

Multinet Gas' 2018 to 2022 Access Arrangement – National Gas Law and National Gas Rules' Compliance Checklist

			AAI Reference	Supporting Doc. #
NATIONAL GAS 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 or intends to provide— (a) in the circumstances specified by the Rules; and (b) within the period of time specified by the Rules.	2018-22 AA Proposal	
NATIONAL GAS RULES				
42	General requirements for access arrangement information			
	(1)	Access arrangement information for an access arrangement or an access arrangement proposal is information that is reasonably necessary for users and prospective users:	All Chapters	
	(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.		
	(2)	Access arrangement information must include the information specifically required by the Law.	All Chapters	This document
43	Requirement to provide access arrangement information			
	(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	All Chapters	
	Note: This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.			
	(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:		22.5
	(a)	is aggregated or generalised so as to avoid disclosure of the elements that make it sensitive; or		
	(b)	if that is not possible – is entirely suppressed.		
48	Requirements for full access arrangement (and full access arrangement proposal)			
	(1)	A full access arrangement must:		
	(a)	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; and	Chapter 5	13.5.1
	(b)	describe the pipeline services the service provider proposes to offer to provide by means of the pipeline; and	Chapter 11	
	(c)	specify the reference services; and		
	(d)	specify for each reference service:		

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(i) the reference tariff; and	Chapter 21	22.3
(ii) the other terms and conditions on which the reference service will be provided; and	Chapter 22	22.2, 22.3, 22.4
(e) if the access arrangement is to contain queuing requirements – set out the queuing requirements; and		
Note: Queuing requirements are necessary if the access arrangement is for a transmission pipeline but, if the pipeline is a distribution pipeline, queuing requirements are not necessary unless the AER given prior notification of the need to include queuing requirements (See rule 103).		
(f) set out the capacity trading requirements; and		
(g) set out the extension and expansion requirements; and		
(h) state the terms and conditions for changing receipt and delivery points; and	Chapter 22	22.2
(i) if there is to be a review submission date – state the review submission date and the revision commencement date; and		
Note: A full access arrangement must contain a review submission date and a revision commencement date unless it is a voluntary access arrangement – See rule 49.		
49 Review submission, revision commencement and expiry dates		
(1) A full access arrangement (other than a voluntary access arrangement):	Chapter 22	22.2
(a) must contain a review submission date and a revision commencement date; and		
(b) must not contain an expiry date.		
52 Access arrangement revision proposal		
(1) A service provider must, on or before the review submission date of an applicable access arrangement, submit an access arrangement revision proposal to the AER.	2018-22 AA Proposal	
Note: This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.		
(2) The access arrangement revision proposal must:	Chapter 22	22.1, 22.2, 22.3, 22.4
(a) set out the amendments to the access arrangement that the service provider proposes for the ensuing access arrangement period; and		
(b) incorporate the text of the access arrangement in the revised form.		
72 Specific requirements for access arrangement information relevant to price and revenue regulation		
(1) The access arrangement information for a full access arrangement proposal (other than an access arrangement variation proposal) must include the following:		

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(a) if the access arrangement period commences at the end of an earlier access arrangement period:		
(i) capital expenditure (by asset class) over the earlier access arrangement period; and	Chapter 13	13.9.1, 13.10.1, 13.11.1, 13.12.1, 13.13.1, 13.14.1, 13.15.1
(ii) operating expenditure (by category) over the earlier access arrangement period; and	Chapter 14	14.1
(iii) usage of the pipeline over the earlier access arrangement period showing:	Chapter 9	9.1, 9.2, 9.3
(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;		
(b) how the capital base is arrived at and, if the access arrangement period commences at the end of an earlier access arrangement period, a demonstration of how the capital base increased or diminished over the previous access arrangement period;	Chapter 15	O.2
(c) the projected capital base over the access arrangement period, including:		
(i) a forecast of conforming capital expenditure for the period and the basis for the forecast; and	Chapter 13	13.9.1, 13.10.1, 13.11.1, 13.12.1, 13.13.1, 13.14.1, 13.15.1
(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;	Chapter 15	O.1
(d) 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;	Chapter 9	9.1, 9.2, 9.3
(e) a forecast of operating expenditure over the access arrangement period and the basis on which the forecast has been derived;	Chapter 14	14.1
(f) the key performance indicators to be used by the service provider to support expenditure to be incurred over the access arrangement period;	Chapter 22	
(g) the proposed return on equity, return on debt and allowed rate of return, for each regulatory year of the access arrangement period, in accordance with rule 87, including any departure from the methodologies set out in the rate of return guidelines and the reasons for that departure;	Chapter 16	16.1
(ga) the proposed formula (if any) that is to be applied in accordance with rule 87(12);	Chapter 16	16.1
(h) the estimated cost of corporate income tax calculated in accordance with rule 87A, including the proposed value of imputation credits referred to in that rule;	Chapter 17	17.0.1
(i) 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;		0.5

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(j)	the proposed approach to the setting of tariffs including:	Chapter 21	22.3
(i)	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;		
(k)	the service provider's rationale for any proposed reference tariff variation mechanism;	Chapter 12	
(l)	the service provider's rationale for any proposed incentive mechanism;	Chapter 18	18.1, 18.2, 18.3
(m)	the total revenue to be derived from pipeline services for each regulatory year of the access arrangement period.	Chapter 20	0.1
(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 as is relevant to the proposal.	Refer above	Refer above
73	Basis on which financial information is to be provided		
(1)	Financial information must be provided on:	Refer to response to clause 1.2 of our Written Regulatory Information Notice	
(a)	a nominal basis; or		
(b)	a real basis; or		
(c)	some other recognised basis for dealing with the effects of inflation.		
(2)	The basis on which financial information is provided must be stated in the access arrangement information.		
(3)	All financial information must be provided, and all calculations made, consistently on the same basis.		
74	Forecasts and estimates		
(1)	Information in the nature of a forecast or estimate must be supported by a statement of the basis of the forecast or estimate.	Chapters 9 to 20	See Supporting Documents in Chapter 24 of AAI
(2)	A forecast or estimate:		
(a)	must be arrived at on a reasonable basis; and		
(b)	must represent the best forecast or estimate possible in the circumstances.		
75	Inferred or derivative information		
	Information in the nature of an extrapolation or inference must be supported by the primary information on which the extrapolation or inference is based.	Chapters 9 to 20	See Supporting Documents in Chapter 24 of AAI
Division 3 Building block approach			
76	Total revenue		

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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:	Chapter 20	0.1
(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 Opening capital base		
(2) If an access arrangement period follows immediately on the conclusion of a preceding access arrangement period, the opening capital base for the later access arrangement period is to be:	Chapter 15	0.1, 0.2
(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. This adjustment must also remove any benefit or penalty associated with any difference between the estimated and actual capital expenditure;		
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 rule 82, 84 or 86;		
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		
Note:		
See rule 90.		
(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		
The projected capital base for a particular period is:	Chapter 15	0.1, 0.2

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(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		
(1)	Conforming capital expenditure is capital expenditure that conforms with the following criteria:	Chapter 13	13.9.1, 13.10.1, 13.11.1, 13.12.1, 13.13.1, 13.14.1, 13.15.1
(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;		
(b)	the capital expenditure must be justifiable on a ground stated in subrule (2).		
(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 2 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).		
(3)	In deciding whether the overall economic value of capital expenditure is positive, consideration is to be given only to economic value directly accruing to the service provider, gas producers, users and end users.		
(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		

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(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.		
(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.		
(6)	The AER's discretion under this rule is limited.		
	See rule 40(2).		
Division 5 Rate of return			
87	Rate of return		
(1)	Subject to rule 82(3), the return on the projected capital base for each regulatory year of the access arrangement period is to be calculated by applying a rate of return that is determined in accordance with this rule 87 (the allowed rate of return).	Chapter 16	16.1
(2)	The allowed rate of return is to be determined such that it achieves the allowed rate of return objective.		
(3)	The allowed rate of return objective is that the rate of return for a service provider is to be commensurate with the efficient financing costs of a benchmark efficient entity with a similar degree of risk as that which applies to the service provider in respect of the provision of reference services (the allowed rate of return objective).		
(4)	Subject to subrule (2), the allowed rate of return for a regulatory year is to be:		
(a)	a weighted average of the return on equity for the access arrangement period in which that regulatory year occurs (as estimated under subrule (6)) and the return on debt for that regulatory year (as estimated under subrule (8)); and		
(b)	determined on a nominal vanilla basis that is consistent with the estimate of the value of imputation credits referred to in rule 87A.		
(5)	In determining the allowed rate of return, regard must be had to:		
(a)	relevant estimation methods, financial models, market data and other evidence;		
(b)	the desirability of using an approach that leads to the consistent application of any estimates of financial parameters that are relevant to the estimates of, and that are common to, the return on equity and the return on debt; and		
(c)	any interrelationships between estimates of financial parameters that are relevant to the estimates of the return on equity and the return on debt.		
Return on equity			
(6)	The return on equity for an access arrangement period is to be estimated such that it contributes to the achievement of the allowed rate of return objective.		
(7)	In estimating the return on equity under subrule (6), regard must be had to the prevailing conditions in the market for equity funds.		

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Return on debt		
(8) The return on debt for a regulatory year is to be estimated such that it contributes to the achievement of the allowed rate of return objective.		
(9) The return on debt may be estimated using a methodology which results in either:		
(a) the return on debt for each regulatory year in the access arrangement period being the same; or		
(b) the return on debt (and consequently the allowed rate of return) being, or potentially being, different for different regulatory years in the access arrangement period.		
(10) Subject to subrule (8), the methodology adopted to estimate the return on debt may, without limitation, be designed to result in the return on debt reflecting:		
(a) the return that would be required by debt investors in a benchmark efficient entity if it raised debt at the time or shortly before the time when the AER's decision on the access arrangement for that access arrangement period is made;		
(b) the average return that would have been required by debt investors in a benchmark efficient entity if it raised debt over an historical period prior to the commencement of a regulatory year in the access arrangement period; or		
(c) some combination of the returns referred to in subrules (a) and (b).		
(11) In estimating the return on debt under subrule (8), regard must be had to the following factors:		
(a) the desirability of minimising any difference between the return on debt and the return on debt of a benchmark efficient entity referred to in the allowed rate of return objective;		
(b) the interrelationship between the return on equity and the return on debt;		
(c) the incentives that the return on debt may provide in relation to capital expenditure over the access arrangement period, including as to the timing of any capital expenditure; and		
(d) any impacts (including in relation to the costs of servicing debt across access arrangement periods) on a benchmark efficient entity referred to in the allowed rate of return objective that could arise as a result of changing the methodology that is used to estimate the return on debt from one access arrangement period to the next.		
(12) If the return on debt is to be estimated using a methodology of the type referred to in subrule (9)(b) then a resulting change to the service provider's total revenue must be effected through the automatic application of a formula that is specified in the decision on the access arrangement for that access arrangement period.		
Rate of return guidelines		
(13) The AER must, in accordance with the rate of return consultative procedure, make and publish guidelines (the rate of return guidelines).		
(14) The rate of return guidelines must set out:		

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(a)	the methodologies that the AER proposes to use in estimating the allowed rate of return, including how those methodologies are proposed to result in the determination of a return on equity and a return on debt in a way that is consistent with the allowed rate of return objective; and		
(b)	the estimation methods, financial models, market data and other evidence the AER proposes to take into account in estimating the return on equity, the return on debt and the value of imputation credits referred to in rule 87A.		
(15)	There must be rate of return guidelines in force at all times after the date on which the AER first publishes the rate of return guidelines under these rules.		
(16)	The AER must, in accordance with the rate of return consultative procedure, review the rate of return guidelines:		
(a)	at intervals not exceeding five years for the first interval and three years for all subsequent intervals, with the first interval starting from the date that the first rate of return guidelines are published under these rules; and		
(b)	at the same time as it reviews the Rate of Return Guidelines under clauses 6.5.2 and 6A.6.2 of the National Electricity Rules.		
(17)	The AER may, from time to time and in accordance with the rate of return consultative procedure, amend or replace the rate of return guidelines.		
(18)	The rate of return guidelines are not mandatory (and so do not bind the AER or anyone else) but, if the AER makes a decision in relation to the rate of return (including in an access arrangement draft decision or an access arrangement final decision) that is not in accordance with them, the AER must state, in its reasons for the decision, the reasons for departing from the guidelines.		
(19)	If the rate of return guidelines indicate that there may be a change of regulatory approach by the decision maker in future decisions, the guidelines should also (if practicable) indicate how transitional issues are to be dealt with.		
Division 5A			
87A	Estimated cost of corporate income tax		
(1)	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:	Chapter 17	17.0.1
	$ETC_t = (ETIt \times rt) (1 - \gamma)$		
	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		
	γ is the value of imputation credits.		
Division 6 Depreciation			
88	Depreciation schedule		

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(1)	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.	Chapter 15	0.1, 0.2
(2)	The depreciation schedule may consist of a number of separate schedules, each relating to a particular asset or class of assets.		
89	Depreciation criteria		
(1)	The depreciation schedule should be designed:	Chapter 15	0.1, 0.2
(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 (ie 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.		
(2)	Compliance with subrule (1)(a) may involve deferral of a substantial proportion of the depreciation, particularly where:		
(a)	the present market for pipeline services is relatively immature; and		
(b)	the reference tariffs have been calculated on the assumption of significant market growth; and		
(c)	the pipeline has been designed and constructed so as to accommodate future growth in demand.		
(3)	The AER's discretion under this rule is limited.		
	Note: See rule 40(2).		
90	Calculation of depreciation for rolling forward capital base from one access arrangement period to the next		
(1)	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.	Chapter 15	0.1, 0.2
(2)	The provisions must resolve whether depreciation of the capital base is to be based on forecast or actual capital expenditure.		
	Division 7 Operating expenditure		
91	Criteria governing operating expenditure		
(1)	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 lowest sustainable cost of delivering pipeline services.	Chapter 15	0.1
(2)	The AER's discretion under this rule is limited.		

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Note: See rule 40(2).			
Division 8 Tariffs			
92	Revenue equalisation		
(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.	Chapter 12	22.3
(2)	The reference tariff variation mechanism must be designed to equalise (in terms of present values):		
(a)	forecast revenue from reference services over the access arrangement period; and		
(b)	the portion of total revenue allocated to reference services for the access arrangement period.		
(3)	However, if there is an interval (the interval of delay) between a revision commencement date stated in a full access arrangement and the date on which revisions to the access arrangement actually commence:		
(a)	reference tariffs, as in force at the end of the previous access arrangement period, continue without variation for the interval of delay; but		
(b)	the operation of this subrule may be taken into account in fixing reference tariffs for the new access arrangement period.		
93	Allocation of total revenue and costs		
(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.	Chapters 11, 14.6 and 20	0.1, 14.1
(2)	Costs are to be allocated between reference and other services as follows:		
(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		
(1)	For the purpose of determining reference tariffs, customers for reference services provided by means of a distribution pipeline must be divided into tariff classes.	Chapter 11 and 21	22.3
(2)	A tariff class must be constituted with regard to:		
(a)	the need to group customers for reference services together on an economically efficient basis; and		
(b)	the need to avoid unnecessary transaction costs.		
(3)	For each tariff class, the revenue expected to be recovered should lie 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		

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(b)	a lower bound representing the avoidable cost of not providing the reference service to those customers.		
(4)	A tariff, and if it consists of 2 or more charging parameters, each charging parameter for a tariff class:		
(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.		
(5)	If, however, as a result of the operation of subrule (4), the service provider may not recover the expected revenue, the tariffs must be adjusted to ensure recovery of expected revenue with minimum distortion to efficient patterns of consumption.		
(6)	The AER's discretion under this rule is limited.		
96	Prudent discounts		
(1)	Despite the other provisions of this Division, 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.	Refer to response to clause 17.3 of our Written Regulatory Information Notice	
(2)	The AER may only approve a discount under this rule if satisfied that:		
(a)	the discount is necessary to:		
(i)	respond to competition from other providers of pipeline services or other sources of energy; or		
(ii)	maintain efficient use of the pipeline; and		
(b)	the provision of the discount is likely to lead to reference or equivalent tariffs lower than they would otherwise have been.		
	Note: Even though a user's incremental load is retained at a discounted price, overall tariffs may be lower because of the user's contribution to fixed costs.		
(3)	If the AER approves a discount under this rule, the AER may also approve allocation of the cost, or part of the cost, of providing the discount to the costs of providing a reference or other service in one or more future access arrangement periods.		
(4)	In this rule: equivalent tariff means the tariff that is likely to have been set for a service that is not a reference service if the service had been a reference service.		
97	Mechanics of reference tariff variation		
(1)	A reference tariff variation mechanism may provide for variation of a reference tariff:	Chapter 12	22.3
(a)	in accordance with a schedule of fixed tariffs; or		
(b)	in accordance with a formula set out in the access arrangement; or		

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(c)	as a result of a cost pass through for a defined event (such as a cost pass through for a particular tax); or		
(d)	by the combined operation of 2 or more of the above.		
(2)	A formula for variation of a reference tariff may (for example) provide for:		
(a)	variable caps on the revenue to be derived from a particular combination of reference services; or		
(b)	tariff basket price control; or		
(c)	revenue yield control; or		
(d)	a combination of all or any of the above.		
(3)	In deciding whether a particular reference tariff variation mechanism is appropriate to a particular access arrangement, the AER must have regard to:		
(a)	the need for efficient tariff structures; and		
(b)	the possible effects of the reference tariff variation mechanism on administrative costs of the AER, the service provider, and users or potential users; and		
(c)	the regulatory arrangements (if any) applicable to the relevant reference services before the commencement of the proposed reference tariff variation mechanism; and		
(d)	the desirability of consistency between regulatory arrangements for similar services (both within and beyond the relevant jurisdiction); and		
(e)	any other relevant factor.		
(4)	A reference tariff variation mechanism must give the AER adequate oversight or powers of approval over variation of the reference tariff.		
(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.		
Division 9 Incentive mechanisms			
98	Incentive mechanism		
(1)	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.	Chapter 18	18.1, 18.2, 18.3
(2)	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.		
(3)	An incentive mechanism must be consistent with the revenue and pricing principles.		
Division 10 Fixed principles			
99	Fixed principles		

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(1) A full access arrangement may include a principle declared in the access arrangement to be fixed for a stated period.	Chapter 22	22.2 and 22.3
(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 and the service provider for the period for which the principle is fixed.		
(4) However:		
(a) the AER may vary or revoke a fixed principle at any time with the service provider's consent; and		
(b) if a rule is inconsistent with a fixed principle, the rule operates to the exclusion of the fixed principle.		