



Our ref: DM 35356631  
Contact: Rebecca Cant

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## **RESPONSE TO THE ERA'S DRAFT DECISION AND ATCO'S REVISED PROPOSAL FOR THE 2025 -2029 ACCESS ARRANGEMENT FOR THE MID-WEST AND SOUTH-WEST GAS DISTRIBUTION SYSTEMS**

Synergy welcomes the opportunity to make a submission in response to the Economic Regulation Authority's (**ERA**) draft decision on ATCO Gas Australia's (**ATCO**) sixth access arrangement (**AA6**) proposal and ATCO's revised AA6 proposal.

Synergy provided a submission to the ERA on 27 November 2023 in response to the ERA's AA6 issues paper and requested the ERA give regard to several matters raised by Synergy including:

- Demand forecast
- Accelerated depreciation
- Revenue price paths
- Permanent disconnection reference service

### **Matters raised in Synergy's submission**

Synergy has considered the ERA's draft decision in relation to the matters outlined above and Synergy supports the ERA's draft decision.

### **Changes to the legislative framework**

Elements of ATCO's amended proposal continues to contemplate a regulatory framework yet to be implemented in Western Australia. For example;

- Gas pipeline regulatory reforms
- Extension of the regulatory framework to renewable gases
- Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024

Synergy notes the ERA has maintained its approach in relation to assessing ATCO's proposal and separately set out in its draft decision considerations directly related to the possible legislative amendments to allow stakeholders an opportunity to provide comments. The ERA also stated that it would apply the relevant regulatory framework at the time of making each of its (draft and final) decisions and would not speculate on whether the legislative amendments would occur. Synergy supports this approach, especially in relation to the ERA's final decision.

## Template Service Agreement (TSA)

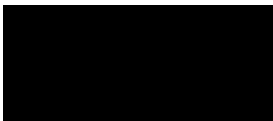
Synergy notes the ERA did not receive any submissions addressing the terms and conditions set out in the template service agreement (**TSA**). The ERA's draft decision required five amendments to be made to the proposed TSA. Synergy supports the ERA's draft decision and notes that ATCO has accepted all of the ERA's draft decision amendments except required amendment 9.2, in relation to TSA clauses 5.5(d) and 5.9.

ATCO considers that where the law governs the fee that may be charged, then the requirements in relation to fees should stand on their own and there is no need for additional requirements, such as the requirement to act reasonably. ATCO's proposed drafting of clauses 5.5(d) and 5.9(b) requires charges to be reasonable or otherwise determined in accordance with applicable laws. Synergy considers this drafting is consistent with ERA's required amendment 9.2.

In addition, clause 6 of the TSA has several provisions where users will be required to procure compliance from upstream gas suppliers and transmission pipeline operators. For example, users will be required to ensure its supply and access contracts with upstream suppliers are appropriately aligned with the TSA. Therefore, Synergy requests the ERA to ensure, as part of its assessment of the Dampier to Bunbury Natural Gas Pipeline access arrangement (DBNGP), the terms and conditions of the DBNGP contracts are aligned with the TSA.

Please contact Rebecca Cant, Senior Regulatory Analyst on [REDACTED] should you have any queries in relation to this submission.

Yours sincerely



**SIMON THACKRAY**  
**HEAD OF REGULATION AND COMPLIANCE**