

Re: Application for Amendment of Gas Distribution Licence 8 (GDL8)

On 19 January 2026, ATCO Gas Australia (ATCO) announced its intention to work with the Western Australian Government, industry participants, and the community on decommissioning the Albany Gas Distribution System. The decommissioning of the network is expected to commence in the second half of 2026 and take approximately three years to complete.

History of the Albany Network

The Albany Network was established in 1891 by the Colonial Gas Association of Victoria and was privately owned and operated until its purchase by the State Energy Commission of Western Australia (SECWA) in 1951. Initially supplying town gas (coal gas), the network was converted to tempered liquefied petroleum gas in 1969.

During the 1990s, the Australian Federal Government introduced wide-ranging National Competition Policy reforms. These reforms created a monopoly access and pricing framework known as the Gas Access Code, which came into effect in Western Australia in 1999.

In 1995, Alinta Gas and Western Power were formed as successors to SECWA. In 1999, Alinta Gas converted the Albany Network to carry liquefied petroleum gas (LPG).

Western Australia's gas networks were privatised in 2000 with the sale of Alinta Gas to private shareholders. The assets were subsequently owned and operated by several entities, including Alinta Asset Management, Alinta Network Services, WestNet Energy, and WA Gas Networks, before being acquired by ATCO in July 2011.

Over the past 25 years, the number of consumers connected to the Albany Network has increased significantly. In 1999, the network supplied approximately 3,000 customers, compared with around 8,000 customers today. By comparison, the Mid-West and South-West Gas Distribution System (Coastal Network), which services Geraldton, metropolitan Perth, Bunbury and Busselton, supplies more than 800,000 customers.

Despite this growth, the cost of managing this network has continued to rise due to large sections of the system nearing the end of their service life. As a result the ongoing costs required to maintain and extend the Albany Network have become economically unviable, as they would impose an excessive financial burden on customers.

ATCO will work closely with the WA Government, industry participants and the community to develop a transition process for customers connected to the network and will continue to maintain the safe and reliable operations of the system during the transition.

As noted above the decommissioning is expected to take approximately three years to complete, providing households and businesses sufficient time to plan for the change.

ATCO will undertake a community communications and engagement program to keep customers and community members informed of the timing process and options. Options are likely to include a

transition to bottled LPG gas, which customers can use without changing their existing appliances. The Albany community is well serviced by LPG bottle sellers and LPG bottle delivery services.

Before ATCO commences any of the decommissioning work, it will seek approval of its Decommissioning Plan from Building and Energy.

Amendment to GDL8

In the interim, ATCO is seeking to obtain an exemption to the current **Obligation to Connect** to the Albany Gas Distribution System, as set out in clause 3.1 of schedule 1 (**Obligation to Connect**) of GDL8 which states, broadly that “a licensee must offer to connect residential premises located within the licence area to the distribution system if requested by a trader, subject to certain defined conditions.”

ATCO is seeking an amendment to GDL8 to exempt ATCO from the obligation to Offer To Connect, *only* as it pertains to the Albany Network.

The exemption is being sought by way of amendment pursuant to the provisions of Section 11VA of the Energy Coordination Act 1994 (WA) and is sought to support the early stages of planning, in terms of the decommissioning works, and to provide Customers a clearer understanding of ATCOs intended pathway through to decommissioning the Albany network.

Yours faithfully

Michael Beer
Principal Risk & Compliance