



Draft National Gas Amendment (Updating the regulatory framework for gas connections) Rule 2025

The Australian Energy Market Commission makes the following Rule under the National Gas Law to the extent applied by:

- (a) the *National Gas (South Australia) Act 2008* of South Australia;
- (b) the *National Gas (ACT) Act 2008* of the Australian Capital Territory;
- (c) the *National Gas (New South Wales) Act 2008* of New South Wales;
- (d) the *National Gas (Queensland) Act 2008* of Queensland;
- (e) the *National Gas (Tasmania) Act 2008* of Tasmania;
- (f) the *National Gas (Victoria) Act 2008* of Victoria;
- (g) the *National Gas (Northern Territory) Act 2008* of the Northern Territory; and
- (h) the *Australian Energy Market Act 2004* of the Commonwealth.

Anna Collyer
Chairperson
Australian Energy Market Commission

Draft National Gas Amendment (Updating the regulatory framework for gas connections) Rule 2025

1 Title of Rule

This Rule is the *Draft National Gas Amendment (Updating the regulatory framework for gas connections) Rule 2025*.

2 Commencement

Schedule 1 of this Rule commences operation on 1 July 2026.

Schedule 2 of this Rule commences operation on 18 December 2025.

3 Amendment to the National Gas Rules

The National Gas Rules are amended as set out in Schedule 1.

4 Savings and Transitional Amendment to the National Gas Rules

The National Gas Rules are amended as set out in Schedule 2.

Schedule 1 Amendment to the National Gas Rules

(Clause 3)

[1] Rule 119A Definitions

In rule 119A, in paragraph (a) of the definition of "**distribution pipeline**", after "that is a distribution pipeline", insert "under the *NGL*".

[2] Rule 119D Approval of terms and conditions of model standing offer to provide basic connection services

In rule 119D(1)(a), omit "significant" and substitute "reasonable".

[3] Rule 119D Approval of terms and conditions of model standing offer to provide basic connection services

In rule 119D(2)(b), omit "the basis on which the *distributor* has provided the relevant service, or services, in the past; and" and substitute "[**deleted**]".

[4] Rule 119D Approval of terms and conditions of model standing offer to provide basic connection services

After rule 119D(4), insert:

- (5) The AER must publish:
 - (a) the reasons for a *decision* not to approve a proposed model standing offer under subrule (3)(a); and
 - (b) notice of its *decision* to approve a proposed model standing offer, together with reasons for the *decision*.

[5] Rule 119F Approval of model standing offer to provide standard connection services

After rule 119F(4), insert:

- (5) The AER must publish:
 - (a) the reasons for a *decision* not to approve a proposed model standing offer under subrule (3)(a); and
 - (b) notice of its *decision* to approve a proposed model standing offer, together with reasons for the *decision*.

[6] Rule 119G Amendment etc of model standing offer

After rule 119G(6), insert:

- (7) The AER must publish:
 - (a) the reasons for a *decision* not to approve a proposed amendment, substitution or revocation of a model standing offer under subrule (4)(a); and
 - (b) notice of its *decision* to approve a proposed amendment, substitution or revocation of a model standing offer, together with reasons for the *decision*.

[7] Rule 119M Connection charges criteria

Omit rule 119M excluding the heading and substitute:

- (1) Connection charges (or the method for calculating connection charges) for a particular connection service must be consistent with the following criteria (the **connection charges criteria**):
 - (a) connection charges must be based on the directly attributable cost of providing the connection service, to the extent that cost satisfies the other connection charges criteria;
 - (b) connection charges must only include:
 - (i) the cost of purchasing and installing the connection assets;
 - (ii) the cost of any extension to, or augmentation of, the relevant distribution pipeline required to provide the connection service;
 - (iii) incidental costs such as design, planning and administrative costs; and
 - (iv) the net tax payable by the *distributor* as a result of receiving the connection charge;
 - (c) connection charges must only include costs that would be incurred by a prudent service provider acting efficiently, in accordance with accepted good industry practice, to achieve the lowest sustainable cost of providing the connection service in a manner consistent with the achievement of the national gas objective; and
 - (d) connection charges must be consistent with any relevant provisions of a *distributor's* applicable access arrangement requiring the use of assumptions about:
 - (i) the connection assets required; and
 - (ii) the cost of purchasing and installing the connection assets.

- (2) For the purpose of applying the connection charges criteria, a model standing offer may incorporate, or result in, a standardised connection charge that is expected to satisfy the criterion in subrule (1)(a) only on average.
- (3) Where the actual directly attributable cost of providing a particular connection service in a particular instance under a model standing offer is less than the connection charge determined under the model standing offer, the *distributor* is not required to refund the difference to the *retail customer*.
- (4) Where the actual directly attributable cost of providing a particular connection service in a particular instance with respect to a scheme pipeline is more than the connection charge received, the *distributor* is not entitled to recover the difference by rolling it into the capital base or otherwise including it in the total revenue calculation under rule 76.

Schedule 2 Savings and Transitional Amendment to the National Gas Rules

(Clause 4)

[1] Part 21 2025 Savings and Transitional Rules

In Schedule 1, Part 21, after Division 1, insert new Division 2:

Division 2 Transitional provisions consequent on the National Gas Amendment (Updating the regulatory framework for gas connections) Rule 2025

115 Definitions

- (1) Unless otherwise specified, terms defined in new Part 12A have the same meaning when used in this Division.

- (2) For the purposes of this Division:

AGN Queensland means Australian Gas Networks Limited ACN 078 551 685 in its capacity as an entity to which the *NGL*, section 8A, applies under regulation 4(1) of the Queensland regulation.

Amending Rule means the *National Gas Amendment (Updating the regulatory framework for gas connections) Rule 2025*.

commencement date means the date of commencement of schedule 1 of the Amending Rule, being 1 July 2026.

existing application to connect has the meaning in rule 116(1)(a).

new Part 12A means Part 12A as in force on and from the commencement date.

old Part 12A means Part 12A as in force immediately before the commencement date.

Queensland regulation means the *National Gas (Queensland) Regulation 2014* made under the *National Gas (Queensland) Act 2008* of Queensland.

116 Application of the amending rule to existing applications to connect

- (1) This rule applies where, before the commencement date:
- (a) a person has submitted a connection application under Part 12A (**existing application to connect**); and
 - (b) the connection applicant has not entered into a connection agreement with the relevant *distributor* in respect of the existing application to connect.

- (2) On and from the commencement date:
 - (a) new Part 12A does not apply in relation to the existing application to connect;
 - (b) old Part 12A applies in relation to the existing application to connect; and
 - (c) for the purposes of old Part 12A, a reference to a model standing offer is taken to be a reference to a model standing offer of the *distributor* in effect under old Part 12A and current in the period immediately before the commencement date.

117 Access arrangement proposals

- (1) This rule applies in relation to an *access arrangement proposal* submitted to the AER, where the AER has not made a final *decision* before the commencement date.
- (2) Despite anything to the contrary in the Rules, the service provider that submitted the *access arrangement proposal* must submit additions or other amendments to its *access arrangement proposal* necessary to address the impact of the Amending Rule.
- (3) The service provider must submit its additions or other amendments under subrule (2) within:
 - (a) the revision period fixed by the AER under rule 59(3); or
 - (b) if that revision period expires before the commencement date, then 30 business days after the commencement date; or
 - (c) if no revision period is fixed, then 30 business days after the later of the draft *decision* and the commencement date.

118 Model standing offers

- (1) By not later than 1 April 2026, each *distributor* must submit under rule 119G, for the AER's approval, a proposal for the amendment or substitution of each of its model standing offers to provide a basic connection service to take into account the Amending Rule.
- (2) By not later than 1 April 2026, each *distributor* must submit under rule 119G, for the AER's approval, a proposal for the amendment, substitution or revocation of each of its model standing offers to provide standard connection services to take into account the Amending Rule.
- (3) In assessing a proposal submitted under subrule (1) or (2), the AER must apply new Part 12A and must publish its reasons and notice of decision in accordance with rule 119G(7) of new Part 12A.

- (4) The AER must deal expeditiously with a proposal submitted under subrule (1) or (2) and must give its decision on or before the commencement date.
- (5) The amendment, substitution or revocation of a model standing offer under this rule takes effect on and from the commencement date.

119 Model standing offers – AGN Queensland

- (1) This rule applies, and rule 118 does not apply, to AGN Queensland with respect to the prescribed distribution system defined in regulation 4(2) of the Queensland regulation.
- (2) By not later than the commencement date, AGN Queensland must amend or substitute each of its model standing offers to provide a basic connection service to take into account the Amending Rule.
- (3) By not later than the commencement date, AGN Queensland must amend, substitute or revoke each of its model standing offers to provide standard connection services to take into account the Amending Rule.
- (4) The amendment, substitution or revocation of a model standing offer under this rule takes effect on and from the commencement date.