Proposal due to AER)	1 December 2021	1 July 2022
New period Commencement Date	1 January 2023	1 July 2023

The Amendments extend the 2018-22 AA period by six months, such that the next AA period will now commence on 1 July 2023 rather than 1 January 2023 (new Section 63 of the Act). The Amendments also fix 1 July as the start date for all future AA periods (new Section 62 of the Act). However, the Bill does not automatically alter the Review Submission Date and the time to submit the Reference Service Proposal.

The Review Submission Date for all three Victoria gas distribution networks is currently 1 December 2021. Under *National Gas Rule 47A(3)(a)*, the Reference Services Proposal must be submitted to the AER 12 months prior to the Review Submission Date.

Making the proposed changes to these dates will align the AA process with the intent of the National Gas Rules, whereby the Reference Service Proposal is submitted 24 months prior to the AA Commencement Date and the Review Submission Date is 12 months prior to the AA Commencement Date. The changes will ensure that AA Proposals for the 1 July 2023 – 30 June 2027 period will be submitted with information that is more up-to-date and relevant to the AER's review. More broadly, the changes ensure alignment with the general timing and approach to AA review processes.

The proposed changes will also ensure that there is adequate time for the Victorian gas distribution networks to consult with customers on the Reference Services Proposal prior to submission to the AER.

We note that we have proposed both the Reference Service Proposal and the Review Submission Date be delayed until 1 July of 2021 and 1 July of 2022 respectively (not 1 June which would be six months after 1 December). This aligns the timeframes with those of other AA and will ensure a full engagement program is delivered. The earlier date of 1 June would drive the publication of our Draft Plans even further forward to avoid the summer holiday period (where there is effectively a month where engagement is not possible). Whereas 1 July will enable our Draft Plans to be published in early 2021.

Consistent with the above proposal, we therefore will not submit a Reference Service Proposal for each of the networks on 1 December 2020. Given this impending date, we would appreciate the AER's guidance on how to proceed as soon as possible.


The Amendments to the Act also raise several issues regarding the treatment of the additional six months of the current AA period. We would therefore also welcome a further opportunity to discuss these issues with the AER.

Please contact either Peter Bucki, Head of Regulation at AGIG () and Charlotte Eddy, Manager Economic Regulation at AusNet Services () to discuss these issues further.

Yours sincerely



Craig de Laine
General Manager People and Strategy
Australian Gas Infrastructure Group



Tom Hallam
General Manager Regulation
AusNet Services