



# Access Arrangement for the Mid-West and South-West Gas Distribution Systems

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# 1. Introduction

## 1.1 Purpose of this document

This document is an Access Arrangement that sets out terms and conditions about access to Pipeline Services that ATCO Gas Australia provides or intends to provide by means of the AGA GDS.

The AGA GDS is a Covered Pipeline under the National Gas Access Law.

## 1.2 Composition of Access Arrangement

This Access Arrangement is structured as follows:

- a) Part 1 – Introduction
- b) Part 2 – Key Dates
- c) Part 3 – Identification of the Pipeline
- d) Part 4 – Pipeline Services, Reference Services and Reference Tariffs
- e) Part 5 – Application Procedure
- f) Part 6 – Capacity Trading Requirements
- g) Part 7 – Extension and Expansion Requirements
- h) Part 8 – Changing Receipt Points and Delivery Points
- i) Part 9 – Depreciation
- j) Part 10 – Speculative Capital Expenditure Account
- k) Part 11 – Fixed principles
- l) Part 12 – Definitions and interpretation
- m) Annexure A – Calculating Haulage Tariffs
- n) Annexure B – Reference Tariff Variation Mechanism
- o) Annexure C – Reference Tariffs Associated with the Ancillary Services and the Associated Reference Tariff Variation Mechanism
- p) Annexure D – Automatic Formulas for Updating the Debt Risk Premium
- q) Annexure E – System Pressure Protection Plan
- r) Annexure F – Template Service Agreement
- s) Appendix G – Application Form

### 1.3 Contact details

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## 2. Key Dates

### 2.1 Date of commencement and most recent revisions

This Access Arrangement commenced on 18 July 2000 and was most recently revised with effect from 1 January 2020.

### 2.2 Review Submission Date and Revision Commencement Date

For the purposes of rule 48(1)(i) and rule 49(1) of the NGR:

- a) the "review submission date" is 1 September 2023; and
- b) the "revision commencement date" is 1 January 2025.

### 3. Identification of the pipeline

The Pipeline to which this Access Arrangement relates is the AGA GDS. A description of the AGA GDS is available at [www.atcogas.com.au](http://www.atcogas.com.au).



## 4. Pipeline Services, Reference Services, and Reference Tariffs

### 4.1 Pipeline Services

ATCO Gas Australia offers the following Pipeline Services by means of the AGA GDS to Prospective Users:

- a) Reference Services, being the Haulage Services;
- b) Reference Services, being the Ancillary Services; and
- c) Non-Reference Services.

### 4.2 Service A1

- a) Service A1 is a Pipeline Service by which a User may take delivery of Gas at a Delivery Point on the AGA GDS, where the following preconditions are met:
  - i) the Prospective User submits an Application and at that time:
    - A) it is reasonably anticipated that the Prospective User will take delivery of 35 Terajoules or more of Gas during each Year of the Service Agreement at that Delivery Point; and
    - B) the Prospective User requests a Contracted Peak Rate of 10 gigajoules or more per hour; and
  - ii) the Prospective User requests User Specific Delivery Facilities.
- b) The Reference Tariff for Service A1 is Tariff A1.
- c) The other terms and conditions on which Service A1 will be provided are set out in the Template Service Agreement.

### 4.3 Service A2

- a) Service A2 is a Pipeline Service by which a User may take delivery of Gas at a Delivery Point on the AGA GDS, where the following pre-conditions are met:
  - i) the Prospective User submits an Application and at that time:
    - A) it is reasonably anticipated that the Prospective User will take delivery of 10 Terajoules or more of Gas, but less than 35 Terajoules of Gas, during each Year of the Service Agreement at that Delivery Point; or
    - B) the Prospective User requests a Contracted Peak Rate of less than 10 Gigajoules per hour; or
    - C) an Above 10 TJ Determination has been, or is likely to be, made under the Retail Market Procedures; and
  - ii) the Prospective User requests User Specific Delivery Facilities.
- b) The Reference Tariff for Service A2 is Tariff A2.
- c) The other terms and conditions on which Service A2 will be provided are set out in the Template Service Agreement.

#### **4.4 Service B1**

- a) Service B1 is a Pipeline Service by which a User may take delivery of Gas at a Delivery Point on the AGA GDS, where the following pre-conditions are met:
  - i) the Prospective User submits an Application and at that time either (or both):
    - A) it is reasonably anticipated that the Prospective User will take delivery of less than 10 Terajoules of Gas during each Year of the Service Agreement at that Delivery Point; or
    - B) the Prospective User requests a Contracted Peak Rate of less than 10 Gigajoules per hour; and
  - ii) the Prospective User requests User Specific Delivery Facilities; or
  - iii) the Prospective User may take delivery of Gas at a Delivery Point on the Medium Pressure/Low Pressure System using Standard Delivery Facilities which include a Standard 18 m<sup>3</sup>/h Meter or a standard Meter with a badged capacity of more than 18 m<sup>3</sup>/h.
- b) The Reference Tariff for Service B1 is Tariff B1.
- c) The other terms and conditions on which Service B1 will be provided are set out in the Template Service Agreement.

#### **4.5 Service B2**

- a) Service B2 is a Pipeline Service by which a User may take delivery of Gas at a Delivery Point on the Medium Pressure/Low Pressure System using Standard Delivery Facilities which include a standard Meter with a badged capacity of greater than or equal to 12 m<sup>3</sup>/h and less than 18 m<sup>3</sup>/h.
- b) The Reference Tariff for Service B2 is Tariff B2.
- c) The other terms and conditions on which Service B2 will be provided are set out in the Template Service Agreement.

#### **4.6 Service B3**

- a) Service B3 is a Pipeline Service by which a User may take delivery of Gas at a Delivery Point on the Medium Pressure/Low Pressure System using Standard Delivery Facilities which include a standard Meter with a badged capacity of less than 12 m<sup>3</sup>/h.
- b) The Reference Tariff for Service B3 is Tariff B3.
- c) The other terms and conditions on which Service B3 will be provided are set out in the Template Service Agreement.

#### **4.7 Deregistering a Delivery Point**

- a) Deregistering a Delivery Point for Services A1, A2, B1, B2 and B3 is the Pipeline Service by which a Delivery Point is permanently deregistered by:
  - i) removing the Standard Delivery Facilities to the extent ATCO Gas Australia considers necessary;
  - ii) permanently removing the Delivery Point in accordance with the Retail Market Procedures; and

- iii) removing the Delivery Point from the Delivery Point Register, in the manner that ATCO Gas Australia considers appropriate.
- b) The Reference Tariffs associated with Deregistering a Delivery Point and the circumstance in which they apply are described in Annexure C.
- c) The process by which User obtains access to Deregistering a Delivery Point is set out in Schedules 1 to 5 of the Template Service Agreement (as relevant depending on the Haulage Service received).
- d) There are circumstances in which the User must request access to Deregistering a Delivery Point. Those circumstances are described at clause 5.6 of the Template Service Agreement.
- e) The other terms and conditions on which Deregistering a Delivery Point will be provided are set out in the Template Service Agreement.

#### **4.8 Applying a Meter Lock**

- a) Applying a Meter Lock is the Pipeline Service by which a lock is applied to the valve that comprises part of the Standard Delivery Facilities to prevent Gas from being received at the relevant Delivery Point.
- b) The Reference Tariffs associated with Applying a Meter Lock and the circumstance in which they apply are described in Annexure C.
- c) The process by which User obtains access to Applying a Meter Lock is set out in Schedules 4 and 5 of the Template Service Agreement (as relevant depending on the Haulage Service received).
- d) The other terms and conditions on which Applying a Meter Lock will be provided are set out in the Template Service Agreement.

#### **4.9 Removing a Meter Lock**

- a) Removing a Meter Lock is the Pipeline Service by which a lock that was applied to a valve that comprises part of the Standard Delivery Facilities to prevent Gas from being received at the relevant Delivery Point is removed.
- b) The Reference Tariffs associated with Removing a Meter Lock and the circumstance in which they apply are described in Annexure C.
- c) The process by which User obtains access to Removing a Meter Lock is set out in Schedules 4 and 5 of the Template Service Agreement (as relevant depending on the Haulage Service received).
- d) The other terms and conditions on which Removing a Meter Lock will be provided are set out in the Template Service Agreement.

#### **4.10 Disconnecting a Delivery Point**

- a) Disconnecting a Delivery Point is the Pipeline Service by which the Delivery Point is physically disconnected in a manner that will prevent Gas from being delivered to the Delivery Point.
- b) The Reference Tariffs associated with Disconnecting a Delivery Point and the circumstance in which they apply are described in Annexure C.

- c) The process by which User obtains access to Disconnecting a Delivery Point is set out in Schedules 4 and 5 of the Template Service Agreement (as relevant depending on the Haulage Service received).
- d) The other terms and conditions on which Disconnecting a Delivery Point will be provided are set out in the Template Service Agreement.

#### **4.11 Reconnecting a Delivery Point**

- a) Reconnecting a Delivery Point is the Pipeline Service by which the Delivery Point is physically reconnected in a manner that will allow Gas to be delivered to the Delivery Point.
- b) The Reference Tariffs associated with Reconnecting a Delivery Point and the circumstance in which they apply are described in Annexure C.
- c) The process by which User obtains access to Reconnecting a Delivery Point is set out in Schedules 4 and 5 of the Template Service Agreement (as relevant depending on the Haulage Service received).
- d) The other terms and conditions on which Reconnecting a Delivery Point will be provided are set out in the Template Service Agreement.

#### **4.12 Special Meter Reading**

- a) Special Meter Reading is the Pipeline Service by which an out-of-cycle meter reading of a manually read meter additional to meter readings mandated under the Retail Market Procedures is requested by User at the relevant Delivery Point.
- b) The Reference Tariffs associated with Special Meter Reading and the circumstance in which they apply are described in Annexure C.
- c) The process by which User obtains access to Special Meter Reading is set out in Schedules 3, 4 and 5 of the Template Service Agreement (as relevant depending on the Haulage Service received).
- d) The other terms and conditions on which Special Meter Reading will be provided are set out in the Template Service Agreement.

#### **4.13 Non-Reference Services**

ATCO Gas Australia will negotiate the Tariff or Charge, and other terms and conditions, for a Non-Reference Service with a Prospective User.

## 5. Application procedure

### 5.1 Prospective Users and Pipeline Services

If a Prospective User wishes to obtain access to a Pipeline Service, then the Prospective User must apply to obtain access to a Pipeline Service by making an Application in accordance with this Application Procedure.

Pipeline Services are provided by ATCO Gas Australia by means of the AGA GDS which is a Covered Pipeline owned and operated by ATCO Gas Australia.

The relevant contact details for making an Application for access to Pipeline Services by means of the AGA GDS are available from <http://www.atcogas.com.au/About-Us/Access>

ATCO Gas Australia also provides Pipeline Services by means of two Non-Scheme Pipelines, the Kalgoorlie Gas Distribution System and the Albany Gas Distribution System, which are not Covered Pipelines. Prospective Users wishing to obtain access to a Pipeline Service from a Non-Scheme Pipeline are referred to the ATCO Gas Australia “Non-Scheme Pipeline User Access Guide” available from <http://www.atcogas.com.au/About-Us/Access>

### 5.2 Application Information

The information required for an Application will be specified by ATCO Gas Australia on request from a Prospective User. The required information will include anything specified in the National Gas Access Law or National Gas Rules, and may also include:

- a) information as to the Prospective User's compliance with ATCO Gas Australia's minimum prudential and insurance requirements – these requirements are set out in the Application Form shown at Appendix G of this Access Arrangement document; and
- b) a proposed System Pressure Protection Plan as specified in Part 5.7 below.

Consistent with ATCO Gas Australia's usual practice, the information provided by a Prospective User to ATCO Gas Australia in relation to a preliminary enquiry or informal or formal access Request will be treated as confidential (except to the extent it is in or enters the public domain) and ATCO Gas Australia will only use that information for the purpose for which it was disclosed.

### 5.3 Application Procedure for Prospective Users

- a) A Prospective User may request ATCO Gas Australia to provide a Pipeline Service by lodging an Application with ATCO Gas Australia using the Application Form shown at Appendix G of this Access Arrangement document.
- b) Within 20 Business Days of receiving a complete Application, ATCO Gas Australia will (subject to the National Gas Access Law and National Gas Rules) either:
  - i) make an Access Offer to the Prospective User which informs the Prospective User of the terms and conditions on which ATCO Gas Australia is prepared to provide the requested Pipeline Service; or

- ii) inform the Prospective User that ATCO Gas Australia needs to carry out further investigation to determine whether it can provide the requested Pipeline Service and provide a proposal for carrying out the further investigation (Investigation Proposal) including:
  - A) a statement of the nature of the investigation;
  - B) a plan (including a time schedule) for carrying out and completing the investigation; and
  - C) a statement of the reasonable cost of the further investigation that the Prospective User is required to meet before the investigation is carried out; or
- iii) inform the Prospective User that it cannot provide the requested Pipeline Service and:
  - A) provide written reasons explaining why the requested Pipeline Service cannot be provided; and
  - B) if there is some prospect that it will become possible to provide the requested Pipeline Service in the future – give details of when capacity to provide the requested Pipeline Service is likely to become available and, if possible, nominate a specific date.
- c) If ATCO Gas Australia makes an Access Offer, then the Prospective User must:
  - i) accept the Access Offer by executing a Service Agreement or agreeing in writing to amend its existing Service Agreement;
  - ii) reject the Access Offer; or
  - iii) withdraw its Application,within 20 Business Days of receiving the Access Offer (or such other time as agreed to by ATCO Gas Australia in writing).
- d) If the Prospective User has not taken any of the steps described in paragraphs 5.3(b)(i) to 5.3(b)(iii) within 20 Business Days of receiving the Access Offer (or such other time as agreed by ATCO Gas Australia in writing), then the Access Offer will be deemed to have lapsed.
- e) A Prospective User which receives an Access Offer that lapses under paragraph 5.3(d) may ask ATCO Gas Australia in writing whether ATCO Gas Australia is prepared, in its absolute discretion, to renew the Access Offer.
- f) If, in response to a request under paragraph 5.3(e), ATCO Gas Australia advises a Prospective User that the Access Offer is renewed and open for a specified period, then the Prospective User may accept that Access Offer by executing a Service Agreement or agreeing in writing to amend its existing Service Agreement within the specified period.
- g) If ATCO Gas Australia provides a Prospective User an Investigation Proposal, then:
  - i) if ATCO Gas Australia and the Prospective User do not agree on the Investigation Proposal (or a negotiated modification of it) within 20 Business Days of ATCO Gas Australia providing the Investigation Proposal, then ATCO Gas Australia is taken to have rejected the Prospective User's request; and
  - ii) if ATCO Gas Australia and the Prospective User agree on the Investigation Proposal (or a negotiated modification of it) within 20 Business Days of ATCO Gas Australia providing the Investigation Proposal, then ATCO Gas Australia must carry out the further investigation in accordance with the agreed Investigation Proposal and, on the conclusion of the further investigation, inform the Prospective User whether it can, or cannot, provide the requested Pipeline Service and then otherwise comply with this Application Procedure.

- h) ATCO Gas Australia and the Prospective User will only be taken to have entered into a Service Agreement when a written agreement has been duly executed between the parties.

## 5.4 Access disputes – process and timing

Any Access Dispute between ATCO Gas Australia and a User or Prospective User may be dealt with under Chapter 6 of the National Gas Access Law.

## 5.5 Pre-conditions to and restrictions on the provision of Pipeline Services

- a) ATCO Gas Australia will only provide or agree to provide a Pipeline Service to a Prospective User under a Service Agreement if:
- i) consistent with section 188 of the National Gas Access Law, doing so would not have the effect of preventing a User from obtaining a sufficient amount of a Pipeline Service under a contract or Access Determination to be able to meet that User's reasonably anticipated requirements;
  - ii) consistent with section 188 of the National Gas Access Law, doing so would not have the effect of preventing a User or a Prospective User from obtaining, by the exercise of a pre-notification right (as defined in section 188 of the National Gas Access Law) a sufficient amount of a Pipeline Service to be able to meet the User's or Prospective User's actual requirements;
  - iii) consistent with section 188 of the National Gas Access Law, doing so would not have the effect of depriving a person of a relevant protected contractual right (as defined in section 188 of the National Gas Access Law);
  - iv) consistent with section 187 of the National Gas Access Law, ATCO Gas Australia considers that the Pipeline Service could not be provided on a genuinely competitive basis by a person other than ATCO Gas Australia or an associate of ATCO Gas Australia;
  - v) in ATCO Gas Australia's view, it is possible to accommodate the Prospective User's requirements under the Pipeline Service consistently with the safe operation of the AGA GDS and in accordance with accepted good industry practice;
  - vi) the Service Agreement identifies the Receipt Point or Receipt Points (which must be on the same Sub-network as the Delivery Point) at which one or more Related Shippers will deliver Gas into the Sub-network for transportation to the Delivery Point;
  - vii) in relation to each requested Delivery Point:
    - A) the Delivery Point will be of sufficient capability to accommodate the Contracted Peak Rate requested by the Prospective User at the Delivery Point; and
    - B) the Receipt Point (and its associated Physical Gate Points) and the Sub-network will be of sufficient capability to accommodate the Prospective User's requirements under the Service Agreement, having regard to the current contracted entitlements of all other Users of the Sub-network,for the period that the Prospective User has requested Pipeline Services at the requested Delivery Point;
  - viii) either:

- A) for the duration of the Service Agreement, there is and will be sufficient Spare Capacity to accommodate the Prospective User's requirements under the Service Agreement; or
  - B) any necessary Extension or Expansion complies with the Extensions and Expansions Requirements; and
- b) ATCO Gas Australia may, subject to the National Gas Access Law, in its reasonable discretion waive one or more of the pre-conditions described in paragraph 5.5(a), and may do so on any reasonable terms and conditions.

## **5.6 User may extend Service Agreement or increase Contracted Peak Rate only by a new Application**

- a) Subject to this paragraph, ATCO Gas Australia and a User may not:
  - i) extend the duration of a Service Agreement;
  - ii) extend the period specified in a Service Agreement as the period over which the User is entitled to take a Pipeline Service at a Delivery Point; or
  - iii) increase a User's Contracted Peak Rate at a Delivery Point above the Contracted Peak Rate (if any) specified in its Service Agreement for that Delivery Point,other than by way of an Application by the User for the extended duration or incremental amount of Contracted Peak Rate.
- b) Paragraph 5.6(a) does not prevent:
  - i) a User from having Contracted Peak Rate transferred or assigned to it under the applicable Capacity Trading Requirements where the transfer or assignment does not involve any relocation of the Contracted Peak Rate;
  - ii) a User from extending the duration of a Service Agreement by duly exercising an option granted to it as part of the terms and conditions of the Service Agreement; or
  - iii) ATCO Gas Australia or a User from exercising their respective rights under a provision of a Service Agreement.

## **5.7 System Pressure Protection Plan**

- a) If the Prospective User has not already agreed to comply with a System Pressure Protection Plan approved by ATCO Gas Australia that would apply to a Pipeline Service that the Prospective User wishes to obtain access to, ATCO Gas Australia will only provide or agree to provide a Pipeline Service to a Prospective User under a Service Agreement if:
  - i) the Prospective User provides to ATCO Gas Australia a written System Pressure Protection Plan as part of its Application; and
  - ii) ATCO Gas Australia, in writing, approves the System Pressure Protection Plan, which approval must be provided if ATCO Gas Australia, acting as a reasonable person, is satisfied with it.
- b) A System Pressure Protection Plan must ensure that the Prospective User has sufficient contractual entitlements to firm Gas transportation capacity on one or more Interconnected Pipelines for delivery to one or more Receipt Points (on the same Sub-network as the Delivery Points) to meet the aggregate of all the Contracted Peak Rates requested by the Prospective User at the Delivery Points.



- c) The standard System Pressure Protection Plan acceptable to ATCO Gas Australia is shown at Appendix E of this Access Arrangement document.

## 6. Capacity Trading Requirements

### 6.1 Capacity Trading Requirements to be specified in the Service Agreement

A User's right to transfer its contracted capacity to another person will be set out in the User's Service Agreement with ATCO Gas Australia. The terms and conditions for the transfer of contracted capacity for Reference Services are set out in clause 14 of the Template Service Agreement. In accordance with the Template Service Agreement, a User will have qualified rights to transfer some or all of its contracted capacity for Reference Services to one or more third parties

## 7. Extension and Expansion Requirements

### 7.1 Extensions of High Pressure Pipelines

- a) If ATCO Gas Australia proposes a High Pressure Pipeline Extension of the covered pipeline it must apply in writing to the ERA for a decision on whether the proposed Extension will be taken to form part of the covered pipeline and will be covered by this Access Arrangement. The application must describe the Extension and set out why the Extension is necessary.
- b) The application referred to in (a) above must be made before the proposed High Pressure Pipeline Extension comes into service.
- c) After considering ATCO Gas Australia's application and undertaking such consultation as the ERA considers appropriate the ERA will inform ATCO Gas Australia of its decision. Taking into account any consultation the ERA considers appropriate the Authority will use its reasonable endeavours to provide ATCO Gas Australia with written notice of its decision within 90 Business Days of ATCO Gas Australia's application.
- d) The ERA's decision referred to in (c) above may be made on such reasonable terms as determined by the ERA and will have the effect stated in the decision.
- e) An Extension under this paragraph 7.1 will not affect Reference Tariffs during the Current Access Arrangement Period.

### 7.2 Other Extensions

- a) Other than High Pressure Pipeline Extensions as referred to in clause 7.1, any Extension of the Covered Pipeline designed to operate at a pressure of 1,900 kPa or less will be treated as part of the Covered Pipeline, and will accordingly be covered by this Access Arrangement.
- b) No later than 40 Business Days following the expiration of the calendar year, ATCO Gas Australia must notify the ERA of all pipeline Extensions as referred to in clause 7.2(a) during that year, including all Extensions commenced, in progress or completed.
- c) The notice must describe each Extension and set out why the Extension was necessary.
- d) An Extension under this paragraph 7.2 will not affect Reference Tariffs during the Current Access Arrangement Period.

### 7.3 Expansions

- a) All Expansions of the capacity of the Covered Pipeline carried out by ATCO Gas Australia will be treated as part of the Covered Pipeline and will accordingly be covered under this Access Arrangement.
- b) No later than 40 Business Days following the expiration of the calendar year ATCO Gas Australia must notify the ERA of all Expansions of the Covered Pipeline during that year including all Expansions commenced, in progress or completed.
- c) The notice must describe each Expansion and set out why the Expansion was necessary.

- d) An Expansion under this paragraph 7.3 will not affect Reference Tariffs during the Current Access Arrangement Period.

## **7.4 Distribution Licence**

Where ATCO Gas Australia is obliged to offer to connect a premise to the ATCO Gas Australia GDS under a Distribution Licence, ATCO Gas Australia will not impose Surcharges or seek capital contributions in respect of Standard Delivery Facilities for those costs that ATCO Gas Australia is obliged to bear under the Distribution Licence.

## **7.5 Development Rebate Scheme**

- a) An Extension is eligible for the development rebate scheme where:
  - i) the Extension provides reticulated gas to a new development or an existing development not serviced with reticulated gas;
  - ii) the Extension forms part of the Covered Pipeline and is accordingly covered by this Access Arrangement (either by way of decision by the ERA under paragraph 7.1 or by operation of paragraph 7.2);
  - iii) the Extension has been funded in whole or part by a third party to a value in excess of \$50,000; and
  - iv) under an agreement with ATCO Gas Australia the third party is entitled to a rebate of a Rebate Amount when determined in accordance with paragraph 7.5(b).
- b) When an End User connects to an Extension eligible for the development rebate scheme, ATCO Gas Australia will determine an amount that would be Conforming Capital Expenditure in relation to that connection as if the expenditure for the connection were incurred by ATCO Gas Australia at that time ("Rebate Amount").
- c) The total value of Rebate Amounts determined for each Extension and paid to the third party will not exceed the amount funded by the third party for the Extension.
- d) In accordance with paragraphs 7.1 and 7.2, an Extension eligible for the development rebate scheme under this paragraph 7.5 will not affect Reference Tariffs during the Current Access Arrangement Period.
- e) An Extension eligible for the development rebate scheme under this paragraph 7.5 will affect Reference Tariffs during the next and following Access Arrangement Periods in order for ATCO Gas Australia to earn revenue referable to Development Rebate Scheme Costs related to Rebate Amounts and operating expenditure related to the Extension.

## 8. Changing Receipt Points and Delivery Points

### 8.1 Terms and conditions for changing Receipt Points and Delivery Points to be specified in the Service Agreement

- a) A User's right to change a Receipt Point or a Delivery Point will be subject to the terms and conditions specified in that User's Service Agreement. In the case of Haulage Services, the terms and conditions are set out in clause 5 of the Template Service Agreement.
- b) The terms and conditions for changing a Receipt Point or a Delivery Point will be governed by the principles specified in paragraph 8.2 below.

### 8.2 Principles governing changing Receipt Points and Delivery Points

- a) The principles that govern the change of a Receipt Point or Delivery Point are as follows:
  - i) a User may, with the prior written consent of ATCO Gas Australia, change the User's Receipt Point or Delivery Point from that specified in its Service Agreement;
  - ii) ATCO Gas Australia must not withhold its consent unless it has reasonable grounds, based on technical or commercial considerations, for doing so;
  - iii) ATCO Gas Australia will only give its consent under paragraph 8.2(a)(i) where a User makes its request for consent in writing; and
  - iv) ATCO Gas Australia may make it a condition of its consent under paragraph 8.2(a)(i) that the User satisfies one or more of the pre-conditions set out in paragraph 5.5 (which are to be read as though references to the Prospective User were instead references to the User proposing the addition, change or relocation, and references to the proposed Service Agreement were instead references to the Service Agreement as proposed to be amended by the addition, change or relocation).
- b) Nothing in paragraph 8.2(a)(iii) or paragraph 8.2(a)(iv) limits ATCO Gas Australia's rights under paragraph 8.2(a)(ii) to withhold its consent on reasonable grounds based on commercial or technical considerations.

## 9. Depreciation

### 9.1 Calculation of depreciation for Opening Capital Base

- a) For the calculation of the nominal Opening Capital Base for the GDS for the Next Access Arrangement Period, for the purposes of rule 77(2)(d) of the NGR, depreciation over the Current Access Arrangement Period is to be calculated in accordance with the current cost accounting depreciation method – where first, the real opening capital base in any year is divided by the remaining asset life to calculate the real depreciation for the regulatory year, second, indexation is applied to the real depreciation to convert it to nominal terms, and third, the nominal depreciation is adjusted for the resulting double count of inflation by subtracting the value ascribed to inflation from the opening regulatory asset base for that regulatory year, and is to be the sum of:
  - i) depreciation on the Opening Capital Base over the Current Access Arrangement Period;
  - ii) depreciation of the forecast Capital Expenditure for the Current Access Arrangement Period (being the amount of forecast Capital Expenditure used for the purpose of determining Haulage Tariffs for the Current Access Arrangement Period); and
  - iii) depreciation of any unanticipated Capital Expenditure for the Current Access Arrangement Period (being depreciation calculated in accordance with Clause 2 of Annexure B of this Access Arrangement).
- b) indexing and adjustment for inflation should be calculated consistent with the rate of inflation as measured by the CPI All Groups, Weighted Average of Eight Capital Cities as at 31 December of each regulatory period.

## 10. Speculative Capital Expenditure Account

For the purposes of rule 84 of the NGR, the amount of any Non-Conforming Capital Expenditure is, to the extent that expenditure is not to be recovered through a Surcharge on Users or a Capital Contribution, to be added to a notional fund, the AGA GDS speculative capital expenditure account, and is to be dealt with in accordance with rule 84(2) of the NGR and rule 84(3) of the NGR.

## 11. Fixed Principles

### **11.1 The following principles were approved by the ERA as fixed principles on 25 August 2005 for a period of 10 Years and have been declared as fixed principles for a further period of 10 years commencing on 25 August 2015:**

- a) the straight-line method of depreciation for each group of assets referred to in part 9; and
- b) the inclusion of:
  - i) HHV Costs that are Conforming Capital Expenditure in the Opening Capital Base for the AGA GDS at the Revision Commencement Date; and
  - ii) in Total Revenue, HHV Costs that are Operating Expenditure for the Next Access Arrangement Period in respect of the AGA GDS,in respect of which Reference Tariffs have been varied as a Cost Pass Through Event.

### **11.2 The following principles were approved by the ERA as fixed principles for 10 Years commencing on 1 January 2011 and have been extended to apply as required to ensure the expenditure they refer to is included in the expenditure for the Next Access Arrangement Period:**

- a) the inclusion of:
  - i) Physical Gate Point Costs that constitute Conforming Capital Expenditure in the Opening Capital Base for the AGA GDS for the Next Access Arrangement Period; and
  - ii) Physical Gate Point Costs that constitute Conforming Operating Expenditure in Total Revenue for the Next Access Arrangement Period in respect of the AGA GDS,in respect of which Reference Tariffs have been varied as a Cost Pass Through Event.

### **11.3 The following principle expires at the end of the Next Access Arrangement Period:**

- a) the inclusion of:
  - i) additional conforming expenditure associated with a Cost Pass-Through Event for the period 1 September 2023 to 31 December 2024. The expenditure must meet the requirements of clause 2 of Annexure B of this Current Access Arrangement;
- b) In compliance with clause 11.3(a)(i), AGA must provide a report to the ERA on the cost pass-through, and that report shall contain the following information:
  - i) a statement of reasons for the variation of the Reference Tariff as a result of the Cost Pass Through Event;
  - ii) supporting calculations demonstrating consistency with the requirements of clause 2 of Annexure B;



- iii) supporting information substantiating the amount and nature of the costs proposed to be passed through by the varied Reference Tariff; and
- iv) the date or dates on which it is proposed by ATCO Gas Australia that the varied Reference Tariff shall come into effect.

The ERA will consider ATCO Gas Australia's application for Cost Pass-Through Events during this period in its review of the next Access Arrangement. The ERA may require ATCO Gas Australia to provide further substantiation of the amounts and the nature of the costs that ATCO Gas Australia proposes to be passed through by the varied Reference Tariffs and requiring ATCO Gas Australia to provide that further substantiation by a date specified in the ERA's request. The ERA will advise if it approves or does not approve the cost pass-throughs detailed in ATCO Gas Australia's report and provide reasons for its decision. ATCO Gas Australia may account for the timing difference between incurring Conforming Operating Expenditure and the start date for the Tariff variation, through a time value of money adjustment.

#### **11.4 The following principle applies for the period described**

The inclusion of Development Rebate Scheme Costs related to Rebate Amounts under paragraph 7.5(e) in Total Revenue in respect of the AGA GDS for the period or periods ending when those Rebate Amounts are fully depreciated.

## 12. Incentive mechanisms

The following “Gas Network Innovation Scheme” incentive mechanism applies for the purposes of rule 98 of the NGR

### 12.1 Objective

- a) This Part 12 sets out the Gas Network Innovation Scheme (NIS).
- b) The objective of the NIS is to provide ATCO Gas Australia with funding for projects using innovative and new technologies with the potential to deliver medium to long-term improvements in Pipeline Services that are in the long term interests of consumers of natural gas in Western Australia.
- c) The reference above to medium to long-term improvements means improvements which extend beyond a single Access Arrangement Period.

### 12.2 Projects to which the NIS applies

- a) The NIS applies only to projects (**Qualifying Projects**) which satisfy each of the following criteria:
  - i) the project must be for an approved purpose; and
  - ii) the project must be innovative; and
  - iii) the project must be one which, if successful, will, or will be reasonably expected to, deliver a material medium to long term benefit to consumers of natural gas in Western Australia.
- b) A project is for an approved purpose if it is for researching, trialling, developing or implementing a piece of new equipment, a new arrangement or application of existing network infrastructure or a new practice directly relating to one or more of the following:
  - i) an improvement in operation or safety of the AGA GDS;
  - ii) an improvement in the quality of Pipeline Services received by consumers of natural gas;
  - iii) a new business or revenue model; and
  - iv) a reduction of the carbon intensity of the gas distributed by the AGA GDS.
- c) A project is innovative if it meets one or more of the following criteria:
  - i) it is based on new, novel or original concepts and involves technology or techniques that differ from those used on a commercial scale in the Western Australian natural gas market;
  - ii) it facilitates the adoption of new technologies that can expand the existing range of uses for gas or for the AGA GDS; or
  - iii) it has the potential, if proved viable, to reduce long term costs of operating and maintaining the AGA GDS, reduce Reference Tariffs or to improve the quality of Pipeline Services provided by the AGA DGS.

### 12.3 Expenditure Recovery

- a) In respect of each Year of the Access Arrangement Period ATCO Gas Australia is entitled to recovery of expenditure on Qualifying Projects in an amount up to the Innovation Expenditure Allowance.
- b) The **Innovation Expenditure Allowance** for a Year is equal to the Annual Innovation Amount for that Year plus any amount by which aggregate Approved Innovation Expenditure for prior Years of the Access Arrangement Period is less than the sum of the Annual Innovation Amount for each prior Year.
- c) The **Annual Innovation Amount** for the first Year of the Access Arrangement Period is \$1,000,000.00 (one million dollars).
- d) The **Annual Innovation Amount** for each subsequent Year of the Access Arrangement Period is the Annual Innovation Amount for the prior Year escalated by reference to the change in the CPI All Groups, Weighted Average of Eight Capital Cities between the September quarter of the prior Year and the September quarter of the Year prior to that prior Year.
- e) **Approved Innovation Expenditure** for a Year is the amount of expenditure incurred in that Year which the ERA approves as being recoverable by ATCO Gas Australia for the purposes of the NIS.
- f) There is no cap on the sum of the Approved Innovation Expenditure in respect of a Qualifying Project over the Access Arrangement Period (or over one or more Access Arrangement Periods) but the Approved Innovation Expenditure for a Year may not exceed the Innovation Expenditure Allowance.
- g) After each 1 September, ATCO Gas Australia may make an application to the ERA to recover the expenditure on Qualifying Projects incurred since the prior application made by ATCO Gas Australia (or in the case of the first application incurred since 1 January 2020). Subject to the specific provisions of this Network Innovation Scheme the application will be assessed as a Cost Pass Through Event.
- h) The ERA will approve the recovery of such expenditure if the ERA is satisfied as to each of the following:
  - i) the expenditure was incurred efficiently;
  - ii) the expenditure was incurred in a manner consistent with good industry practice;
  - iii) the expenditure was on a Qualifying Project;
  - iv) ATCO Gas Australia is not able to recoup the expenditure through funding agreed to be provided by a State or Commonwealth government agency or statutory authority (such as ARENA); and
  - v) ATCO Gas Australia has not already recouped equivalent expenditure serving the same purpose as the expenditure sought to be recouped through funding provided by a State or Commonwealth government agency or statutory authority (such as ARENA).
- i) Any expenditure approved by the ERA may be recovered using the same mechanisms as permit recovery of Conforming Operating Expenditure.

## 12.4 Indicative Approval

- a) ATCO Gas Australia may, in its discretion, apply to the ERA for advance approval that a project is a Qualifying Project prior to the expiry of a Year during which that project is to be undertaken.
- b) The ERA must, within 60 days of that application, approve the project as a Qualifying Project but only if the ERA is satisfied the project is a Qualifying Project.
- c) If the ERA so approves a project it will be taken for the purposes of the NIS to be a Qualifying Project but such approval does not mean that expenditure on the project is taken to be efficient or to be in accordance with good industry practice.
- d) The fact the ERA does not approve a project as a Qualifying Project does not prevent ATCO Gas Australia making an application under clause 12.3 in respect of the project.

## 12.5 Future Access Arrangement Periods

- a) Any part of the Innovation Expenditure Allowance for a Year of an Access Arrangement Period which is not used during that Access Arrangement Period will not be rolled forward to the Next Access Arrangement Period. However expenditure made after the last application under clause 12.3(g) in an Access Arrangement Period may be recovered in the Next Access Arrangement Period.
- b) As part of the consideration of the NIS to apply in any future Access Arrangement Period the ERA will reconsider the appropriate level of the Annual Innovation Amount.

## 12.6 Reporting

- a) Within 30 days of the end of each Year, ATCO Gas Australia must submit a report to the ERA outlining the projects undertaken by ATCO Gas Australia in that Year which ATCO Gas Australia proposes be funded, in whole or in part, through the NIS.
- b) Such report must:
  - i) outline each project in sufficient detail to enable an understanding of the nature of the project;
  - ii) summarise the activities undertaken by ATCO Gas Australia during the Year to progress the project;
  - iii) summarise the expenditure undertaken by ATCO Gas Australia on the project;
  - iv) outline how the project will further the medium to long term interests of consumers of gas in Western Australia;
  - v) outline the conclusions drawn or results obtained from undertaking the project; and
  - vi) outline how those conclusions and results can be applied in the conduct of the AGA GDS business (or if they cannot be applied, the reasons why not).
- c) ATCO Gas Australia must undertake all due inquiry to ensure a report submitted under paragraph (b) above is accurate and complete and the report must contain a certification by ATCO Gas Australia to the effect it has undertaken this due inquiry.
- d) ATCO Gas Australia must notify the ERA as soon as reasonably practicable if it forms the view that it is no longer appropriate to pursue a Qualifying Project which notification must set out, in

sufficient detail for the ERA to understand them, the reasons why ATCO Gas Australia has formed that view.

## 13. Definitions and Interpretation

### 13.1 Dictionary

Unless the contrary intention appears, the Dictionary sets out the definitions given to capitalized terms used in this document:

TERM	DEFINITION
Above 10 TJ Determination	has the meaning given to that term in rule 139(3)(b) of the Retail Market Procedures.
Access Arrangement	has the meaning given to that term in the National Gas Access Law and in particular, and as the context requires, means the access arrangement for the AGA GDS approved under the National Third Party Access Code for Natural Gas Pipeline Systems (Code) on 18 July 2000 and subsequently revised under the Code and the Access Laws (“this” Access Arrangement and “the” Access Arrangement).
Access Arrangement Period	has the meaning given to that term in rule 3 of the National Gas Rules.
Access Determination	has the meaning given to that term in the National Gas Access Law
Access Dispute	has the meaning given to that term in the National Gas Access Law
Access Laws	means: (a) the National Gas Access Law; and (b) the National Gas Rules.
AGA	means ATCO Gas Australia Pty Ltd
AGA GDS	means the Mid-West and South-West Gas Distribution System (formerly known as the WAGN GDS) owned by AGA.
Allowed Rate of Return	has the meaning given to that term under the National Gas Rules
Ancillary Services	means any one of Deregistering a Delivery Point, Applying a Meter Lock, Removing a Meter Lock, Disconnecting a Delivery Point and Reconnecting a Delivery Point and Ancillary Services means all of them.
Applicable Tax	has the meaning given to that term in the definition of “Tax” specified in this Dictionary.
Application	means an application to obtain access to a Pipeline Service in accordance with Part 5 of the Access Arrangement.
Application Procedure	means the application procedure specified in Part 5 of the Access Arrangement under which a Prospective User wishing to obtain access to a Pipeline Service must submit an Application.
Applying a Meter Lock	means the Pipeline Service described in paragraph 4.8 of the Access Arrangement.
Arbitrator	means the person appointed to hear a dispute between the Parties in accordance with clause 19.3 of the Template Service Agreement.
ATCO Gas Australia	means ATCO Gas Australia Pty Ltd (ABN 90 089 531 975) (formerly WA Gas Networks Pty Ltd and formerly Alinta Gas Networks Pty Ltd).

TERM	DEFINITION
Authority	means the Economic Regulation Authority
Business Days	Means a day that is not: (a) a Saturday or Sunday; or (b) observed as a public holiday, a special holiday or bank holiday under the Public and Bank Holidays Act 1972 (WA).
Capacity	means the measure of the potential of a Covered Pipeline as currently configured to deliver a particular Pipeline Service between a Receipt Point and a Delivery Point at a point in time.
Capacity Trading Requirements	refers to the requirements specified in Part 6 of the Access Arrangement
Capital Base	in relation to the AGA GDS, means the capital value to be attributed, in accordance with Part 9 of the National Gas Rules, to the AGA GDS
Capital Expenditure	has the meaning given to that term in the National Gas Rules
Change in Law	means: a) the introduction of a new Law; b) an amendment to, or repeal of, an existing Law; or c) a new or changed interpretation of an existing Law resulting from a decision of: i) a court; ii) a tribunal; iii) an arbitrator; iv) a government or regulatory department, body, instrumentality, minister, commissioner, officer, agency or other authority; or v) a person or body which is the successor to the administrative responsibilities of any person or body described in paragraph (iv) of this definition.
Charge	has the meaning given to that term in section 2 of the National Gas Access Law.
Conforming Capital Expenditure	has the meaning given to that term in the National Gas Rules
Conforming Operating Expenditure	means Operating Expenditure that complies with the criteria governing Operating Expenditure under the National Gas Rules
Contracted Peak Rate	in respect of a Delivery Point, means the highest Instantaneous Flow Rate through the Delivery Point at which Service Provider can be required to deliver Gas, which: a) for a Delivery Point to which Service A1 applies, is determined under clause 7 of Schedule 1 of the Template Service Agreement; b) for a Delivery Point to which Service A2 applies, is determined under clause 7 of Schedule 2 of the Template Service Agreement; c) for a Delivery Point to which Service B1 applies, is determined under clause 7 of Schedule 3 of the Template Service Agreement;

TERM	DEFINITION
	d) for a Delivery Point to which Service B2 applies, is determined under clause 6 of Schedule 4 of the Template Service Agreement; and e) for a Delivery Point to which Service B3 applies, is determined under clause 6 of Schedule 5 of the Template Service Agreement.
Cost Pass Through Event	refers to an event defined as a cost pass through event in clause 2 of Annexure B of the Access Arrangement
Covered Pipeline	has the meaning given to that term in section 2 of the National Gas Access Law.
Covered Pipeline Service Provider	has the meaning given to that term in section 2 of the National Gas Access Law.
CPI All Groups, Weighted Average of Eight Capital Cities	means the Consumer Price Index All Groups Index Number for All Groups, Weighted Average of Eight Capital Cities published by the Australian Bureau of Statistics or, if applicable, an alternative index determined under clause 2(b) of Annexure C of the Access Arrangement.
Current Access Arrangement Period	means the Access Arrangement Period to which the Access Arrangement currently relates
Delivery Facilities	means, as applicable, Standard Delivery Facilities or User Specific Delivery Facilities
Delivery Point	means a point, including a flange or joint, specified in a Service Agreement and in the Delivery Point Register, as a point at which User is entitled to take delivery of Gas from Service Provider out of the AGA GDS.
Delivery Point Register	means a database or collection of databases established and maintained in accordance with clause 5.4 of the Template Service Agreement and containing the details of Delivery Points and other information described in that clause 5.4, and which may contain other information, including information about other Users.
Demand Charge	for Tariff A1 means the charge described in clause 1.1 (a) ii) of Annexure A of the Access Arrangement.
Demand Charge Rate	for Tariff A1 means the rate specified in clause 1.1(b) ii) of Annexure A of the Access Arrangement.
Deregistered	means, in relation to a Delivery Point, that Gas is permanently precluded from being supplied at the Delivery Point because the Delivery Point is permanently deregistered in accordance with Part 3.6 of the Retail Market Procedures and: (a) for a Delivery Point to which Service A1 applies, the procedure specified clause 9 of Schedule 1 of the Template Service Agreement; (b) for a Delivery Point to which Service A2 applies, the procedure specified in clause 9 of Schedule 2 of the Template Service Agreement; (c) for a Delivery Point to which Service B1 applies, the procedure specified in clause 8 of Schedule 3 of the Template Service Agreement; (d) for a Delivery Point to which Service B2 applies, the procedure specified in clause 7 of Schedule 4 of the Template Service Agreement; and (e) for a Delivery Point to which Service B3 applies, the procedure specified clause 7 of Schedule 5 of the Template Service Agreement.



TERM	DEFINITION
Deregistering a Delivery Point	means the Pipeline Service described in paragraph 4.7 of the Access Arrangement
Development Rebate Scheme Costs	means a return (at the Allowed Rate of Return) on and depreciation (at a rate consistent with rule 89 of the NGR) on the Rebate Amount and an amount to account for the timing difference between paying the Rebate Amount to the third party funding the Extension and the start of the next Access Arrangement Period through a time value of money adjustment.
Dictionary	means this dictionary setting out the definitions of terms used in this document.
Disconnecting a Delivery Point	means the Pipeline Service described in paragraph 4.10 of the Access Arrangement
Distribution Licence	means the licence granted to ATCO Gas Australia by the ERA on 1 January 2017, which replaced licences GDL1, GDL2 and GDL3 granted on 1 July 2000, that authorises ATCO Gas Australia to transport Gas through the AGA GDS and, if required for that purpose, to make alterations to the AGA GDS, and to operate and maintain the AGA GDS.
DRP	means debt risk premium
Emergency	means: (a) in Service Provider's opinion, any extreme operating situation; or (b) any other situation (however caused) which, in Service Provider's opinion, poses an immediate or imminent danger to persons or property or otherwise constitutes an emergency or justifies or requires urgent or unilateral action
Emissions Trading Scheme	means any law or regulation of the Commonwealth of Australia or of a State or Territory of Australia, with respect to the production or emission of, or to reduce, limit, cease, prevent, offset, remove or sequester greenhouse gas emissions.
End User	has the meaning given to that term in the National Gas Access Law
ERA	means the Economic Regulation Authority of Western Australia
Extension or Expansion	means any extension to, or expansion of, the Capacity of the AGA GDS and includes a new Pipeline.
Extension and Expansion Requirements	refers to the requirements specified in Part 7 of the Access Arrangement
Gas	means natural gas, being a substance that: (a) is in a gaseous state at standard temperature and pressure; (b) consists of naturally occurring hydrocarbons or a naturally occurring mixture of hydrocarbons and non-hydrocarbons, the principal constituent of which is methane; and is suitable for consumption.
Gas Standards Regulations	means the Gas Standards (Gas Supply and System Safety) Regulations 2000 (WA) and any other regulations under the Gas Standards Act 1972 (WA) which relate to Gas safety, system safety and Gas quality, including heating value.
Gate Station	means the metering equipment site associated with a Physical Gate Point (whether it comprises part of an Interconnected Pipeline or the AGA GDS); and includes all facilities installed at the site to perform over pressure protection, reverse flow protection, excessive flow protection, gas

TERM	DEFINITION
	metering and measurement and telemetry, and odorization, and all standby, emergency and safety facilities and all ancillary equipment and services
Gigajoule	means 1000 (one thousand) Megajoules
GST	means: (a) the same as in the GST Law; (b) any other goods and services tax, or any tax applying to a transaction under or in connection with the Access Arrangement or a Service Agreement in a similar way; and (c) any additional tax, penalty tax, fine, interest or other charge under a law for such a tax.
GST Law	has the meaning given to the term "GST law" in the A New Tax System (Goods and Services Tax) Act 1999 (Cth).
Haulage Service	means any of Service A1, Service A2, Service B1, Service B2 and Service B3 and any other haulage service (as defined in section 2 of the NGL) comprised in a Reference Service offered by AGA to Prospective Users by means of the AGA GDS from time to time.
Haulage Tariff	means any of Reference Tariff A1, Reference Tariff A2, Reference Tariff B1, Reference Tariff B2 and Reference Tariff B3 and any other Reference Tariff from time to time charged by AGA for a Haulage Service.
HHV Costs	means direct capital or operating costs incurred as a result of the management of heating value blending including expenditure incurred in connection with the measurement, recording, auditing, facilitation or management of heating value blending for the AGA GDS to the extent that such costs were not included in formulating the Conforming Capital Expenditure or Conforming Operating Expenditure for the Access Arrangement Period and it is demonstrated that the costs could not reasonably have been forecast
High Pressure Pipeline Extension	means: (a) an extension to the Covered Pipeline with a direct connection to a transmission pipeline that provides reticulated gas to a new development or an existing development not serviced with reticulated gas; or (b) an extension to the Covered Pipeline with a Maximum Allowable Operating Pressure of greater than 1,900 kPa
Instantaneous Flow Rate	in respect of a Delivery Point, means a flow rate measured over the shortest period of time over which the Meter at the Delivery Point is capable of measuring a flow rate.
Interconnected Pipeline	means a transmission Pipeline, distribution Pipeline or Gas storage system from which Gas is supplied into the AGA GDS.
Interconnection Arrangement	means a written or unwritten contract, arrangement or understanding in respect of an interconnection at a Physical Gate Point between the AGA GDS and an Interconnected Pipeline (and includes a written or unwritten contract, arrangement or understanding for the provision of an Interconnection Service).

TERM	DEFINITION
Interconnection Distance	in respect of a Delivery Point, means the distance measured along the straight line which represents the shortest distance between the Delivery Point and the nearest Pipeline or storage system from which Gas is (or would be, if Interconnection Arrangements were entered into and necessary Physical Gate Points and associated facilities were constructed) delivered into the AGA GDS.
Interconnection Service	means a Pipeline Service under which Service Provider provides for, or facilitates, the interconnection of a Pipeline to the AGA GDS.
Investigation Proposal	has the meaning given to that term in paragraph 5.3 of the Access Arrangement
Law or Laws	means all: <ul style="list-style-type: none"> <li>(a) written and unwritten laws (including, without limitation, laws set out in statutes and subordinate legislation, the common law and equity) of the Commonwealth, of Western Australia, of local government authorities, and of any other State, Territory or foreign country having jurisdiction over the subject matter of a Service Agreement, or the Access Arrangement; and</li> <li>(b) judgments, determinations, decisions, rulings, directions, notices, regulations, by- laws, statutory instruments, Codes of Practice, Australian Standards or orders given or made under any of those laws or by any government agency or authority.</li> </ul>
Maximum Allowable Operating Pressure	means the highest pressure at which a Pipeline can be operated pursuant to the Regulatory Instruments.
Medium Pressure/Low Pressure System	means those parts of the AGA GDS operating at a nominal pressure of less than 300kPa and includes all high pressure regulators that are part of the AGA GDS which reduce the pressure from those parts of the AGA GDS which operate at a nominal pressure of 300kPa or more to those parts of the AGA GDS which operate at a nominal pressure of less than 300kPa.
Megajoule	means one million Joules
Meter	means the equipment used to measure the flow of Gas into or out of the AGA GDS at a Physical Gate Point or a Delivery Point, including any ancillary equipment.
National Gas Access Law	means the National Gas Access (Western Australia) Law as that term is defined in section 7 of the National Gas Access (WA) Act 2009 (WA).
National Gas Access (Western Australia) Legislation	means: <ul style="list-style-type: none"> <li>(a) the National Gas Access (WA) Act 2009 (WA);</li> <li>(b) the National Gas Access Law;</li> <li>(c) the National Gas Rules; and</li> <li>(d) the National Gas Regulations</li> </ul>
National Gas Objective	has the meaning given to that term in section 2 of the National Gas Access Law.
National Gas Regulations	means the National Gas Access (Western Australia) Regulations as defined in the National Gas Access (Western Australia) Act 2009
National Gas Rules	has the meaning given to that term in section 2 of the National Gas Access Law.

TERM	DEFINITION
New Relevant Tax	means any Tax affecting an amount which Service Provider is or will be required to pay in relation to its supply of one or more Reference Services
Next Access Arrangement Period	means the Access Arrangement Period immediately after the Current Access Arrangement Period
Non-Conforming Capital Expenditure	has the meaning given to that term in the National Gas Rules
Non-Reference Service	means a Pipeline Service that is not a Haulage Service or an Ancillary Service
Non-Scheme Pipeline	has the meaning given to that term in the National Gas Rules
Opening Capital Base	has the meaning given to that term in the National Gas Rules
Operating Expenditure	has the meaning given to that term in the National Gas Rules
Petajoule	means 1000 (one thousand) Terajoules
Physical Gate Point	means a flange, joint or other point which marks a physical boundary between the AGA GDS and an Interconnected Pipeline.
Physical Gate Point Costs	means all direct capital or operating costs incurred as a direct result of operating a Physical Gate Point and associated Gate Station to the extent that such costs were not included in formulating Conforming Capital Expenditure or Conforming Operating Expenditure for the Access Arrangement Period and it is demonstrated that the costs could not reasonably have been forecast
Pipeline	has the meaning given to that term in section 2 of the National Gas Access Law.
Pipeline Service	has the meaning given to that term in section 2 of the National Gas Access Law.
Prospective User	has the meaning given to that term in the National Gas Access Law
Rebate Amount	means an amount determined under paragraph 7.5(b).
Receipt Point	for a Sub-network, means a point (which may be in the same physical location as a Physical Gate Point) which Service Provider has designated as a Receipt Point for that Sub-network.
Reconnecting a Delivery Point	means the Pipeline Service described in paragraph 4.11 of the Access Arrangement
Reference Services	has the meaning given to that term in section 2 of the National Gas Access Law.
Reference Tariff	has the meaning given to that term in section 2 of the National Gas Access Law.
Reference Tariff A1	means the Tariff specified in Annexure A clause 1.1 of the Access Arrangement as the Reference Tariff for the Reference Service that is called "Service A1" in the Access Arrangement.

TERM	DEFINITION
Reference Tariff A2	means the Tariff specified in Annexure A clause 1.2 of the Access Arrangement as the Reference Tariff for the Reference Service that is called "Service A2" in the Access Arrangement.
Reference Tariff B1	means the Tariff specified in Annexure A clause 1.3 of the Access Arrangement as the Reference Tariff for the Reference Service that is called "Service B1" in the Access Arrangement.
Reference Tariff B2	means the Tariff specified in Annexure A clause 1.4 of the Access Arrangement as the Reference Tariff for the Reference Service that is called "Service B2" in the Access Arrangement.
Reference Tariff B3	means the Tariff specified in Annexure A clause 1.5 of the Access Arrangement as the Reference Tariff for the Reference Service that is called "Service B3" in the Access Arrangement.
Reference Tariff Variation Mechanism	has the meaning given to that term in the National Gas Rules and for the purposes of this Access Arrangement means the mechanism for varying a Haulage Tariff set out in Annexure B and the mechanism for varying the Reference Tariffs relating to the Ancillary Services set out in Annexure C.
Regulator	has the meaning given to that term in section 2 of the National Gas Access Law
Regulatory Change	<p>means a change in, the removal of, or the imposition of, a Regulatory Obligation or Requirement (as defined in section 6 of the National Gas Access Law) imposed on Service Provider and, without limiting section 6 of the National Gas Access Law, includes:</p> <ul style="list-style-type: none"> <li>i) a community service obligation;</li> <li>ii) a changed, additional, or new environmental, safety, technical, accounting, operating or administrative standard or requirement;</li> <li>iii) a uniform Tariff obligation or any other restriction on the level of Tariffs;</li> <li>iv) a licensing requirement;</li> <li>v) a required fee or required charge paid or payable, or a change to the amount of the required fee or charge paid or payable, to the ERA for a licence or any other membership, required contribution or other direct charge required by a regulatory body or agency; or</li> <li>vi) costs of compliance with lawful directions of a body or agency made under a Regulatory Instrument or Law, to the extent that such changes were not included in formulating Conforming Capital Expenditure or Conforming Operating Expenditure for the Access Arrangement Period and it is demonstrated that the changes could not reasonably have been forecast</li> </ul>
Regulatory Instruments	<p>means:</p> <ul style="list-style-type: none"> <li>(a) the Access Laws;</li> <li>(b) the Distribution Licence;</li> <li>(c) the Access Arrangement;</li> <li>(d) the Retail Market Procedures;</li> <li>(e) the Energy Coordination Act 1994 (WA);</li> <li>(f) the Energy Coordination (Customer Contracts) Regulations 2004 (WA);</li> <li>(g) the Energy Coordination (Gas Tariffs) Regulations 2000 (WA);</li> <li>(h) the Energy Coordination (General) Regulations 1995 (WA);</li> </ul>

TERM	DEFINITION
	(i) the Energy Coordination (Higher Heating Value) Regulations 2008 (WA); (j) the Energy Coordination (Last Resort Supply) Regulations 2005 (WA); (k) the Energy Coordination (Ombudsman Scheme) Regulations 2004 (WA); (l) the Energy Coordination (Retail Market Schemes) Regulations 2004 (WA); (m) the Energy Coordination Regulations 2004 (WA); (n) the Energy Operators (Powers) Act 1979 (WA); (o) the Environmental Protection Act 1986 (WA); (p) the Gas Marketing Code of Conduct 2017 (WA); (q) the Gas Standards Act 1972 (WA) ; (r) the Gas Standards (Gas Supply and System Safety Regulations 2000; (s) the Gas Standards (Gasfitting and Consumer Gas Installations) Regulations 1999 (WA); and (t) the Gas Standards (Infringement Notices) Regulations 2007 (WA); and (u) any other Laws applicable to ATCO Gas Australia in its ownership and operation of the AGA GDS under the Distribution Licence and provision of Pipeline Services by means of the AGA GDS and Regulatory Instrument means any one of them.
Regulatory year	means the regulatory year referred to in the National Gas Rules
Related Shipper	in relation to a user for a Sub-network, means a person who, from time to time, is named in the user's allocation instruction for the Sub-network under the Retail Market Procedures, and to avoid doubt, a user may be its own Related Shipper.
Relevant Tax	means any Tax the effect of which was properly taken into account (directly or indirectly) when setting Haulage Tariffs, as affecting an amount which ATCO Gas Australia is or will be required to pay in relation to its supply of one or more Haulage Services.
Removing a Meter Lock	means the Pipeline Service described in paragraph 4.9 of the Access Arrangement
Retail Market Procedures	means the Retail Market Procedures (WA) applying under the Retail Market Scheme, as amended from time to time, or any other scheme applying to the gas retail market.
Retail Market Scheme	means the retail market scheme, including the Retail Market Procedures, approved under section 11ZOJ of the Energy Coordination Act 1994 (WA) as applying in respect of the AGA GDS, as amended from time to time, or any other scheme applying to the retail energy market.
Review Submission Date	means the date specified in paragraph 2.2 (a) of the Access Arrangement
Revision Commencement Date	means the date specified as the Revision Commencement Date in clause 2.2 (b) of the Access Arrangement.
Rule	means a reference to the National Gas Rules (NGR)
Service A1	is the Pipeline Service described in Part 4 of the Access Arrangement and clause 1 of Schedule 1 of the Template Service Agreement.
Service A2	is the Pipeline Service described in Part 4 of the Access Arrangement and clause 1 of Schedule 2 of the Template Service Agreement.
Service B1	is the Pipeline Service described in Part 4 of the Access Arrangement and clause 1 of Schedule 3 of the Template Service Agreement.

TERM	DEFINITION
Service B2	is the Pipeline Service described in Part 4 of the Access Arrangement and clause 1 of Schedule 4 of the Template Service Agreement.
Service B3	is the Pipeline Service described in Part 4 of the Access Arrangement and clause 1 of Schedule 5 of the Template Service Agreement.
Service Agreement	means the agreement between the parties under which Service Provider provides User with access to one or more Reference Services for the haulage of Gas from one or more specified Receipt Points to one or more specified Delivery Points on the AGA GDS, or any other agreement entered into between Service Provider and User under which Service Provider agrees to provide a Pipeline Service to User and the annexures, schedules and exhibits to that agreement.
Service Pipe	means the pipe and associated fittings which connect a Delivery Point to the main.
Service Provider	has the meaning given to that term under the National Gas Access Law and, for the purposes of the Template Service Agreement, AGA is a Service Provider for the AGA GDS and also the Covered Pipeline Service Provider for the AGA GDS.
Spare Capacity	has the meaning given to that term in the National Gas Access Law
Special Meter Reading	means the Pipeline Service described in paragraph 4.12 of the Access Arrangement
Standard 8m <sup>3</sup> /h Meter	means a standard Meter with a badged capacity of not more than 8 cubic metres of Gas per hour, being the standard facility or facilities adopted for the purpose of this definition as specified from time to time by Service Provider.
Standard 10m <sup>3</sup> /h Meter	means a standard Meter with a badged capacity of not more than 10 cubic metres of Gas per hour, being the standard facility or facilities adopted for the purpose of this definition as specified from time to time by Service Provider.
Standard 12m <sup>3</sup> /h Meter	means a standard Meter with a badged capacity of not more than 12 cubic metres of Gas per hour, being the standard facility or facilities adopted for the purpose of this definition as specified from time to time by Service Provider.
Standard 18m <sup>3</sup> /h Meter	means a standard Meter with a badged capacity of not more than 18 cubic metres of Gas per hour, being the standard facility or facilities adopted for the purpose of this definition as specified from time to time by Service Provider.
Standard Delivery Facilities	<p>means, for a User acquiring access to Service B1, Service B2 or Service B3 under the Haulage Contract: in the case of Service B1:</p> <ul style="list-style-type: none"> <li>(a) may take delivery of Gas at a Delivery Point on the Medium Pressure/Low Pressure System using a standard Meter with a badged capacity of 18 m<sup>3</sup>/h or greater including a Standard 18 m<sup>3</sup>/h Meter;</li> <li>(b) Service Pipe from the main to the Delivery Point;</li> <li>(c) a Standard Pressure Regulator, sized to suit the applicable Meter; and</li> <li>(d) any ancillary pipes and equipment (including a valve or valves);</li> </ul> <p>In the case of Service B2 and Service B3, either:</p>

TERM	DEFINITION
	(a) in the case of Service B2, a standard Meter with a badged capacity of 12m <sup>3</sup> /h or greater and less than 18 m <sup>3</sup> /h including a Standard 12m <sup>3</sup> /h Meter; or (b) in the case of Service B3, a standard Meter with a badged capacity of less than 12m <sup>3</sup> /h including a Standard 8m <sup>3</sup> /h Meter and a Standard 10m <sup>3</sup> /h Meter ; and (c) up to 20 metres of Service Pipe; (d) a Standard Pressure Regulator, sized to suit the applicable Meter; (e) any ancillary pipes and equipment (including a valve or valves); and (f) installation of items (a) to (d) above in Standard Site Conditions, being the standard facility or facilities adopted for the purposes of this definition and specified from time to time by Service Provider.
Standard Pressure Regulator	means a pressure regulator or regulators provided by Service Provider as part of Service B2 and Service B3 which is or are the standard facilities adopted for the purposes of this definition as specified from time to time by Service Provider.
Standard Site Conditions	means, in the reasonable opinion of Service Provider, that the land or premises at or through which the Standard Delivery Facilities are being installed: (a) does not have rock or any other hard formation present; (b) does not have tiered or terraced gardens or retaining walls present; (c) does not require traffic management (including traffic management to allow safe access or working on or in the land or premises adjacent to the land or premises at or through which the Standard Delivery Facilities are being installed); (d) does not require horizontal directional drilling or boring; and (e) is not densely vegetated, and only where the gas main is so located that, in the reasonable opinion of Service Provider, it is practicable in accordance with good industry practice to connect the Standard Delivery Facilities to the main.
Standing Charge	means: (a) for Tariff A1, the amount specified in clause 1.1 (b) (i) of Annexure A of the Access Arrangement; (b) for Tariff A2, the amount specified in clause 1.2 (b) (i) of Annexure A of the Access Arrangement; (c) for Tariff B1, the amount specified in clause 1.3 (b) (i) of Annexure A of the Access Arrangement; (d) for Tariff B2, the amount specified in clause 1.4 (b) (i) of Annexure A of the Access Arrangement; (e) for Tariff B3, the amount specified in clause 1.5 (b) (i) of Annexure A of the Access Arrangement.
Sub-network	means a part of the AGA GDS identified under the Retail Market Procedures as a sub-network of the AGA GDS.
Surcharge	has the meaning given to that term in the National Gas Rules
System Pressure Protection Plan	means a plan prepared by a Prospective User that complies with the requirements set out in Annexure E of the Access Arrangement to ensure User does not jeopardise system pressure by being in a position where it is unable to supply sufficient Gas at Receipt Points on a Sub-network and is simultaneously unable to sufficiently reduce the delivery of Gas it takes at its Delivery Points on the Sub-network.



TERM	DEFINITION
Tariff	has the meaning given to it in section 2 of the National Gas Access Law.
Tariff A1	means the Tariff or Charge specified in, or determined by applying the formula or methodology contained in, the Access Arrangement, Annexure A clause 1.1, as varied under the Reference Tariff Variation Mechanism .
Tariff A2	means the Tariff or Charge specified in, or determined by applying the formula or methodology contained in, the Access Arrangement, Annexure A clause 1.2, as varied under the Reference Tariff Variation Mechanism.
Tariff B1	means the Tariff or Charge specified in, or determined by applying the formula or methodology contained in, the Access Arrangement, Annexure A clause 1.3 , as varied under the Reference Tariff Variation Mechanism.
Tariff B2	means the Tariff or Charge specified in, or determined by applying the formula or methodology contained in, the Access Arrangement, Annexure A clause 1.4 , as varied under the Reference Tariff Variation Mechanism.
Tariff B3	means the Tariff or Charge specified in, or determined by applying the formula or methodology contained in, the Access Arrangement, Annexure A clause 1.5, as varied under the Reference Tariff Variation Mechanism.
Tariff Component	means a component of a Reference Tariff which is an amount, or the rate by, which a User is charged for a single element or attribute of a Haulage Service.
Tax	includes any tax, rate, impost, levy, fee, compulsory loan, tax-equivalent payment or surcharge withheld, deducted, charged, levied or imposed under any Law (Applicable Tax) other than any: (a) Applicable Tax imposed under the GST Law; or (b) Applicable Tax imposed on any income or capital amounts that may be derived by a Party.
Tax Change	means: (a) a change in the way, or the rate at which, a Relevant Tax is calculated; (b) the removal of a Relevant Tax; or (c) the imposition of a New Relevant Tax, which results from a Change in Law or a Regulatory Change
Telemetry	means the communication equipment used for transmission of data collected from a Meter to Service Provider's central data management system and typically encompasses modems, telecom landline (which may be dedicated or part of the PSTN network) or radio transceivers (which may be in the form of a dedicated radio network, GSM, GPRS or satellite telephony).
Template Service Agreement	refers to the document attached at Annexure F of the Access Arrangement
Terajoule	means 1000 (one thousand) Gigajoules
Third Party	has the meaning given to that term in the Template Service Agreement.

TERM	DEFINITION
Total Revenue	has the meaning given to that term in the National Gas Rules
Usage Charge	means: <ul style="list-style-type: none"> <li>(a) for Tariff A1, the charge described in clause 1.1 (a) (iii) of Annexure A of the Access Arrangement ;</li> <li>(b) for Tariff A2, the charge described in clause 1.2 (a) (ii) of Annexure A of the Access Arrangement;</li> <li>(c) for Tariff B1, the charge described in clause 1.3(a)(ii) of Annexure A of the Access Arrangement;</li> <li>(d) for Tariff B2, the charge described in clause 1.4(a)(ii) of Annexure A of the Access Arrangement</li> <li>(e) for Tariff B3, the charge described in clause 1.5 (a) (ii) of Annexure A of the Access Arrangement</li> </ul>
Usage Charge Rate	means: <ul style="list-style-type: none"> <li>(a) for Tariff A1, the rate specified in clause 1.1 (b) (iii) of Annexure A of the Access Arrangement;</li> <li>(b) for Tariff A2, the rate specified in clause 1.2 (b) (ii) of Annexure A of the Access Arrangement;</li> <li>(c) for Tariff B1, the rate specified in clause 1.3 (b) (ii) of Annexure A of the Access Arrangement ;</li> <li>(d) for Tariff B2, the rate specified in clause 1.4 (b) (ii) of Annexure A of the Access Arrangement ;</li> <li>(e) for Tariff B3, the rate specified in clause 1.5 (b) (ii) of Annexure A of the Access Arrangement</li> </ul>
User	has the meaning given to it in the National Gas Access Law and, for the purposes of the Template Service Agreement, "<User>" is a User.
User Specific Charge	means: <ul style="list-style-type: none"> <li>(a) for Tariff A1, the charge described in clause 1.1 (b) (iv) of Annexure A of the Access Arrangement</li> <li>(b) for Tariff A2, the charge described in clause 1.2 (b) (iii) of Annexure A of the Access Arrangement;</li> <li>(c) for Tariff B1, the charge described in clause 1.3 (b) (iii) of Annexure A of the Access Arrangement</li> </ul>

TERM	DEFINITION
User Specific Delivery Facilities	means, for a User acquiring access to Service A1, Service A2 or Service B1: <ul style="list-style-type: none"> <li>(a) a Meter which is not a Standard 8m<sup>3</sup>/h Meter, a Standard 10m<sup>3</sup>/h Meter, a Standard 12m<sup>3</sup>/h Meter or a standard meter with a badged capacity of less than 18m<sup>3</sup>/h;</li> <li>(b) Service Pipe from the main to the Delivery Point;</li> <li>(c) a User Specific Pressure Regulator;</li> <li>(d) any ancillary pipes and equipment (including a valve or valves);</li> <li>(e) in the case of Service B1, may take delivery of Gas at a Delivery Point on the Medium Pressure/Low Pressure System using Standard Delivery Facilities which include a Standard 18 m<sup>3</sup>/h Meter or a standard Meter with a badged capacity of more than 18m<sup>3</sup>/h; and</li> <li>(f) in the case of Service A1 and Service A2, also includes Telemetry, being the facility or facilities which are the most appropriate for that User, as determined by Service Provider as a reasonable person.</li> </ul>
User Specific Pressure Regulator	means a pressure regulator which is not a Standard Pressure Regulator.
Variation Period	refers to one of the following periods (as the case may be): <ul style="list-style-type: none"> <li>(a) the period 1 January 2020 to 31 December 2020;</li> <li>(b) the period 1 January 2021 to 31 December 2021;</li> <li>(c) the period 1 January 2022 to 31 December 2022;</li> <li>(d) the period 1 January 2023 to 31 December 2023; and</li> <li>(e) the period 1 January 2024 to 31 December 2024.</li> </ul>
Variation Year	Variation Year is a year of the Variation Period.
Year	means a period of 12 months.

## 13.2 Rules for interpreting the Access Arrangement

In interpreting the Access Arrangement and the Template Service Agreement, except where the context makes it clear that a rule is not intended to apply:

- a) Headings are for convenience only, and do not affect interpretation.
- b) A reference to:
  - i) a Law, legislative provision or legislation (including subordinate legislation) is a reference to that provision or legislation as amended, substituted, re-enacted or replaced, and includes any subordinate legislation issued under it;
  - ii) a clause of the Retail Market Procedures or a rule of the National Gas Rules or a provision of the Retail Market Scheme or the National Gas Access Law includes any amendment, substitution or replacement of the clause, rule or provision;
  - iii) a document (including the Access Arrangement or the Template Service Agreement) or agreement, or a provision of a document (including the Access Arrangement or the Template Service Agreement) or agreement, is a reference to that document, agreement or provision as amended, supplemented, replaced or novated;
  - iv) the Access Arrangement or the Template Service Agreement includes all of its schedules and annexures;

- v) a Party to the Access Arrangement or the Template Service Agreement or to any other document or agreement includes a permitted substitute, successor or assign of that Party;
  - vi) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person;
  - vii) "currency", "dollar" or "\$" is a reference to the Australian dollar; and
  - viii) anything (including a right, obligation or concept) includes each part of it.
- c) A reference:
- i) in the Access Arrangement to a part, clause, paragraph, schedule or annexure is to a part, clause or paragraph of, or schedule or annexure to, the Access Arrangement; and
  - ii) in the Template Service Agreement to a clause, schedule or annexure is to a clause of, or schedule or annexure to, the Template Service Agreement.
- d) A singular word includes the plural, and vice versa.
- e) A word which suggests one gender includes the other gender.
- f) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- g) The term "including" is not to be interpreted as a term of limitation, and if an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- h) The term "under" in relation to a provision of the Access Arrangement or the Template Service Agreement includes "by", "in accordance with", "pursuant to" and "by virtue of".
- i) Where a period of time is expressed to begin at, on or with a specified day, that day is excluded in the calculation of the period.
- j) A reference:
- i) to a Delivery Point being "on" the Medium Pressure/Low Pressure System or a Sub-network means that the Delivery Point is attached to or forms part of the relevant system or Sub-network, such that Gas flowing through the Delivery Point flows from that system or Sub-network;
  - ii) to a Receipt Point being "on" a Sub-network means that the Physical Gate Points associated with the Receipt Point are attached to or form part of the relevant Sub-network, such that Gas flowing through the Physical Gate Points and associated Receipt Point flows into that Sub-network; and
  - iii) "associated", when used to describe the relationship between a Receipt Point and a Physical Gate Point, means that each of them is associated with the same Sub-network.
- k) Words defined in the GST Law have the same meaning in the Access Arrangement or the Template Service Agreement, unless expressly provided otherwise.
- l) If a person is a member of a GST group, references to GST for which the person is liable and to input tax credits to which the person is entitled include GST for which the representative member of the GST group is liable and input tax credits to which the representative member is entitled.
- m) References to GST extend to any notional liability of any person for GST and to any amount which is treated as GST under the GST Law, and references to an input tax credit extend to any notional input tax credit to which any person is entitled.

### **13.3 References to Gas quantities**

Unless otherwise indicated, any reference in the Access Arrangement or the Template Service Agreement to a quantity of Gas is a measure of Gas in gigajoules.

### **13.4 SI units**

Unless otherwise indicated, all units in the Access Arrangement or the Template Service Agreement are SI units in accordance with the international system of units set out in Australian Standard 1000-1998.

### **13.5 Provision regarding rounding**

Where a Party is required to calculate a value under the Access Arrangement or the Template Service Agreement, any rounding applied in undertaking that calculation is to be applied in accordance with the provisions that relate to rounding under the Retail Market Procedures.

### **13.6 References to Spare Capacity, Contracted Peak Rate and capacity of the AGA GDS**

Unless the contrary intention appears, if the Access Arrangement or the Template Service Agreement generally requires Spare Capacity, Contracted Peak Rate or Capacity of the AGA GDS to be quantified, it is to be quantified as an Instantaneous Flow Rate and is to be expressed in gigajoules per hour.

# ANNEXURE A: Reference tariffs associated with the haulage services

## 1. CALCULATING HAULAGE TARIFFS

### 1.1. TARIFF A1

- a) Tariff A1 consists of:
  - i) a Standing Charge which is payable each day regardless of Contracted Peak Rate and regardless of usage;
  - ii) a Demand Charge which is payable each day calculated for each day by multiplying the Demand Charge Rate by the User's Contracted Peak Rate (expressed in Gigajoules to three decimal places) and multiplying the resulting amount by the Interconnection Distance (expressed in kilometres to one decimal place);
  - iii) a Usage Charge calculated by multiplying the Usage Charge Rate by the quantity of Gas delivered to the User at a Delivery Point (expressed in Gigajoules to three decimal places) and multiplying the resulting amount by the Interconnection Distance (expressed in kilometres to one decimal place); and
  - iv) a daily User Specific Charge for the User Specific Delivery Facilities.
- b) Subject to the Reference Tariff Variation Mechanism, for Tariff A1 from 1 January 2020 (in 31 December 2019 dollars):
  - i) the Standing Charge is \$39,712.90 divided by 365;
  - ii) the Demand Charge Rate is:
    - A) \$167.42 for the first 10 kilometres of the Interconnection Distance; and
    - B) \$88.13 for any part of the Interconnection Distance in excess of 10 kilometres;
  - iii) the Usage Charge Rate is:
    - A) \$0.03542 per Gigajoule per kilometre for the first 10 kilometres of the Interconnection Distance; and
    - B) \$0.01784 per Gigajoule per kilometre for any part of the Interconnection Distance in excess of 10 kilometres; and
  - iv) the User Specific Charge is to be an amount per day which reflects the costs to ATCO Gas Australia of providing the User Specific Delivery Facilities, which may consist of Capital Expenditure and Operating Expenditure, where the component of the User Specific Charge which reflects Capital Expenditure is calculated as follows:
    - A) the value of the User Specific Delivery Facilities is to be amortised monthly on an "in arrears" basis;
    - B) using a nominal post-tax weighted average cost of capital as per the annual update, and
    - C) over the lesser of the duration of the economic life of the User Specific Delivery Facilities and the period during which the User is entitled to take delivery of Gas at

the Delivery Point to which the User Specific Delivery Facilities relate under its Service Agreement.

### 1.2. TARIFF A2

- a) Tariff A2 consists of:
  - i) a Standing Charge which is payable each day regardless of Contracted Peak Rate and regardless of usage;
  - ii) a Usage Charge calculated by multiplying the Usage Charge Rate by the quantity of Gas delivered to the User at a Delivery Point (expressed in Gigajoules to three decimal places); and
  - iii) a daily User Specific Charge for the User Specific Delivery Facilities.
- b) Subject to the Reference Tariff Variation Mechanism, for Tariff A2 from 1 January 2020 (in 31 December 2019 dollars):
  - i) the Standing Charge is \$21,977.90 divided by 365;
  - ii) the Usage Charge Rate is:
    - A) \$2.13 per Gigajoule for the first 10 Terajoules of Gas delivered to the User at a Delivery Point per Year; and
    - B) \$1.14 per Gigajoule for usage in excess of the first 10 Terajoules of Gas delivered to the User at a Delivery Point per Year; and
  - iii) the User Specific Charge is to be an amount per day which reflects the costs to ATCO Gas Australia of providing the User Specific Delivery Facilities, which may consist of Capital Expenditure and Operating Expenditure, where the component of the User Specific Charge which reflects Capital Expenditure is calculated as follows:
    - A) the value of the User Specific Delivery Facilities is to be amortised monthly on an "in arrears" basis;
    - B) using a nominal post-tax weighted average cost of capital as per the annual update; and
    - C) over the lesser of the duration of the economic life of the User Specific Delivery Facilities and the period during which the User is entitled to take delivery of Gas at the Delivery Point to which the User Specific Delivery Facilities relate under its Service Agreement.

### 1.3. TARIFF B1

- a) Tariff B1 consists of:
  - i) a Standing Charge which is payable each day regardless of Contracted Peak Rate and regardless of usage;
  - ii) a Usage Charge calculated by multiplying the Usage Charge Rate by the quantity of Gas delivered to the User at a Delivery Point (expressed in Gigajoules to three decimal places); and
  - iii) a daily User Specific Charge for the User Specific Delivery Facilities.
- b) Subject to the Reference Tariff Variation Mechanism, for Tariff B1 from 1 January 2020 (in 31 December 2019 dollars):

- i) the Standing Charge is \$1,114.12 divided by 365;
- ii) the Usage Charge Rate is:
  - A) \$4.22 per Gigajoule for the first 5 Terajoules of Gas delivered to the User at a Delivery Point per Year; and
  - B) \$3.63 per Gigajoule for any usage in excess of the first 5 Terajoules of Gas delivered to the User at a Delivery Point per Year; and
- iii) the User Specific Charge is to be an amount per day which reflects the costs to ATCO Gas Australia of providing the User Specific Delivery Facilities under a Service Agreement, which may consist of capital costs and Operating Expenditure, where the component of the User Specific Charge which reflects capital costs is calculated as follows:
  - A) the value of the User Specific Delivery Facilities is to be amortised monthly on an "in arrears" basis;
  - B) using a nominal post-tax weighted average cost of capital as per the annual update, and
  - C) over the lesser of the duration of the economic life of the User Specific Delivery Facilities and the period during which the User is entitled to take delivery of Gas at the Delivery Point to which the User Specific Delivery Facilities relate under its Service Agreement.

#### **1.4. TARIFF B2**

- a) Tariff B2 consists of:
  - i) a Standing Charge which is payable each day regardless of usage; and
  - ii) a Usage Charge calculated by multiplying the Usage Charge Rate by the quantity of Gas delivered to the User at a Delivery Point (expressed in Gigajoules to three decimal places).
- b) Subject to the Reference Tariff Variation Mechanism, for Tariff B2 from 1 January 2020 (in 31 December 2019 dollars), the standing charges and usage charges for Tariff B2 are:
  - i) the Standing Charge is \$277.70 divided by 365; and
  - ii) the Usage Charge Rate is:
    - A) \$7.08 per Gigajoule for the first 274 Megajoules per day of Gas delivered to the User at a Delivery Point; and
    - B) \$4.21 per Gigajoule for any usage in excess of the first 274 Megajoules per day of Gas delivered to the User at a Delivery Point.

#### **1.5. TARIFF B3**

- a) Tariff B3 consists of:
  - i) a Standing Charge which is payable each day regardless of usage; and
  - ii) a Usage Charge calculated by multiplying the Usage Charge Rate by the quantity of Gas delivered to the User at a Delivery Point (expressed in gigajoules to three decimal places).
- b) Subject to the Reference Tariff Variation Mechanism, for Tariff B3 from 1 January 2020 (in 31 December 2019 dollars), the standing charges and usage charges for Tariff B3 are:



- i) the Standing Charge is \$116.97 divided by 365; and
- ii) the Usage Charge Rate is:
  - A) \$0.00 per Gigajoule for the first 5 Megajoules per day of Gas delivered to the User at a Delivery Point;
  - B) \$8.38 per Gigajoule for the next 22 Megajoules per day of Gas delivered to the User at a Delivery Point; and.
  - C) \$6.22 per Gigajoule for any usage in excess of the first 27 Megajoules per day of Gas delivered to the User at a Delivery Point.

## **2. ANNEXURE A INTERPRETATION**

All daily usage rates are calculated as an average over the metering / billing period

Unless the contrary intention appears, in this Annexure A, all terms used are as defined in the Dictionary.

## ANNEXURE B: Reference Tariff Variation Mechanism

### 1. TARIFF VARIATION MECHANISM – VARIATION IN ACCORDANCE WITH FORMULA FOR REFERENCE TARIFF CLASSES A1, A2, B1, B2 AND B3

#### 1.1. Variation

- a) For each Variation Period ATCO Gas Australia may vary any Haulage Tariff by varying one or more Tariff Components of that Haulage Tariff in accordance with this clause 1.
- b) Each Haulage Tariff varied under this clause 1 applies as varied on and from the first day of the applicable Variation Period.
- c) Each Haulage Tariff varied under this clause includes the impacts of any cost pass through as specified in clause 2 of this Annexure.
- d) All Haulage Tariffs commencing 1 January of the Variation Year, including 2020, in Annexure A are to be recalculated after the annual update of the trailing average debt risk premium (in accordance with clause 1.4 of this Annexure). All Haulage Tariffs commencing 1 January of the Variation Year, excluding 2020, in Annexure A are to include approved Cost Pass Through Events (in accordance with clause 2 and 3 of this Annexure). This will produce the X-Factor and hence the Tariffs for the Variation Year. These Tariffs, which are in 31 December 2019 dollars are adjusted to the nominal dollar value, to be charged, based on real 31 December dollars of the Variation Year.

#### 1.2. Where Variation Period is the Year commencing 1 January 2020

The Reference Tariffs commencing on 1 January 2020, which are at 31 December 2019 dollars, as set out in clauses 1.1(b), 1.2(b), 1.3(b), 1.4(b), and 1.5(b) of Annexure A are to be adjusted to the nominal dollar value to be charged based on December 2020 dollars. The adjustment of any Reference Tariff that commences on 1 January 2020 must meet the following condition:

$$P_{2020}^{ij} \leq P_1^{ij} \frac{CPI_{Sep2019}}{CPI_{Sep2018}}$$

Where

$P_{2020}^{ij}$  is the value of Tariff Component  $j$  of Haulage Tariff  $i$  as varied on and from the first day of the variation period which is 1 January 2020;

$P_1^{ij}$  is the value of Tariff Component  $j$  of Haulage Tariff  $i$  as at 1 January 2020 in December 2019 dollars as set out in Annexure A where those Haulage Tariffs have been amended by the updating of the debt risk premium to apply for the 2020 year calculated in accordance with clause 1.4 of this Annexure in the ERA final decision Tariff model;

$i$  is the relevant Haulage Tariff class – being Reference Tariff A1, Reference Tariff A2, Reference Tariff B1, Reference Tariff B2 or Reference Tariff B3;

$j$  is the relevant Tariff Component – the number of possible components depends on the Haulage Tariff class being considered with  $j = 1$  to  $k$

$k$  is the maximum number of possible components for each relevant Tariff Component being considered

$CPI_{Sep2019}$  is the value of the CPI All Groups, Weighted Average of Eight Capital Cities for 30 September 2019 as a proxy to 31 December 2020

$CPI_{Sep2018}$  is the value of the CPI All Groups, Weighted Average of Eight Capital Cities for 30 September 2018 as a proxy to 31 December 2019

### 1.3. Where Variation Period is the Year commencing 1 January of each Year 2021, 2022, 2023 and 2024

#### 1.3.1. Haulage Tariff Classes: Reference Tariffs A1, A2, B1, B2 and B3

The change in Reference Haulage Tariffs commencing 1 January of the Variation Year are to not exceed the recalculated X-factor and CPI adjustment applicable to year N. As a result, in combination, the adjustment of any of Reference Tariff A1, Reference Tariff A2, Reference Tariff B1, Reference Tariff B2 and Reference Tariff B3 that commence from 1 January of the Variation Year must meet the following condition:

$$(1 + X_N) \frac{CPI_{Sep(N-1)}}{CPI_{Sep(N-2)}} \geq \frac{\sum_{i=A1}^{B3} \sum_{j=1}^k P_{(N)}^{ij} Q_{(N-2)}^{ij}}{\sum_{i=A1}^{B3} \sum_{j=1}^k P_{(N-1)}^{ij} Q_{(N-2)}^{ij}}$$

Where:

$P_{(N)}^{ij}$  is the value of Tariff Component  $j$  of Haulage Tariff  $i$  as at 1 January of the Variation Year  $N$ ;

$P_{(N-1)}^{ij}$  is the prevailing Tariff Component  $j$  of Haulage Tariff  $i$  as at 1 January of the Variation Year  $N-1$  for  $N = 2021$  to  $2024$ ;

$Q_{(N-2)}^{ij}$  is the number of connections or volume sold in year  $(N-2)$  where:

$Q_{(N-2)}^{i1}$  is the number of connections in year  $(N-2)$ ;

$Q_{(N-2)}^{ij}$  is the volume sold in year  $(N-2)$  for  $j \geq 2$ ;

$i$  is the relevant Haulage Tariff class – being Reference Tariff A1, Reference Tariff A2, Reference Tariff B1, Reference Tariff B2 or Reference Tariff B3;

$j$  is the relevant Tariff Component – the number of possible components depends on the Haulage Tariff class being considered with  $j = 1$  to  $k$ ;

$k$  is the maximum number of possible components for each relevant Haulage Tariff class being considered;

$N$  is the Variation Year where  $N$  is 2021 to 2024;

$X_N$  is the price change from 1 January of variation Year (N-1) to 1 January of Variation year N after including the approved cost pass through and the annual update of the trailing average debt risk premium for year N at 31 December 2019 dollars.

$CPI_{Sep(N-1)}$  is the value of the CPI All Groups, Weighted Average of Eight Capital Cities for 30 September of year (N-1) as a proxy to 31 December of year N

$CPI_{Sep(N-2)}$  is the value of the CPI All Groups, Weighted Average of Eight Capital Cities for 30 September of year (N-2) as a proxy to 31 December of year (N-1)

#### 1.4. Annual update of trailing average debt risk premium

The annual update of the trailing average debt risk premium component of the rate of return in each year starting from 1 January 2021 of the Access Arrangement Period is to be calculated by applying the following formula

$$TA\ DRP_0 = \frac{\sum_{t=0}^{-9} DRP_t}{10}$$

Where:

$TA\ DRP_0$  is the equally weighted trailing average of the DRP to apply in the following year as the annual update of the estimate used in the current Year, and

$DRP_t$  is the DRP estimated for each of the 10 Regulatory years  $t = 0, -1, -2, \dots, -9$ .

$DRP_t$  refers to the DRP estimates in each year  $t = 0, -1, -2, \dots, -9$  which are either:

- a) The published  $DRP_t$  estimates for the years 2011 to 2018 as follows:
  - Calendar year 2011:  $DRP_{2011}$ : 2.371 per cent;
  - Calendar year 2012:  $DRP_{2012}$ : 3.172 per cent;
  - Calendar year 2013:  $DRP_{2013}$ : 3.068 per cent;
  - Calendar year 2014:  $DRP_{2014}$ : 2.250 per cent;
  - Calendar year 2015:  $DRP_{2015}$ : 1.953 per cent;
  - Calendar year 2016:  $DRP_{2016}$ : 2.467 per cent;
  - Calendar year 2017:  $DRP_{2017}$ : 2.326 per cent;
  - Calendar year 2018:  $DRP_{2018}$ : 1.689 per cent; or
- b) The 2019 calendar year DRP estimate,  $DRP_{2019}$ , as applied in the 2019 Tariff Variation approved by the Authority; or
- c) The 2020 calendar year DRP estimate,  $DRP_{2020}$ , estimated during the 20 trading days averaging period, using the method of automatic formulas set out in Annexure D to this Access Arrangement; or
- d) The forward looking DRP estimators for the calendar year 2021, 2022, 2023 or 2024 estimated during the 20 trading days averaging period, using the method of automatic formulas set out in Annexure D to this Access Arrangement.

All annual updates of the debt risk premium should be determined consistent with the automatic formulas summarised in Annexure D of the Access Arrangement. The resulting automatic adjustment to the rate of return, based on the outputs of the updating of the Tariff model for the revised debt risk premium for the Regulatory year, should be incorporated in the relevant Annual Tariff Variation.

ATCO is required to nominate:

- a) the averaging period for the DRP estimate,  $DRP_{2020}$ , applying in 2020 as soon as practicable prior to 1 July 2019; and
- b) the averaging period for each forward looking DRP estimators for the calendar year 2021, 2022, 2023 and 2024 as soon as practicable after the release of the final decision (for the Access Arrangement due to commence on 1 January 2020).

The averaging periods for each year must be a nominated 20 trading days in the window 1 July to 31 October in the year prior to the relevant Tariff variation, to allow estimation of the updated DRP for inclusion in the relevant Tariff variation. The nominated 20 trading day averaging period for each of the five years do not need to be identical periods, only that they occur in the period 1 July to 31 October in each relevant year and are nominated prior.

## **2. REFERENCE TARIFF VARIATION MECHANISM – COST PASS THROUGH EVENTS**

### **2.1. Cost Pass Through Events**

For the purpose of this clause 2, each of the following is a "Cost Pass Through Event":

- a) ATCO Gas Australia incurs HHV Costs that constitute Conforming Capital Expenditure or Conforming Operating Expenditure;
- b) ATCO Gas Australia incurs Physical Gate Point Costs that constitute Conforming Capital Expenditure or Conforming Operating Expenditure;
- c) ATCO Gas Australia incurs Conforming Capital Expenditure or Conforming Operating Expenditure as a result of a Change in Law or Tax Change;
- d) ATCO Gas Australia incurs Conforming Capital Expenditure or Conforming Operating Expenditure as a direct result of any Law that imposes a fee or Tax on greenhouse gas emissions or concentrations; and for avoidance of doubt, this expenditure includes only direct capital or direct operating expenditure associated with preparation for, compliance with the Laws which implement, and the participation in, the Emissions Trading Scheme; and liability only for direct capital or direct operating expenditure transferred to ATCO Gas Australia from another entity as a direct result of acting in accordance with the Emissions Trading Scheme.
- e) ATCO Gas Australia incurs expenditure recoverable under the Network Innovation Scheme as documented in section 12 of this Access Arrangement.

### **2.2. Variation of Haulage Tariffs**

If a Cost Pass Through Event occurs, ATCO Gas Australia:

- a) must notify the ERA of the Cost Pass Through Event; and
- b) may recover direct Conforming Operating Expenditure, depreciation of and return on direct Conforming Capital Expenditure and consequential changes to return on working capital, taxation and equity raising costs incurred or forecast to be incurred by ATCO Gas Australia (or on ATCO Gas Australia's behalf) as a direct result of the Cost Pass Through Event, provided that

these costs have not already been recovered by ATCO Gas Australia. ATCO Gas Australia may account for the timing difference between incurring Conforming Operating Expenditure and the start date for the Tariff variation, through a time value of money adjustment.

### **2.3. Next Access Arrangement Period**

If ATCO Gas Australia varies a Reference Tariff in accordance with clause 2.2 above, the costs referred to in clause 2 will be:

- a) added to the Opening Capital Base for the Next Access Arrangement Period, after adjustment for any depreciation during the Current Access Arrangement Period, if they are Conforming Capital Expenditure; and
- b) added to Total Revenue from the commencement of the Next Access Arrangement Period if they are Conforming Operating Expenditure.

## **3. VARIATION REPORT TO BE GIVEN TO THE ERA**

### **3.1. Variation report – reference tariff variation formula**

ATCO Gas Australia will use its reasonable endeavours to give the ERA a variation report at least 40 (forty) Business Days before the date on which the Reference Tariff is to be varied in accordance with the Reference Tariff variation formula, and that report shall contain the following information:

- a) the proposed varied Reference Tariff and varied Tariff Components;
- b) the date or dates on which the varied Reference Tariff is to come into effect;
- c) calculations showing the derivation of the varied Service Agreement using the formula in clause 1 of Annexure B; and
- d) a statement of reasons for the variation of the Reference Tariff.

### **3.2. Variation report – cost pass through event**

ATCO Gas Australia will use its reasonable endeavours to give the ERA a variation report at least 40 (forty) Business Days before the date on which the Reference Tariff is to be varied as a result of a Cost Pass Through Event, and that report shall contain the following information:

- a) a statement of reasons for the variation of the Reference Tariff as a result of the Cost Pass Through Event;
- b) supporting calculations demonstrating consistency with the requirements of clause 2 of Annexure B;
- c) supporting information substantiating the amount and nature of the costs proposed to be passed through by the varied Reference Tariff; and
- d) the date or dates on which it is proposed by ATCO Gas Australia that the varied Reference Tariff shall come into effect.

### **3.3. ERA response to a variation report**

- a) The ERA will use its reasonable endeavours to give written notice to ATCO Gas Australia within 15 (fifteen) Business Days of the receipt of a variation report advising whether the ERA approves or does not approve the varied Reference Tariff detailed in that variation report and providing reasons for its decision.

- b) If ATCO Gas Australia gives the ERA a variation report under clause 3.2, any time before the ERA gives notice pursuant to clause 3.3(a) of Annexure B the ERA may require ATCO Gas Australia to provide further substantiation of the amounts and the nature of the costs that ATCO Gas Australia proposes to be passed through by the varied Reference Tariff and requiring ATCO Gas Australia to provide that further substantiation by a date specified in the ERA's request.
- c) If the ERA does not approve the varied Reference Tariff, it will not come into effect.
- d) If the ERA approves the varied Reference Tariff, it will come into effect on the date or dates specified in the variation report or, if the date or dates specified in the variation report have passed, then on the date or dates specified in the ERA's notice under clause 3.3(a) of Annexure B.

### **3.4. Annexure B interpretation**

Unless the contrary intention appears, in this Annexure B, all terms used are as defined in the Dictionary.

# ANNEXURE C: Reference tariffs associated with the ancillary services and the associated reference tariff variation mechanism

## 1. REFERENCE TARIFFS

Subject to the Reference Tariff Variation Mechanism, for Ancillary Services the Reference Tariffs for those Ancillary Services from 1 January 2020 (in 31 December 2019 dollars) are:

### 1.1. Deregistering a Delivery Point

- a) \$122.54 (Deregistering a Delivery Point as described under clause 7(d) of Schedule 4 and Schedule 5 of the Template Service Agreement).
- b) \$122.54 (attempting to Deregister a Delivery Point as described in clause 9(e) of Schedule 1 of the Template Service Agreement, clause 9(e) of Schedule 2 of the Template Service Agreement, clause 8(e) of Schedule 3 of the Template Service Agreement and clause 7(e) of Schedule 4 and 5 of the Template Service Agreement).
- c) \$122.54 (cancelling a request to Deregister a Delivery Point as described in clause 9(f) of Schedule 1 of the Template Service Agreement, clause 9(f) of Schedule 2 of the Template Service Agreement, clause 8(f) of Schedule 3 of the Template Service Agreement and clause 7(f) of Schedule 4 and 5 of the Template Service Agreement).
- d) The cost to AGA of Deregistering a Delivery Point as described under clause 9(d) of Schedule 1 of the Template Service Agreement, clause 9(d) of Schedule 2 of the Template Service Agreement, clause 8(d) of Schedule 3 of the Template Service Agreement, clause 7(d) of Schedule 4 of the Template Service Agreement and clause 7(d) of Schedule 5 of the Template Service Agreement.

### 1.2. Applying a Meter Lock

- a) \$49.14 (applying or attempting to Apply a Meter Lock as described under clause 8(d) of Schedule 4 and Schedule 5 of the Template Service Agreement);
- b) \$49.14 (attempting to Apply a Meter Lock, but not being able to do so as described under clause 8(e) of Schedule 4 and Schedule 5 of the Template Service Agreement);
- c) \$49.14 (cancelling a request to Apply a Meter Lock as described under clause 8(f) of Schedule 4 and Schedule 5 of the Template Service Agreement).

### 1.3. Removing a Meter Lock

- a) \$26.73 (Removing a Meter Lock as described under clause 9(d) of Schedule 4 and Schedule 5 of the Template Service Agreement);
- b) \$26.73 (attempting to Remove a Meter Lock under clause 9(e) of Schedule 4 and Schedule 5 of the Template Service Agreement);
- c) \$26.73 (cancelling a request to Remove a Meter Lock under clause 9(f) of Schedule 4 and Schedule 5 of the Template Service Agreement).



**1.4. Disconnecting a Delivery Point**

- a) \$97.92 (Disconnecting a Delivery Point as described under clause 10(d) of Schedule 4 and Schedule 5 of the Template Service Agreement);
- b) \$97.92 (attempting to Disconnect a Delivery Point as described under clause 10(e) of Schedule 4 and Schedule 5 of the Template Service Agreement);
- c) \$97.92 (cancelling a request to Disconnect a Delivery Point as described under clause 10(f) of Schedule 4 and Schedule 5 of the Template Service Agreement).

**1.5. Reconnecting a Delivery Point**

- a) \$138.62 (Reconnecting a Delivery Point as described under clause 11(d) of Schedule 4 and Schedule 5 of the Template Service Agreement);
- b) \$138.62 (attempting to Reconnect a Delivery Point as described under clause 11(e) of Schedule 4 and Schedule 5 of the Template Service Agreement);
- c) \$138.62 (cancelling a request to Reconnect a Delivery Point as described under clause 11(f) of Schedule 4 and Schedule 5 of the Template Service Agreement).

**1.6. Special Meter Reading**

- a) \$12.82 (An out-of-cycle reading of a manually read meter at the relevant Delivery Point as described under clause 9(d) of Schedule 3, clause 12(d) of Schedule 4 and clause 12(d) of Schedule 5 of the Template Service Agreement);
- b) \$12.82 (Attempting to perform an out-of-cycle reading of a manually read meter at the relevant Delivery Point as described under clause 9(e) of Schedule 3, clause 12(e) of Schedule 4 and clause 12(e) of Schedule 5 of the Template Service Agreement);
- c) \$12.82 (Cancelling an out-of-cycle reading of a manually read meter at the relevant Delivery Point as described under clause 9(f) of Schedule 3, clause 12(f) of Schedule 4 and clause 12(f) of Schedule 5 of the Template Service Agreement).

**2. REFERENCE TARIFF VARIATION MECHANISM**

- a) Other than the costs referred to at clause 1.1(d) of this Annexure C (which will be calculated at the time the costs are incurred), the Reference Tariffs referred to in clause 1 of this Annexure C may be increased by ATCO Gas Australia on 1 January 2020 by applying the Reference Tariff Variation Mechanism set out in this clause 2.

$$C_t^j \leq C_1^j \frac{CPI_{Sep(t-1)}}{CPI_{Sep2018}}$$

Where

$C_t^j$  is the value of the Ancillary Services Tariff Component j from the first day of the Variation Period which is 1 January of Year t;

$C_1^j$  is the value of the Ancillary Services Tariff Component j at 1 January 2020 in 31 December 2019 dollars

$CPI_{Sep(t-1)}$  is the value of the CPI All Groups, Weighted Average of Eight Capital Cities, for 30 September year (t-1) as a proxy to 31 December year t CPI;

$CPI_{Sep2018}$  is the value of the CPI All Groups, Weighted Average of Eight Capital Cities, for 30 September 2018 as a proxy to 31 December 2019 CPI;

- b) If the Consumer Price Index referred to in clause 2(a) of this Annexure C ceases to be published quarterly by the ABS or in the reasonable opinion of ATCO Gas Australia is published on a materially different basis (including due to a change in its nature, composition, data or reference base) to its basis at the time of the last revisions to the Access Arrangement, then (subject to the ERA's approval):
  - i) if the ABS publishes a substitute index, ATCO Gas Australia may use the substitute index if it believes the use of that substitute index (with, if necessary, any arithmetical correction factor) will maintain a reasonable level of continuity between a Reference Tariff calculated using the Consumer Price Index and a Reference Tariff calculated using the substitute index; or
  - ii) if ATCO Gas Australia does not adopt a substitute index under clause 2(b)(i) of this Annexure C, ATCO Gas Australia will nominate a substitute index in its discretion, exercised reasonably.
- c) If ATCO Gas Australia increases a Reference Tariff in accordance with clause 2(a) of this Annexure C, it must make details of the increased Reference Tariff available to User at User's request.

### 3. INTERPRETATION

Unless otherwise stated, all amounts specified in this Annexure C are exclusive of GST and expressed in Australian dollars as at 31 December 2019.

The costs referred to at clause 1.1(d) of this Annexure C will be calculated at the time the costs are incurred and are exclusive of GST.

## ANNEXURE D: AUTOMATIC FORMULAS FOR UPDATING THE DEBT RISK PREMIUM

1. The forward looking estimates of the debt risk premium (DRP) for each regulatory year will be estimated using the Authority's Revised Bond Yield Approach. Resulting estimates of the DRP will be included in the trailing average of the DRP.
2. ATCO will nominate, as soon as practicable after the release of the Final Decision, the averaging period for each annual update of the DRP applying in 2021, 2022, 2023 and 2024. The averaging periods for each year must be a nominated 20 trading days in the window 1 July to 31 October in the year prior to the relevant tariff variation, to allow estimation of the updated DRP for inclusion in the relevant annual tariff variation. The nominated 20 trading day averaging period for each of the four years do not need to be identical periods, only that they occur in the period 1 July to 31 October in each relevant year, and are nominated prior.
3. The estimate of the DRP using the Revised Bond Yield Approach applying for the 2020 year is to be made for the 20 trading days period in the window 1 July to 31 October 2019 as nominated by ATCO. This estimate is to be included in the trailing average estimate of the DRP for calendar year 2020 included in an amended Final Decision should the Final Decision be issued before the DRP to apply in the 2020 year can be estimated.
4. The following method of automatic formulas applies for updating the estimates of the DRP, and will remain unchanged for the duration of the AA5 period, and hence will apply for the estimates made for  $DRP_{2020}$ , as well as for the estimates  $DRP_{2021}$ ,  $DRP_{2022}$ ,  $DRP_{2023}$  and  $DRP_{2024}$ .

### 1.1. Techniques to estimate the forward looking debt risk premium

5. The Authority's Revised Bond Yield Approach consists of the following six processes.

#### **Determining the Benchmark Sample**

Identifying a sample of bonds based on the benchmark sample selection criteria. This will comprise a 'cross section' of bonds.

#### **Collecting Data**

Collecting data for those bonds over the averaging period in question, for example 20 trading days). This represents 'time series' data related to each bond.

#### **Converting Yields to Australian Dollar Equivalents**

Converting yields for bonds denominated in foreign currencies into Australian dollar (AUD) equivalents so that all yields are expressed as an AUD equivalent.

#### **Averaging Yields over the Averaging Period**

Calculating an average AUD equivalent bond yield for each bond in the cross section across the averaging period. For example, where a 20 trading day averaging period applies, each bond will have a single 20 day 'average yield' calculated.

**Estimating ‘Curves’**

Estimating three yield curves based on different methodologies and using the average yield for each bond; its remaining term to maturity; and AUD face value<sup>1.8</sup>

**Calculating the DRP**

Calculating the DRP by subtracting the average of the 10 year AUD interest rate swap (IRS) rate from the 10 year cost of debt estimate, with the latter calculated as the average of the three estimated yield curves at the ten year tenor.

6. Each process is comprised of a series of automatic formulas that will be used for the annual updates of the DRP. Further details of the automatic update approach are set out in Appendix 8 of the Authority’s Final Decision in relation to AA4 (as amended on 7 September 2015).

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<sup>1</sup> The three curves are based on the Gaussian Kernel, the Nelson Siegel and the Nelson Siegel Svensson methodologies. The Gaussian Kernel approach produces a series of point estimates as opposed to a curve. However, each point estimate can be seen as points that compose a curve.

## ANNEXURE E: SYSTEM PRESSURE PROTECTION PLAN

1. A “System Pressure Protection Plan” must outline the manner in which the Prospective User will ensure that it does not jeopardise system pressure by being in a position where it is unable to supply sufficient Gas at Receipt Points on a Sub-network and is simultaneously unable to sufficiently reduce the delivery of Gas it takes at its Delivery Points on the Sub-network and must do so using one of the options set out below:
  - a) the Prospective User must have sufficient contractual entitlements to firm Gas transportation capacity on one or more Interconnected Pipelines for delivery to one or more Receipt Points (on the same Sub-network as the Delivery Points under the Service Agreement) to meet the aggregate of all Contracted Peak Rates requested by the Prospective User at the Delivery Points (Option 1); or
2. To the extent that the Prospective User does not comply with Option 1 the Prospective User demonstrates to ATCO Gas Australia’s reasonable satisfaction that the issues potentially arising from the Prospective User not complying with Option 1 are adequately addressed as follows:
  - a) due to the fact that the Delivery Points under the Service Agreement are on a Sub-network which is supplied by two or more Interconnected Pipelines and an alternate supply or a different service which serves the same purpose is available to the Prospective User in sufficient quantity (Option 2); or
  - b) the Prospective User agreeing to release and indemnify ATCO Gas Australia in accordance with clause 6.8(c)(ii) and 6.8(c)(iii) of the Template Service Agreement: (Option 3); or
  - c) by the Prospective User, at the Prospective User’s expense, acquiring a System Pressure Service at the relevant Delivery Points (Option 4); or
  - d) by a combination of Options 1 to Option 4 (inclusive) or in any other way that adequately addresses the issues potentially arising from the Prospective User not complying with Option 1 (Option 5).
3. A “System Pressure Service” is a Pipeline Service by which ATCO Gas Australia may supply, maintain, operate and monitor remotely operated flow controllers at relevant Delivery Points, on terms and conditions (including as to payment of a System Pressure Charge) agreed between the Prospective User and ATCO Gas Australia, each acting as reasonable and prudent persons.
4. A “System Pressure Charge” applies in respect of the System Pressure Service, and is an amount which reflects the costs to ATCO Gas Australia of providing the System Pressure Service under the Service Agreement which may consist of Capital Expenditure and Operating Expenditure and includes ATCO Gas Australia’s administration costs incurred in relation to the System Pressure Service.

## ANNEXURE F: TEMPLATE SERVICE AGREEMENT

## ANNEXURE G: APPLICATION FORM

### APPLICATION FORM

This is an Application Form for Prospective Users in accordance with the Application Procedure in section 5 of the Access Arrangement document.

#### Section 1: Prospective user details

Name:	
ABN	
Telephone number	
Email	
Nominated representative	

#### Section 2: Service details

Requested service	
Receipt point and expected gas volume (refer to pipeline map on ATCO's website for current receipt points)	
Requested service start date	
Requested service end date	

#### Section 3: Creditworthiness

Information to support the creditworthiness of the prospective user.

- Attach a copy of the company's latest audited financial accounts.
- Attach evidence of the company's credit rating (Minimum of A- from Standard & Poors, A3 from Moody's, or B from Fitch ICBA).
- If not rated, provide evidence of ability to provide a bank guarantee, letter of credit, or some other form of prudential assurance from an entity with a minimum rating of A- from Standard & Poors, A3 from Moody's, or B from Fitch ICBA.

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#### Section 4: Confidentiality

Attach a signed copy of ATCO's Confidentiality Agreement to this access request form. A copy of ATCO's Confidentiality Agreement can be obtained by contacting the person listed in section 5 of the Access Arrangement document.

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#### Section 5: Signature

Signature of authorised company representative:

Name and position:

Date (dd/mm/yy):

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