

15 January 2026

Anna Collyer
Chair
Australian Energy Market Commission

Dear Ms Collyer,

**Establishing a regulatory framework for retail customer initiated gas abolishment
Draft Determination**

Energy Networks Australia (ENA) welcomes the opportunity to respond to the Australian Energy Market Commission's (AEMC) Draft rule determination on *Establishing a regulatory framework for retail customer initiated gas abolishment*¹.

ENA is the national industry body representing Australia's electricity transmission and distribution and gas distribution networks. Our members provide more than 16 million electricity and gas connections to almost every home and business across Australia.

ENA acknowledges the ongoing transition of the gas network sector and its progress towards decarbonisation. This proposed rule change compliments the AEMC's broader rule change initiatives, including the *Gas Networks in Transition* proposed reforms.² ENA considers it important for the AEMC to continue taking a holistic view of the gas regulatory framework avoiding adverse customer or framework outcomes from further changes to the rules.

ENA broadly supports 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 distribution network service providers (DNSPs) 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.

Need for consistency

ENA supports recommendations that promote consistency of outcomes and practises across the broader gas sector. Safety remains a top priority for gas DNSPs and maintaining consistency helps DNSPs meet their obligations under the National Gas Objective while aligning with customer expectations. Moreover, with gas networks progressing decarbonisation initiatives amid significant uncertainty, regulatory decisions should remain flexible to support the best outcomes for customers.

The safety of disconnection and abolishment services must remain the responsibility of the relevant jurisdictional safety regulators to reflect jurisdictional differences in relevant regulations, equipment requirements and customer needs. DNSPs are responsible for, and committed to, implementing any requirements to maintain the safety of their network. Jurisdictional safety

¹ [Establishing a regulatory framework for retail customer initiated gas abolishment | AEMC](#)

² AEMC, [Gas Networks in Transition](#).

regulators are best placed to understand the technical requirements and ensure consistency across the existing framework.

ENA encourages the AEMC to ensure consistency across the gas sector and jurisdictions. For example, it is unclear whether disconnection requires the DNSP to remove the meter. As noted in ENA's response to the consultation paper, the meter represents a visible indicator of a live gas connection and inconsistency in its removal adds confusion and may have safety implications.³

ENA notes that the definition of "disconnection" refers to preventing the flow of gas to the customer premises. In practice, gas typically remains within the service line on the premises, if the premises are defined by the property boundary, when a temporary disconnection occurs. ENA suggests that an alternative formulation, such as preventing the use of gas, may provide a more accurate alternative.

ENA is opposed to the obligation for each distributor to develop a model standing offer for a basic abolishment service and have it approved by the AER. ENA notes this is duplicative as this consultation is already required as part of the Access Arrangement process.

ENA considers that it is appropriate for Western Australia to be excluded from the abolishment framework. However, ENA considers that the framework should be confined to scheme pipelines as they operate under a different regulatory regime.

Abolishment requests

ENA is concerned that the proposed framework would allow any customer to request an abolishment directly from the distributor, potentially leading to inefficiencies through duplication of existing retail market systems. To avoid this, ENA considers that customers with an active retailer should request a basic abolishment service through their retailer, while property owners without a retailer and developers or bodies corporate of medium or high-density sites should retain the option to request abolishment directly from the distributor.

Contestability

ENA notes that the draft determination allows for the contestability of abolishment services where permitted under relevant jurisdiction laws. However, ENA does not consider that introducing contestability would necessarily deliver these services on a competitive and or lower cost basis. On the contrary, contestability could increase the time and cost associated with undertaking abolishment works. ENA nonetheless welcomes that the rule does not mandate contestability but instead accommodates it where permitted by the relevant jurisdiction.

Transitional Arrangements

The draft determination proposes a phased implementation, aligned with the commencement of each distributor's next access arrangement. This results in different arrangements for different distributors, for example, Victorian gas distribution networks will have full operation of the abolishment framework by 1 July 2028 while ACT and SA gas distribution networks will not have full operation of the abolishment framework until 1 July 2031.

³ ENA, [ENA Response](#) to Updating the regulatory framework for gas connections and Establishing a regulatory framework for gas disconnections and permanent abolishment Consultation Paper, 10 July 2025

ENA strongly recommends transitional arrangements for DNSPs undergoing regulatory resets namely Evoenergy and AGIG (SA). The ACT government's commitment to full electrification by 2045 makes timely implementation critical for Evoenergy's customers, with Evoenergy being the only network with a clear policy direction towards phasing out gas and decommissioning the network. Transitional arrangements would provide greater regulatory certainty, ensuring outcomes reflect the intent of the AEMC's determination as soon as practicable.

In addition, the AER recently made a final decision on Jemena's access arrangement 2025-2030 to socialise a standard abolishment cost. This means Jemena abolishment pricing will fall from current cost reflective levels to \$250 on 1 July 2026, with the difference between actual and charged costs spread across the customer base. The cost charged to customers will then increase once again to a cost reflective level from 1 July 2030. It would be more consistent with the intent of the rule to include a mechanism to prevent this interim socialisation.

It should also be noted that without transitionals, the equity issue increases, leaving a larger portion of the network costs to a smaller share of customers in future regulatory periods. Delaying the introduction of the preferred abolishment framework, by industry and stakeholders, does not help to achieve the best possible outcome for consumers.

ENA notes the requirements in the draft determination for distributors to publish information about the disconnection and abolishment services available to retail customers. ENA considers these requirements as fair and reasonable.

If you wish to discuss any of the matters raised in this response further, please contact Terese Weber, Gas Policy Manager, on tweber@energynetworks.com.au.

Yours sincerely,



Russell Pendlebury

General Manager Regulation and Policy