

Draft determination on retail customer initiated gas abolishment

The Commission has decided to make a more preferable draft gas rule and retail rule (draft rules) in response to the rule change request submitted on 9 May 2025 by the Justice and Equity Centre (JEC). Our draft gas rule would introduce a new framework for customer-initiated gas abolishment services in the National Gas Rules (NGR). The draft rules would also provide customers clarity on both disconnection and abolishment services through new information requirements in the NGR and National Energy Retail Rules.

We are seeking stakeholder feedback by 11 December 2025.

Our draft gas rule would improve clarity and regulatory certainty regarding gas abolishment services and require customers to pay cost reflective abolishment charges

The number of residential and small commercial gas users who electrify, replacing gas appliances with electric appliances, is expected to increase as the energy transition progresses.

Currently, the NGR is silent on gas abolishment. Distributors and the AER deal with gas abolishment in access arrangements for pipeline services. The Commission is of the view that this approach is not fit for purpose going forward.

Our draft gas rule would introduce a new framework for customer-initiated abolishment services in the NGR. This would address gaps in the regulatory framework that are leading to a lack of clarity around the types of services available to customers who are seeking to stop using gas, what the implications of those services are, and how the costs of these services should be determined and recovered. It would facilitate retail customer access to these services on fair and reasonable terms and conditions by:

- introducing outcomes-based definitions to clarify which services can be provided and what they are
- ensuring that the customer choosing to abolish pays the prudent and efficient costs of the abolishment
- ensuring that all customers seeking abolishment services, including negotiated services, are covered by the new framework
- accommodating the contestability of abolishment services, where permitted by the relevant jurisdiction.

This framework is modelled on Part 12A of the NGR, which covers gas connections for retail customers.

The abolishment framework would provide clarity and consumer protections for the provision of abolishment services, including rules governing how a distributor must determine the charges for these services. A key outcome of the draft rule would be that relevant distributors would be required to charge retail customers an upfront cost reflective charge for a customer initiated abolishment.

Disconnection services will continue to be treated as ancillary reference services for AER approval in access arrangements.

The draft rule would apply to distributors that operate:

- scheme distribution networks in all jurisdictions except Western Australia
- non-scheme distribution networks, if a jurisdiction makes a regulation under the NGL to nominate that the new Part 13 of the NGR applies to the distributor for that pipeline.

The draft rules would provide customers clarity through new information requirements in the NGR and NERR

The draft rules would introduce new information requirements in the NGR and NERR to support more informed decision-making by retail customers who are considering ceasing to use gas. Alongside the introduction of definitions, these new requirements would address the information deficiencies contributing to the confusion retail customers are facing on the options available to them if they choose to stop using gas at their premises.

The draft retail rule would require a retailer to provide general information about the availability of different services and the differences between them if a customer is seeking to terminate its retail contract or otherwise enquiring about disconnection or abolishment services. The draft gas rule would also require relevant distributors to publish, on their websites, a range of information on the disconnection and abolishment services available to retail customers connected to their distribution network.

The new information provisions in the NERR would apply to retailers and relevant distributors that are operating in jurisdictions that have adopted the National Energy Customer Framework for gas and are subject to the NERR.

We assessed our draft rules against five assessment criteria

Outcomes for consumers - improve outcomes for remaining gas consumers by implementing cost-reflective charges to ensure equitable cost recovery where remaining customers do not have to pay the abolishment costs of others. Supporting abolishing customers to make more informed and efficient decisions through better price signals and information provisions

Principles of market efficiency - promote economic efficiency through more efficient price signals and the provision of information to support more efficient decision-making and that the remaining customers only pay the efficient costs of using the gas system

Safety, security and reliability - facilitate the safe supply of gas through the new abolishment framework and supporting retail customers' consideration of safety issues

Emissions reduction - a neutral effect on emissions reduction as the draft rules would not produce a barrier to electrification. Customer decisions about the use of gas remains with the customer

Principles of good regulatory practice - align with good regulatory practice by establishing a framework that is simple, transparent and provides flexibility while also providing consumer protections. Aligning the new framework with the gas connections framework should reduce compliance and enforcement costs

Implementation of the draft rule

Our draft gas rule would phase in the new abolishment framework from 2027, with distributors' key obligations to commence at the start of each network's subsequent access arrangement period.

The new information provisions in the NGR and NERR would come into effect six months after the final rule is made. This timing should provide retailers and distributors sufficient time to develop any materials that may be required for them to comply with the new information provision requirements.

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