



ATTACHMENT 1.1 INFORMATION COMPLIANCE REQUIREMENTS

ATCO 2020-24 PLAN

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Table of Contents

1.	Introduction	1
2.	Access Arrangement Proposal	2
3.	Access Arrangement Information	4

1. Introduction

This attachment explains how ATCO has met its obligations under the National Gas Rules to provide certain information in its submission to the Economic Regulation Authority (ERA). ATCO has developed its access arrangement revisions proposal having regard to the Economic Regulation Authority's (ERA) 2014 Gas Access Arrangement Guideline (the Guideline).

This attachment outlines:

- The requirements for the full access arrangement proposal and references to where ATCO has provided the information
- The requirements for access arrangement information and reference to where ATCO has provided the information

2. Access Arrangement Proposal

To ensure our Access Arrangement Proposal complies with the requirements of NGR we have developed a compliance checklist based on section 4.1 of the ERA's Guideline. Table 2.1 cross-references the NGR against the applicable section within the Access Arrangement that address the requirement.

Table 2.1: Compliance Checklist – Access Arrangement Proposal requirements

PROVISION	NGR REQUIREMENT	OUR AA PROPOSAL REFERENCE
48 (1) (a)	A full access arrangement must: (a) identify the pipeline to which the access arrangement relates and include a reference to a website at which a description of the pipeline can be inspected; and	AA Document section 3
48 (1) (b)	A full access arrangement must: (b) describe the pipeline services the service provider proposes to offer to provide by means of the pipeline; and	AA Document section 4.1
48 (1) (c)	A full access arrangement must: (c) specify the reference services; and	AA Document sections 4.2-4.12
48 (1) (d)	A full access arrangement must: (d) specify for each reference service: (i) the reference tariff; and (ii) the other terms and conditions on which the reference service will be provided; and	AA Document Annexure A, B, C and F
48 (1) (e)	A full access arrangement must: (e) if the access arrangement is to contain queuing requirements – set out the queuing requirements; and	There are no queuing requirements for the Mid-West and South-West Gas Distribution System owned by ATCO Gas Australia Pty Ltd
48 (1) (f)	A full access arrangement must: (f) set out the capacity trading requirements; and	AA Document section 6
48 (1) (g)	A full access arrangement must: (g) set out the extension and expansion requirements; and	AA Document section 7
48 (1) (h)	A full access arrangement must: (h) state the terms and conditions for changing receipt and delivery points; and	AA Document section 8
48 (1) (i)	A full access arrangement must: (i) if there is to be a review submission date – state the review submission date and the revision commencement date; and	AA Document section 2.2
48 (1) (j)	A full access arrangement must: (j) if there is to be an expiry date – state the expiry date.	There is no expiry date.
90 (1)	A full access arrangement must contain provisions governing the calculation of depreciation for establishing the opening capital base for the next access arrangement period after the one to which the access arrangement currently relates.	AA Document section 9.1

PROVISION	NGR REQUIREMENT	OUR AA PROPOSAL REFERENCE
92 (1)	A full access arrangement must include a mechanism (a reference tariff variation mechanism) for variation of a reference tariff over the course of an access arrangement period.	AA Document Annexure B and C
98 (1)	A full access arrangement may include (and the AER may require it to include) one or more incentive mechanisms to encourage efficiency in the provision of services by the service provider.	AA Document section 12
99 (1)	A full access arrangement may include a principle declared in the access arrangement to be fixed for a stated period.	AA Document section 11

3. Access Arrangement Information

To ensure our Access Arrangement Information complies with the requirements of NGR we have developed a compliance checklist based on section 4.2 of the ERA's Guideline. Table 3.1 cross-references the NGR against the applicable section within the Access Arrangement Information (2020-24 Plan) that address the requirement.

Table 3.1: Compliance Checklist – Access Arrangement Information requirements

PROVISION	NGR REQUIREMENT	OUR AAI REFERENCE
72 (1)(a)(i)	The access arrangement information for a full access arrangement proposal (other than an access arrangement variation proposal) must include the following: (a) if the access arrangement period commences at the end of an earlier access arrangement period : (i) capital expenditure (by asset class) over the earlier access arrangement period ; and	AAI section 5.5 (Past performance)
72 (1)(a)(ii)	The access arrangement information must include the following: (a) if the access arrangement period commences at the end of an earlier access arrangement period : (ii) operating expenditure (by category) over the earlier access arrangement period ; and	AAI section 5.5 (Past performance)
72 (1)(a)(iii)	The access arrangement information must include the following: (a) if the access arrangement period commences at the end of an earlier access arrangement period : (iii) usage of the pipeline over the earlier access arrangement period showing: (A) for a distribution pipeline, minimum, maximum and average demand and, for a transmission pipeline, minimum, maximum and average demand for each receipt or delivery point ; and (B) for a distribution pipeline, customer numbers in total and by tariff class and, for a transmission pipeline, user numbers for each receipt or delivery point ;	AAI section 9.9 (Pipeline usage) AAI section 9.4 (Historical demand)
72 (1)(b)	The access arrangement information must include the following: (b) how the capital base is arrived at and, if the access arrangement period commences at the end of an earlier access arrangement period , a demonstration of how the capital base increased or diminished over the previous access arrangement period ;	AAI section 13 (Capital base)
72 (1)(c)	The access arrangement information must include the following: (c) the projected capital base over the access arrangement period , including: (i) a forecast of conforming capital expenditure for the period and the basis for the forecast; and (ii) a forecast of depreciation for the period including a demonstration of how the forecast is derived on the basis of the proposed depreciation method;	AAI section 13 (Capital base) and section 12 (Forecast capital expenditure)

PROVISION	NGR REQUIREMENT	OUR AAI REFERENCE
72 (1)(d)	The access arrangement information must include the following: (d) to the extent it is practicable to forecast pipeline capacity and utilisation of pipeline capacity over the access arrangement period, a forecast of pipeline capacity and utilisation of pipeline capacity over that period and the basis on which the forecast has been derived;	It is not practicable to forecast pipeline capacity and utilisation of pipeline capacity for a gas distribution network. This is because the network consists of a variety of interlinked pipe materials, each with a different capacity (unlike gas transmission pipelines). The capacity of different sections of the network are analysed on an ongoing basis. Pressures and flows are simulated in order to ensure that the network has adequate capacity to meet customer needs. Where modelling or field data (for example telemetry or pressure recorders) indicate that potential capacity or pressure problems exist, mains reinforcement projects or other required actions are instigated to augment network capacity.
72 (1)(e)	The access arrangement information must include the following: (e) a forecast of operating expenditure over the access arrangement period and the basis on which the forecast has been derived;	AAI section 11 (Forecast operating expenditure)
72 (1)(f)	The access arrangement information must include the following: (f) the key performance indicators to be used by the service provider to support expenditure to be incurred over the access arrangement period;	AAI section 10 (Key performance indicators)
72 (1)(g)	The access arrangement information must include the following: (g) the proposed return on equity, return on debt and allowed rate of return , for each regulatory year of the access arrangement period , in accordance with rule 87, including any departure from the methodologies set out in the rate of return guidelines and the reasons for that departure;	AAI section 14 (Rate of return)
72 (1)(ga)	The access arrangement information must include the following: (ga) the proposed formula (if any) that is to be applied in accordance with rule 87(12);	AAI section 14 (Rate of return)
72 (1)(h)	The access arrangement information must include the following: (h) the estimated cost of corporate income tax calculated in accordance with rule 87A, including the proposed value of imputation credits referred to in that rule;	AAI section 15 (Gamma and cost of tax)
72 (1)(i)	The access arrangement information must include the following: (i) if an incentive mechanism operated for the previous access arrangement period—the proposed carry-over of increments for efficiency gains or decrements for efficiency losses in the previous access arrangement period and a demonstration of how allowance is to be made for any such increments or decrements;	No incentive mechanisms operated for the previous access arrangement period

PROVISION	NGR REQUIREMENT	OUR AAI REFERENCE
72 (1)(j)	The access arrangement information must include the following: (j) the proposed approach to the setting of tariffs including: (i) the suggested basis of reference tariffs, including the method used to allocate costs and a demonstration of the relationship between costs and tariffs; and (ii) a description of any pricing principles employed but not otherwise disclosed under this rule;	AAI section 19 (Reference tariffs)
72 (1)(k)	The access arrangement information must include the following: (k) the service provider's rationale for any proposed reference tariff variation mechanism;	AAI section 20 (Tariff variation mechanism)
72 (1)(l)	The access arrangement information must include the following: (l) the service provider's rationale for any proposed incentive mechanism;	AAI section 17 (Incentive mechanisms)
72 (1)(m)	The access arrangement information must include the following: (m) the total revenue to be derived from pipeline services for each regulatory year of the access arrangement period.	AAI section 18 (Total revenue)
73(2)	(2) The basis on which financial information is provided must be stated in the <i>access arrangement information</i>	AAI Document notes and in the table captions