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**Australian Gas Networks Regulatory Framework Review 2026 – 2031**

Dear Rowan,

Thank you for the opportunity to respond to the Australian Gas Networks (AGN) Regulatory Framework Review 2026-2031, Issues Paper. The Office of the Technical Regulator (OTR) response to the Issues Paper questions are attached to this letter.

The response reflects the current policy towards natural gas distribution in South Australia. Should the policy toward natural gas change in the future then a further review would be appropriate.

Should you wish to discuss our response please contact Yannick Monrolin, Manager Gas Systems Regulation ( [REDACTED] )

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'R J Faunt'.

Rob Faunt  
**TECHNICAL REGULATOR**

Questions for stakeholders

1. Do you support the proposed aim and scope for the review? If not, why not?
2. Are there emerging risks to gas distribution consumers that the Commission has not identified? What is the nature and timing of these risks, and how might they be controlled?

1. The Office of the Technical Regulator (OTR) fully supports the aim and scope of the regulatory framework review.
2. Whilst the South Australian government has a decarbonisation policy of net zero by 2050 and achieving 100% net renewable electricity generation by 2027, it remains committed to a fully operational gas network for residential, commercial and industrial. A change in policy within this 2026-2031 review period is highly unlikely but beyond this is less certain. South Australia also relies on gas from Victoria and Queensland, so will always be subject to government policy from these other states. AGL have announced the closure of the Torrens Island gas power station by 2026, thus reducing the total gas requirements within the state. There is no foreseen change to the distribution networks as a result. Depletion of producing gas fields and a reduction in exploration and development of gas fields may see a reduction in the amount of gas available to the networks in the coming decades.

Questions for stakeholders

3. From a consumer's perspective, are there concerns with AGN's performance in relation to unplanned interruptions, gas leaks, responsiveness to customer enquiries, or other areas of service reliability?
4. Do you think there is a need for the Commission to establish minimum service reliability standards for the 2026 -2031 period?
5. Does AGN's regulatory performance reporting contain the right type of information about service delivery and performance? What other information could be useful to customers?

3. Based on customer response KPI metrics over the last 3 years (service interruptions, the answering of phones and response to leaks), received annually from AGN, consumer/customer performance shows continuing satisfactory performance. The rare complaints where the OTR was involved were ultimately solved by AGN. In general the number of leaks reported by the public and unplanned interruptions have continued to trend downward. As such, the OTR does not have any concerns with AGN's performance.
4. The need for minimum service reliability standards is unnecessary at this stage given the high level of customer response times and current service levels. Should the current trend start to deviate to a poorer service reliability then consideration should be given to reliability standards as required in Victoria.
5. Consideration could be given to including some information on timeliness of request to close out for leaks, connections, disconnections etc.

Questions for stakeholders

6. What are customer's experiences in seeking disconnection or abolishment services from AGN? Have the options available to customers been clear and understandable? Has AGN delivered those services in a satisfactory and timely manner?
7. Do you support the proposal to define disconnection and abolishment services in the regulatory framework? What types of services should be defined?
8. What types of consumer protections should be considered when AGN provides disconnection or abolishment services?

6. The OTR is not aware of advice given to customers or the timeliness of requests (see response 5 above). No information seems readily available on AGN's website. It is recommended to investigate further what information is available and where for customers seeking to disconnect from the gas networks.
7. Disconnection and Abolishment services should be defined in the regulatory framework and consistent with the definition used by the AER, noting that the AER already collects the following annual data; New connections, Reconnections, Dormant connections, Disconnections - including meter removal and abolishment.
8. In the case where a rental tenant is a gas customer and requests disconnection or abolishment it should in some way be referred to the dwelling owner to approve (or not). Consideration should be given to removing the cost disincentive to customers wishing to discontinue the service. Choosing the cheaper temporary disconnection over abolishment will leave live dormant gas lines with no connection posing a liability and safety risk into the future.

Questions for stakeholders

9. If AGN seeks approval from the Commission to discontinue part of the gas distribution network on the grounds of insufficient financial return during the 2026 – 2031 period, what criteria should the Commission use to decide whether to grant the approval?
  - a. Would some specific types of customers and their requirements need to be considered, such as residential customers who use gas for life-support equipment (equipment that a registered medical practitioner certifies is required for a person residing at the customer's premises for life support)?
  - b. In a scenario where AGN plans to discontinue part of the gas distribution network, how should customers be protected or supported to avoid being adversely impacted?

9. Given the connections to the network continue to grow by approximately 5000 connections per year the likelihood of areas of the gas network becoming non-commercial is very low. In the event of AGN seeking to discontinue part of the network AGN should conduct extensive consumer and neighbourhood consultations with proposals for alternative options. Removal of all dormant gas lines, mains and meters should be part of any approval at zero cost to consumers. Should AGN seeks approval from the Commission to discontinue part of the gas distribution network, we recommend that the Commission seek the advice of the OTR.
  - a. Yes, requirements from specific types of customers need to be considered should discontinuation of part of the network be sought. Before approval could be granted,

those customers should be identified and alternate options be offered/put in place before disconnection can occur.

- b. Consultation should take place with consumers to explain the reasoning behind the disconnection and alternative options that are available to them. Reasonable time should be given to customers to look for alternative options before disconnection occurs.

Questions for stakeholders

10. Do you consider that the preconditions to connection set out in the Gas Distribution Code are reasonable? Should any preconditions be removed? Should any new preconditions be added?

10. The current preconditions for connection are adequate and do not require amendment.

Questions for stakeholders

11. Are there instances where the Commission's regulatory instruments may need to be adjusted to provide for the use of hydrogen and renewable gases in the distribution network?
12. Are there instances of duplication or inconsistency between the Commission's AGN regulatory instruments and other parts of the regulatory framework?

11. On 7 March 2024 the [Statutes Amendment \(National Energy Laws\) \(Other Gases\) Act 2023](#) and associated amending Regulations were proclaimed. The associated rules framework (including amendments to the [National Gas Rules](#) and [National Energy Retail Rules](#)) were made on 21 March 2024. These developments together have the effect of bringing hydrogen, biomethane and other renewable gases under the national gas regulatory framework, subsequent to an agreement made by Energy Ministers in October 2022.

12. The OTR is unaware of any duplication or inconsistencies.

Questions for stakeholders

13. To what extent are current reporting indicators appropriate and sufficient to monitor AGN's service delivery and reliability outcomes? If further indicators are needed, what should they be?
14. Given that information can be drawn from publicly available information or reporting to other regulators, is any information in reporting to the Commission no longer required or relevant?

13. Current reporting indicators to the OTR are considered sufficient and appropriate. It should be noted that a project is currently ongoing between technical regulators of all jurisdictions across Australia to align all jurisdictions to the same KPIs although no specific timeframe have been set at this stage. At the moment, reporting requirements (KPIs) differ across each distribution network throughout Australia.

Given the interest in disconnections, meter removals, abolishments and dormant connections, consideration should be given to tracking this data (noting AER already collect the data).

AGN quote the number of days for meter plug or lock, meter removal and service abolishment but do not provide this as a KPI. As mentioned in the response to question 5. above;

consideration could be given to including some information on timeliness of request to close out customer requests for leaks, connections, disconnections etc.

14. At the moment AGN report different KPI information to AER, the Commission and the OTR both annually and quarterly. It may streamline the process to amalgamate all the information and supply it to each government body annually or quarterly as required. A separate review between the Commission and the OTR could take place to compare KPIs received and decide whether any reporting is no longer relevant.