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Mr Tyson Self

Level 4, Albert Facey House,

469 Wellington St

Perth WA 6000

Via e-mail: publicsubmissions@erawa.com.au

Dear Mr Self

AGL response to ERAWA Draft Decision on ATCO AA

AGL Energy (**AGL**) welcomes the opportunity to respond to the Draft Decision by the Economic Regulation Authority of Western Australia (**ERAWA**) on Draft Decision on revisions to the access arrangement for the Mid-West and South-West Gas Distribution Systems (**ATCO AA6**).

AGL is one of Australia's largest energy-led multi-service retailers, providing over 4.3 million electricity, gas and telco services to residential, small, and large businesses, and wholesale customers. We operate Australia's largest electricity generation portfolio, with an operated generation capacity of over 11GW, which accounts for approximately 20% of the total generation capacity within Australia's National Electricity Market.

AGL is also a market leader in the development of innovative products and services that enable our customers to make informed decision on how and when to use their Consumer Energy Resource (**CER**) assets to optimise their energy load profile and better manage their energy costs.

AGL broadly considers the ERAs Draft Decision to be a reasonable decision on the basis of the economic climate, ATCOs proposed growth and expenditure.

As stated previously, AGL would prefer a smoother glide path in respect to the changes in network charges, rather than sharp peaks and troughs over the upcoming period and leading into the next period.

AGL is concerned about the separation between the ERAs decision on network tariffs and the Western Australian Government process for setting the maximum gas price for small customers. This arrangement has a severe disconnect, which could see a decline in retail gas competition. AGL is strongly of the opinion that there needs to be a clear link between these decisions.

AGL notes the ERAs position on accelerated depreciation as a reasonable regulatory tool and the current decision regarding accelerated depreciation. Now that the policy positions on gas usage have become more stable, and ATCO have proposed increased customer growth and capex expenditure, AGL supports the ERA decision at this time. Should the policy or environment for gas usage change substantially, AGL would support a further review of accelerated depreciation commiserate with the impact of that policy change.

AGL notes the various ancillary services which ATCO offers, in particular those relating to locking, temporarily disconnecting or permanently disconnecting a supply of gas to a delivery point. We re-iterate the issue that we raised during the initial submission, that if ATCO is offering these services directly, then all costs (including AEMO fees) should be included in their charges to customers.



We are also concerned that when customers are disconnected from gas, the retailer still continues to pay service fees for the connection, although it has no customer to pass those charges onto, leaving it with unrecoverable charges.

We note and support the comments made about gas Distribution Networks higher recovery over their Access periods and consider that the ERAs approved position on expenditure is appropriate.

If you would like to discuss any aspect of AGL's submission, please contact Mark Riley [REDACTED] or [REDACTED].

Yours sincerely,

Ralph Griffiths
General Manager - Policy & Regulation
AGL Energy