

December 2016

Attachment 22.1: Access Arrangement Revisions

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Attachment 22.1: Access Arrangement Revisions

1.1. Part A – Principal Arrangements

Table 1 summarises our substantive changes to the current Access Arrangements.

Table 1: Summary of changes to Part A of the access arrangement: Reference Tariff and Reference Tariff Policy

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
1	Introduction		
1.1	Purpose of this document	Describes how proposed revisions to AA are submitted under the NGR and that the AA is the terms and conditions of access.	No amendment required.
1.2	Composition of Access Arrangement	Meets the requirements of rule 48(1)(a) and (b) by describing the pipeline and noting a website and states that the AA has 3 parts (A,B&C).	No amendment required.
1.3	Effective Date	State the effective date of AA's and new AA.	Update for new period (ie 5th AA), minor drafting changes.
2	Definitions	Describe definitions and interpretations. Links to NGL and NGR definitions.	No amendment required.
3.	Contact Details	Contact details of responsible officer.	No amendment required
4.	Prior Contractual Rights	Provides for the ongoing treatment of protected contractual rights.	Dates updated.
5.	Requirements of the NGR	Details the requirements of the NGR	
5.1	Services Policy	Details the services offered – namely the Haulage Reference Services and Ancillary Services	Minor clarifications made relating to introduction of NECF to address potential NECF is introduced in Victoria only for electricity not gas.
5.2	Reference Tariffs and Reference Tariff Policy	Records that there are no queuing requirement	No material amendment required to the drafting in this Part A, however we have proposed a revenue cap which impacts the referenced sections in Part B and we have proposed some changes to the fixed principles in Part B..
5.2.1	Reference Tariffs	This clause links with Part B and the various tariff formulas in that section	Consequential change of dates to align with proposed AA period commencement.

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
5.2.2	Reference tariff variation mechanism - Haulage Reference Tariff Control Formula	This clause links with Part B and the various tariff formulas in that section	No amendment required.
5.2.3	Reference tariff variation mechanism - Processing Changes to Reference Tariffs	This clause links with Part B and the various tariff formulas in that section	No amendment required.
5.2.4	Calculation of Charges for Haulage Reference Tariffs	This clause links with Part B and the various tariff formulas in that section	No amendment required.
5.2.5	Reference Tariff Policy	This clause links with Part B and the various tariff formulas in that section	No amendment required.
5.2.6	Fixed Principles	This clause links with Part B and states that there are fixed principles in that section	No amendment required.
5.2.7	Reference tariff variation mechanism – Relevant Pass Through Event	This clause links with Part B and states that there is a pass through mechanism	No amendment required.
5.3	Terms and Conditions	This clause links with Part C and states that there are terms and conditions.	Minor correction to refer to Prospective User. The clause is principally relevant to a Prospective User as that is someone seeking access (whereas a User is someone with access).
5.4	Capacity trading requirements and change of receipt or delivery points	States that the system is market carriage	Small typographical correction in 5.4.2. Minor clarification in 5.4.3 that Part 12A is only applicable if in force in Victoria.
5.5	Extensions and Expansions requirements		
5.5.1	Coverage	All extensions to the network will form part of the AA unless for over 5000 customers or where regulatory approval for extensions to less than 5000 customers.	Cross- Reference error corrected.
5.5.2	Effect of Extension on Reference Tariffs	All new connections that meet the tests for conforming capital expenditure will be charged based on reference tariffs at the time of connection. New connections that do not meet the tests for conforming capital expenditure will be charged as a capital contribution, a surcharge or the non-conforming	No amendment required.

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
		capital expenditure included in a Speculative Capital Expenditure Account or a combination of these.	
5.5.3	Un-reticulated Townships	Provides for a regulatory process and regime to apply to extensions to previously un-reticulated towns and where the extension is not included in the Reference Tariffs	Cross- Reference error corrected.
5.6	Review and Expiry of Access Arrangement	States when the AA ends and the date the company must submit revisions for the next AA.	Update dates consistent with proposed new access period.
Schedule 1	Ancillary Reference Services	Lists these Pipeline Services	<p>Retailers raised an issue in the consultation forum held on 22 November 2016 about access issues to meters to put in meter locks and disconnect end use customers and requested that we consider disconnection in the street and inclusion of service Tee's where there is no valve to turn gas off in the street.</p> <p>We propose a new service – Installation of a second service valve in a pit and disconnect gas supply.</p> <p>This service will comprise installation of a second service valve in a service pit with cover requested by the current User. The User can elect to request where the service provider is unable to deliver a disconnection of gas supply due to limited access to remove meter lock or plug meter. The User would request this service using the B2B service order arrangements and the sub type of other, the text field would be required to describe the new service and should be titled "Install new service valve and pit in the street, disconnect gas supply". The service would involve disconnection by excavation in the street at the skinner valve to allow the insertion of a new service valve in the service line to the property, install a new service valve (a second service valve in a public location) that is able to disconnect and reconnect gas supply by operating at street level. Retailers have requested this service</p>

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
			where access to disconnection supply at the metering installation is problematic. Once the valve is inserted then future disconnection and reconnection requests can be undertaken using the service order for meter lock/plug with the corresponding charges, we have made changes to reflect these options.
Schedule 2	Arrangements Glossary – Definitions and Interpretation		
	Access Act		No amendment required.
	Access Arrangement		No amendment required.
	Actual Meter Reading		No amendment required.
	Additional Charge		No amendment required
	AEMO		No amendment required.
	AER		No amendment required.
	Agreement		No amendment required
	Ancillary Reference Service		No amendment required
	Ancillary Reference Tariff		No amendment required
	Annual MHQ		No amendment required
	Authority		No amendment required.
	B2B Hub		No amendment required.
	Bank Bill Rate		No amendment required.
	Bank Guarantee		No amendment required.
	Business Day		No amendment required.
	Calendar Year		No amendment required.
	Certificate of Compliance		No amendment required.
	Change in Taxes Event		No amendment required.
	Charges		No amendment required.
	Claim		No amendment required.
	Class A Inquiry		Updated to reflect the removal of the Gas Leak and Emergency Calls Protocol and instead refer to the Gas Interface Protocol. Class A Priority Enquiries are covered in the Victorian Participant Build Pack 1, Process Flow table of Transactions within the Gas Interface Protocol.

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
	Class B Inquiry		Updated to reflect the removal of the Gas Leak and Emergency Calls Protocol and instead refer to the Gas Interface Protocol
	Class C Inquiry		Updated to reflect the removal of the Gas Leak and Emergency Calls Protocol and instead refer to the Gas Interface Protocol
	Commencement Date		No amendment required.
	Confidential Information		No amendment required.
	Connection		No amendment required.
	Connection Alteration		No amendment required.
	Connection Request		No amendment required.
	Connection Service		No amendment required
	Controller		No amendment required.
	Corporations Act		No amendment required.
	CPI		Amended the September quarter CPI to the June quarter CPI. The earlier quarter CPI allows the annual tariff submission to be provided in line with the 50 business days prior to the end of the calendar year without a further CPI adjustment when the September quarter CPI is available. The drafting of the CPI is consistent with the CPI drafting in the tariff control formula. We are proposing the annual tariff submission be brought forward to 60 business days prior to the end of the calendar year.
	Curtail		No amendment required.
	Customer		No amendment required.
	Customer MHQ		No amendment required.
	Default Rate		No amendment required.
	Declared Retailer of Last Resort Event		This definition has been removed and replaced with a Retailer Insolvency Event.
	Deemed Contract		No amendment required.
	Disaster Event		Minor amendments to cover civil disturbances and plagues etc.
	Disconnection		No amendment required.
	Disconnection Request		No amendment required.
	Distribution Area		No amendment required.

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
	Distribution Demand Tariff Component		No amendment required.
	Distribution Fixed Tariff Component		No amendment required.
	Distribution Licence		No amendment required.
	Distribution Services		No amendment required.
	Distribution Supply Point		No amendment required.
	Distribution System		Definition amended to reflect fact definition of "Gas Distribution System" in the Gas Industry Act 2001 has been repealed
	Distribution System Code		No amendment required.
	Distribution Volume Tariff Component		No amendment required.
	Economic Feasibility Test		No amendment required.
	Emergency		No amendment required.
	Energisation		No amendment required.
	ESC		No amendment required.
	Estimated Meter Reading		No amendment required.
	Expansion		No amendment required.
	Extension		No amendment required.
	Fifth Access Arrangement Period		No amendment required.
	Financial Failure of a Retailer Event		No amendment required.
	Financial Year		No amendment required.
	First Access Arrangement Period		No amendment required.
	Force Majeure Event		<p>New definition.</p> <p>The definition of force majeure essentially picked up the definitions from Part 19 of the NGR (via paragraph (b)). While only one of the four paragraphs of the definition this was the key paragraph since it brought in (via participant force majeure event) the typical categories of force majeure event – acts of God, labour disputes, failure of the transmission system, breakage of plant.</p> <p>The definitions of Participant force majeure event and system force majeure event were removed from Part 19 on 4 May 2015 by Rule Change 6 of 2014</p>

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
			<p>"Removal of Force Majeure Provisions in the DWGM".</p> <p>Given this the current definition of Force Majeure Event in Part A is no longer meaningful. We have addressed this by amending the definition of Force Majeure to reflect the content of the definition of Participant Force Majeure Event.</p>
	Fourth Access Arrangement Period		No amendment required.
	FRO		No amendment required.
	Gas		No amendment required.
	Gas Day		No amendment required.
	Gas Distribution Company		No amendment required.
	Gas Distribution System		<p>This was defined by reference to the definition in the Gas Industry Act 2001. However that definition was deleted from the Act by Amending Act 46 of 2014. The definition has therefore been removed from the Access Arrangement. Note the definition was only itself used in the definition of Distribution System.</p>
	Gas Installation		No amendment required.
	Gas Installer		No amendment required.
	Gas Interface Protocol		No amendment required.
	Gas Leaks and Emergencies Number		No amendment required.
	Gas Leaks and Emergencies Calls Protocol		The definition has been removed as there is no clear approved Victorian gas market version of the document.
	GIA		No amendment required.
	GJ		No amendment required.
	Glossary		No amendment required.
	GST		No amendment required.
	GST law		No amendment required.
	Guaranteed Service levels		No amendment required.
	Guarantor		No amendment required.
	Haulage Reference Services		Amend Fourth Access Arrangement Period to Fifth Access Arrangement Period.
	Haulage Reference Tariff		No amendment required.

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
	Haulage Reference Tariff Component		No amendment required.
	Haulage Reference Tariff – Non –residential D		No amendment required.
	Haulage Reference Tariff – Non –residential D Gippsland Towns		No amendment required.
	Haulage Reference Tariff – Non –residential L		No amendment required.
	Haulage Reference Tariff – Non –residential V		No amendment required.
	Haulage Reference Tariff – Non –residential V Gippsland Towns		No amendment required.
	Haulage Reference Tariff – Non –residential V Yarra Valley Towns		No amendment required.
	Haulage Reference Tariff – Residential V		No amendment required.
	Haulage Reference Tariff – Residential V Gippsland Towns		No amendment required.
	Haulage Reference Tariff – Residential V Yarra Valley Towns		No amendment required.
	Heating Value		Typographical error corrected.
	Incremental Reference Service		No amendment required.
	Incremental User		No amendment required.
	Insolvency Event		No amendment required.
	Insolvency Official		New definition inserted for Retailer Insolvency Event.
	Insurance Cap Event		Amend access period dates.
	Insurer Credit Risk Event		No amendment required.
	Interruption		No amendment required.
	J		No amendment required.
	Licence Fee		No amendment required.
	Mains Replacement Event		This pass through event has been removed. Costs for mains replacement are included in the capital forecast in this Access Arrangement Period.

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
	Major Upstream Failure Event		New definition to cater for any failure of supply or production facilities or events affecting the Transmission System which impact our ability to provide Reference Services and causes the inability to recover our building block costs.
	Material		No amendment required.
	Meter		No amendment required.
	Metering Installation		No amendment required.
	Metering Data		No amendment required.
	Meter Reading		No amendment required.
	MHQ		No amendment required.
	MIRN		No amendment required.
	National Energy Customer Framework Event		No amendment required.
	National Energy Retail Law		No amendment required.
	National Energy Retail Rules		No amendment required.
	National Gas Law		No amendment required.
	National Gas Rules		No amendment required.
	Negative Pass Through Amount		No amendment required.
	Net Financing Cost		No amendment required.
	Non- Reference Service Charge		No amendment required.
	Non-Residential Customer		No amendment required.
	Non-Residential Haulage Reference Service		No amendment required.
	Off-peak period		No amendment required.
	Ombudsman		No amendment required.
	Pass Through Amount		No amendment required.
	Peak Period		No amendment required.
	Positive Pass Through Amount		No amendment required.
	Quantity		No amendment required.
	Reconnect		No amendment required.
	Reference Service		No amendment required.
	Reference Tariff		No amendment required.

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
	Reference Tariff Class		No amendment required.
	Reference Tariff Policy		No amendment required.
	Regulator		No amendment required.
	Regulatory Change Event		No amendment required.
	Regulatory Instrument		No amendment required.
	Relevant Pass Through Event		Updated to remove Declared Retailer of Last Resort event and replace with Retailer Insolvency Event and to remove the Mains replacement Event. A major upstream failure event has also been added.
	Relevant Tax		No amendment required.
	Required Bank Guarantee Amount		No amendment required.
	Residential Customer		No amendment required.
	Residential Haulage Reference Service		No amendment required.
	Retailer		No amendment required.
	Retail Contract		No amendment required.
	Retail Market Procedures (Victoria)		No amendment required.
	Retail Licence		No amendment required.
	Retail Services		No amendment required.
	Retailer Insolvency Event		We have included a new Retailer Insolvency Event with similar wording to the AER approved UE pass through event (modified for the gas context). We consider this changed definition better reflects the impact of retailer insolvency. The definition (paragraph (b)) also contemplates the possibility of the adoption of the National Energy Retail Law in Victoria.
	ROLR Event		No amendment required.
	Second Access Arrangement Period		No amendment required.
	Service Pipe		No amendment required.
	Services Policy		No amendment required.
	Service Provider		No amendment required.
	Service Standard Event		No amendment required.
	Shoulder Periods		No amendment required.

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
	Sixth Access Arrangement Period		Inserted for use in Fixed Principles.
	Specifications		No amendment required.
	Substituted Meter Reading		Reference to Retail Gas Market Rules corrected to Retail Gas Market Procedures
	Supply		No amendment required.
	Tariff Control Formula		No amendment required.
	Tariff D Customer		No amendment required
	Tariff D Distribution Supply Point		No amendment required.
	Tariff D Connection		No amendment required.
	Tariff L Customer		No amendment required.
	Tariff L Distribution Supply Point		No amendment required.
	Tariff L Connection		No amendment required.
	Tariff V Customer		No amendment required.
	Tariff V Complex Connection		No amendment required.
	Tariff V Distribution Supply Point		No amendment required.
	Tax		No amendment required.
	Terms and Conditions		No amendment required.
	Terrorism Event		No amendment required
	Third Access Arrangement Period		No amendment required.
	Transfer Point		No amendment required.
	Transmission System		No amendment required.
	Transmission Pipeline		No amendment required.
	Unaccounted for Gas		No amendment required.
	S2.2(12)		<p>Dates updated to date of lodgement of fifth access arrangement with the regulator (December 2016).</p> <p>Also the provisions dealing with the status of NECF in Victoria have been further clarified, including to deal with the potential NECF is only partially adopted in the Victorian gas industry (as has happened with electricity) and the potential NECF is adopted in electricity but not in gas.</p>

We have provided a tracked changed version of Part A of the current Access Arrangement compared to the proposed Part A for the forthcoming Access Arrangement Period.

1.2. Part B – Reference Tariff Policy

Table 2 summarises our proposed substantive changes to Part B of our Access Arrangement.

Table 2: Summary of changes to Part B of our Access Arrangement: Reference Tariff and Reference Tariff Policy

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
All	Part B	Describes Reference Tariffs and Reference Tariff Policy	Increase all Date/Year references by 5 years to be consistent with the new regulatory period, and increase all Access Arrangement Period references by one. Amendments to cater for new tariff arrangements to commence on 1 January 2018 and not 1 July 2018. Use of the term "Reference Tariff Policy" has been retained, despite it not appearing in the NGR, as a useful descriptor of a group of reference tariff related matters.
1	Haulage Reference Tariffs		
1.1	Haulage Reference Tariffs		
(a)	Haulage Reference Tariffs for 2018	Describes Haulage reference tariffs for the first year of the period, 2018.	Change 2013 to 2018. Deleted reference to July 2013 start date, amendment to align with January 2018 start date
(b)	Introduction of new Haulage Reference Tariffs	Provides for new tariffs to be introduced	No amendment required.
(c)	No Meter	Any supply point that does not have meter is assigned to tariff V	No amendment required.
(d)	Distribution Area	Links the tariffs to our distribution area	No amendment required.
1.2	Application of Haulage Reference Tariffs		
(a)	Assigned Haulage Reference Tariffs	If User is charged a particular tariff then deemed to be assigned to that Haulage Reference Tariff	No amendment required.
(b)	Haulage Reference Tariffs for existing Distribution Supply Points	Until reassigned, User is deemed to be on the same haulage tariff as you were on the last year of the previous period.	Amend dates - 1 July 2013 to 1 January 2018 and 31 December 2012 to 31 December 2017
(c)	Haulage Reference Service Provided at a Distribution Supply Point	Description of Residential Haulage Reference Service and Non-Residential Haulage Reference Service.	No amendment required.
1.3	Assignment of new Haulage Reference Tariffs and new Haulage Reference Tariff Components		
(a)	Change in volume of Gas consumed	Circumstances allowing for reassignment of tariffs	No amendment required.
(b)	Change in demand or Connection Characteristics	We can change reference tariffs based on changes in demand or connection characteristics	No amendment required.
(c)	Factors to be considered by the Service Provider	Provides criteria by which customers can be assessed for assigning of tariffs. Added a reference to initial	No amendment required.

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
		assignment which appeared to be an omission	
(d)	Notification of proposed reassignment of Haulage Reference Tariff	Need to advise users if changing reference tariffs	Amend date - 1 July 2013 to 1 January 2018
(e)	Terms and Conditions for new and changed Distribution Supply Points	When changing tariffs or a new User, we need to advise the User of T&Cs and tariff	No amendment required.
(f)	Notification by User regarding a different Haulage Reference Tariff	If User does not want reassignment they need to show reason.	No amendment required.
(g)	Time period for reassignment	Provides for time period for the introduction of new tariffs or tariff components	No amendment required.
(h)	Assignment to Haulage Reference Tariff D or Haulage Reference Tariff L	Once a Distribution Supply Point is assigned to Tariff D or L it must remain so assigned for at least one year	No amendment required.
(i)	Additional information required for new Haulage Reference Tariffs and new Haulage Reference Tariff Components	Provide estimates on quantities of gas that would have been consumed by customers whom it is proposed will be reassigned to a new tariff or tariff component	No amendment required.
(j)	Switching rates	Provide estimates on quantities of gas relevant to tariffs where the switching rate of customers who are forecast to be reassigned to a new tariff is greater than zero	No amendment required.
(k)	Details of estimates	Provision of the basis of estimates of quantities of gas	No amendment required.
(l)	Resubmission of estimates	Regulators may seek the resubmission of estimates	No amendment required.
(m)	Timing of Information	The time taken to satisfy the Regulator's request for resubmitted estimates does not count in the time for consideration by the Regulator of a proposed reassignment	No amendment required.
1.4	Withdrawal of Haulage Reference Tariffs		
(a)	Withdrawal of Haulage Reference Tariffs	Time period for reassignment after a withdrawal of tariffs or tariff components	No amendment required.
(b)	Notification of withdrawal of Haulage Reference Tariff	Notification of withdrawal of tariffs or tariff components	No amendment required.
(c)	Additional information to be provided to Regulator	Prior to the withdrawal of tariffs, certain historical consumption information to be provided to the Regulator	No amendment required.
1.5	Carbon Tax Tariff and Unaccounted for Gas Tariffs	Add carbon tax tariff to the haulage reference tariff	We have removed the carbon tax tariff given the obligations arising from that legislation have ceased. There is a new carbon safety net scheme which commenced on 1 July 2016, we may incur costs through the new carbon arrangements and have proposed an

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
			adjustment factor in the revenue control mechanism.
2.	ANCILLARY REFERENCE TARIFFS		
2.1	Existing Ancillary Reference Tariffs	Describes ancillary reference tariffs for the first year of the period, 2018 by reference to schedule of ancillary services	Change 2013 to 2018. Deleted reference to July 2013 start date to align with January 2018 start date
2.2	Adjustments to Ancillary Reference Tariffs	Provides the reference tariff variation mechanism for ancillary reference tariffs is a formula based on CPI adjustments	The tariff variation mechanism for ancillary reference services has been adjusted in line with Chapter 12 of this submission.
3.	HAULAGE REFERENCE TARIFF CONTROL FORMULA		Change dates, amend fourth to fifth access arrangement. In line with Chapter 12, the tariff control formula proposed is a revenue cap mechanism. The drafting refers to the first two formulas in Appendix 1, revenue cap mechanism and the rebalancing control formula. The drafting also provides clarifications for regulatory years t-2 and t-1.
3.1	The Tariff Control Formulae	Provides the reference tariff variation mechanism for haulage reference tariff is a tariff basket price control and links to haulage reference tariff control formulas in appendix 1	No amendment required.
3.2	New Haulage Reference Tariff	Provides for how the haulage reference tariff control formulas are to apply given new haulage reference tariffs	No amendment required
3.3	Withdrawal of Haulage Reference Tariffs	Provides for how the haulage reference tariff control formulas are to apply given withdrawn haulage reference tariffs	Minor change to reflect new formula
3.4	Haulage Reference Tariff Information	Provides for how the haulage reference tariff control formulas are to apply where the switching rate of customers who are forecast to be reassigned to a new tariff is greater than zero	Minor cross-referencing correction and minor change to reflect new formula
3.5	Rebalancing controls on Haulage Reference Tariffs	Provide limits on rebalancing of tariffs which are over and above the numerical rebalancing controls	Corrected reference to the rebalancing control formula to Appendix 1, formula 2.
3.6	Rebalancing Controls for new and withdrawn Haulage Reference Tariffs	Provides for how the haulage rebalancing control formulas are to apply given new or withdrawn haulage reference tariffs	Corrected reference to the rebalancing control formula to Appendix 1, formula 2.
4.	APPROVAL OF ANNUAL AND WITHIN YEAR VARIATIONS TO HAULAGE REFERENCE TARIFFS AND NEW HAULAGE REFERENCE TARIFFS		
4.1	Submission to the Regulator	Timing required for annual tariff submission	We propose to submit the proposed Haulage Reference Tariffs 60 Business Days prior to the end of the

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
			<p>Calendar Year from the current 50 Business Days. This will better align with the annual tariff submission for electricity and will provide the AER more time to approve the proposed tariffs. Clause 4.1 (a) has been amended accordingly.</p> <p>Clause 4.1 (d) has been amended to increase the notification requirements from, 60 business days to 90 business days if we plan to introduce any new Haulage Reference Tariff or any new component of a Haulage Reference Tariff.</p>
4.2	Assessment by the Regulator	Regulator needs to assess submission	No amendment required.
4.3	Information Required from the Service Provider	Information requirements re annual tariff submission	<p>We are providing significant levels of audited RIN data. Quantities input to the tariff control formula will be consistent with the audited RIN data and do not require a separate audit. The second paragraph has been removed.</p> <p>We are not proposing the continuation of a carbon tax tariff. The information requirements relating to carbon tax tariff are no longer required. The third paragraph has been removed. We consider that the carbon emissions costs under the new carbon safety net scheme are likely to be lower and can be treated in a similar manner to adjustments like a licence factor.</p>
4.4	Default Haulage Reference Tariffs for new Calendar Year t	Defines the arrangements for default tariffs should the DB not submit a tariff proposal for the year.	Drafting has been amended to reflect the tariff submission 60 Business Days prior to the end of the calendar year and has been updated to reflect a revenue cap mechanism. Where we have not submitted an annual tariff submission for year t, the tariffs will be those for year t-1 adjusted for CPI and the unders/overs.
4.5	Annual Tariff Report	Requirement to publish annual tariff report	Amendments to tariff submission dates consistent with the drafting amendments in clause 4.1.
5.	CALCULATION OF CHARGES FOR HAULAGE REFERENCE TARIFFS		
5.1	Distribution Fixed Tariff Components	How fixed charges are charged	No amendment required.
5.2	Distribution Volume Tariff Components	How volume charges are charged. Apportions the bill reading into pricing seasons	No amendment required.
5.3	Distribution Demand Tariff Components	How demand charges are charged. Lays out method of calculating two types of demand	No amendment required.
5.4	Un metered Haulage Reference Tariff Components	Assigns a fixed charge to all un metered points	No amendment required.

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
6.	REFERENCE TARIFF POLICY		Amendments to dates.
6.1	CPI-X Price Path	Provides the underpinning basis of the reference tariff variation mechanism (a formula) under rule 97 of the NGR	No amendment required.
6.2	Non-conforming Capital Expenditure	Provides for the undertaking of Non-conforming Capital Expenditure	No amendment required.
6.3	Speculative Capital Expenditure Account	Provides for a Speculative Capital Expenditure Account	No amendment required.
6.4	Incentive mechanism	Describes incentive mechanism	Amendments to dates.
7.	FIXED PRINCIPLES		
7.1	General	Link to NGR requirements	No amendment required.
7.2	Adoption of Fixed Principles	Describes the fixed principles	<p>Amendments to dates to reflect the new access period.</p> <p>Fixed principle 7.2 (b) has been removed to provide additional flexibility in relation to the x factor. This will better allow the matching of revenue and costs.</p> <p>A new fixed principle, 7.2 (e) has been added to cater for the Haulage Reference Service unders/overs account and the roll forward of this account into the subsequent pricing period in 2023 and beyond.</p> <p>This roll forward approach in the fixed principles is consistent with the revenue cap roll forward approach the AER has approved for United Energy into subsequent pricing periods.</p> <p>In Oct 2011 Grid Australia proposed a rule change regarding cost pass through provisions to deal with the "dead zone" for events that occur in a previous regulatory period but which are not able to be incorporated in to the network provider's forecasts at the time of submission to the AER. The AEMC approved the Rule in August 2012 and agreed to allow costs incurred in one regulatory where a network service provider was unable to seek cost recovery in that period, the approved costs were able to be recovered in the next period. A new fixed principle, 7.2 (f) has been added to deal with this equivalent issue in gas.</p>
8.	RELEVANT PASS-THROUGH EVENT		
8.1	Relevant Pass-Through Event	A process for a reference tariff variation mechanism by way of a cost pass through for defined events in accordance with rule 97(1).	Amendments to reflect the relevant pass through event changes in Part A.

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
Schedule 1	INITIAL HAULAGE REFERENCE TARIFFS V, L & D	Defines methodology for determining most applicable reference tariff	This section of the AA provides criteria for the determination of the tariff that will be assigned to a Distribution Supply Point.
	Haulage Reference Tariff Residential V	Describes some applicability criteria and structure of individual tariffs	Tariffs updated to 1 Jan 2018
	Haulage Reference Tariff Non-Residential V	Describes some applicability criteria and structure of individual tariffs	Tariffs updated to 1 Jan 2018
	Haulage Reference Tariff Non-Residential L	Describes some applicability criteria and structure of individual tariffs	Tariffs updated to 1 Jan 2018
	Haulage Reference Tariff Non-Residential D	Describes some applicability criteria and structure of individual tariffs	Tariffs updated to 1 Jan 2018
	Haulage Reference Tariff Yarra Valley Residential V	Describes some applicability criteria and structure of individual tariffs	Tariffs updated to 1 Jan 2018
	Haulage Reference Tariff Yarra Valley Non-Residential V	Describes some applicability criteria and structure of individual tariffs	Tariffs updated to 1 Jan 2018
	Haulage Reference Tariff Gippsland Towns Residential V	Describes some applicability criteria and structure of individual tariffs	Tariffs updated to 1 Jan 2018
	Haulage Reference Tariff Gippsland Towns Non-Residential V	Describes some applicability criteria and structure of individual tariffs	Tariffs updated to 1 Jan 2018
	Haulage Reference Tariff – Carbon Tax Tariff	Describes some applicability criteria and structure of individual tariffs	This carbon tax tariff formula has been removed. We are proposing that the new carbon safety net scheme operate within the revenue cap adjustment term.
Schedule 2	INITIAL ANCILLARY REFERENCE TARIFFS	Lists Ancillary Reference tariffs and initial tariff rates	Tariffs updated to 2018
Schedule 3	YARRA VALLEY AND GIPPSLAND TOWNS AREA	Lists postcodes for Yarra Valley and Gippsland Towns areas	The Yarra Valley Towns area now includes Warburton – 3799.
Schedule 4	CONTENT OF ANNUAL TARIFF REPORT	Describes content of annual tariff report	No amendment required.
PART B	APPENDIX 1 – TARIFF CONTROL FORMULA		
Formula 1	Tariff Control Formula 2018	Tariff Formulas	Formula 1 has been deleted and is replaced with the Revenue Cap Formula described in 12.3 of this submission.
Formula 2	Tariff Control Formula	Tariff Formula	Licence fee adjustment factor is part of the Revenue cap formula in Formula 1. This formula has been removed. The rebalancing formula as described in 12.3 has been included as formula 2.
Formula 3	Tariff Control Formula	Tariff Formula	The adjustment factor is part of the Revenue Cap Formula in Formula 1. This formula has been removed. The revenue unders/overs account as described in 12.3 has been included as formula 3.
Formula 4)	Tariff Control Formula	Tariff Formula – carbon tax	

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
			This carbon tax tariff formula has been removed. We are proposing that the new carbon safety net scheme operate within the revenue cap adjustment term
PART B	APPENDIX 2 – REBALANCING CONTROL FORMULA	Rebalancing Control Formula	This Part has been removed the rebalancing of tariffs has been catered for in the new formula 2 above in Appendix 1.

We have provided a tracked changed version of Part B of the current Access Arrangement compared to the proposed Part B for the forthcoming Access Arrangement Period.

1.3. Part C – Terms and Conditions

Table 3 details our reasoning for our proposed changes to Part C of the Access Arrangement – the terms and conditions.

The proposed changes divide into the following categories:

- Improvements in customer details to reflect the changing expectations of customers and regulators;
- Minor drafting corrections.

In terms of the NECF, it is anticipated that Victoria may adopt NECF or parts of NECF at some stage to harmonise with other jurisdictions. The substantive drafting changes to add partial adoption to NECF and the ability of a direct customer as a Market participant have not been amended in these access arrangements revisions. However some minor drafting corrections to these provisions have been made.

Table 3: Summary of changes to Part C of the Access Arrangement: Terms and Conditions

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
1	DEFINITIONS AND INTERPRETATIONS	The effect of this section is to define jargon and specific words pertinent to the gas industry and how to interpret phrases used in the agreement	
1.1	Definitions	Describes jargon and specific industry wording commonly used	No amendments for this section of the clause as no additions identified and no issues need to be rectified
1.2	Interpretation	Describes how to interpret the agreement and certain phrases	A drafting correction has been made 8(c)(i) and (ii) were repeated in (9) and (10). We have updated the interpretation provisions to reflect the fact the NECF is now in effect generally in Australia and to clarify what it means where the terms or part of the terms refer to NECF coming into force in Victoria.
2.	COMPLIANCE WITH REGULATORY INSTRUMENTS	The effect of this section is to define which regulatory documents and rules must be complied with and how that compliance will occur.	
2.1	Regulatory Instruments to take precedence	Notes the documents that must be complied with by all parties	No amendment required.
2.2	Parties must comply with Regulatory Instruments	Notes that all parties must comply with the regulations as described	No amendment required.
2.3	Parties must co-operate	Notes that all parties must work together to comply with the regulations	No amendment required.
2.4	Preservation of rights	Notes rights of the parties in regard to compliance	No amendment required.
2.5	Waiver of Compliance	Notes conditions where a party may be excused from compliance	Typographical correction
2.6	Regulatory Relief	Notes conditions when a party may seek relief from the relevant regulatory authority	No amendment required.

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
3.	CUSTOMER RELATIONSHIP	The effect of this section is to describe the relationship between the distributor, retailer and customer and how each party should interact with each other	No amendment required.
3A	Application where the User is an end User	The effect of this section is to describe the relationship between the distributor and an end use customer who is a direct User and participant in the Victorian gas market.	
4.	DISTRIBUTION SERVICES	The effect of this section is to describe what distribution services are, and how and when those services will or will not be provided to the retailer and customer.	
4.1	Provision of Distribution Services	Notes what conditions need to be met by a retailer for provision of services to be approved	No amendment required.
4.2	Deemed request for Distribution Services	Notes that it is to be assumed that services are requested for a customer of a retailer when they are the FRO	No amendment required.
4.3	Cessation of provision of Distribution Services	Describes why and how services may be withdrawn by the distributor	No amendment required.
4.4	Entitlement to refuse Service	Describes what events may allow the distributor to withdraw services	No amendment required.
4.5	Suspension for supplier of last resort	Describes effect of distributor obligations under "supplier of last resort" situations	No amendment required.
4.6	Conditions of supply	Describes the conditions under which supply will be carried out	No amendment required.
4.7	The User's obligations / Capacity Management	Describes the retailers responsibilities in regard to capacity management	No amendment required.
4.8	Title to Gas	Confirms the retailers title to gas and indemnifies the distributor	No amendment required.
4.9	Custody and Control of GAS	Describes obligations of retailer and distributor in regard to control of gas	No amendment required.
4.10	Unaccounted for GAS	Describes the responsibilities of the retailer and distributor in regard to UAFG	Typographical changes.
5.	CONNECTION	The effect of this section is to describe the process by which the User will request a New Connection (Turn On only) and the timeframes around that process	Typographical change.
6.	DISCONNECTION AND INTERRUPTION OF CUSTOMER	The effect of this section is to describe the process and timeframes in relation to disconnection or curtailment of gas supply. The request to be made by the retailer or customer. This section also describes the process of reconnection or restoration of that supply	No amendment required.

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
6.1	Disconnection and Curtailment	Notes the conditions where a distributor may curtail or disconnect gas supply to a customer	No amendment required.
6.2	Disconnection at the request of the User	Notes the conditions where a retailer may request disconnection of a customer	No amendment required.
6.3	Disconnection at the request of a Customer	Notes the conditions where a customer may request disconnection	Clarification at end of clause that its requirements are only overridden by Part 6 of the National Energy Retail Rules once that part commences operation in Victoria.
6.4	Reconnection or restoration of Supply	Notes conditions applying to reconnection of supply	No amendment required.
6.5	Assistance	The effect is to ensure that the retailer knows it must assist the distributor in regard to disconnections etc	Typographical amendment
7.	PAYMENT AND INVOICING FOR SERVICES	The effect of this section is to describe the processes around invoicing by the distributor to the retailer and the timeframes for that process. It also describes the dispute process and	See below
7.1	Charges	Describes obligation of the retailer to pay charges invoiced to them	No amendment required.
7.2	Retail Service Charges	Describes the obligation of the distributor to pay for services provided by the retailer to the distributor	No amendment required.
7.3	GST	Describes specifically how GST is to be applied to payments and any associated adjustments	No amendment required.
7.4	Distribution Services – Invoicing, Payment and Interest	Describes the frequency of invoicing and how a distributor may charge interest if invoices are not paid within the agreed timeframes	No amendment required.
7.5	Adjustment of Invoices	Describes how and when adjustments can be made to invoices	No amendment required.
7.6	GSL Payments	Describes the principles around payment of Guaranteed Service level payments	Typographical correction
7.7	Disputed Invoices	Describes the process of handling disputed invoices from both the distributor and retailer perspective	No amendment required.
7.8	Credit Support – Bank Guarantee	Describes the conditions around when a distributor may request credit support and what instruments are valid for credit support	No amendment required

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
8.	INFORMATION EXCHANGE	Describes how and what information should be communicated between retailer and distributor also how changes in information should be communicated	No amendment required.
8.1	Compliance with privacy laws	Describes how all parties should comply with privacy laws	No amendment required.
8.2	Provision of information	Describes how information should be provided	No amendment required.
8.3	Use of information	Describes how information can be used	No amendment required.
8.4	Gas Interface Protocol	Notes that the GIP applies but can be varied	No amendment required.
8.5	Changes in information	Describes when changes need to be advised to all parties	No amendment required.
8.6	Accuracy of information	Notes that any information provided to any party should be accurate	No amendment required.
9.	COMMUNICATIONS REGARDING CUSTOMERS AND SYSTEM DATA	The effect of the clause is to set out communication methods between the retailer and distributor	See below
9.1	Answering Calls	Describes obligations of retailer and distributor in regard to answering customer calls of different classes	Minor amendments made to reflect the removal of the Gas Leaks and Emergencies Calls Protocol which is the agreed industry guideline.
9.2	Provision of information concerning Class A Inquiries, Class B Inquiries and Class C Inquiries	Describes obligations of distributor and retailer in regard to	No amendment required.
9.3	Provision of information for planned interruptions and Disconnections	Notes the obligations of the distributor to advise of planned interruptions to supply	No amendment required.

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
9.4	Customer Details	Notes the obligations of the retailer to supply certain customer details in respect of a premise to the distributor and timeframes around this activity	<p>Over the past few years distributors have been required to consult with customers on service expectations and methods of communication. Customers are expecting improved information and more real time communications. We consider that there need to be options available to inform customers of gas supply issues and planned maintenance works via SMS notifications in future. We have included the requirement on the User in 9.4 (a) to provide a mobile phone number and email address where it is provided by the customer to the User.</p> <p>In late 2014 the Victorian Energy Retail Code was harmonised with parts of the National Energy Retail Rules. This introduced an expanded version of life support equipment which could cover any other equipment fuelled by electricity or gas and certified by a registered medical practitioner. We have amended sub clause in 9.4 (a) (10) to address life support status in addition to the medical exemption/equipment type.</p> <p>Two new clauses have been added to cover retailer concerns raised at the Multinet- retail stakeholder meeting on 22 November 2016. The drafting addresses retailer concerns regarding liability for provision of information which is later found to be inaccurate – retailers need to adopt good industry practice and undertake appropriate due diligence for market and customer information collected under clause 9.4 and 9.5.</p> <p>A second clause has been added to cover retailer concerns regarding use of the customer details and distribution supply point information and its use in the provision of distribution services and the supply of gas.</p>
9.5	New Distribution Supply Points	Describes information that should be supplied by the retailer to the distributor in regard to new supply points	No amendment required
9.6	Acceptance by the Service Provider	Notes the obligations of the distributor to respond to information provided by the retailer	No amendment required
9.7	Enquiries or Complaints relating to the User	Notes the obligations of the distributor to respond to complaints from the retailer or customer	No amendment required
9.8	Enquiries or Complaints relating to the Service Provider	Notes the obligations of the distributor to respond to an complaints against it	Typographical amendment

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
9.9	Ombudsman complaints	Describes the obligations of all parties in regard to EWOV	No amendment required
9.10	Assignment of the Changes in Reference Tariffs	Notes that any changes in tariffs must be communicated with retailers and customers and the obligations of distributors and retailers in that process	No amendment required
9.11	Theft of GAS	Notes that theft of gas must be notified by any party to all parties detecting this occurrence	No amendment required
9.12	Information for Customers	Describes the obligations of the retailer and distributor in responding to requests by customers for information of various types	No amendment required
10.	FORCE MAJEURE	This section is a Standard critical event response description	
10.1	Suspension of Obligations	Notes that during a critical event all obligations are suspended	No amendment required.
10.2	Mitigation of Force majeure Event	Notes that all parties must take steps to mitigate the risks of critical events	No amendment required.
10.3	Notice	Notes obligations of all parties in advising of a critical event	No amendment required.
11.	ENFORCEMENT OF THE SERVICE PROVIDER'S RIGHTS AGAINST CUSTOMERS	This section describes all the areas involved where a distributor can enforce disconnection of a customer	
11.1	Restriction on the Service Provider's enforcement rights	Notes the obligations of the distributor to advise the retailer that it is exercising its rights against a customer	No amendment required.
11.2	Consultation prior to Disconnection	Notes obligations of the distributor and retailer to consult with the customer prior to disconnection	No amendment required.
11.3	The Service Provider to Indemnify the User	Notes that the distributor indemnifies the retailers against claims by a customer when it exercises its rights to disconnect	No amendment required.
11.4	The User to notify Customer and the Service Provider	Notes the obligation of the retailer to advise the customer of their obligations	No amendment required.
11.5	Limitation of the User's Obligations	Notes that the retailer is not obligated to take on any responsibility of the distributor	No amendment required.
12.	TERM AND TERMINATION	This section notes the term of the agreement and situations and processes in regard to termination of the agreement	
12.1	Term	Notes the term of the agreement	No amendment required.

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
12.2	Termination for default or insolvency of the User	Notes the situations where the distributor may terminate the agreement due to retailer insolvency	We have inserted an obligation in clause 12.2 on the User to notify the Service Provider if, despite there being an Insolvency Event in respect of the User, AEMO determines not to suspend the User's market registration. We do not receive this notification directly from AEMO and therefore it is important for us to know that we will receive the information from the User so as to effectively manage an Insolvency scenario.
12.3	Notice of termination	Notes that any termination must be advised to the retailer in writing	No amendment required.
12.4	Termination for jeopardising for the safety of the Distribution System	Notes the situation where the distributor can terminate the agreement due to safety issues and how that must be communicated to the retailer	No amendment required.
12.5	Termination where no Customers	Notes that the distributor may terminate where the retailer has no customers	No amendment required.
12.6	Termination by the Service Provider	Notes that the distributor may terminate the agreement if its obligation to provide services ceases	No amendment required.
12.7	Consequences of Termination	Notes the result of termination of the agreement	No amendment required.
12.8	Remedies for Default	Notes any actions the retailer can take if the agreement is terminated	No amendment required.
12.9	Preservation of rights	Notes retailers rights that are preserved on termination	No amendment required.
12.10	Distribution Services after termination	Notes that the distributor may still provide services to a customer even if the agreement is terminated	Typographical amendment
13.	LIABILITIES AND INDEMNITIES	This section is a standard generic legal section that covers and describes all indemnities and warranties for all parties	
13.1	No Warranties	As above	No amendment required.
13.2	Liability for supply	As above	No amendment required.
13.3	Non-operation of limitations of liability	As above	No amendment required.
13.4	Insurance	As above	No amendment required.
13.5	Indemnity by the User	As above	No amendment required.
13.6	Exemption of liability	As above	No amendment required.

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
13.7	Preservation of statutory provisions	As above	No amendment required.
13.8	Third Party Claims and Demands	As above	No amendment required.
13.9	No Admissions	As above	No amendment required.
14.	DISPUTE RESOLUTION	This section has the effect of describing the dispute handling process between distributor and retailer	
14.1	Disputes	Describes what a dispute is	Typographical amendment
14.2	Notice of Disputes	Notes the communication that should take place in regard to a dispute	No amendment required.
14.3	Referral to chief Executive Officers or nominees	Notes the escalation points of a dispute	No amendment required.
14.4	Mediation	Notes actions to take in regard to mediation if a dispute is not resolved after escalation	No amendment required.
14.5	Arbitration	Notes actions to take if mediation is not successful	Typographical amendment.
14.6	Summary or urgent relief	Notes rights of any party to seek relief during dispute resolution	No amendment required.
14.7	Customer Disputes	Notes actions in regard to customer disputes	No amendment required.
14.8	Obligations Continuing	Notes that notwithstanding any dispute certain obligations must still be met	No amendment required.
15.	Representations and Warranties	This section is a standard generic legal section that covers and describes all representations and warranties for all parties	
15.1	The User's representations and warranties	As above	No amendment required.
15.2	The Service Provider's representations and warranties	As above	No amendment required.
15.3	Other representations and warranties	As above	No amendment required.
15.4	No reliance	As above	No amendment required.
16.	NOTICES	The effect of this section is to note how, when and to whom notices should be sent between retailer and distributor	
16.1	Method of Giving Notices	Notes how a notice should be sent to a party	No amendment required.
16.2	Time of receipt of notice	Notes timing of notices	No amendment required.
16.3	Time of receipt of Invoices	Notes how an invoice is deemed to have been sent and received	No amendment required.

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
16.4	Confirmation of electronic delivery	Notes that if a notice is sent electronically it must also be sent another way	No amendment required.
17.	CONFIDENTIALITY	This section is a standard generic legal section that covers and describes all issues in regard to confidentiality	
17.1	General Obligation	As above	No amendment required.
17.2	Representatives to keep information confidential	As above	No amendment required.
17.3	Conditions on disclosure	As above	No amendment required.
17.4	Notice to other Party	As above	No amendment required.
18.	LAW AND JURISDICTION	This section confirms the jurisdiction under which this agreement is enforced	
18.1	Governing Law	As above	No amendment required.
18.2	Submission to Jurisdiction	As above	No amendment required.
19.	GENERAL	This section is a standard generic legal section that covers and describes general items otherwise not covered in other parts of the agreement	
19.1	Waiver	Describes general conditions in regard to waivers	No amendment required.
19.2	Amendment	Describes general conditions in regard to amendments to this agreement	No amendment required.
19.3	Attorneys	Points out the obligations of any attorneys signing the agreement	No amendment required.
19.4	Severability	Describes general conditions in regard to severing the agreement	No amendment required.
19.5	Counterparts	Describes general conditions in regard to execution of the agreement in parts	No amendment required.
19.6	Further Assurance	Describes general conditions in regard to assurances made by the parties entering into the agreement	No amendment required.
19.7	Entire Agreement	Notes that this is the entire agreement	No amendment required.
19.8	Assignment	Describes general conditions in regard to any party assigning any part of the agreement to others	No amendment required.
19.9	Remedies Cumulative	Describes general conditions in regard to rights and resolutions in regard to this agreement	No amendment required.
19.10	Review of Agreement	Notes that there may be amendments to the agreement during the course of the agreement and these could occur due to changes in regulatory rules or law	No amendment required.

Clause	Description	Effect of Clause	Reason for Amendment / No Amendment / Comments
19.11	No Agency or partnership	Notes that the agreement does not mean that either party is in partnership with the other by executing the agreement	No amendment required.
19.12	Restriction on authority	Notes that neither party must make guarantees or represent the other party in any way	No amendment required.
19.13	Costs	Notes that any cost to execute the agreement is to be borne by the parties signing the agreement	No amendment required.
19.14	Schedules	Notes that any appendixes and schedules are part of the agreement	No amendment required.
Schedule 1	APPROVED FORM OF UNCONDITIONAL UNDERTAKING	A template of generic wording we have approved for a Bank Guarantee	No amendment required.
Schedule 2	SERVICES OTHER THAN REFERENCE SERVICES	Notes any other services not defined as "reference services"	Additional services provided by us have been added to cater for removal of service and relocation of assets and other services that a Customer may request a User for us to provide.
Schedule 3	MATTERS TO BE NOTIFIED TO CUSTOMER BY USER	Notes items that should be advised to a customer by a retailer as standard.	No amendment required.

