

15 January 2026

Ms Anna Collyer,
Chair, Australian Energy Market Commission
Level 15, 60 Castlereagh St
Sydney NSW 2000

Via website

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Dear Ms Collyer,

AusNet welcomes the opportunity to provide feedback on the AEMC's draft determination and draft rules to amend the National Gas Rules (NGR) and National Energy Retail Rules (NERR) to create a new regulatory framework for retail customer-initiated gas abolishment. (**Reference GRC0086**).

We support the intent of the AEMC's focus on how the gas regulatory framework should seek to facilitate equitable outcomes for customers, while promoting ongoing efficient use and investment in gas infrastructure, safety and reliability of gas supply and emissions reduction.

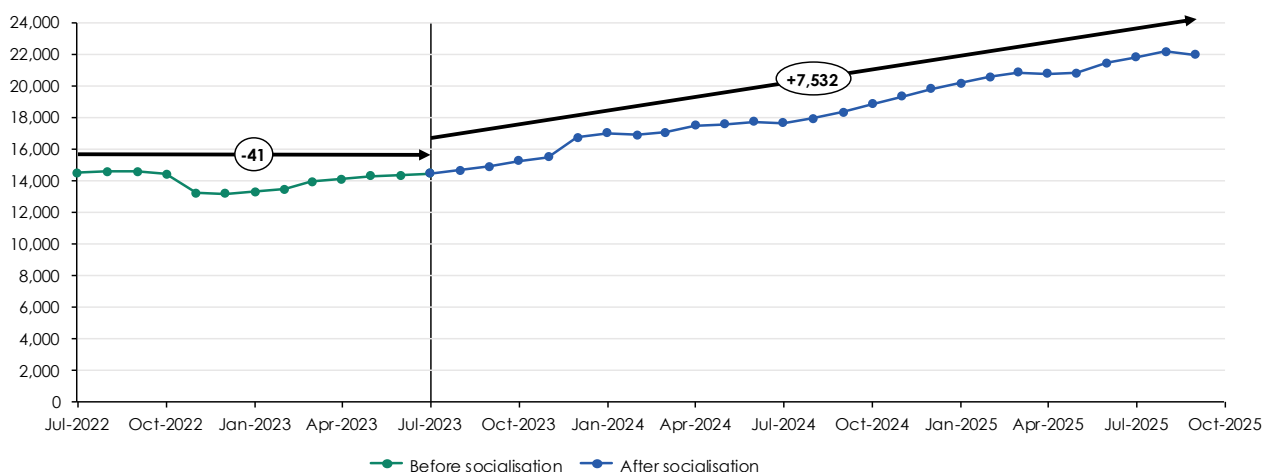
We broadly support the Commission's draft rule, enabling gas disconnection charges to be an upfront, cost-reflective charge for a customer-initiated abolishment. The rule change would allow gas distributors to recover the prudent and efficient, directly attributable cost of providing the abolishment service, while avoiding the burden being placed on customers that remain on the network.

We support the draft determination for customers to pay an upfront cost-reflective charge for an abolishment service. In the most recent GAAR decisions in Victoria, the AER chose to cap and socialise abolishment costs, arguing that deterring dormancy was of higher importance than direct recovery of costs for abolishment services. The difference between the cap and the actual cost of the abolishment, approximately ~\$700 in 2023 real terms.¹ From July 2023 to August 2025, AusNet received 6,897 service abolishment requests. The total socialised cost of these abolishments for customers has been approximately \$4.7M in 2023 real terms. Meanwhile, AusNet's data since 2022 shows that long-dormant connections – those with zero gas consumption for over 12 months – have continued to grow, indicating socialisation is not an effective mechanism to reduce the growth of dormancy (Figure 1).

Figure 1 | Long-dormant connections have grown since the socialisation of costs was introduced²

Monthly long-dormant connections

July 2022 to September 2025



¹ AER, AusNet Gas Services Final decision, June 2023. Accessed on 13 January 2026 at <https://www.aer.gov.au/system/files/AER%20-%20AusNet%202023-28%20-%20Final%20Decision%20-%20Overview%20-%20June%202023.pdf>.

² AER Quarterly Disconnections Reporting. Accessed on 13 January 2026 at <https://www.aer.gov.au/publications/reports/performance/gas-quarterly-disconnection-reporting>.

AusNet recently received a Ministerial Order imposing changes to our management of abolishment requests under our gas distribution licence.³ This order requires that we action direct abolishment requests from building owners, or builders and agents acting on behalf of building owners, who do not have a retail account. The order allows distributors to charge for completing the abolishment. We expect customers requesting a disconnection or abolishment directly via the distributor to pay for the service under existing pricing arrangements. This means customers will pay the same price irrespective of request pathway. Current charges are (1 July 2025 to 30 June 2026):

- \$68.2 (excl. GST) for residential disconnection⁴
- \$234.46 (excl. GST) for residential service abolishment⁴
- Quoted directly, for any service that is not a basic residential disconnection or abolishment, consistent with AusNet's guidelines communicated to retailers.

We note that the draft determination requires distributors to publish information about disconnection and abolishment services available to retail customers. We consider this requirement to be fair and reasonable. We note that the Essential Services Commission (ESC) is planning to undertake Phase 2 of the Retail Code of Practice Review in Victoria in 2026, which will also consider requirements for retailers to provide more information on gas disconnection and abolishment options available to customers.

Please do not hesitate to contact me at moyo.tian@ausnetservices.com.au with any questions.

Sincerely,



Moyo Tian
General Manager, Strategy & Regulation (Gas)
AusNet

³ Victorian Government Gazette No. S 697. Accessed on 13 January 2026 at <https://www.gazette.vic.gov.au/gazette/Gazettes2025/GG2025S697.pdf>.

⁴ Ancillary Reference Tariffs, Accessed on 13 January 2026 at <https://www.ausnetservices.com.au/gas/gas-distribution-charges/gas-tariffs-and-charges>.