



ENERGY & WATER
OMBUDSMAN SA

GPO Box 2947
Adelaide SA 5001

T 1800 665 565
F 1800 665 165

ABN 11 089 791 604

ewosa.com.au

Mr Nathan Petrus
Director, Consumer Protection and Pricing
Essential Services Commission of South Australia
GPO Box 2605
Adelaide SA 5001

By email escosa@escosa.sa.gov.au

26 July 2019

Dear Mr Petrus,

**Submission to the Essential Services Commission of South Australia (“ESCOSA”)
Australian Gas Networks Regulatory Framework Review 2021-2026 Consultation
Paper**

The Energy and Water Ombudsman (SA) Limited (“EWOSA”) welcomes the opportunity to comment on ESCOSA’s Australian Gas Networks Regulatory Framework Review 2021-2026 Consultation Paper.

EWOSA is an independent Energy and Water Ombudsman Scheme in South Australia. It receives, investigates and facilitates the resolution of complaints by customers with regard to (*inter alia*) the connection, supply or sale of electricity, gas or water.

Background

Australian Gas Networks’ (“AGN”) distribution services are subject to economic regulation by both the Australian Energy Regulator (“AER”) and ESCOSA. ESCOSA’s powers and functions in relation to AGN are provided in the Gas Act 1997 and the ESC Act.

ESCOSA has commenced the Australian Gas Networks Regulatory Framework Review 2021-2026. Through this Review, ESCOSA is seeking to ensure clarity, consistency and prudence in the South Australian specific requirements for AGN. ESCOSA is also considering its regulatory instruments in light of section 6A (4) of the Gas Act. The Review is also considering whether there is a need for AGN to be subject to jurisdictional service reliability standards.

EWOSA has three main stages for the Review process. Stage 1 forms the current process, with public consultation on a Consultation Paper.

:

Submissions

Broader regulatory framework

EWOSA considers that the proposed amendments to the Gas Distribution Code and Gas Metering Code appear appropriate. The proposed amendments to the Gas Distribution Code remove redundant and duplicate clauses and the proposed amendments to the Gas Metering Code are in line with the recent legislative change to the Gas Act.

Jurisdictional service reliability standards

ESCOSA has required AGN to report to its customers on its gas leakage management performance according to three performance measures:

- responsiveness to the leaks and emergencies telephone number
- responsiveness to public reporting of gas leaks
- long-term trends in unplanned interruptions.

ESCOSA report that:

“AGN’s network is performing reliably, it is providing timely response to public reports of gas leaks, and its customers have not expressed concern with current reliability levels ... Previous reviews have determined that customers are satisfied with AGN’s service and reliability levels. Data gathered so far on unplanned interruptions illustrates AGN’s service continues to be reliable and consistent, and early feedback from the AGN SA Reference Group suggests there are no material issues with AGN’s service reliability.”¹

As noted by ESCOSA in the Consultation Paper, this data has also been collected from EWOSA and our evidence supports the above conclusion.

Further, EWOSA agree with ESCOSA that the technical and safety requirements prescribed by the Technical Regulator are sufficient to deliver the reliability outcomes valued by AGN’s customers.

EWOSA supports ESCOSA’s proposal not to introduce jurisdictional service reliability standards in the form of performance targets. However, as ESCOSA has acknowledged, we accept that AGN is in the early stages of its stakeholder engagement program and we would fully expect any issues that arise from that process to be considered by ESCOSA in making its Draft Decision.

Monitoring and reporting regime

EWOSA considers that ESCOSA’s current performance reporting indicators are appropriate and sufficient to monitor AGN’s reliability outcomes. Our own complaints data does not suggest there are additional gaps in the monitoring and reporting regime.

Thank you for consideration of this submission. Should you require further information or have any enquiries in relation to this submission, please contact Jo De Silva via jo.desilva@ewosa.com.au or phone (08) 8216 1851.

Yours sincerely,

¹ ESCOSA (2019) Australian Gas Networks Regulatory Framework Review 2021-2016 Consultation paper at <https://www.escosa.sa.gov.au/ArticleDocuments/11399/20190702-Gas-AGN-RegulatoryFrameworkReview2021-2026-Consultation.pdf.aspx?Embed=Y> p.11.



Jo De Silva
Policy and Communications Lead
Energy and Water Ombudsman SA