

Our Ref: 11,881,474

Contact Officer:

Contact Phone:

10 March 2021

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

Tom Hallam  
General Manager Regulation  
**AusNet Services**

Dear Craig and Tom,

**Re: Victorian Gas Access Arrangement Review Process**

Thank you for your letter of 18 November 2020 on behalf of the Victorian gas distribution businesses (AusNet Services, Australian Gas Networks and Multinet Gas Networks) 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.

As your letter states, the Amendments extend the 2018–22 Access Arrangement period by six months, such that the next Access Arrangement 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 Access Arrangement 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 Victorian 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.

As sought in your letter, we agree to delay two elements of the Access Arrangement process so they align with the now delayed commencement of the next Access Arrangement period created by the Amendments. The specific agreed changes are outline in the table below.

<b>Milestone</b>	<b>Original</b>	<b>Proposed</b>
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

A submission date for your regulatory proposals of 1 July 2022 would comply with clause 6.8.2(b)1 of the NER.

The Amendments to the Act raise several issues regarding the treatment of the additional six months of the current AA period. We look forward to discussing these issues with the AGIG and AusNet Services.

The AER intends to place a copy of this letter, as well as your letter of 18 November 2020, on its website for the information of stakeholders and consumers.

Please contact [REDACTED] if you would like to discuss this matter further.

Yours sincerely,

A black rectangular redaction box covering the signature of Sebastian Roberts.

Sebastian Roberts

General Manager, Transmission and Gas