



## South Australia's Gas Distribution Regulatory Framework – Information Sheet

The purpose of this fact sheet is to provide an overview of the economic regulation framework that applies to Australian Gas Networks Pty Ltd (**Australian Gas Networks**).

Australian Gas Networks is a privately owned monopoly service provider of reticulated natural gas distribution services in South Australia.

The South Australian gas distribution network, which comprises 8,187 km of gas mains, serves over 441,000 customers.

This fact sheet provides:

- ▶ an overview of the Essential Services Commission's (**Commission**) approach to regulating Australian Gas Networks.
- ▶ a description of the three service performance measures that apply to the gas network services that Australian Gas Networks provides.

### How the Commission regulates Australian Gas Networks

The Commission's powers and functions in relation to Australian Gas Networks are contained in the Gas Act 1997 (**Gas Act**) and the Essential Services Commission Act 2002 (**ESC Act**). The Commission's regulatory requirements for Australian Gas Networks are set out in the terms and conditions of its gas distribution licence.

Under the Gas Distribution Code (**Code**), Australian Gas Networks must comply with obligations relating to quality, safety and reliability of gas distribution (including maintaining gas pressure in the system and the capability of the distribution system).

### Australian Gas Networks Service Standards

Australian Gas Networks is required to meet service standards relating to minimising gas leaks. These service standards were set for the 2016 to 2021 regulatory period.

The Code also requires Australian Gas Networks to maintain gas pressure in the system, maintain the capability of the distribution system, and maintain a Gas Measurement Management Plan and a Safety, Reliability, Maintenance and Technical Management Plan.

### Australian Gas Networks Service Performance Measures

Although the Commission does not set service standards for Australian Gas Networks, the following three service performance measures are monitored:

- ▶ Responsiveness to the leaks and emergencies telephone number
- ▶ Responsiveness to public reporting of gas leaks, and
- ▶ Customer interruptions.

### Australian Gas Networks Economic Regulation

As a monopoly service provider, Australian Gas Networks is subject to economic regulation in respect of the revenue it is permitted to earn from South Australian consumers.

The Australian Energy Regulator is responsible for administering that regulatory regime. The current five-year regulatory determination period commenced on 30 June 2016, and will end on 30 June 2021.

The Essential Services Commission is an independent statutory authority with functions in a range of essential services including water, sewerage, electricity, gas, rail and maritime services, and also has a general advisory function on economic matters. For more information, visit [www.escosa.sa.gov.au](http://www.escosa.sa.gov.au).

Essential Services Commission

GPO Box 2605 ADELAIDE SA 5001

Telephone: (08) 8463 4444 E-mail: [escosa@escosa.sa.gov.au](mailto:escosa@escosa.sa.gov.au) Web: [www.escosa.sa.gov.au](http://www.escosa.sa.gov.au)