

Tuesday, 30 July 2019

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Dear Tamsyn,

**Re: Australian Gas Networks Regulatory Framework Review 2021-2026**

Australian Gas Networks Limited (AGN) is pleased to provide the attached submission in relation to the Essential Services Commission of South Australia's (Commission's) Consultation Paper on AGN's Regulatory Framework Review 2021-2026, released on 2 July 2019.

Our South Australian distribution network delivers natural gas to more than 450,000 homes and business. The network consists of more than 8,100km of pipes serving residential, commercial and industrial business customers in Adelaide (from Two Wells to Aldinga) and regional centres in the Upper North, Barossa, Riverland and South East of the state.

It is our vision to be the leading gas infrastructure business in Australia. We will do this by delivering for customers, being a good employer, and being sustainably cost efficient. We have delivered strong performance in South Australia over the last few years. In 2016, we cut prices by 23%. In 2018, we attended to leaks within two hours and completed repairs promptly 99% of the time. Our leak survey program achieved 100% compliance. Customer satisfaction is also tracking well with a score of 8.0 – the highest across the states where we operate.

We support the Commission's aim for the review to ensure that the regulatory instruments are clear and do not duplicate, or contain inconsistencies with, regulatory requirements made under the national gas legislation and the national energy consumer framework (NECF). With this in mind, we support the removal of the following Clauses of the Gas Distribution Code:

- Clauses 2.1.1 (e)(i) and (ii) which specify unaccounted for gas targets for AGN to achieve in the 2011-2016 regulatory period, which were achieved by AGN and are thus now redundant; and
- Clauses 2.3.1(e)(i)-(iv) which duplicate clauses contained in the *National Energy Retail Rules* (NERR) model terms and conditions for deemed standard connection contracts.

As part of our stakeholder engagement activities for our revised South Australian Access Arrangement (AA) proposal we have heard that reliability is important for customers in the energy sector, although considered less of an issue for gas. The stakeholder feedback is that the current service levels should be maintained. We believe this supports the Commission's position of not proposing to introduce any jurisdictional service reliability standards on AGN for the 2021-2026 regulatory period.

Should you have any queries about the information provided in this letter please contact myself (0403 309 940, [craig.delaine@agig.com.au](mailto:craig.delaine@agig.com.au)) or Vicky Knighton, Head of Compliance (0417 133 361, [vicky.knighton@agig.com.au](mailto:vicky.knighton@agig.com.au)).

Yours sincerely,



**Craig de Laine**  
General Manager People and Strategy

## AGN Response to the Consultation questions

### 1. Do the Commission's proposed amendments to the Gas Distribution Code and Gas Metering Code seem appropriate? Are there other amendments that should be considered?

We support the review to ensure that the regulatory instruments established by the Commission are clear and do not duplicate, or contain inconsistencies with, regulatory requirements made under the national gas legislation and the national energy consumer framework (NECF).

We support the removal of Clauses 2.1.1 (e)(i) and (ii) of the Gas Distribution Code which specify unaccounted for gas targets for AGN to achieve in the 2011-2016 regulatory period, which were achieved by AGN and are thus now redundant.

We also support the amendment to the following Clauses in the Gas Metering Code to change the technical approvals from the Commission to the (Office of the Technical Regulator) Technical Regulator to align with the *Gas Act 1997* (SA) (the Act):

- clause 3.6.1(b) relating to non-compliant meters;
- clauses 3.4.1, 3.4.2 and 3.4.6(b) relating to meter classes; and
- clauses 5.1.1, 5.1.3, 5.1.5 relating to the Gas Measurement Management Plan.

AGN agrees with the Commission that this is an opportunity to clarify that the Gas Metering Code is not intended to apply to small-scale reticulated LPG operations and that the relevant regulatory instrument is the Reticulated LPG Industry Code (RLIC/01).

Based on the aim of the review there are a number of amendments to the following instruments we believe the Commission should consider as detailed in Appendix A:

- AGN's gas distribution licence;
- Gas Distribution Code (GDC/06);
- Gas Metering Code (GMC/04);
- Gas Industry Guideline No.1 (GIG 1.7); and
- Compliance Systems and Reporting Energy Industry Guideline No. 4 (EG4/4).

We are happy to meet with the Commission and the Technical Regulator to discuss these amendments.

### 2. Is there any other duplication of, or inconsistency with, regulatory requirements made under the national gas legislation that the Commission needs to consider?

We have reviewed our regulatory requirements under the national gas legislation and support the removal of Clauses 2.3.1(e)(i)-(iv) of the Gas Distribution Code which duplicate clauses contained in the National Energy Retail Rules (NERR) model terms and conditions for deemed standard connection contracts.

Appendix A details the clauses of the following instruments we believe the Commission should consider as part of this review as we believe they are either duplicated or inconsistent with the national gas legislation:

- AGN's gas distribution licence;
- Gas Distribution Code (GDC/06); and
- Gas Metering Code (GMC/04).

We welcome the opportunity to meet with the Commission and the Technical Regulator to discuss any issues raised.

### 3. Does AGN's current performance support the Commission's proposal to not introduce jurisdictional service reliability standards to achieve the reliability outcomes valued by AGN's customers?

AGN is pleased that the Commission recognises our network is performing reliably, we are providing timely response to public reports of gas leaks and our customers have not expressed concerns with the current reliability levels.

In 2014, we tested with customers if we should introduce reliability service standards as part of our stakeholder engagement program for the 2016 to 2021 AA proposal. Customer feedback was that they did not support introducing such standards and viewed gas as a reliable source of energy. Early indications from our stakeholder engagement activities for our revised AA proposal for 2021 to 2026 is that the current service levels should be maintained. We have heard that reliability is still important in the energy sector, although considered less of an issue for gas.

Section 3 of the Consultation Paper discusses our performance over the current 2016 to 2021 regulatory period.<sup>1</sup> We would like to highlight that 94.5% of our leaks and emergencies telephone service calls are answered within 30 seconds, this performance is well above the service standard of 85% set by the Commission for other utilities regulated by the Commission<sup>2</sup>.

We maintain public safety of our distribution networks by responding to and repairing leaks within our targets. On average over the last 30 months we have responded to 99.8% of gas leak reports by the public within the timeframes in our Leakage Management Plan. This reflects strong performance above our internal targets and above the service standard of 99% set by the Commission for SA Water, water network breaks, leaks and bursts in the Adelaide Metropolitan area attended to within the required timeframes.<sup>3</sup>

We ensure the reliability of our networks by minimising unplanned interruptions and the length of time of interruptions. We agree with the Commission's statement that our interruptions remain low when you consider that 99.98% of our customers did not experience more than two interruptions in 2017/18. We can also compare our performance against Jemena, the New South Wales gas distributor, from the recently published Regulatory Information Notice (RIN) data from their AA proposal. In the 2017/18 period on the Jemena network, 1.3 customers per 1,000 customers experienced an interruption longer than 12 hours while only 0.3 customers per 1,000 customer experienced an interruption longer than 12 hours.<sup>4</sup>

The reduction over time in both complaints directly to AGN and to Energy and Water Ombudsman South Australia (EWOSA) demonstrate our commitment to becoming a customer service focused business. The low percentage of gas distribution complaints received by EWOSA demonstrates that we increasingly deal with complaints using our internal complaint handling procedures, reducing the need for customers to refer to EWOSA as a last resort mechanism.

Given our reliability remains consistent with historical levels and our service standards are consistent or above other utilities we support the Commission's decision not to introduce new performance targets over the upcoming regulatory period.

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<sup>1</sup> Essential Services Commission (SA), 2019, Australian Gas Networks Regulatory Framework Review 2021-2026: Consultation paper – July 2019.

<sup>2</sup> Essential Services Commission (SA), 2019, SA Water regulatory framework information sheet - January 2019, <https://www.escosa.sa.gov.au/ArticleDocuments/547/20190122-Water-SAWaterRegulatoryFramework-InformationSheet.pdf.aspx?Embed=Y>

<sup>3</sup> Ibid.

<sup>4</sup> Jemena Outages with >12 hr supply interruption and total customer numbers are available here: <https://www.aer.gov.au/system/files/JGN%20-%20Attachment%206%20-%20Workbook%20%20-%20Historical%20data%20-%20Consolidated%20-%20June%202019%20-%20Public.xlsm>

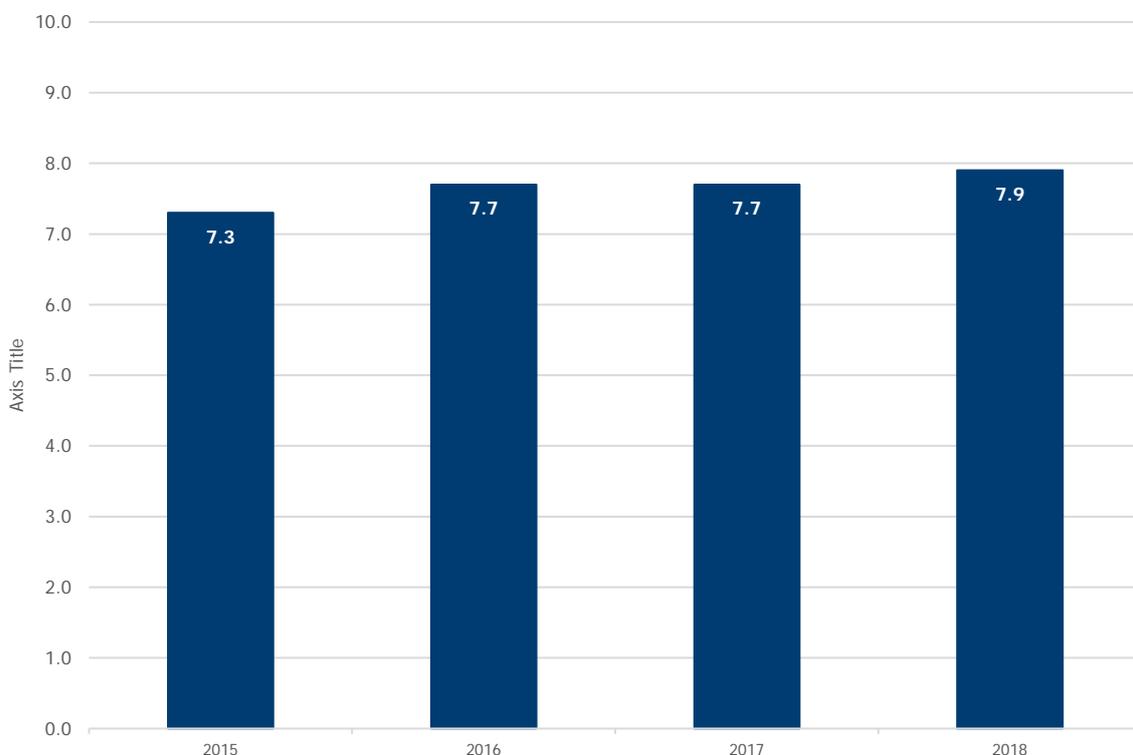
#### 4. Is there any evidence that customers' expectations are not being met by AGN?

A key pillar of our Vision is to deliver for customers, which includes providing excellent customer service. We track customer service performance through monthly surveys which measure customers' experience and levels of satisfaction in the following areas:

- New Connection Customer Satisfaction score is generally above the target. The general comments provided are that customers were satisfied with their installation, although in some cases there remains some communication issues between their builders, retailers and our service providers in regard to timeframes of gas supply.
- Planned Customer Satisfaction scores remain above target. We receive continued positive comments relating to mains replacement activity. Customer's comments relate to positive interaction with workers on site and good quality of work completed.
- Unplanned Interruptions Customer Satisfaction scores remain higher than target. We receive continued positive comments from customers focusing on prompt attendance and professionalism of personnel.

Over the last year, we have increased the level of customer satisfaction across all our networks as seen in Figure 1. In South Australia our customer satisfaction is the highest across the states where we operate at 8.0. A key focus for 2019 and beyond relates to improving our communications with customers and stakeholders. We are also working towards a benchmarking program with other industry players, focusing on working together and sharing knowledge to drive customer centricity throughout the sector.

Figure 1: Customer satisfaction survey



During 2018 we commenced our 'Voice of the Customer' research program. The program has two core aims:

- to improve our understanding of what our stakeholders and the community consider the most important issues for how we deliver natural gas; and
- to measure how attitudes and perceptions towards natural gas service are changing over time.

Each month we consult with a mix of customers, gasfitters, appliance retailers and advocacy groups on their views of natural gas and also on any topical issues. This has already given us an excellent understanding of what different groups consider the most important issues and how we can better respond to those issues.

The main perceived positive attributes of natural gas were that it was instantaneously available (for cooking or heating water) and that it was more reliable as an energy source than electricity. A couple of participants who had been worried about a gas leak said they had called the phone number on their bill and had been very impressed with the prompt response to their calls. In both cases, the matter was addressed within an hour of them calling.

As part of stage 1 of our stakeholder engagement plan for the next AA we undertook a number of engagement activities to better understand our stakeholder preferences for engagement, and to identify key issues of importance for customers. A key theme through these meetings held during April and May 2019 was an acknowledgement that reliability is important and current service levels should be maintained. Based on the information we are hearing from customers and stakeholders we believe that we are meeting customers' expectations.

## 5. Are the Commission's current performance reporting indicators appropriate and sufficient to monitor AGN's reliability outcomes?

Based on the information provided in our response to questions 4 and 5 we believe the current performance reporting indicators are appropriate and sufficient to monitor our performance. As noted by the Commission, we are also required to report safety and reliability performance to the Technical Regulator. While many of the duplications of reporting were removed as part of the last Regulatory Framework Review, there is still a significant amount of information reported to both the Commission and the Technical Regulator. This includes the following:

- Annually and quarterly reporting on performance to the Commission on:
  - Total number of calls received on the Leaks and Emergencies number;
  - Total number of calls to the Leaks and Emergencies number answered within 30 seconds;
  - Percentage of calls to the Leaks and Emergencies number answered within 30 seconds;
  - Average answer time for calls to the Leaks and Emergencies number;
  - Total number of potential gas leaks reported by the public;
  - Total number of high-priority gas leaks reported by the public;
  - Total number of other gas leaks reported by the public;
  - Percentage of gas leaks reports by the public repaired within the timeframes in AGN's Leakage Management Plan;
  - Total number of publicly reported potential gas leaks attended where no leak was found;
  - Number of customers experiencing multiple interruptions within a year;
  - Number of customers experiencing long duration interruptions;
  - Quantity of gas entering the distribution system from each source;
  - Size of each separate distribution network;
  - Quantity of gas distributed to customers; and
  - Number of customers connected to the distribution system as at the last day of the reporting period.
- Annually prepare, submit and review a safety, reliability, maintenance and technical management plan (SRMTMP);
- Annually review the unaccounted for gas (UAFG) plan;
- Annually prepare and submit Leakage Management Plan;
- Annually prepare and submit Asset Management Plan;
- Annually prepare and submit Mains Replacement Plan;

- Annual preparation, submission and review of a Gas Measurement Management Plan;
- Quarterly reporting on performance to the Technical Regulator on:
  - Mains Replacement Plan; and
  - Gas leaks.
- Annual Key Performance Indicator Reporting to the Technical Regulator on:
  - Number of damages to the mains and services caused by third parties;
  - Number of DBYD locations provided to third parties;
  - Number of completed emergency exercises;
  - Number of evacuations directly attributed to a gas leak from mains or inlet services;
  - Number of instances where a gas leak from a network enters a building;
  - Number of fires or explosions caused by a gas leak from a network;
  - Number of gas outages (>5 customers affected);
  - Number of gas meters changed;
  - Number of overdue gas meters;
  - The quantity of gas entering the Distribution System;
  - Total gas entering the Distribution System (including farm taps) (TJ);
  - Number of poor pressure incidents reported;
  - Number of excursions exceeding one-fifth of the Lower Explosive Limit (LEL);
  - Number of excursions below 7 mg/m<sup>3</sup> total odorant;
  - Total number of excursions from the gas quality requirements, as specified in AS 4564;
  - Length of distribution system (km);
  - Total length of mains replaced (km):
    - i) CI/UPS – Adelaide CBD;
    - ii) CI/UPS - MP Trunk;
    - iii) CI/UPS – all SA areas, except Adelaide CBD;
    - iv) HDPE ‘old generation’ – all SA areas;
    - v) CI/UPS – Reactive condition based replacement;
    - vi) HDPE – Reactive condition based replacement;
  - Total UAFG (TJ) (Based on AEMO data as at 30 June of each year);
  - Number of publicly reported gas leaks (mains and services, excluding third party damages (see 1.1));
  - Percentage of publicly reported gas leaks where gas leak was found;
  - Number of leaks detected by Leakage Surveys (per km of surveyed mains);
  - Percentage of refresher training compliance to scheduled volumes;
  - Number of customer connections (at 30 June each year); and
  - Number of new connections completed.

We would also like to highlight that we are in consultation with the Australian Energy Regulator (AER) on the development of an annual reporting RIN for gas service providers. We will be required to annually report our financial, operational and service performance. The AER will publish this data, providing a transparent and easily accessible source of information for stakeholders, consistent with the reports that are currently produced for electricity businesses.

## 6. Does AGN currently provide its customers with the right type of information to allow them to assess its performance? If not, what would you propose and why?

Since 2016, we have published an Annual Review document that we use as a major tool for communicating with our stakeholders and customers, providing an in-depth review of our performance. Each year we have focused on improving the document with our key audience in mind. This has resulted in the use of more infographic and snapshots of our performance over the year. This document is presented to key stakeholders including our Reference Groups and available on our website.

We have committed to the Australian energy industry Energy Charter, which came into effect into 1 January 2019 and was launched on 31 January 2019. The Energy Charter effectively provides energy customers across the country with a "report card" facility that opens up information on the performances of various utilities.

The Charter sets out five principles to advance the industry vision of "Together, deliver energy for a better Australia". Under each principle is a list of Principles in Action against which members of the Charter will have to publicly report their progress on an annual basis. The Energy Charter's Five Principles are:

- We will put customers at the centre of our business and the energy system;
- We will improve energy affordability for customers;
- We will provide energy safely, sustainably and reliably;
- We will improve the customer experience; and
- We will support customers facing vulnerable circumstances.

Customers will benefit because we will report by 30 September 2019 to tell customers how we are doing in terms of prices, reliability, customer service and decarbonisation. Customers will then be able to compare what we said we would do with what we actually achieved. They will in turn be able to compare our performance to other utilities. An independent Accountability Panel will evaluate disclosures and publish a report on 30 November 2019 setting out findings and recommendations for each business and the industry as a whole.

We welcome the opportunity for the Commission to work with us in the preparation of our first report.

## APPENDIX A: AGN Proposed changes to South Australian Gas Regulatory Framework

### GAS LICENCE

Gas Distribution Licence – Australian Gas Networks Limited (ACN 078 551 685) as last varied on 15 September 2016

Clause	Comment
<p>7.2 The licensee must notify the Commission of any changes to its officers or major shareholders (if applicable) within 20 business days of that change.</p>	<p>The recent Gas Distribution Licence for Enwave Tonsley Pty Ltd (ACN 623 288 175) issued 15 May 2019 clause 5.2 states: <i>5.2 The licensee must notify the Commission of any changes to its officers or major shareholders (if applicable) within 30 business days of that change.</i></p> <p>ElectraNet Pty Ltd (ACN 094 482 416) Electricity Transmission Licence dated 1 July 2008 clause 12.2 states: <i>The licensee must notify the Commission of any changes to its officers, and (if applicable) major shareholders, within 30 days of that change.</i></p> <p>SA Power Networks (ABN 13 332 330 749) Distribution Licence dated 28 August 2013 clause 12.2 states: <i>The Licensee must notify the Commission of any changes to its officers<sup>1</sup> or major shareholders (if applicable) within 30 days of that change.</i></p> <p>Given the consistency of the clause between other major entities regulated by ESCOSA AGN requests an amendment to clause 7.2 of its Gas Distribution Licence to align with the "30 business days"</p>
<p>7.3 The licensee must promptly notify the Commission of any significant reduction in its financial capacity which has potential to impact upon the licensee's ability to carry on the operations authorised by this licence.</p> <p>7.4 Upon request, the licensee must provide the Commission with an accurate description and specification of the distribution system and its components and must promptly update that definition to reflect material changes to the distribution system or gas infrastructure.</p>	<p>Given Clause 7.1 of our licence which states: <i>7.1 The licensee must, from time to time as required by the Commission and in a manner and form determined by the Commission, provide to the Commission:</i> <i>(a) details of the licensee's financial, technical and other capacity to continue its operations authorised by this licence; and</i> <i>(b) such other information as the Commission may require.</i></p> <p>AGN believes that Clause 7.3 and 7.4 are duplications of regulatory obligations.</p> <p>It should be noted that the clauses 7.3 and 7.4 are not contained in the licences of other major entities regulated by ESCOSA, while clause 7.1 is replicated in SA Power Networks, ElectraNet and Enwave.</p>

<p>8.1 The licensee must,</p> <p>(a) prepare a safety, reliability, maintenance and technical management plan dealing with matters prescribed by regulation and submit the plan to the Commission for approval, including, an Unaccounted for Gas Plan comprised of (without limitation) a:</p> <p>(i) Leakage Management Plan;</p> <p>(ii) Asset Management Plan; and</p> <p>(iii) Mains Replacement Plan;</p>	<p>Clause 8.1 of the licence was based on section 26 of the <i>Gas Act 1997</i> as in force prior to 17 October 2017. At this time, section 26 of the Gas Act stated:</p> <p><i>"The Commission must make a licence authorising the operation of a distribution system subject to conditions determined by the Commission-</i></p> <p><i>(b) requiring the gas entity—</i></p> <p><i>(i) to prepare and periodically revise a safety, reliability, maintenance and technical management plan dealing with matters prescribed by regulation; and</i></p> <p><i>(ii) to obtain <u>the approval of the Commission</u> (which may only be given by the Commission on the recommendation of the Technical Regulator) to the plan and any revision; and</i></p> <p><i>(iii) to comply with the plan as approved from time to time; and</i></p> <p><i>(iv) to audit from time to time the entity's compliance with the plans and report the results of those audits to the Technical Regulator ..."</i></p> <p>Section 26(b)(ii) above contemplates that the plan would be approved by ESCOSA. Section 26(b)(ii) was amended, effective 17 October 2017, to provide for the Technical Regulator to approve the plan and any proposed revision of the plan (see section 47, Statutes Amendment (Electricity and Gas) Act 2017).</p> <p>Clauses 8.1(a), (b) and (d) of the Distribution Licence should be amended to replace "the Commission" with "the Technical Regulator".</p> <p>Given Section 26(b)(ii) of the <i>Gas Act 1997</i> and Clause 8.1 (f) of our licence which states:</p> <p><i>"(f) provide to the Technical Regulator any other reporting information associated with the safety, reliability, maintenance and technical management plan as requested by the Technical Regulator."</i></p> <p>AGN believes that the points (i), (ii) and (iii) should be removed from the licence as they are duplications of regulatory obligations.</p> <p>It should be noted that other major entities regulated by ESCOSA, such as SA Power Networks, ElectraNet and Enwave are not required to provide Asset Management Plans to the Commission or the Office of the Technical Regulatory since the commence of Economic Regulation by the Australian Energy Regulator.</p>
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<p>10 Confidentiality</p>	<p>AGN would like to highlight the requirements of Part 16 of the National Gas Rules which details gas service provider's requirements for the disclosure of confidential information.</p> <p>Clauses 10.1 and 10.4 of the Licence are unnecessary given Part 16 of the National Gas Rules and clause 15 of the deemed standard connection contract in Schedule 2 of the National Energy Retail Rules.</p> <p>We suggest that clause 10.1 be amended to read:</p> <p>"10.1 The Licensee must comply with its confidentiality obligations under national regulatory instruments."</p> <p>Suggest the first paragraph of 10.2 should be amended to read:</p> <p>"10.2 For the purposes of the national regulatory instruments, the licensee is authorised to disclose confidential information (including relevant confidential information) to an intelligence or law enforcement agency where:"</p> <p>This will ensure the licence is consistent with rule 137(3)(c)(ii) of the National Gas Rules.</p>
<p>Schedule 1 - Definitions</p>	<p>AGN would like to highlight the following matters for consideration:</p> <ul style="list-style-type: none"> <li>• Insert "(SA)" at the end of the "Gas Act 1997" under "Act".</li> <li>• Remove definition of "AEMO" as there is no reference to it in the licence.</li> <li>• Amend definition of "Explicit Informed Consent" to refer to the <i>National Energy Retail Law (South Australia) Act 2011</i>. As per the definition in the Enwave Distribution Licence. <ul style="list-style-type: none"> <li>○ If clause 10.1 is amended as proposed, the definition of "explicit informed consent" will become unnecessary because it is only used in clause 10.1 of the Licence.</li> <li>○ Note that "retailer" is used in "explicit informed consent" (paragraph (b)) but will become unnecessary once "explicit informed consent" is deleted.</li> </ul> </li> <li>• Remove definition of "Gas Distribution Code" as there is no reference to this in the licence.</li> <li>• Remove definition of "Gas Metering Code" as there is no reference to it in the licence.</li> <li>• Remove definition of "retailer" as there is no reference to them in the licence.</li> <li>• Remove definition of "retail market procedures" as there is no reference to them in the licence.</li> <li>• Remove definition of "small customer" as there is no reference to them in the licence.</li> </ul>

## GAS CODES

Gas Distribution Code (GDC/06) as last varied 5 September 2013

Clause	Comment
1.6 Powers under Acts	<p>The <i>State Disaster Act 1980</i> [ceased] Repealed by Sch 1 cl 6 of <i>Emergency Management Act 2004</i> on 25.11.2004</p> <p>The reference to the <i>State Disaster Act 1980</i> should be replaced with a reference to the <i>Emergency Management Act 2004</i>.</p> <p>The <i>State Emergency Service Act 1987</i> [ceased] Repealed by Sch 6 cl 13(c) of <i>Fire and Emergency Services Act 2005</i> on 1.10.2005.</p> <p>The reference to the <i>State Emergency Service Act 1987</i> should be replaced with a reference to the <i>Fire and Emergency Services Act 2005</i>.</p>
Clause 1.7.3 Reporting to the Commission	<p>Clause 7.1 of the distribution licence provides that AGN must, from time to time, provide the Commission, in the manner and form determined by the Commission</p> <p>The Gas Industry Guideline No. 1 provides for the collection, allocation, recording and reporting of business data by AGN with respect to the operation of the distribution system authorised in its distribution licence issued under the <i>Gas Act 1997</i>.</p> <p>We believe this clause is a duplication of regulatory requirements made under other regulatory instruments and as such should be removed.</p>
Clause 2.1.1 In operating the distribution system, the distributor must: (a) establish and document (in its safety, reliability, maintenance and technical management plan required under the <i>Gas Act 1997</i> ), operational and system security standards for its distribution system and for all connections and proposed connections to its distribution system;	<p>This clause duplicates the requirements of section 26 of the <i>Gas Act 1997</i> and clause 8.1(b) of the Gas Distribution Licence.</p> <p>We believe this clause should be removed.</p>
Clause 2.1.1 In operating the distribution system, the distributor must: (b) maintain the delivery pressure of gas from the distribution system to ensure that: (i) the operating pressure of the gas at the outlet of each meter set for recording a customer's consumption of gas is: (A) 1kPa or more but less than 3kPa for low pressure mains; or (B) 2.75kPa but less than 3.25 kPa for medium or high pressure mains;	<p>We believe this clause is a duplicate of <i>the Gas Regulation 2012 (SA)</i> (Regulation) clause 38 (c) which states:</p> <p>c) the gas must be supplied so that—</p> <p>(i) the operating pressure of the gas at the outlet of each meter set for recording a customer's consumption of gas is 1 kPa or more but less than 3 kPa subject to any written requirement of the customer or agreement between the Technical Regulator and the operator for gas to be supplied at more than 3 kPa; and</p> <p>(ii) the pressure of the gas at each such meter set is within the meter set manufacturer's designated pressure operating range.</p>

<p>(C) subject to any written requirement of the customer or agreement between the Technical Regulator and the distributor for gas to be supplied at more than 3kPa; and</p> <p>(ii) the pressure of the gas at each such meter set is within the meter set manufacturer's designated pressure operating range;</p>	<p>We believe this clause is a duplication of regulatory requirements made under other regulatory instruments and as such should be removed.</p> <p>AGN notes that the Regulation does not included the subclause (b)</p> <p><i>"2.75kPa but less than 3.25 kPa for medium or high pressure mains".</i></p> <p>The Commission and the Office of the Technical Regulatory approved AGN Safety, Reliability, Maintain Technical Management Plan (SRMTMP) states:</p> <p><i>Section 4.4.3 Connection Process:</i>  <i>"For new connections to houses where the distribution network operates at medium or high pressure, the connections will be supplied with gas regulated at 2.75 kPa"</i>  <i>"For existing gas-connected homes where the gas load requirement equals or exceeds 500 MJ/hr and the distribution network operates at medium or high pressure, then by mutual agreement, and subject to the existing gas outlet service being constructed of either copper tube or an approved composite pipe, the gas pressure may be increased to a regulated pressure of 2.75 kPa.</i></p> <p>Clause 38 (c) (i) of the Regulation allows for an "agreement between the Technical Regulator and the operator". We believe that as the SRMTMP has been approved by the Technical Regulator it could be considered that there is an agreement in place. We are happy to seek a separate formal agreement with the Technical Regulator if required.</p> <p>It should also be noted that clause 2.1.1(b) of the Regulation does not permit AGN to do something contrary to clause 38(1)(c) of the Gas Regulations.</p> <p>In addition we have concerns with the language of "must maintain the delivery pressure of gas". The intent of the Regulation relates to the supply of gas to a connection not that there must be a flow of gas at all times. Our network is extremely reliable, although we cannot prevent all loss of supply events for example third party damages.</p> <p>If the Commission will not remove the Clause 2.1.1 (b) we request that the clause be moved to Clause 2.1.1 (e) the clause would then read as follows:</p> <p>(e) use its best endeavours to achieve:</p> <p>(i) the operating pressure of the gas at the outlet of each meter set for recording a customer's consumption of gas is:</p> <p>(A) 1kPa or more but less than 3kPa for low pressure mains; or</p>
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	<p>(B) 2.75kPa but less than 3.25 kPa for medium or high pressure mains;  (C) subject to any written requirement of the customer or agreement between the Technical Regulator and the distributor for gas to be supplied at more than 3kPa; and  (ii) the pressure of the gas at each such meter set is within the meter set manufacturer's designated pressure operating range;</p> <p>This would align the language use with other ESCOSA regulated entities of SA Power Networks and ElectraNet which have "best endeavour" obligations relating to supply and interruptions and clause 2.2.1 of the Code which requires "<i>The distributor must use best endeavours to maintain the capability of its distribution system</i>".</p>
Schedule 1 - Definitions	<p>AGN would like to highlight the following matters for consideration:</p> <ul style="list-style-type: none"> <li>• Insert "(SA)" at the end of the "Gas Act 1997" under "Act".</li> </ul>

### Gas Metering Code (GMC/04) as last varied 7 February 2013

Clause	Comment
Clause 2.1.1 Obligation to install meters	Delete sub-paragraph. This clause was designed to cover gas lights, which traditionally were not metered. There are few gaslights in existence in South Australia. Those which do exist are connected to a meter, and all new connections are metered.
3.3.4 The distributor must publish charges for the testing of metering installations. The charges must be fair and reasonable	Delete sub-paragraph. The National Gas Rules details that requirement to publish and the determination of Reference Services. Meter and Gas Installation Test is a Reference Service under the AGN Access Arrangement.
Clause 4.2.2 Meter reading for customer transfer	<p>Delete sub-paragraph. Duplicate obligation with clause 158(1)(a) of the South Australian Retail Market Procedures (in relation to actual and special meter reads) and clause 157(3)(a)(ii) (for substitute meter reads).</p> <p>Note clause 157(3)(a)(ii) requires "prompt" notice, which is defined in clause 11(2) as "close of business on the next business day."</p>
Clause 4.6 Storage of metering data	Delete section. Clause 168 details the network operator's requirement for storage of network data.
Clause 4.7 Access to metering data	<p>Delete section. Part 4.4 of the Retail Market Procedures details metering data requirements</p> <p>Delete clauses 4.7.4 and 4.7.5 of the Code as the requirements are duplicated in clause 158 of the SA Retail Market Procedures and, in some respects, appear inconsistent with the requirements of the SA Retail Market Procedures.</p>

	Delete clause 4.7.6 of the Code as the requirements are duplicated in rule 94(2) of the National Energy Retail Rules. Rule 94(2) requires a distributor to provide a retailer with any information the retailer reasonably requires to carry out its obligations under the NERL and other regulatory instruments.
Clause 4.8 Confidentiality	Delete section. Part 16 of the National Gas Rules details gas service provider's requirements for the disclosure of confidential information.
Clause 6 Definitions	<p>AGN would like to highlight the following matters for consideration:</p> <ul style="list-style-type: none"> <li>• Amend the definition for "estimated read" to clause 156 of the Retail Market Procedures.</li> <li>• Amend the definition for "basic meter" to the definition in the Retail Market Procedures.</li> <li>• Amend the definition for "customer" to the definition in the Retail Market Procedures.</li> <li>• Amend the definition for "interval meter" to the definition in the Retail Market Procedures.</li> <li>• Amend the definition for "meter" to the definition in the Retail Market Procedures.</li> <li>• Amend the definition for "MIRN" to the definition in the Retail Market Procedures.</li> <li>• Amend the definition for "related body corporate" as the Corporation Act is 2001 and not 2000.</li> <li>• Amend the definition for "scheduled meter reading" " to the definition in the Retail Market Procedures.</li> <li>• Amend the definition for "special meter reading" to the definition in the Retail Market Procedures.</li> <li>• Delete definition of "supply address" as it does not appear to be used in the Code.</li> <li>• Amend the definition for "telemetry" to the definition in the Retail Market Procedures.</li> </ul>

## GAS Guidelines

### Guideline No 1 – Gas Industry Guideline No.1 as last varied July 2016

Clause	Comment
Clause 1.2.4	Delete this clause as we have proposed to delete clause 7.4 from the Distribution Licence.
Clause 3.4	States: "Proforma OP 1. – Responsiveness to public reporting of gas leaks"  This should be amended to: "Proforma OP 2. – Responsiveness to public reporting of gas leaks"
Clause 3.5	States: "Proforma OP 2. – Customer interruptions" This should be amended to:  "Proforma OP 3. – Customer interruptions"
Clause 3.6	States: "Proforma OP 3. – Statistical information" This should be amended to:  "Proforma OP 4. – Statistical information"
Clause 3.7	States: "Proforma OP 4. – Responsibility statement" This should be amended to:  "Proforma OP 5. – Responsibility statement"
Schedule 1 - Definitions	Amend the definition for "customer" to the definition in the Retail Market Procedures.  Amend the definition for "Gas" to the definition in the "Gas Metering Code".

Guideline No 4 - compliance systems and reporting as last varied September 2013

Clause	Comment
<p>Clause 3.6.4 and 3.6.5 Annual Compliance Reports must also be approved by the licensee's Board, reflecting the importance that the Commission attaches to the credibility of the Compliance Reporting Scheme as an alternative to external, independent audits. Approval must be recorded as a formal decision taken by the Board, which must be noted on the Annual Compliance Report, including the date of the Board's decision Annexure C clause 6</p>	<p>AGN requests that the Commission consider the timing of the submission of the Annual Compliance Reports and the requirement to submit the Annual Compliance Report at a Board Meeting.</p> <p>The AGN Board typically meets in June and September each year. While our Board Risk and Compliance Committee meets in August we request that the clause be amend to Board or Compliance Committee meeting. All matters that are presented at Compliance Committees are also presented at Board Meeting thus the Board will be presented the Annual Compliance Report.</p> <p>AGN would also like to draw the Commission's attention to the recent change to the Independent Pricing and Regulatory Tribunal's (IPART) Gas Reticulator Reporting Manual (Manual). In July 2019 IPART published an updated Manual with the main change to the annual compliance report sign-off requirements. IPART no longer requires compliance reports to be signed off at board meetings. The sign-off requirements are as follows:</p> <ul style="list-style-type: none"> <li>• Chair of the Board of Directors of the authorisation holder or a duly authorised Board Member of the authorisation holder; and</li> <li>• the CEO or equivalent.</li> </ul>