

# ATTACHMENT 02.103 ACCESS ARRANGEMENT PROPOSAL CHECKLIST

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**ATCO**



# ACCESS ARRANGEMENT PROPOSAL CHECKLIST

## ATTACHMENT 02.103

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**GAS DIVISION**

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## 1. INTRODUCTION

This attachment explains how ATCO has met its obligations under the National Gas Rules to provide certain information in its amended submission to the Economic Regulation Authority (ERA). ATCO has developed its amended access arrangement revisions proposal having regard to the Economic Regulation Authority's (ERA) 2022 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 CHECKLIST

To ensure our Access Arrangement Proposal complies with the requirements of NGR we have developed a compliance checklist based on Appendix 5 of the ERA's Guideline. The checklist sets out the legislative requirements for an access arrangement proposal and provides a cross reference to the sections within the proposal or another document where the requirement is satisfied.

**Table 2.1** cross-references the NGR against the applicable section within the Access Arrangement that address the requirement.

**Table 2.1: Full access arrangement proposal compliance checklist**

Provision	Legislative Requirement	Our AA proposal reference
48 (1) (a)	Proposal identifies the pipeline to which the access arrangement relates and includes a reference to a website where a description of the pipeline can be inspected.	AA Document section 3
48 (1) (b)	Proposal describes all the pipeline services that the service provider can reasonably provide. <i>Note: This description must be consistent with the ERA's reference service proposal decision (made under rule 47A), unless there has been a material change in circumstances.</i>	AA Document section 4
48 (1) (c)	Proposal specifies the reference services. <i>Note: The reference services must be consistent with the ERA's reference service proposal decision (made under rule 47A), unless there has been a material change in circumstances.</i>	AA Document sections 4.2-4.13
48 (1) (c1)	If the pipeline services and reference services information is different to the ERA's reference service proposal decision (made under rule 47A), proposal describes the material change in circumstances that necessitated the change having regard to the reference service factors.	AAI Document Chapter 14.14 describes the change in name for the Disconnecting a Delivery Point, Reconnecting a Delivery Point and Permanent Disconnection services
48 (1) (d)	For each reference service, proposal specifies the reference tariff and the other terms and conditions on which each reference service will be provided.	AA Document Annexure A, B, C, F and G
48 (1) (e)	If the access arrangement is to contain queuing requirements, proposal sets out the queuing requirements. <i>Note: Queuing requirements are necessary for a transmission pipeline. Queuing requirements are not necessary for a distribution pipeline unless the ERA has given prior notification of the need to include them (see rule 103).</i>	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)	Proposal sets out the capacity trading requirements.	AA Document section 6
48 (1) (g)	Proposal sets out the extension and expansion requirements.	AA Document section 7
48 (1) (h)	Proposal states the terms and conditions for changing receipt and delivery points.	AA Document section 8

Provision	Legislative Requirement	Our AA proposal reference
48 (1) (i)	If there is to be a review submission date, proposal states the review submission date and the revision commencement date. <i>Note: A full access arrangement must contain a review submission date and a revision commencement date unless it is a voluntary full access arrangement.</i>	AA Document section 2.2
48 (1) (j)	If there is to be an expiry date, proposal states the expiry date. <i>Note: Only a voluntary full access arrangement may contain an expiry date.</i>	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
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.	There are no incentive mechanisms for the Mid-West and South-West Gas Distribution System owned by ATCO Gas Australia Pty Ltd
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 CHECKLIST

To ensure our Access Arrangement Information complies with the requirements of NGR we have developed a compliance checklist based on Appendix 5 of the ERA's Guideline. The checklist sets out the legislative requirements for access arrangement information and provides a cross reference to the sections within the access arrangement information or another document where the requirement is satisfied.

Table 3.1 cross-references the NGR against the applicable section within the Access Arrangement Information that address the requirement.

**Table 3.1: Access Arrangement Information compliance checklist**

Provision	NGR Requirement	Our AAI reference
72 (1)(a)(i)	If the access arrangement period commences at the end of an earlier access arrangement period, AAI includes: <ul style="list-style-type: none"> <li>Capital expenditure (by asset class) over the earlier access arrangement period.</li> </ul>	AAI section 14.3 (Past performance) – Table 14.2
72 (1)(a)(ii)	If the access arrangement period commences at the end of an earlier access arrangement period, AAI includes: <ul style="list-style-type: none"> <li>Operating expenditure (by category) over the earlier access arrangement period.</li> </ul>	AAI section 14.3 (Past performance) – Table 14.3
72 (1)(a)(iii)	If the access arrangement period commences at the end of an earlier access arrangement period, AAI includes: <ul style="list-style-type: none"> <li>Pipeline use over the earlier access arrangement period showing: <ul style="list-style-type: none"> <li>for a distribution pipeline: minimum, maximum and average demand.</li> <li>for a transmission pipeline: minimum, maximum and average demand for each receipt or delivery point.</li> <li>for a distribution pipeline: customer numbers in total and by tariff class.</li> <li>for a transmission pipeline: user numbers for each receipt or delivery point.</li> </ul> </li> </ul>	AAI section 14.3 (Past performance) – Table 14.4  AAI section 14.3 (Past performance) – Table 14.5
72 (1)(b)	AAI includes information on 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 7 (Regulatory Capital Base) Table 14.6 Table 14.7
72 (1)(c)	AAI includes the projected capital base over the access arrangement period, including: <ul style="list-style-type: none"> <li>A forecast of conforming capital expenditure for the period and the basis for the forecast.</li> <li>A forecast of depreciation for the period including a demonstration of how the forecast is derived on the basis of the proposed depreciation method.</li> </ul>	AAI Section 14 Table 14.8 Table 14.9
72 (1)(d)	AAI includes, to the extent it is practicable to forecast pipeline capacity and utilisation of pipeline capacity over the access arrangement period, a forecast of pipeline 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

Provision	NGR Requirement	Our AAI reference
		<p>because the network consists of a variety of interlinked pipe materials, each with a different capacity (unlike gas transmission pipelines).</p> <p>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.</p>
72 (1)(e)	AAI includes a forecast of operating expenditure over the access arrangement period and the basis on which the forecast has been derived.	AAI section 8 (Operating Expenditure) Table 14.12
72 (1)(g)	AAI includes the allowed rate of return for each regulatory year of the access arrangement period.	AAI section 14.10 (Rate of return) – Table 14.13
72 (1)(h)	AAI includes the estimated cost of corporate income tax calculated in accordance with rule 87A, including the allowed imputation credits referred to in that rule.	AAI section 14.11 (Estimated Cost of Income Tax) – 14.14
72 (1)(i)	If an incentive mechanism operated for the previous access arrangement period, AAI includes 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/decrements.	No incentive mechanisms operated for the previous access arrangement period
72 (1)(j)	AAI includes the proposed approach to the setting of tariffs, including the suggested basis of reference tariffs including the method used to allocate costs and a description of any pricing principles employed.	AAI section 6 (Revenue & Tariffs)
72 (1)(k)	AAI includes the service provider's rationale for any proposed reference tariff variation mechanism.	AAI section 14.15 (Rationale for Proposed Tariff Variation Mechanism)
72 (1)(l)	AAI includes the service provider's rationale for any proposed incentive mechanism.	There are no incentive mechanisms proposed for the Mid-West and South-West Gas Distribution System owned by ATCO Gas Australia Pty Ltd



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Provision	NGR Requirement	Our AAI reference
72 (1)(m)	AAI includes the total revenue to be derived from pipeline services for each regulatory year of the access arrangement period.	AAI section 14.16 (Total revenue) – Table 14.24
73(2)	(2) The basis on which financial information is provided must be stated in the access arrangement information	AAI section 14.2 and in the table captions