Economic Regulation Authority

Final decision on access arrangement for the Mid-West and South-West Gas Distribution Systems (2025 to 2029)

Attachment 1: Access arrangement and services

8 November 2024

D283300

Acknowledgement of Country

At the ERA we value our cultural diversity and respect the traditional custodians of the land and waters on which we live and work.

We acknowledge their continuing connection to culture and community, their traditions and stories. We commit to listening, continuously improving our performance and building a brighter future together.

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Note

This attachment forms part of the ERA's final decision on the access arrangement for the Mid-West and South-West Gas Distribution Systems. It should be read in conjunction with all other parts of the final decision, which is comprised of the following document and attachments:

- Final decision on access arrangement for the Mid-West and South-West Gas Distribution Systems (2025 to 2029) – Overview, 8 November 2024:
 - Attachment 1: Access arrangement and services (this document)
 - Attachment 2: Demand
 - Attachment 3: Revenue and tariffs
 - Attachment 4: Regulatory capital base
 - Attachment 5: Operating expenditure
 - Attachment 6: Depreciation
 - Attachment 7: Return on capital, taxation, incentives
 - Attachment 8: Other access arrangement provisions
 - Attachment 9: Service terms and conditions

Attachment 1. Summary

In its access arrangement proposal, ATCO:

- Identified the pipeline to which the access arrangement relates as the Mid-West and South-West Gas Distribution Systems, with a detailed description of the pipeline available on ATCO's website.
- Specified the access arrangement review submission date and revision commencement date as 1 September 2028 and 1 January 2030, respectively.
- Specified a total of 12 reference services to be offered under the access arrangement (five haulage reference services and seven ancillary reference services), which are consistent with the reference services approved in ATCO's reference service proposal.

The ERA approved these elements of ATCO's access arrangement proposal in the draft decision. ATCO did not make any changes to these elements in its revised proposal in response to the draft decision.

There were no submissions from interested parties on the ERA's draft decision or ATCO's revised proposal that addressed the requirements to identify the pipeline, specify access arrangement dates and/or specify reference services. Given this, the ERA maintains its draft decision position and approves these elements of ATCO's access arrangement proposal for the sixth access arrangement period (AA6).

Regulatory requirements

- 1. The National Gas Access (WA) Act 2009 implements a modified version of the National Gas Law (NGL) and National Gas Rules (NGR) in Western Australia. The rules referenced in this decision are those that apply in Western Australia.¹
- 2. Rule 48 specifies the required content for an access arrangement, including the need to:
 - Identify the pipeline to which the access arrangement relates and include a reference to a website where a description of the pipeline is.
 - Describe all the pipeline services that the service provider can reasonably provide and specify the reference services to be offered.²
 - If there is to be a review submission date, state the review submission and revision commencement dates for the access arrangement.
- 3. Rules 49 to 52 set out further specific provisions for the setting of dates relevant to an access arrangement and the submission of an access arrangement revision proposal:
 - In most cases, an access arrangement must contain a review submission date and a revision commencement date (rule 49).
 - The proposed revision commencement date must be at least 12 months after the proposed review submission date (rule 50).
 - The review submission date may be brought forward to an earlier date if the access arrangement provides for, or the regulator requires an access arrangement to contain, one or more trigger events; and a trigger event occurs (rule 51):
 - Trigger events may consist of any significant circumstance or a combination of circumstances, including:
 - A redirection of the flow of natural gas through the pipeline.
 - A competing source of natural gas becomes available to customers served by the pipeline.
 - A significant extension, expansion or interconnection occurs.
- 4. The service provider must, on or before the review submission date of the access arrangement, submit an access arrangement revision proposal. The proposal must set out the service provider's proposed amendments to the access arrangement for the next access arrangement period and incorporate the proposed amendments in a revised access arrangement (rule 52).

¹ The current rules that apply in Western Australia are available from the Australian Energy Market Commission: AEMC, 'National Gas Rules (Western Australia)' (<u>online</u>) (accessed November 2024). At the time of this decision, *National Gas Rules – Western Australia version 12 (1 February 2024)* was in effect.

² The NGR requires that this description and specification be consistent with the ERA's reference service proposal decision (made under rule 47A) for the pipeline unless there has been a material change in circumstances. Where the description and/or specification is different to the ERA's decision, an explanation of the material change in circumstances that necessitated the change must be provided.

ERA draft decision

- 5. In its access arrangement proposal, ATCO:
 - Identified the pipeline to which the access arrangement relates as the Mid-West and South-West Gas Distribution Systems, with a detailed description of the pipeline available on ATCO's website.³
 - Specified the access arrangement review submission date and revision commencement date as 1 September 2028 and 1 January 2030, respectively.
 - Specified a total of 12 reference services to be offered under the access arrangement (five haulage reference services and seven ancillary reference services), which were consistent with the reference services approved in ATCO's reference service proposal.
- 6. The ERA received no submissions from interested parties on the requirements for ATCO to address the above matters in the proposed access arrangement. Given this, and for the reasons set out in its draft decision, the ERA approved these elements of ATCO's access arrangement proposal.⁴

³ ATCO, 'About the Network' (<u>online</u>) (accessed November 2024).

⁴ There were no draft decision required amendments.

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ATCO response to draft decision

7. ATCO confirmed the following aspects of its access arrangement proposal, which were approved in the ERA's draft decision.

[In its access arrangement proposal, ATCO:]

- Identified the pipeline to which the access arrangement relates as the Mid-West and South-West Gas Distribution Systems, with a detailed description of the pipeline available on ATCO's website.
- 2) Specified the access arrangement review submission date and revision commencement date as 1 September 2028 and 1 January 2030, respectively.
- 3) Specified a total of 12 reference services to be offered under the access arrangement (five haulage reference services and seven ancillary reference services), which are consistent with the reference services approved in ATCO's reference service proposal.
- 4) Proposed amendments to identify the types of gas that the GDS may transport, including blends of natural gas, biomethane, and hydrogen.
- 5) Proposed to include our supplier curtailment methodology for use if the regulatory framework is amended for renewable gases.⁵
- 8. ATCO made no further changes to these elements in its revised proposal in response to the draft decision.

⁵ ATCO, 2025-29 Revised Plan, 10 June 2024, p. 12.

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Submissions to the ERA

9. There were no submissions to the ERA that addressed matters related to the information needed to identify the pipeline, access arrangement dates, and/or reference services.

Final decision

10. ATCO has made no changes to the information that identifies the pipeline to which the access arrangement relates, the review and commencement dates for the access arrangement and the reference services to be offered under the access arrangement. There were no submissions raising any concerns about these matters. Given this, the ERA maintains its draft decision position to approve these elements of the access arrangement to apply for AA6 (Table 1.).

Table 1.1: Approved access arrangement elements (pipeline identification, dates and reference services)

Pipeline to which access arrangement relates

- Mid-West and South-West Gas Distribution Systems
- A detailed description of the pipeline is available from the ATCO website⁶

Access arrangement review submission date and revision commencement date

- Review submission date: 1 September 2028
- Revision commencement date: 1 January 2030

Reference services to be offered under the access arrangement

- Haulage reference services:
 - A1 service (a service for major industrial customers using > 35 TJ of gas per year, at high or medium pressures)
 - A2 service (a service for large customers using between 10 and 35 TJ of gas per year, at high or medium pressures)
 - B1 service (a service for medium sized customers using < 10 TJ of gas per year, at high or medium pressures)
 - B2 service (a service for small-use customers with a standard meter with capacity from 12 m³/h to less than 18 m³/h, typically commercial or large residential, supplied at medium or low pressures)
 - B3 service (a service for small-use customers with a standard meter capacity less than 12 m³/h, typically residential or small business customers, supplied at medium or low pressures)
- Ancillary reference services:
 - Deregistering a delivery point (relevant to A1, A2, B1, B2 and B3 services)
 - Applying a meter lock (relevant to B2 and B3 services)
 - Removing a meter lock (relevant to B2 and B3 services)
 - Disconnecting a delivery point (relevant to B2 and B3 services)
 - Reconnecting a delivery point (relevant to B2 and B3 services)
 - Special metering reading (relevant to B1, B2 and B3 services)
 - Permanent disconnection (relevant to B2 and B3 services)

Source: ATCO, Access Arrangement for the Mid-West and South-West Gas Distribution Systems, 10 June 2024.

⁶ ATCO, 'About the Network' (<u>online</u>) (accessed November 2024).

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11. The ERA notes that ATCO can provide other pipeline services as set out in Part 4.14 of the revised access arrangement. These pipeline services are non-reference services and are not regulated by the ERA as part of the regulatory framework for access arrangements. As a non-reference service, ATCO will negotiate the tariff (or charge) and other terms and conditions on which the service will be provided directly with the prospective user (which may include the end use customer) requesting the service.