

# **Establishing a regulatory framework for retail customer initiated gas abolition**

## **Draft determination**

19 December 2025

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## About the Justice and Equity Centre

The Justice and Equity Centre is a leading, independent law and policy centre. Established in 1982 as the Public Interest Advocacy Centre (PIAC), we work with people and communities who are marginalised and facing disadvantage.

The Centre tackles injustice and inequality through:

- legal advice and representation, specialising in test cases and strategic casework;
- research, analysis and policy development; and
- advocacy for systems change to deliver social justice.

## Energy and Water Justice

Our Energy and Water Justice work improves regulation and policy so all people can access the sustainable, dependable and affordable energy and water they need. We ensure consumer protections improve equity and limit disadvantage and support communities to play a meaningful role in decision-making. We help to accelerate a transition away from fossil fuels that also improves outcomes for people. We work collaboratively with community and consumer groups across the country, and our work receives input from a community-based reference group whose members include:

- Affiliated Residential Park Residents Association NSW;
- Anglicare;
- Combined Pensioners and Superannuants Association of NSW;
- Energy and Water Ombudsman NSW;
- Ethnic Communities Council NSW;
- Financial Counsellors Association of NSW;
- NSW Council of Social Service;
- Physical Disability Council of NSW;
- St Vincent de Paul Society of NSW;
- Salvation Army;
- Tenants Union NSW; and
- The Sydney Alliance.

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# Recommendations

## ***Recommendation 1***

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*That the AEMC amends the definitions of the different types of disconnection and abolition services to*

- *clarify the circumstances in which non-basic services may apply,*
- *ensure that negotiated services are also limited only to the minimum required to make safe, and*
- *provide a definition of remediation services as voluntary services in addition to required abolition services.*

*with a view to clearly and consistently ensuring that all services are strictly limited **only** to the works – and costs - required to satisfy safety requirements.*

## ***Recommendation 2***

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*That the final rule includes a framework for disconnection services aligned with the framework for abolition services – that is, explicitly limited to only the works and costs required to satisfy safety requirements.*

## ***Recommendation 3***

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*That the final rule includes an obligation for service providers to file a varied reference proposal for the relevant services/tariffs with the AER 6 months after the final determination.*

## ***Recommendation 4***

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*That the AER (or jurisdictions) publish disconnection and abolition information guidelines that set out standardised information to be provided by distributors/retailers on the types of services available to consumers seeking to cancel their gas supply.*

## ***Recommendation 5***

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*That the AEMC engage with jurisdictional ombudsmen to understand whether they are better placed to be the dispute resolution body for abolition charges.*

## Acronyms list

Acronym	Full name
AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
JEC	Justice and Equity Centre
NECF	National Energy Customer Framework
NERR	National Energy Retail Rules
NGL	National Gas Law
NGO	National Gas Objective
NGR	National Gas Rules

## 1. Introduction

The Justice and Equity Centre (JEC) welcomes the opportunity to respond to the Australian Energy Market Commission's (AEMC) draft determination on establishing the regulatory framework for retail customer-initiated gas abolishment (the Draft)

The current regulatory silence on gas disconnections and abolishments creates issues of regulatory uncertainty and inconsistency, inequitable cost sharing and 'cross subsidy', inefficiency and potentially safety. Regardless of the trajectory for gas networks, this silence cannot continue. A consistent, transparent and equitable framework for customer-initiated disconnection and abolishment is essential. It is particularly necessary in the context of the energy transition and households are disconnecting from the gas network at an accelerating rate.

The Australian Energy Regulator (AER) has acknowledged the issue, recognising the approach they have taken in two recent decisions - socialising the costs of abolishment services - is not equitable or sustainable. Without a framework to direct them they have been unable to determine an approach based on consistent principles for promoting the long-term interests of consumers.<sup>1</sup>

We agree with the AEMC it is important the rules enable retail consumers wanting to cancel their gas supply<sup>2</sup> to do so with accurate information, efficiently, in a safe, equitable and sustainable manner. Further, it is critical that those who remain connected to the network are protected from unreasonable costs or risks.

Accordingly, we are pleased to see key aspects of the intent of our proposal progressed, with the draft implementing an abolishment framework which seeks to minimise costs for abolishing consumers, while ensuring they are directly responsible for those costs. However, we do consider the AEMC's deviations from our proposal do not fully deliver on our intent. In particular, we are concerned the Draft reduces the certainty that consumers will only be charged the minimum necessary costs to safely disconnect or abolish their gas connection.

This submission highlights aspects of the Draft rule we recommend be revised to ensure the intent of our proposal is delivered, and an efficient, durable and equitable framework for gas abolishment and disconnection is created, including:

- Clarifying service definitions to ensure services are properly, and consistently limited only to the works required to satisfy safety requirements;
- Including disconnection services as a reference service to ensure an equally consistent and robust framework applies to disconnection and abolishment;
- Ensuring standardised information provision to guarantee consumers are able to access consistent, unbiased, accurate, trusted and up-to-date information.

We also recommend the final rule be implemented as soon as possible. Existing 'unsustainable' provisions – including cross-subsidy of abolishment costs - is inappropriate and increases

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<sup>1</sup> AER, 2023, [Final decision – AusNet gas distribution access arrangement 2023–28](#), p 7.

<sup>2</sup> Throughout this submission, we refer to consumers cancelling their gas supply as a collective term for consumers abolishing, disconnecting, or otherwise ending their use of the gas network.

inequities impacting gas network consumers. We contend sooner implementation is possible without excessive regulatory burden.

## 2. The trajectory and context for abolishment

We consider there is scope to provide more accurate context for this rule change in a way which should influence the final decisions of the AEMC. While the need for a regulatory framework for disconnection and abolishment exists regardless of the future trajectory of electrification, the nature of the trajectory is material when considering implementation timeframes

The draft determination states:

“Residential and small commercial demand for gas is projected to decline in some distribution networks, and there is a risk that an increasing number of retail customers will choose to no longer use gas at their premises and leave the network. If this occurs, the costs of operating and maintaining the network will need to be shared among a declining customer base.”<sup>3</sup>

It is more accurate to recognise that all gas networks in Australia are affected by accelerating rates of electrification. Research by Energy Consumers Australia found that 9% of Australian homeowners plan to cancel their gas supply in the coming two years.<sup>4</sup> In the NSW network alone, this could represent around 45,000 households cancelling their gas supply per year,<sup>5</sup> whether that be through abolishment or disconnection.

We note that the AEMC bases some of its comments on predicted reductions in residential demand rather than electrification rates. Analysis by the Energy Efficiency Council has shown that over 2.4 million Australian homes will need to be electrified by 2035 to bring residential consumption in line with the Australian Energy Market Operator’s (AEMO) Step Change Scenario.<sup>6</sup> While not a prediction, this estimate provides a strong indication that the rate of electrification is rapid and will only continue to accelerate.

Similarly, where the AEMC has referred to predictions on a household level, it only counts abolishments. This does not capture the full extent of all households seeking to ‘disconnect’ from the gas network, as at least the number of households disconnecting should also be considered. People seeking to disconnect, rather than abolish, are also impacted by the framework, and therefore should be considered in any cost benefit analysis.

### 2.1 Cost is the main driver for electrification

The draft determination correctly identifies that solar and batteries, reducing emissions and jurisdictional policies are critical drivers of electrification. However, it is important to recognise that inability of gas appliances to compete with electric appliances on cost basis is, and will continue

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<sup>3</sup> AEMC, 2025, [Draft rule determination: Establishing a regulatory framework for retail customer initiated gas abolishment](#), p 20.

<sup>4</sup> Energy Consumers Australia, 2024, [How households use gas and their attitudes towards electrification](#), p 9.

<sup>5</sup> Based on estimate of 1.5 million residential connections in Jemena’s network, of which around 65% are owner-occupied. Jemena Gas Networks NSW, [Revised 2025-30 Access Arrangement Proposal Attachment 6.1](#), p 1

<sup>6</sup> Energy Efficiency Council, 2025, [Efficient, Electric Homes: Market Acceleration Plan](#), p 4.

to be, a significant – if not primary – driver of household electrification regardless of policy or other factors.

Efficient electric appliances are now invariably cheaper to run than equivalent gas appliances, for every application, in every gas and electricity pricing zone in the NEM. This has been the case for at least a decade,<sup>7</sup> and the gap between the cost of running efficient electrical and gas appliances is only likely to grow as the performance of electrical appliances improves and gas becomes more expensive.

In the same time frame, for new homes and existing all electric homes, connecting to gas has been a more expensive option than buying and running efficient electric appliances. Most households have been financially better off replacing most or all gas appliances with efficient electric at the point of failure, and in the case of space heating, without waiting until appliance failure.

The running cost difference is so stark that in most cases the whole-of-life costs – combining capital, installation, maintenance and fuel cost – are substantially cheaper for efficient electric appliances than gas.

Households disconnecting from gas altogether also avoid the fixed charge. Of approximately 12 million household gas appliances, a significant proportion – potentially up to 5 million – will have a single gas appliance in a home, allowing disconnection to also involve avoiding the fixed charge.

### **3. Making the final rule fit for purpose**

We welcome the AEMC's adoption of a causer/beneficiary pays principle in the draft rule change, this ensures disconnection and abolishment rules are consistent with connection and other aspects of the regulatory framework. But

However, we recommend further changes to ensure the intended transparency and minimisation of costs is delivered. The Draft proposals leave unreasonable discretion to distributors to design and offer services at costs which exceed the minimum required to make safe.

#### **3.1 The service framework must be robust and unambiguous**

The Draft proposes a framework for abolishments mirroring part 12A of the National Gas Rules (NGR). As proposed, this does not provide the necessary clarity and certainty required to ensure abolishment costs are minimised. The framework must provide a consistent and robust basis – through tight definitions – which underpin clear consumer understanding of service offerings and their implications, while ensuring consumers are not charged for unnecessary services (that is services which are in excess of that deemed necessary to 'make safe').

##### **3.1.1 Greater clarity regarding 'standard' and 'negotiated' services**

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<sup>7</sup> Renew, 2016, [Are we still cooking with gas?](#)

It is critical to ensure clarity regarding what must/can be included in standard services, and what can be included in negotiated services, with both being determined with reference to the minimum necessary make safe.

The Draft does not make it sufficiently clear when a ‘standard’ or ‘negotiated’ offer would be used. If the standard/basic offer involves “only the work required to satisfy any applicable duty or requirement under an Act of a participating jurisdiction [...] relating to safety of an abolished connection”, this already meets the intention of enabling abolition at the minimum cost to make safe. However, the works required to safely remove the gas connection may differ depending on the state of the site. For example, an abolition service in a multi-unit building may involve different work to an abolition in a standalone house, even though both services only involve the work to safely cancel the supply of gas to the premise.

### **Ensuring negotiated services relate to the minimum necessary**

We agree that “the broader the service standardisation, the more likely it is that customers who only require a basic service will have to cross-subsidise customers that require a more complex service”.<sup>8</sup> However, this does not justify automatically categorising more complex abolishments as negotiated services without having the appropriate pre-conditions in place. Negotiated services should still be clearly require only to include the minimum costs required to make safe, with these being determined according to what is actually involved. Further, it should only be provided as a true last resort for abolition services with genuinely unique and complicating characteristics.

### **Distinguishing ‘remediation’ services**

Our intent in including a defined ‘remediation’ service, was to ensure clarity to consumers that services beyond the minimum required to make safe are ‘unnecessary’ and relate to ‘remediation’ rather than abolition or disconnection. Omitting remediation or any similar means of delivering on the intent, risks greater uncertainty for consumers. Many abolishments may need to be done as a negotiated service. It is not clear whether a consumer seeking remediation services would need to seek out a negotiated service for all the works, or whether they can still access a standing offer for the abolition service only and negotiate the remainder

For example, if the person seeks to abolish their gas connection and have their meter removed as part of that, they need certainty that they are paying only the efficient cost for the abolition and remediation service (removal of the meter). Without robust guidance on remediation, consumers risk paying for unnecessary added services.

Remediation should be defined in the rules – potentially as an additional category of ‘negotiated’ services’ - to clearly delineate between services to make safe and additional services.

#### **3.1.2 Minimising costs to what is safe**

The final rule should be further refined to align with the intent of the original rule that the consumer is only charged the minimum efficient cost to safely undertake the required services. It

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<sup>8</sup> AEMC, 2025, [Draft rule determination: Establishing a regulatory framework for retail customer initiated gas abolition](#), p 22.

is critical that this is made explicit, as any ambiguity in refereeing only to ‘safety compliance’ may still enable networks to design services which include more than the minimum required to comply.

More broadly, we are somewhat concerned with the AEMC’s characterisation of economic regulatory functions as being separated from safety. We agree the AEMC and the AER are not in a position to define safety standards, however their economic regulatory function – under a National Energy Objective/Retail Objective that has a safety dimension to consumer interest – should extend to ensuring the cost of abolition is no higher than ‘efficient’, being the minimum required to meet the make safe standard.

To provide greater regulatory certainty, we recommend the AEMC amends the definitions of the different types of services to clarify the circumstances in which non-basic services may be allowed to apply. At minimum, the definitions should:

- Make explicit that negotiated abolition services must involve only those actual, minimum services – and costs – necessary to meet applicable safety requirements;
- clearly restrict negotiated services to being a last resort in sufficiently unique circumstances;
- clarify that standard abolition services involve only the minimum works necessary to satisfy jurisdictional safety requirements;
- include remediation as a standalone service or distinct, voluntary negotiated service.

### **3.1.3 Including disconnection services**

We support determinations regarding the safety of disconnection being made by jurisdictional regulators and commend the AEMC for asserting this throughout the. Neither this, nor any rule change can comprehensively address all issues of safety arising from disconnection.

However, we do consider it necessary for disconnections – as well as abolition – to be included in the regulatory framework. Disconnections should be subject to regulatory principles and provisions consistent with abolition. This helps ensure clarity of information to consumers, but is also necessary because disconnections are subject to the same risks of inequities and inefficiency. Dealing only with abolitions, risks the inefficient transfer of costs to disconnection services.

There are currently more consumers disconnecting than abolishing,<sup>9</sup> therefore we see strong justification for ensuring disconnections are regulated to be efficient and equitable. Accordingly, we recommend that the final rule provides a framework for disconnection services that matches the framework for abolition services – that is, explicitly limiting services and costs to minimum required to meet safety requirements.

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<sup>9</sup> AER, 2025, [Gas quarterly disconnection reporting - 18 November 2025](#)

If jurisdictional policies do not provide enough detail to determine the minimum safety standard, the AEMC may wish to make recommendations for jurisdictions to update their policies in line with others.

### ***Recommendation 1***

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- *ensure that negotiated services are also limited only to the minimum required to make safe, and*
- *provide a definition of remediation services as voluntary services in addition to required abolishment services.*

*with a view to clearly and consistently ensuring that all services are strictly limited **only** to the works – and costs - required to satisfy safety requirements.*

### ***Recommendation 2***

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*That the final rule includes a framework for disconnection services aligned with the framework for abolishment services – that is, explicitly limited to only the works and costs required to satisfy safety requirements.*

## **3.2 The rule must be implemented as soon and widely as practicable**

Electrification – and associated disconnection and abolishment – driven by cost, emissions and efficiency considerations makes implementing a consistent and equitable framework a matter of particular urgency. We do not consider the Draft proposal for implementation appropriate.

Net zero trajectories are unambiguous and require widespread household electrification. A significant number of consumers are expected to cancel their gas supply in the coming 5 years, leading to significant avoidable inefficiency – and cross-subsidy - if the rule is not implemented sooner than proposed. We note the draft determination refers to Evoenergy's forecast of 400 abolishments per year.<sup>10</sup> However, this forecast is invalidated by the AER's gas disconnections reporting which shows the number of abolishments has already exceeded 500 the past two years and only appears to be accelerating.<sup>11</sup>

We strongly recommend the AEMC revisits its cost-benefit analysis of earlier implementation in light of clearly accelerating trajectories of electrification. Current, inconsistent and unsustainable cost sharing practices become increasingly unsustainable, inequitable and inefficient as networks' customer base declines. As more consumers cancel their gas supply, any shared costs

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<sup>10</sup> AEMC, 2025, [Draft rule determination: Establishing a regulatory framework for retail customer initiated gas abolishment](#), p 49.

<sup>11</sup> AER, 2025, [Gas quarterly disconnection reporting - 18 November 2025](#)

will rise significantly per consumer. This inefficiency – and inequity – significantly outweighs any costs of implementation during current access arrangements.

The cost-benefit analysis does not appear to assess the option of a varying only the reference services aspect of a proposal. Our initial proposal intended for the specific reference services to be varied, rather than re-opening the full access arrangement. We consider a partial re-opener would not introduce significant regulatory burden to the AER or distributors, nor would it materially impact the rest of the access arrangement. It would, however, have significant consumer benefits in asserting efficiency, equity and clarity of information provision.

We recommend requiring distributors to file a varied reference proposal covering only the reference services and tariffs affected by the rule change package to the AER, as a one-off. On balance, we consider this sets a realistic implementation timeline that appropriately weighs implementation costs and benefits to consumers.

### ***Recommendation 3***

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*That the final rule includes an obligation for service providers to file a varied reference proposal for the relevant services/tariffs with the AER 6 months after the final determination.*

## **3.3 Independent consumer information and dispute resolution**

Overcoming the widespread confusion – and service-provider misinformation - amongst consumers regarding available options to cancel their gas supply requires a consistent approach to information provision. Leaving this provision up to individual retailers and distributors risks ongoing inconsistency and confusion.

Many consumers have low levels of trust in their retailer<sup>12</sup> and may not have a relationship with their distributor. Both distributors and retailers have some incentive to keep consumers connected to the gas network, which means they are not well-placed to provide unbiased, accurate information to inform consumers on what is best for them and their needs and preferences.

Accordingly, we contend there is a strong case for information on consumers' options to cancel their gas supply being standardised and either developed or provided independently. Jurisdictions or the AER are well-placed to produce information guidelines which set out the standardised information to be provided by distributors. All the information that the AEMC has proposed be published by distributors could be standardised, except for indicative timeframes and charges. These guidelines could be developed by, or in consultation with jurisdictions so they align with jurisdictional safety and other requirements and policy.

There is also a role for Government to provide trusted and neutral information on the options available for consumers seeking to cancel their gas connection. An example of this is the online information provided by the ACT Government on "switching off your gas connection".<sup>13</sup> Making

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<sup>12</sup> Energy Consumers Australia, 2024, [Energy Consumer Sentiment Survey June 2024](#), p 7.

<sup>13</sup> ACT Government, [Switching off your gas connection](#), accessed 17 December 2025.

this more widely available would help ensure consumers can easily find the trusted information they need from their preferred source, and clarify the obligations on the various parties involved.

While this is beyond the direct scope of the rule change, the role of governments in information provision should be acknowledged. This fits appropriately with the AEMC's recommendation that governments consider issues that extend beyond the national gas framework, as the information provided would be aligned with respective jurisdictions' electrification policy.

#### ***Recommendation 4***

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*That the AER (or jurisdictions) publish disconnection and abolishment information guidelines that set out standardised information to be provided by distributors/retailers on the types of services available to consumers seeking to cancel their gas supply.*

##### **3.3.1 Dispute resolution**

We do not consider the AER the appropriate dispute resolution body.

It appears unusual to appoint the AER as the dispute resolution body. We consider energy ombudsman schemes better placed due to their ongoing energy dispute resolution role, experience and resources, and their jurisdictional focus. It would risk further confusing consumers if they have to pursue dispute resolution through a different body than for most other energy related complaints. We refer to the joint submission from the New South Wales, South Australian and Queensland Energy and Water Ombudsmen for more detail.

#### ***Recommendation 5***

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*That the AEMC engage with jurisdictional ombudsmen to understand whether they are better placed to be the dispute resolution body for abolishment charges.*

### **4. Complementary measures**

We welcome the AEMC's recognition that this rule change cannot resolve all inequities and complexities and that jurisdictions should be the most appropriate entities to be responsible for subsidising electrification or supporting equity.

The role of a finalised rule is to provide a consistent, principled basis for fairer outcomes, both for those leaving the network, and for all consumers on the network, especially those with limited agency in the transition. In doing so it also provides a robust platform for further government policy to deal with abolishments and support equity as part of wider electrification and energy transition policies.

Government action will be critical to enable an equitable and orderly transition. We regard government support for permanent disconnection costs, including in the form of planning measures, licencing reform and direct subsidy for abolishment, the appropriate means of supporting electrification. Attempting to resolve these issues in the rules only results in inequity and exacerbation of escalating costs to vulnerable consumers.

As the AEMC has recognised, it is also important to consider strategic decommissioning at the network level to plan for an orderly and efficient transition. We note that this is within the scope of the ‘Gas networks in Transition’ rule change package being considered by the AEMC in parallel and encourage the AEMC to consider further measures in that process to support efficient, equitable electrification.

## 5. Response to consultation questions

### Question 1: What are the potential costs and benefits of employing the new framework for customer-initiated abolishment services?

- **Do you agree with our proposal to use a similar framework to Part 12A of the NGR for customer- initiated abolishment services, including the requirement for distributors to develop model standing offers for the AER’s approval? If not, please explain why not and set out what approach you think we should employ and why.**
- **What do you think the potential costs and benefits would be of:**
  - employing the new framework outlined in Chapter 3 including model standing offers?
  - employing any other approach you have suggested we consider?

A regulatory framework for customer initiated abolishment services is well overdue and required regardless of the future trajectory of gas networks. The current silence in the NGL, NGR and NERR on disconnection and abolishment results in regulatory uncertainty, inconsistent regulatory decisions and issues of inefficiency, inequitable cost sharing and potential risks to safety.

Establishing the framework has the following benefits (for more detail see our original rule change proposal):<sup>14</sup>

- creating regulatory certainty;
- minimising costs to disconnecting, abolishing consumers;
- minimising unfair costs to remaining gas consumers’
- helping to ensure equitable cost sharing;
- ensuring safe disconnections;
- increasing efficiency;
- ensuring consistent regulatory decisions.

The rule does *not* increase abolishment costs but seeks to ensure that consumers face only the minimum costs necessary.

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<sup>14</sup> Justice and Equity Centre, 2025, [Rule Change Request – Permanent Disconnection](#), pp 7-8.

Greater regulatory certainty on the costs and definition of abolishments supports certainty for individual consumers as well as facilitating the establishment of government assistance to those least able to afford electrification-related costs.

The new framework introduces minor increased costs of regulation, and a decrease of potential network revenue as it limits their ability to recover inefficient costs from consumers.

We are concerned that the AEMC's draft does not do enough to ensure only minimum, efficient costs are recovered from disconnecting and abolishing consumers. It is unclear how the framework mirroring part 12A will work in practice, but we raise the following issues (further discussed in Section 3.1):

- The definitions of services must unequivocally focus on limiting costs only to what is required to meet minimum safety standards and clearly distinguish what is additional. Unclear service definitions leave excessive discretion to distributors that could result in excess costs being carried by consumers.
- The rules should include stronger guidance on remediation to distinguish services and costs that are in addition to those minimum services required to safely abolish a connection.

We recommend that the AEMC amend and refine the definitions of the different types of services – disconnection, standard abolition, negotiated abolition and remediation - to clarify the circumstances in which non-basic services may apply, with a view to ensuring that these services are still explicitly limited to only the works required to satisfy safety requirements.

### **Question 2: Should the rules require disconnection services to be a reference service?**

- **Do you think the NGR should require disconnection services to be a reference service, or is it sufficient to continue to rely on the reference service framework in rule 47A?**
- **If changes were to be made to the NGR to mandate that disconnection services be a reference service, what do you think the costs, benefits and risks of doing so would be?**

We support disconnection services being a reference service, and recommend they be covered by a framework consistent with that for abolishments and remediation. Not doing so risks continuing to allow inequitable cost sharing approaches. See section 3.1.3 for more detail.

We agree with the AEMC that the NGR are not the best place to consider incentives and subsidies for disconnection, and that this should be appropriately addressed by jurisdictional policy.

We also note that the 'Gas Networks in Transition' rule change package has a role to play in implementing measures consistent with and supporting the final rule here. For instance, the proposal greater transparency of information provision by distributors, including reporting on utilisation and dormant connections. Better reporting will help to identify and assess the degree of safety risk in networks, and inform decommissioning, retreat or other policy responses at a jurisdictional level.

### **Question 3: Should the rules require the AER to consult on model standing offers?**

- Do you think the rules should require the AER to consult with stakeholders when deciding whether to approve model standing offers, or do you think this should be left to the discretion of the AER?
- If the new framework was to be amended to provide for stakeholder consultation on model standing offers, do you think an equivalent change should be made in Part 12A to require consultation on model standing offers for connection services?

There is limited merit in the AER publicly consulting on model standing offers.

It will be necessary for the AER to transparently share how it comes to its decisions regarding model standing offers and how they meet the abolition criteria. But consulting on a technical matter offers limited scope for public engagement. With the current limited data on efficient costs of abolition, it would be difficult for the public to meaningfully provide feedback on model standing offers and it may be more effective simply to target consultation to expert stakeholders (which may include consumer experts) to verify the AERs rational and analysis.

**Question 4: Are there any other types of directly attributable costs that we need to make provision for?**

- Are there any additional types of directly attributable costs that you consider should be included in the abolition charges criteria? If so, please explain what they are and why they should be included.

We do not support including any other types of costs in the abolition charges criteria.

The rule should restrict abolition services -standard and negotiated - to *only* the minimum works required to safely discontinue the supply of gas, which means the abolition charges criteria must be strictly limited.

We agree with the AEMC that net tax payable is not a directly attributable cost.

**Question 5: Is the application of the new framework to scheme and nominated non-scheme pipelines in all jurisdictions (except Western Australia) appropriate?**

- Do you agree that it is not appropriate to apply the new retail customer-initiated abolition service framework in Western Australia? If not, please explain why you consider scheme and nominated non-scheme distribution networks in Western Australia should be subject to the new framework.
- Do you agree that the new framework should apply to distributors in jurisdictions that have not adopted NECF (e.g. Victoria)? If not, please set out what your concerns are with this application.

We agree it is appropriate to apply the new framework to scheme and nominated non-scheme pipelines in all jurisdictions, including those that have not adopted the NECF.

While we would welcome the adoption of a similar rule in Western Australia, it would appear from the specific form of section 74(1) and schedule 1 of the NGL as applicable in Western Australia, the AEMC has no power to make a rule in Western Australia in respect of disconnections.

**Question 6: Are the proposed distributor information provisions likely to achieve their stated objective?; and**

**Question 7: Are the proposed retailer information provisions likely to achieve their stated objective?**

- Do you think the proposed distributor/retailer information provisions would help support more informed decision-making by retail customers? If not, please explain why not and what additional support you think is required.
- Do distributors consider the proposed information provisions to be workable, or are there material costs and/or implementation challenges that we should be aware of in relation to this requirement?
- If distributors/retailers think there are material costs and/or challenges associated with this requirement, are there any ways that you think these could be reduced, while still giving effect to the intent of the draft rule?

The proposed information to be provided is reasonable.

However we recommend it be standardised and compiled independently, to the greatest degree possible. This would both mitigate any burden on distributors/retailers as well as the risk to consumers of being provided inaccurate, inconsistent or confusing information. Since both distributors and retailers have some incentive to keep customers connected to the network – and thus cannot be regarded as sufficiently ‘unbiased’ - we consider they are not well-placed to advise their customers on their options to cancel their gas connection.

However, we do not consider it would be a significant burden for distributors to develop the required information if necessary, though we consider this should be done in conjunction with jurisdictions, given the information is likely to vary according to jurisdictional safety, policy and rebate/support offerings.

**Question 8: Are retailers or distributors likely to face any impediments in implementing the proposed information provisions within the proposed timeframe?**

- Do retailers or distributors consider there to be any practical impediments to implementing the proposed information provisions set out in Chapter 4 within six months of the final rules being made (if made)?

We do not foresee any impediments to retailers or distributors implementing the information provisions within 6 months of the final rule. As further detailed in Section 3.3, we recommend that information provisions be standardised at a jurisdictional level to avoid confusion and mitigate the risk of guidance falling out of date with policy. This also reduces the risk that retailers or distributors are unable to provide the information within the required timeline.

## 6. Continued engagement

We welcome the opportunity to meet with the AEMC project team and other stakeholders to discuss these issues in more depth. Please contact Kira van Os ([kvanos@jec.org.au](mailto:kvanos@jec.org.au)) regarding any further inquiries.