



10 October 2022

Economic Regulation Authority  
PO Box 8469  
Perth BC WA 6849  
[www.erawa.com.au/consultation](http://www.erawa.com.au/consultation)

### **Reference Service Proposal for the Mid-West and South-West Gas Distribution Systems**

Thank you for providing Alinta Sales Pty Ltd (**Alinta Energy**) the opportunity to comment on the Reference Service Proposal<sup>1</sup> developed by ATCO Gas Australia (**ATCO**) for the Mid-West and South-West Gas Distribution System for the 2025-2029 "AA6" access arrangement period.

We have previously provided comment to ATCO on its Consultation Draft<sup>2</sup> and are pleased that ATCO has considered our comments and addressed these in its submission to the ERA. We have included our comments to ATCO as an attachment to this submission.

We support the haulage and ancillary reference services proposed by ATCO, including the additional "cut and cap service pipe at main" (previously "demolitions") ancillary reference service proposed by ATCO since the release of its Consultation Draft, noting a significant number of requests for this service are made by retailers each year.

If you have any questions concerning this submission or the attachment, please contact me on [REDACTED] or [REDACTED].

Yours sincerely

**Catherine Rousch**  
Manager WA Retail Regulation  
Alinta Energy

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<sup>1</sup> Reference Service Proposal 2025-29 Access Arrangement, ATCO Gas Australia, 1 September 2022

<sup>2</sup> Reference Service Proposal 2025-29 Access Arrangement Consultation Draft, ATCO Gas Australia, 10 June 2022



8 July 2022

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Dear Hugh

**Reference Service Proposal: 2025-29 Access Arrangement**

Thank you for providing Alinta Sales Pty Ltd (**Alinta Energy**) the opportunity to comment on the consultation draft Reference Service Proposal (**RSP**) developed by ATCO Gas Australia (**ATCO**) for the Mid-West and South-West Gas Distribution System for the Access Arrangement period 2025-2029 (**AA6**).

Alinta Energy notes that ATCO proposes both haulage and ancillary reference services will be unchanged for AA6. Considering this, we have comments on the following aspects of the RSP.

Zero consumption meters

As ATCO would be aware, Alinta Energy has, over the past few years, requested the removal of a significant number of non-consuming B3 gas meters for which we are financially responsible, but where there is no active customer account and no consumption has been detected for a period of greater than 12 months. Before a meter is removed, customers are given the opportunity to establish an account with Alinta Energy or to set up an account with another retailer.

We consider that a new low-rate reference service, whereby these meters are read once a year instead of once a quarter, would encourage retailers to leave non-consuming meters in-situ and work together with ATCO to encourage customers to take up gas.

Seasonal tariffs

Alinta Energy would support the introduction of a new seasonal/time-of-year network tariff for residential customers, such that a higher tariff would be applied during colder months and a lower tariff during warmer months, e.g.:

Seasonal Network Tariff Definitions	
Winter Peak	Jun – Sept
Spring Shoulder	Oct – Nov
Summer Off-Peak	Dec – Mar
Autumn Shoulder	Apr – May

Seasonal tariffs would not require smart metering devices; instead, customers with basic meters would simply have their tariff altered at the commencement of each seasonal period.

Introduction of a seasonal tariff would enable retailers to develop and offer more innovative

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products, providing customers with a selection of flat and seasonal tariffs to choose from according to their needs.

Meter reading

Alinta Energy gives in-principle support to ATCO's proposal to enable customer self-reads via a mobile application and agrees that reads should be provided by customers directly to ATCO rather than to retailers.

As part of the ERA's current review of the *Compendium of Gas Customer Licence Obligations* ("Compendium"), we have proposed an amendment to clause 4.6(b) per the below to assist with the development of new processes related to customer self-reads.

Clause	Issue	Proposed Amendment
4.6(b)	<p>Recent meter reading delays experienced by ATCO and the significant increase in estimated meter reads has highlighted the need for alternative meter reading solutions, such as customer-own reads.</p> <p>The current requirement for a retailer to request that a customer perform a meter reading is not sustainable when there are large-scale disruptions to meter reading services. Additionally, the distributor should be able to accept a customer's reading of the meter.</p>	<p><b>4.6 Basis of bill</b></p> <p>Subject to clause 4.3 and 4.8, a retailer must base a customer's bill on –</p> <p>(a) the distributor's or metering agent's reading of the meter at the customer's supply address; or</p> <p>(b) the customer's reading of the meter at the customer's supply address, provided the retailer <del>or distributor (as applicable) requested and the customer agreed</del> <u>accepts the that the customer will read provided by the customer the meter for the purpose of determining the amount due.</u></p>

We agree that no changes are required to ATCO's RSP to accommodate customer self-reads, however, if self-reads become routine, then there could be a case for a reduction in the relevant tariffs.

Provision of consumption data

Alinta Energy agrees that more frequent meter reading services for untelemetered small business customers may provide those customers with the tools for better managing their gas supply. However, these customers would probably be best served via a future smart meter roll-out, rather than by introducing a more frequent manual meter reading service as part of AA6.

Cleaner fuels and carbon offsets

Alinta Energy acknowledges ATCO's hydrogen blending trial, proposed for a small part of the gas distribution network later this year. On a broader scale, given the WA Government's current consultation concerning opportunities for stimulating renewable hydrogen demand, including policy options to support hydrogen blending into gas networks, it would be premature for ATCO to make changes to its proposed services under AA6 to enable the distribution of cleaner fuels. Clarity regarding Government policy is required before decarbonisation of the gas distribution network can be supported.

With respect to any carbon offset schemes, it is our current view that it would be inefficient for each component of the gas supply chain to organise their own scheme; it would be more efficient for retailers to provide such schemes to customers.

If you have any questions concerning this submission, please contact me on [REDACTED] or [REDACTED].

Yours sincerely

**Catherine Rousch**  
 Manager WA Retail Regulation  
 Alinta Energy