National Gas Rules – Western Australia

Indicative mark-up of changes that would be made by the Draft National Gas Amendment (Gas networks in transition) Rule 2026.

Note:

This is an indicative version of the changes to the National Gas Rules as in force in Western Australia that would be made by the Draft National Gas Amendment (Gas networks in transition) Rule 2026. It comprises extracts from the National Gas Rules as in force in Western Australia, updated to take into account changes in rules made but not yet in force.

This document is provided for information purposes only. The actual amendments are set out in the Draft National Gas Amendment (Gas networks in transition) Rule 2026.

The Australian Energy Market Commission does not guarantee the accuracy, reliability or completeness of this indicative mark-up of the National Gas Rules in Western Australia.

3 Interpretation

In these rules:

access arrangement information – See rule 42.

access arrangement period for an applicable access arrangement means any of the following periods that may be applicable to the access arrangement:

(a) the period between the commencement of the access arrangement and the commencement of the first revision of the access arrangement;

(b) if the first revision of the access arrangement has not yet taken effect – the period between the commencement of the access arrangement and the revision commencement date for the access arrangement;

(c) if revision of the access arrangement prior to its expiry is not contemplated – the period between the commencement of the access arrangement and the *expiry date* for the access arrangement;

(d) the period between the commencement of the last revision of the access arrangement and the revision commencement date for the access arrangement;

(e) if the access arrangement has been revised but further revision prior to its expiry is not contemplated – the period between revision commencement date of the last revision of the access arrangement and the *expiry date* for the access arrangement;

Note:

One should bear in mind that the actual date on which a revision takes effect may differ from a revision commencement date stated in the access arrangement (which is a date fixed some time in advance as the intended date for the revision to take effect). The revision commencement date is relevant to the definition of the *access arrangement period* only until the revision actually takes effect and the date thus crystallises.

access arrangement proposal means:

(a) a full or limited access arrangement submitted for the AER's approval; or

(b) an *access arrangement revision proposal*; or

(c) an *access arrangement variation proposal*.

access arrangement revision proposal means a proposal for the revision of an access arrangement submitted for the AER's approval under rule 52.

access arrangement variation proposal means a proposal for the variation of an access arrangement submitted for the AER's approval under rule 65.

allowed imputation credits for a regulatory year of an *access arrangement period* for an applicable access arrangement means the value of imputation credits stated, or calculated in the way stated, in the *applicable rate of return instrument*;

allowed rate of return for a regulatory year of an *access arrangement period* for an applicable access arrangement means the rate of return calculated in the way stated in the *applicable rate of return instrument*;

applicable rate of return instrument for a regulatory year of an access arrangement period for an applicable access arrangement means the rate of return instrument in force when the AER makes the applicable access arrangement decision.

approved CTP process means a tender process approved by the AER under Part 5 as a competitive tender process.

contact details of a person means:

(a) the street address of the person's place of residence or business; and

(b) the person's postal address; and

(c) the person's telephone number; and

(d) the person's fax number; and

(e) if the person has a website – the website address; and

(f) the person's email address.

CTP access arrangement means the access arrangement (based on the result of an *approved CTP process*) for a *CTP pipeline*.

CTP pipeline means a pipeline to which an irrevocable *tender approval decision* relates.

decision includes a recommendation, determination or order.

downstream location means a location to which natural gas is delivered by means of a pipeline and includes a location to which natural gas from the pipeline is delivered by means of a branch pipeline (a ***lateral***).

element of an *access arrangement proposal* includes a part or provision of the *access arrangement proposal*.

emissions reduction targets means targets set by a participating jurisdiction:

(a) for reducing Australia's greenhouse gas emissions; or

(b) that are likely to contribute to reducing Australia's greenhouse gas emissions,

including the targets stated in the *targets statement*.

expedited consultative procedure means the procedure for consultative *decision* making laid down in rule 9.

expiry date means a date fixed in an access arrangement for the expiry of the access arrangement.

full access arrangement proposal means an *access arrangement proposal* consisting of, or relating to, a full access arrangement.

full regulation pipeline means a covered pipeline other than a *light regulation pipeline*.

incremental services means pipeline services provided by means of an extension to, or expansion of the capacity of, the pipeline.

Law means the *NGL* and these rules.

light regulation pipeline means a pipeline by means of which light regulation services are provided.

limited access arrangement proposal means an *access arrangement proposal* consisting of, or relating to, a limited access arrangement.

long-term outlook means the outlook prepared under rule 44A(2).

long-term outlook period means a 20-year period commencing on:

(a) the next revision commencement date for the relevant access arrangement; or

(b) in the case of an access arrangement that has not yet commenced, the commencement of the access arrangement.

NGL means the National Gas *Law*.

non-delegable duty means a duty that a service provider cannot carry out through the instrumentality of another service provider under section 10 of the *NGL*.

receipt or delivery point means a point on a pipeline at which a service provider takes delivery of natural gas, or delivers natural gas.

reclassification application means an application under section 128 of the *NGL* for reclassification of a pipeline.

reference service factors means the criteria set out in rule 47A(15).

reference service proposal means, in respect of a service provider for a *full regulation pipeline*, the proposal submitted under rule 47A.

reference tariff arrangements means:

(a) tariff classes;

(b) tariff structures; and

(c) charging parameters for tariff classes.

reference tariff variation mechanism – See rules 92 and 97.

review submission date means a date on or before which an *access arrangement revision proposal* is required to be submitted – See rules 49 to 52.

revision commencement date for an applicable access arrangement means the date fixed in the access arrangement as the date on which revisions resulting from a review of an access arrangement are intended to take effect.

scheme pipeline service provider means a service provider for a scheme pipeline.

serve – a pipeline serves a particular location or point if there is a *receipt or delivery point* at that location or point into which natural gas is injected, or from which natural gas is delivered.

standard consultative procedure means the procedure for consultative *decision* making laid down in rule 8.

targets statement has the meaning given in section 72A of the *NGL*.

Note:

The *targets statement* is available on the AEMC website.

tender approval decision means a *decision* by the AER under Part 5 approving a tender process as a competitive tender process;

upstream location means a location at which natural gas is injected into a pipeline.

44 Publication etc of access arrangement information

A requirement of the *Law* for publication or the provision of copies of an access arrangement or an *access arrangement proposal* extends, subject to these rules, to *access arrangement information* relating to the access arrangement or *access arrangement proposal*.

Division 2A Long-term outlook

44A Long-term outlook requirements

(1) In this rule:

coinciding access arrangement period means, in respect of a *long-term outlook period*, the *access arrangement period* that commences at the same time as that *long-term outlook period*.

full redundancy has the meaning given in rule 69.

partial redundancy has the meaning given in rule 69.

(2) A service provider must prepare a *long-term outlook* for its pipeline, including the following:

(a) forecasts of the following matters for each year of the *long-term outlook period*:

(i) the projected capital base, including:

(A) conforming capital expenditure;

(B) depreciation, including a demonstration of how the forecast is derived on the basis of the proposed depreciation method;

(C) full redundancy and partial redundancy that may occur; and

(D) the extent to which amounts previously removed from the capital base for full redundancy or partial redundancy under rule 85 (or which may be removed during the *long-term outlook period*) may become capable of being returned to the capital base under rule 86;

(ii) pipeline capacity and utilisation of pipeline capacity;

(iii) operating expenditure;

(iv) the demand for each reference service;

(v) the *allowed rate of return* (for the years of the *long-term outlook period* that overlap with the coinciding access arrangement period) or the expected rate of return (for the remaining years of the *long-term outlook period*);

(vi) the estimated cost of corporate income tax calculated in accordance with rule 87A, including the *allowed imputation credits* referred to in that rule;

(vii) the total revenue to be derived from pipeline services;

(viii) reference tariffs for each reference service and tariff class; and

(ix) how the price of gas to be paid by end users is expected to compare with the forecast costs of alternative energy sources, including the costs of switching to those alternative energy sources;

(b) the inputs and assumptions used to determine the forecasts referred to in subrule (2)(a);

(c) an explanation of:

(i) the risks and uncertainties related to demand for reference services that the service provider and end users are likely to face over the *long-term outlook period*;

(ii) the source of those risks and uncertainties; and

(iii) the service provider's proposed approach to managing those risks and uncertainties;

(d) a sensitivity analysis explaining how the service provider considered:

(i) different demand forecast scenarios and the impact on the *long-term outlook* if demand is lower or higher than forecast; and

(ii) how changes in the price of gas expected to be paid by end users impacts the demand for each reference service over the *long-term outlook period*;

(e) an explanation of expected material future investment and expected material repurposing or decommissioning of parts of the relevant pipeline (in each case, to the extent applicable) over the *long-term outlook period* and the expected timing of such investment, repurposing or decommissioning; and

(f) if applicable, details of any material differences between any of the matters in subrules (2)(a) to (2)(c) and those matters in the previous *long-term outlook*, and the reasons for each such difference.

(3) The forecasts and inputs and assumptions required by subrules (2)(a) and (2)(b) in respect of that part of the *long-term outlook period* which overlaps with the coinciding access arrangement period must be consistent with the forecasts and any associated inputs and assumptions included in the *access arrangement information* for the coinciding access arrangement period.

(4) If a service provider updates its *long-term outlook* in connection with an *access arrangement variation proposal*, it must provide details of any material differences between any of the matters in subrules (2)(a) to (2)(c) in the updated *long-term outlook* and the previous version of the *long-term outlook*, and the reasons for each such difference.

(5) To avoid doubt, a service provider must not submit more than one *long-term outlook* at a time, and a service provider's *long-term outlook* must not contain multiple alternatives of the forecasts set out in subrule (2)(a).

50 Review of access arrangements

(1) A service provider, as part of an *access arrangement proposal* for a full access arrangement (other than a voluntary access arrangement), must propose a *review*

submission date and a revision commencement date. The proposed revision commencement date must be not less than ~~12 months~~14 months after the proposed *review submission date*.

(2) The AER must approve the dates proposed by the service provider under subrule (1) if it is satisfied that those dates are consistent with the national gas objective ~~and~~having regard to the revenue and pricing principles and if the proposed revision commencement date is not less than ~~12 months~~14 months after the proposed *review submission date*.

(3) If the AER does not approve the dates proposed by the service provider for the *review submission date* or the revision commencement date (as the case may be), ~~because it considers those dates are not consistent with the national gas objective and the revenue and pricing principles,~~ the AER must fix an alternative *review submission date* or revision commencement date (as the case may be).

52 Access arrangement revision proposal

(1) A service provider must, on or before the *review submission date* of an applicable access arrangement, submit an *access arrangement revision proposal* to the AER.

Note

This subrule is a Tier 2 civil penalty provision for the purposes of the *NGL*. (See the Regulations, Clause 6 and Schedule 3.)

(2) The *access arrangement revision proposal* must:

(a) set out the amendments to the access arrangement that the service provider proposes for the ~~ensuing~~next *access arrangement period*; and

(b) incorporate the text of the access arrangement in the revised form.

(3) The AER may extend the period for submitting an *access arrangement revision proposal* under this rule, but the period (or aggregate period) of extension cannot exceed 2 months.

59 Access arrangement draft decision

(1) After considering the submissions made within the time allowed in the initiating notice, and any other matters the AER considers relevant, the AER must make an access arrangement draft *decision*.

(2) An access arrangement draft *decision* indicates whether the AER is prepared to approve the *access arrangement proposal* as submitted and, if not, the nature of the amendments that are required in order to make the proposal acceptable to the AER.

Examples:

1 If the AER is not satisfied that the *access arrangement proposal* adequately describes the pipeline services offered, or to be offered, by the service provider, the *decision* might indicate the amendment or the nature of the amendment required to correct the deficiency.

2 If the AER is not satisfied that the *access arrangement proposal* designates as reference services all pipeline services that it considers should be specified

as reference services under rule 47A, the *decision* might indicate that further or other pipeline services should be designated as reference services.

3 The *decision* might indicate that specified changes, or changes of a specified nature, should be made to a reference tariff.

4 The *decision* might indicate changes to queuing requirements, capacity trading requirements, or extension and expansion requirements needed to make the access arrangement acceptable to the AER.

(3) If an access arrangement draft *decision* indicates that revision of the *access arrangement proposal* is necessary to make the proposal acceptable to the AER, the *decision* must fix a period (at least ~~30 business days~~45 business days) for revision of the proposal (the **revision period**).

(4) An access arrangement draft *decision* must include a statement of the reasons for the *decision*~~.~~, including an explanation of:

(a) the consequences of the AER's *decision*, over the *long-term outlook period*, on:

(i) the service provider, including its ability to efficiently provide safe and reliable pipeline services and to recover at least the efficient costs the service provider incurs in providing reference services; and

(ii) end users, including on prices paid and the availability of safe and reliable reference services;

(b) how the *long-term outlook* has informed the AER's assessment of the consequences of its *decision* on the service provider and end users pursuant to subrule (4)(a);

(c) if the AER has used inputs and assumptions that materially differ from the inputs and assumptions in the *long-term outlook* and that impact the consequences of the AER's *decision* on the service provider and end users, why it has done so and what the alternative inputs and assumptions it has used are;

(d) how the AER's *decision* in respect of *reference tariff arrangements* will impact customers in each tariff class over the *access arrangement period*; and

(e) how the AER's *decision* in respect of *reference tariff variation mechanisms* will impact customers over the *access arrangement period*.

(5) When the AER makes an access arrangement draft *decision*, it must:

(a) give a copy of the *decision* to the service provider; and

(b) publish the *decision* on the AER's website; and

(c) publish on its website a notice:

(i) stating that an access arrangement draft *decision* has been made and giving a reference to a website at which the relevant *access arrangement proposal* and the relevant draft *decision* may be inspected; and

(ii) if a period has been allowed for revision of the proposal – specifying the revision period; and

(iii) inviting written submissions within the time allowed in the notice (which must be at least 20 business days from the end of the revision period).

62 Access arrangement final decision

(1) After considering the submissions made in response to the access arrangement draft *decision* within the time allowed in the notice, and any other matters the AER considers relevant, the AER must make an access arrangement final *decision*.

(2) An access arrangement final *decision* is a *decision* to approve, or to refuse to approve, an *access arrangement proposal*.

(3) If the *access arrangement proposal* has been revised since its original submission, the access arrangement final *decision* relates to the proposal as revised.

(4) An access arrangement final *decision* must include a statement of the reasons for the *decision*~~.~~, including an explanation of:

(a) the consequences of the AER's *decision*, over the *long-term outlook period*, on:

(i) the service provider, including its ability to efficiently provide safe and reliable pipeline services and to recover at least the efficient costs the service provider incurs in providing reference services; and

(ii) end users, including on prices paid and the availability of safe and reliable reference services;

(b) how the *long-term outlook* has informed the AER's assessment of the consequences of its *decision* on the service provider and end users pursuant to subrule (4)(a);

(c) if the AER has used inputs and assumptions that materially differ from the inputs and assumptions in the *long-term outlook* and that impact the consequences of the AER's *decision* on the service provider and end users, why it has done so and what the alternative inputs and assumptions it has used are;

(d) how the AER's *decision* in respect of *reference tariff arrangements* will impact customers in each tariff class over the *access arrangement period*; and

(e) how the AER's *decision* in respect of *reference tariff variation mechanisms* will impact customers over the *access arrangement period*.

(5) When the AER makes an access arrangement final *decision*, it must:

(a) give a copy of the *decision* to the service provider; and

(b) publish the *decision* on the AER's website.

(6) If an access arrangement final *decision* approves an *access arrangement proposal*, the access arrangement, or the revision or variation, to which the *decision* relates, takes effect on a date fixed in the final *decision* or, if no date is so fixed, 10 business days after the date of the final *decision*.

Note:

In the case of an *access arrangement revision proposal*, this date may, but will not necessarily, be the revision commencement date fixed in the access arrangement.

(7) An access arrangement final *decision* must be made within ~~8 months~~12 months of the date of receipt of the *access arrangement proposal*.

~~(8) The time limit fixed by subrule (7) cannot be extended by more than a further 2 months.~~

67 Decision on access arrangement variation proposal

A *decision* by the AER on an *access arrangement variation proposal* under this Division must:

(a) be in writing; and

(b) state the terms of the *decision* and the reasons for it~~; and~~, including (to the extent applicable) an explanation of:

(i) the consequences of the AER's *decision*, over the *long-term outlook period*, on:

(A) the service provider, including its ability to efficiently provide safe and reliable pipeline services and to recover at least the efficient costs the service provider incurs in providing reference services; and

(B) end users, including on prices paid and the availability of safe and reliable reference services;

(ii) how the *long-term outlook* has informed the AER's assessment of the consequences of its *decision* on the service provider and end users pursuant to subrule (b)(i);

(iii) if the AER has used inputs and assumptions that materially differ from the inputs and assumptions in the *long-term outlook* and that impact the consequences of the AER's *decision* on the service provider and end users, why it has done so and what the alternative inputs and assumptions it has used are;

(iv) how the AER's *decision* in respect of *reference tariff arrangements* will impact customers in each tariff class for the *access arrangement period*; and

(v) how the AER's *decision* in respect of *reference tariff variation mechanisms* will impact customers in the *access arrangement period*; and

(c) if the *decision* is to approve the variation as a non-material variation:

(i) set out the terms of the approved variation; and

(ii) state the commencement date of the variation; and

(d) be given to the applicant service provider without delay; and

(e) be published on the AER's website.

69 Interpretation

In this Part:

capital base, in relation to a pipeline, means the capital value to be attributed, in accordance with this Part, to pipeline assets.

capital expenditure means costs and expenditure of a capital nature incurred to provide, or in providing, pipeline services.

conforming capital expenditure means capital expenditure that complies with the new capital expenditure criteria.

depreciation means depreciation of the capital base.

full redundancy means, in respect of an asset, where that asset ceases to contribute in any way to the delivery of pipeline services.

new capital expenditure criteria mean the criteria stated in rule 79.

nominal approach means an approach to the treatment of inflation under which the capital base and depreciation are expressed in historical cost terms, all other costs and revenues are expressed in current prices, and a nominal rate of return is used.

non-conforming capital expenditure means capital expenditure that does not comply with the new capital expenditure criteria.

~~**operating expenditure** means operating, maintenance and other costs and expenditure of a non-capital nature incurred in providing pipeline services and includes:~~

~~(a) expenditure incurred in increasing long- term demand for pipeline services and otherwise developing the market for pipeline services; and~~

~~(b) expenditure, in providing pipeline services, that contributes to meeting *emissions reduction targets*.~~

operating expenditure means operating, maintenance and other costs and expenditure of a non-capital nature incurred in providing pipeline services and includes expenditure that contributes to meeting *emissions reduction targets*.

partial redundancy means, in respect of an asset, where that asset contributes to the delivery of pipeline services but is under-utilised.

pipeline assets, in relation to a pipeline, means capital assets that constitute the pipeline or are otherwise used by the service provider to provide services.

real approach means an approach to the treatment of inflation under which the capital base, depreciation and all costs and revenues are expressed in constant prices and a real rate of return is used.

tariff class means customers for one or more reference services who constitute a tariff class under a full access arrangement.

72 Specific requirements for access arrangement information relevant to price and revenue regulation

(1) The *access arrangement information* for a *full access arrangement proposal* (other than an *access arrangement variation proposal*) must include the following:

(a) if the *access arrangement period* commences at the end of an earlier *access arrangement period*:

  (i) capital expenditure (by asset class) over the earlier *access arrangement period*;~~ and~~

  (ii) operating expenditure (by category) over the earlier *access arrangement period*;~~ and~~

  (iii) usage of the pipeline over the earlier *access arrangement period* showing:

    (A) for a distribution pipeline, minimum, maximum and average demand and, for a transmission pipeline, minimum, maximum and average demand for each *receipt or delivery point*; and

    (B) for a distribution pipeline, customer numbers in total and by tariff class and, for a transmission pipeline, user numbers for each *receipt or delivery point*;

  (iv) full redundancy and partial redundancy in the earlier *access arrangement period*; and

  (v) amounts that were returned to the capital base under rule 86 during the earlier *access arrangement period*;

(b) how the capital base is arrived at and, if the *access arrangement period* commences at the end of an earlier *access arrangement period*, a demonstration of how the capital base increased or diminished over the previous *access arrangement period*;

(c) the projected capital base over the *access arrangement period*, including:

  (i) a forecast of conforming capital expenditure for the period;~~ and the basis for the forecast; and~~

  (ii) a forecast of depreciation for the period including a demonstration of how the forecast is derived on the basis of the proposed depreciation method;

  (iii) a forecast of full redundancy and partial redundancy that may occur over the *access arrangement period*; and

  (iv) a forecast of the extent to which amounts previously removed from the capital base for full redundancy or partial redundancy under rule 85 may become capable of being returned to the capital base under rule 86 over the *access arrangement period*;

(c1) the information specified in rule 79(2A);

(d) ~~to the extent it is practicable to forecast pipeline capacity and utilisation of pipeline capacity over the *access arrangement period*, a forecast of pipeline capacity and utilisation of pipeline capacity over that period and the basis on which the forecast has been derived;~~a forecast of pipeline capacity and utilisation of pipeline capacity over the *access arrangement period*;

(e) a forecast of operating expenditure over the *access arrangement period*~~ and the basis on which the forecast has been derived~~;

(e1) a forecast of the demand for each reference service;

(e2) the inputs and assumptions used to determine the forecasts referred to in subrules (1)(c), (1)(d), (1)(e) and (1)(e1);

(f) ~~[Deleted]~~the information specified in rule 73(1);

(g) the *allowed rate of return* for each regulatory year of the *access arrangement period*;

(h) the estimated cost of corporate income tax calculated in accordance with rule 87A, including the *allowed imputation credits* referred to in that rule;

(i) if an incentive mechanism operated for the previous *access arrangement period*—the proposed carry-over of increments for efficiency gains or decrements for efficiency losses in the previous *access arrangement period* and a demonstration of how allowance is to be made for any such increments or decrements;

(j) the proposed approach to the setting of tariffs including:

(i) the suggested basis of reference tariffs, including the method used to allocate costs and a demonstration of the relationship between costs and tariffs; and

(ii) a description of any pricing principles employed but not otherwise disclosed under this rule;

(j1) an explanation of how the service provider's proposed *reference tariff arrangements* will impact its customers in each tariff class over the *access arrangement period*;

(k) the service provider's rationale for any proposed *reference tariff variation mechanism*;

(k1) an explanation of how the service provider's proposed *reference tariff variation mechanisms* will impact its customers over the *access arrangement period*;

(l) the service provider's rationale for any proposed incentive mechanism~~;~~, including the information specified in rule 98(3);

(m) the total revenue to be derived from pipeline services for each regulatory year of the *access arrangement period*

(n1) the information specified in rule 89(2);

(p) the service provider's *long-term outlook*; and

(q) an explanation of the consequences of the service provider's *access arrangement proposal*, over the *long-term outlook period,* on:

(i) the service provider, including its ability to efficiently provide safe and reliable pipeline services and to recover at least the efficient costs the service provider incurs in providing reference services; and

(ii) end users, including on prices paid and the availability of safe and reliable reference services.

(2) The *access arrangement information* for an *access arrangement variation proposal* related to a full access arrangement must include so much of the above information as is relevant to the proposal.

(3) Where the AER has published financial models under rule 75A, the *access arrangement information* for a *full access arrangement proposal* must be provided using the financial models~~.~~ unless the AER approves the service provider using an alternative financial model.

~~73 Basis on which financial information is to be provided~~

~~(1) Financial information must be provided on:~~

~~(a) a nominal basis; or~~

~~(b) a real basis; or~~

~~(c) some other recognised basis for dealing with the effects of inflation.~~

~~(2) The basis on which financial information is provided must be stated in the *access arrangement information*.~~

~~(3) All financial information must be provided, and all calculations made, on the same basis and using any applicable financial models published by the AER under these Rules.~~

73 Approach to treatment of inflation

Service provider to propose approach

(1) A service provider's *access arrangement information* must:

(a) state the service provider's proposed approach to treatment of inflation, which may be:

(i) a nominal approach; or

(ii) a real approach; or

(iii) some other recognised approach for dealing with the effects of inflation; and

(b) include an explanation of how:

(i) the service provider's proposed approach to the treatment of inflation is consistent with the national gas objective; and

(ii) the revenue and pricing principles have been applied in respect of that proposed approach.

Approval of approach

(2) The AER must approve the service provider's proposed approach to the treatment of inflation unless the AER determines that an alternative approach would better contribute to the achievement of the national gas objective.

(3) In making a determination under subrule (2), the AER must have regard to the following:

(a) a nominal approach may be appropriate where the use of the pipeline is expected to decline over the remaining economic life of that pipeline; and

(b) a real approach may be appropriate where the use of the pipeline is expected to remain stable, or grow, over the remaining economic life of that pipeline.

(4) If the AER determines that an alternative approach to the treatment of inflation would better contribute to the achievement of the national gas objective, the AER must provide reasons for its determination, including an explanation of how:

(a) the alternative approach better contributes to the achievement of the national gas objective; and

(b) it has taken the revenue and pricing principles into account.

Inter-period revenue smoothing

(5) If the approach to the treatment of inflation is proposed or required to change in the next *access arrangement period*, the service provider may propose, or the AER may require, that a portion of the total revenue that is allocated to reference services and that would otherwise be recovered during the next *access arrangement period* (**adjustment amount**) instead be recovered as part of the total revenue that is allocated to reference services for the *access arrangement period* immediately following the next *access arrangement period* (**subsequent access arrangement period**).

(6) The AER must not approve or require the recovery of an adjustment amount in a subsequent access arrangement period under subrule (5) unless it is satisfied that the recovery of the adjustment amount in the subsequent access arrangement period would assist in managing the impacts of the change to the approach to the treatment of inflation in a manner that promotes economic efficiency with respect to reference services the service provider provides, including:

(a) efficient investment in, or in connection with, a pipeline with which reference services are provided;

(b) the efficient provision of pipeline services; and

(c) the efficient use of the pipeline.

(7) If the AER approves or requires the recovery of an adjustment amount in a subsequent access arrangement period under subrule (5):

(a) the portion of the total revenue that is allocated to reference services that may be earned by the service provider in one or more regulatory years of:

(i) the next *access arrangement period* will be reduced by an amount equal to the adjustment amount; and

(ii) the subsequent access arrangement period will be increased by an amount that is equivalent to the adjustment amount increased at the applicable *allowed rate of return* for each year in the period between the reduction under subrule (7)(a)(i) and the increase in this subrule (7)(a)(ii);

(b) for the purposes of rule 93(1):

(i) the adjustment amount will not be taken into account in determining total revenue to be allocated between reference and other services for the access arrangement *decision* that is made by the AER for the next *access arrangement period*; and

(ii) the amount referred to in subrule (7)(a)(ii) will not be taken into account in determining total revenue to be allocated between reference and other services for the access arrangement *decision* that is made by the AER for the subsequent access arrangement period.

74 Forecasts and estimates

(1) Information in the nature of a forecast or estimate must be supported by a statement of the ~~basis of~~ inputs and assumptions used to determine the forecast or estimate.

(2) A forecast or estimate:

(a) must be arrived at on a reasonable basis; and

(b) must represent the best forecast or estimate possible in the circumstances.

75A Preparation and amendment of financial models

(1) The AER may prepare and publish a revenue model and/or a capital base roll forward model (**financial models**) and if it does, must do so in accordance with this rule 75A and rule 75B.

~~(2) If the AER publishes a financial model under this rule, a service provider must use the model in accordance with the requirements of these rules.~~

(2) If the AER publishes a financial model under this rule, the financial model must allow for:

(a) a real approach and nominal approach to the treatment of inflation; and

(b) depreciation to be calculated using a straight-line, deferred and accelerated profile.

(3) The AER may from time to time, in accordance with this rule 75A and rule 75B, amend or replace a financial model in accordance with these rules.

(4) In preparing or amending a financial model, the AER must publish a notice on its website:

(a) describing the proposed model or amendments to the model (as the case may be), and giving the address of a website on which the details of the model or amendments, and the reasons for them, are published; and

(b) inviting written submissions on the proposed model or amendments to the model (as the case may be) within no less than 30 business days of the date of the notice.

(5) The AER may publish such issues, consultation and discussion papers, and hold such conferences and information sessions, in relation to the proposed model or amendments to the model (as the case may be) as it considers appropriate.

(6) Within 80 business days of publishing the notice referred to in subrule (4), and after considering relevant submissions made within the time allowed in the notice and other matters the AER considers relevant, the AER must make its final *decision*.

(7) The AER's final *decision* must:

(a) be in writing;

(b) state the terms of the *decision* and the reasons for it; and

(c) include a summary of each issue raised in submissions that the AER reasonably considers to be material, together with the AER's response to each issue.

(8) The AER may extend the time within which it is required to make its final *decision* if:

(a) the consultation involves issues of unusual complexity or difficulty; or

(b) the extension of time has become necessary because of circumstances beyond the AER's control.

(9) After making a final *decision*, the AER must, without delay, publish the final *decision* on its website.

77 Opening capital base

(1) When a pipeline first becomes a covered pipeline, or the opening capital base for a pipeline is first calculated, the opening capital base is to be as follows:

(a) if the pipeline was commissioned before the commencement of these rules, the opening capital base is to be determined by reference to the relevant provisions of the Gas Code;

(b) if the pipeline was commissioned after the commencement of these rules, the opening capital base is to be:

(i) the cost of construction of the pipeline and pipeline assets incurred before commissioning of the pipeline (including the cost of acquiring easements and other interests in land necessary for the establishment and operation of the pipeline);

plus:

(ii) the amount of capital expenditure since the commissioning of the pipeline;

less:

(iii) depreciation; and

(iv) the value of pipeline assets disposed of since the commissioning of the pipeline.

(2) If an *access arrangement period* follows immediately on the conclusion of a preceding *access arrangement period*, the opening capital base for the later *access arrangement period* is to be:

(a) the opening capital base as at the commencement of the earlier *access arrangement period* adjusted for any difference between estimated and actual capital expenditure included in that opening capital base. This adjustment must also remove any benefit or penalty associated with any difference between the estimated and actual capital expenditure;

plus:

(b) conforming capital expenditure made, or to be made, during the earlier *access arrangement period*;

plus:

(c) any amounts to be added to the capital base under rule 82, 84 or 86;

plus:

(c1) in relation to any existing extension specified in the extension and expansion requirements in accordance with rule 104(2), the following value:

(i) the cost of construction of the extension;

plus

(ii) capital expenditure on the extension since construction of the extension;

less:

(iii) depreciation of the extension since the date the extension was commissioned; and

(iv) the value of pipeline assets constituting the extension disposed of since commissioning of the extension;

less:

(d) depreciation over the earlier *access arrangement period* (to be calculated in accordance with any relevant provisions of the access arrangement governing the calculation of depreciation for the purpose of establishing the opening capital base); and

Note:

See rule 90.

(e) ~~redundant assets identified during the course of the earlier *access arrangement period*; and~~any amounts to be removed from the capital base under rule 85; and

(f) the value of pipeline assets disposed of during the earlier *access arrangement period*.

(3) If a period intervenes between *access arrangement periods* during which the pipeline is not subject to a full access arrangement, the opening capital base for the later *access arrangement period* is to be:

(a) the opening capital base determined in accordance with these rules for a notional access arrangement taking effect at the end of the *access arrangement period* for the last full access arrangement (the *relevant date*);

plus:

(b) the amount of capital expenditure since the relevant date;

plus:

(b1) in relation to any existing extension specified in the extension and expansion requirements in accordance with rule 104(2), the following value:

(i) the cost of construction of the extension;

plus

(ii) the amount of capital expenditure on the extension since construction of the extension;

less:

(iii) depreciation of the extension since the date the extension was commissioned; and

(iv) the value of pipeline assets constituting the extension disposed of since commissioning of the extension;

less:

(c) depreciation since the relevant date; and

(d) the value of pipeline assets disposed of since the relevant date.

79 New capital expenditure criteria

(1) Conforming capital expenditure is capital expenditure that conforms with the following criteria:

(a) the capital expenditure must be such as 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 services in a manner consistent with the achievement of the national gas objective; and

(a1) the service provider must have undertaken an expenditure assessment in respect of that capital expenditure by considering all credible options that can be provided by way of a pipeline service to address the identified investment need and, in respect of each credible option considered, either:

(i) conducting a quantitative assessment of the expected costs and benefits of that credible option; or

(ii) if the service provider considers that a quantitative assessment is not practicable for that credible option:

(A) providing an explanation of the basis on which it considers a quantitative assessment not to be practicable for that credible option; and

(B) proposing and undertaking an alternative approach to determining the expected costs and benefits of that credible option; and

(b) the capital expenditure must be justifiable on a ground stated in subrule (2); and

(c) the capital expenditure must be for expenditure that is properly allocated in accordance with the requirements of subrule (6).

(2) Capital expenditure is justifiable if:

(a) the overall economic value of the expenditure is positive, subject to subrule (3); or

(b) the present value of the expected incremental revenue to be generated as a result of the expenditure exceeds the present value of the capital expenditure; or

(c) the capital expenditure is necessary:

(i) ~~to maintain and improve the safety of services; or~~for the safe operation of the pipeline and provision of services; or

(ii) to maintain the integrity of services; or

(iii) to comply with a regulatory obligation or requirement; or

(iv) ~~to maintain the service provider's capacity to meet levels of demand for services existing at the time the capital expenditure is incurred (as distinct from projected demand that is dependent on an expansion of pipeline capacity); or~~to maintain the service provider's capacity to meet forecast levels of demand for services at the time the capital expenditure is incurred (not including forecast demand that is dependent on an expansion of pipeline capacity); or

(v) to contribute to meeting *emissions reduction targets* through the supply of services; or

(d) the capital expenditure is an aggregate amount divisible into 2 parts, one referable to *incremental services* and the other referable to a purpose referred to in paragraph (c), and the former is justifiable under paragraph (b) and the latter under paragraph (c).

(2A) A service provider's *access arrangement information* must, in respect of any proposed conforming capital expenditure included in its *access arrangement proposal*:

(a) include details of, and substantiating information in relation to, the expenditure assessment undertaken in accordance with subrule (1)(a1) for the relevant capital expenditure and the outcome of any such assessment; and

(b) specify the ground in subrule (2) upon which the service provider considers the relevant capital expenditure to be justifiable.

(3) In deciding whether the overall economic value of capital expenditure is positive, consider the sum of:

(a) the economic value, other than of changes to Australia's greenhouse gas emissions, directly accruing to the service provider, producers, users and end users; and

(b) the economic value of changes to Australia's greenhouse gas emissions, whether or not that value accrues (directly or indirectly) to the service provider, producers, users or end users.

(4) In determining the present value of expected incremental revenue:

(a) a tariff will be assumed for *incremental services* based on (or extrapolated from) prevailing reference tariffs or an estimate of the reference tariffs that would have been set for comparable services if those services had been reference services; and

(b) incremental revenue will be taken to be the gross revenue to be derived from the *incremental services* less incremental operating expenditure for the *incremental services*; and

(c) a discount rate is to be used equal to the rate of return implicit in the reference tariff.

(5) If capital expenditure made during an *access arrangement period* conforms, in part, with the criteria laid down in this rule, the capital expenditure is, to that extent, to be regarded as conforming capital expenditure.

(6) Conforming capital expenditure that is included in an *access arrangement revision proposal* must be for expenditure that is allocated between:

(a) reference services;

(b) other services provided by means of the covered pipeline; and

(c) other services provided by means of uncovered parts (if any) of the pipeline,

in accordance with rule 93.

~~85 Capital redundancy~~

~~(1) A full access arrangement may include (and the AER may require it to include) a mechanism to ensure that assets that cease to contribute in any way to the delivery of pipeline services (redundant assets) are removed from the capital base.~~

~~(2) A reduction of the capital base in accordance with such a mechanism may only take effect from the commencement of the first *access arrangement period* to follow the inclusion of the mechanism in the access arrangement or the commencement of a later *access arrangement period*.~~

~~(3) An applicable access arrangement may include a mechanism for sharing costs associated with a decline in demand for pipeline services between the service provider and users.~~

~~(4) Before requiring or approving a mechanism under this rule, the AER must take into account the uncertainty such a mechanism would cause and the effect the uncertainty would have on the service provider, users and prospective users.~~

85 Capital redundancy

Full redundancy

(1) A service provider may propose, or the AER may require, that an amount be removed from the capital base to reflect full redundancy.

(2) The amount to be removed from the capital base under subrule (1) must be the depreciated value of the relevant asset at the time of removal.

(3) If an amount is removed from the capital base under subrule (1), the AER may allow for the sharing of costs associated with a decline in demand for pipeline services between the service provider and users.

Partial redundancy

(4) A service provider may propose, or the AER may require, that an amount be removed from the capital base to reflect partial redundancy.

(5) The AER must only require the removal of an amount from the capital base under subrule (4) if the AER considers that a reduction of the capital base:

(a) is necessary to respond to competition during the *access arrangement period* from alternative energy sources or another pipeline to which a hypothetical end user could readily switch; or

(b) otherwise replicates what would occur in a workably competitive market during the *access arrangement period*.

(6) The AER must, in requiring an amount to be removed from the capital base under subrule (4), determine that amount having regard to:

(a) the service provider's reasonable needs for cash flow to meet debt financing costs (including in relation to any capital removed under subrule (4)) and non-capital costs relating to the provision of the reference services;

(b) the price of any competing energy sources or pipeline services to a hypothetical end user who can readily switch to such a competing energy source or pipeline service, including the costs of switching to such a competing energy source or pipeline service; and

(c) the national gas objective and the revenue and pricing principles.

Removal of amounts for full or partial redundancy

(7) Before requiring the removal of an amount from the capital base under subrule (1), the AER must take into account the uncertainty such a removal would cause and the effect the uncertainty would have on the service provider, users and prospective users.

(8) Before requiring the removal of an amount from the capital base under subrule (4), the AER must take into account:

(a) the uncertainty such a removal would cause and the effect the uncertainty would have on the service provider, users and prospective users; and

(b) the potential transitory nature of the partial redundancy.

(9) If the AER requires the removal of an amount from the capital base under subrule (1) or subrule (4) the AER must set out the reasons for its *decision* and explain how its *decision*:

(a) is consistent with the national gas objective; and

(b) has taken into account the revenue and pricing principles.

~~86 Re-use of redundant assets~~

~~(1) Subject to the new capital expenditure criteria, if, after the reduction of the capital base by the value of assets identified as redundant, the assets later contribute to the delivery of pipeline services, the assets may be treated as new capital expenditure of an amount calculated by taking their value as at the time of their removal from the capital base and increasing it annually at the rate of return implicit in the reference tariff.~~

~~(2) To the extent the new capital expenditure criteria allow, the amount arrived at under subrule (1) will be returned to the capital base in accordance with those criteria.~~

86 Return of redundant capital

Definition

(1) In this rule, **removal period** means the period between the date the capital base is reduced under rule 85 until the date an amount is returned to the capital base under this rule.

Return of fully redundant capital

(2) Subject to the new capital expenditure criteria, if, after a reduction of the capital base under rule 85(1), the relevant asset later contributes to the delivery of pipeline services, the asset may be treated as new capital expenditure of an amount calculated by taking its value as at the time of removal from the capital base and increasing it annually until the date the amount is to be returned to the capital base under subrule (3) at the applicable *allowed rate of return* for each regulatory year in the removal period.

(3) To the extent the new capital expenditure criteria allow, the amount arrived at under subrule (2) will be returned to the capital base in accordance with those criteria.

Return of partially redundant capital

(4) If, after a reduction of the capital base under rule 85(4), there is a reasonable opportunity to recover some (or all) of the costs of the relevant capital, the service provider may propose, or the AER may require, that an amount be returned to the capital base.

(5) The amount to be returned to the capital base under subrule (4) must:

(a) be determined having regard to:

(i) the service provider's reasonable needs for cash flow to meet debt financing costs (including in relation to any capital removed under rule 85(4)) and non-capital costs relating to the provision of the reference services;

(ii) the price of any competing energy sources or pipeline services to a hypothetical end user who can readily switch to such a competing energy source or pipeline service, including the costs of switching to such a competing energy source or pipeline service; and

(iii) the national gas objective and the revenue and pricing principles.

(b) not exceed the amount by which the capital base was reduced under rule 85(4), increased annually until the date the amount is to be returned to the capital base under subrule (4) at the applicable *allowed rate of return* for each regulatory year in the removal period.

~~89 Depreciation criteria~~

~~(1) The depreciation schedule should be designed:~~

~~(a) so that reference tariffs will vary, over time, in a way that promotes efficient growth in the market for reference services; and~~

~~(b) so that each asset or group of assets is depreciated over the economic life of that asset or group of assets; and~~

~~(c) so as to allow, as far as reasonably practicable, for adjustment reflecting changes in the expected economic life of a particular asset, or a particular group of assets; and~~

~~(d) so that (subject to the rules about capital redundancy), an asset is depreciated only once (ie that the amount by which the asset is depreciated over its economic life does not exceed the value of the asset at the time of its inclusion in the capital base (adjusted, if the accounting method approved by the AER permits, for inflation)); and~~

~~(e) so as to allow for the service provider's reasonable needs for cash flow to meet financing, non-capital and other costs.~~

~~(2) Compliance with subrule (1)(a) may involve deferral of a substantial proportion of the depreciation, particularly where:~~

~~(a) the present market for pipeline services is relatively immature; and~~

~~(b) the reference tariffs have been calculated on the assumption of significant market growth; and~~

~~(c) the pipeline has been designed and constructed so as to accommodate future growth in demand.~~

89 Approach to treatment of depreciation

Depreciation criteria

(1) The depreciation schedule must be designed:

(a) so that the depreciation profile promotes economic efficiency with respect to reference services the service provider provides, including:

(i) efficient investment in, or in connection with, a pipeline with which reference services are provided;

(ii) the efficient provision of pipeline services; and

(iii) the efficient use of the pipeline; and

(b) so that each asset or group of assets is depreciated over the economic life of that asset or group of assets; and

(c) so as to allow for adjustment reflecting changes in the expected economic life of a particular asset, or a particular group of assets; and

(d) so that (subject to rule 85), an asset is depreciated only once (i.e. that the amount by which the asset is depreciated over its economic life does not exceed the value of the asset at the time of its inclusion in the capital base (adjusted for inflation, if required given the approach to treatment of inflation approved by the AER under rule 73)); and

(e) having regard to the service provider's reasonable needs for cash flow to meet financing, non-capital and other costs.

Service provider to propose approach

(2) A service provider's *access arrangement information* must:

(a) state the service provider's proposed approach to recovering depreciation; and

(b) include an explanation of how:

(i) the service provider's proposed approach to recovering depreciation reflects the depreciation criteria in subrule (1) and is consistent with the national gas objective; and

(ii) the revenue and pricing principles have been applied in respect of that proposed approach.

Approval of approach

(3) The AER must approve the service provider's proposed approach to recovering depreciation unless the AER determines that an alternative approach that reflects the depreciation criteria in subrule (1) would better contribute to the achievement of the national gas objective.

(4) In making a *decision* under subrule (3), the AER must have regard to the following in relation to the depreciation criterion in subrule (1)(a):

(a) deferral of depreciation may be appropriate where:

(i) the present market for pipeline services is relatively immature; and

(ii) the reference tariffs have been calculated on the assumption of significant market growth; and

(iii) the pipeline has been designed and constructed so as to accommodate future growth in demand; or

(b) acceleration of depreciation may be appropriate where the use of an asset or group of assets is expected to decline over the remaining economic life of that asset or group of assets; or

(c) straight-line depreciation may be appropriate where the use of an asset or group of assets is expected to remain relatively constant over the remaining economic life of that asset or group of assets.

(5) If the AER determines that an alternative approach to recovering depreciation would better contribute to the achievement of the national gas objective, the AER must provide reasons for its *decision*, including an explanation of how:

(a) its alternative approach reflects the depreciation criteria in subrule (1) and better contributes to the achievement of the national gas objective; and:

(b) it has taken the revenue and pricing principles into account.

93 Allocation of total revenue and costs

(1) Total revenue is to be allocated between reference and other services in the ratio in which costs are allocated between reference and other services.

(2) Costs are to be allocated between reference and other services as follows:

(a) costs directly attributable to reference services are to be allocated to those services; and

(b) costs directly attributable to pipeline services that are not reference services are to be allocated to those services; and

(c) other costs are to be allocated between reference and other services on a basis (~~which must be consistent with~~having regard to the revenue and pricing principles) determined or approved by the AER.

(3) The AER may, however, permit the allocation of the costs of rebateable services, in whole or part, to reference services if:

(a) the AER is satisfied that the service provider will apply an appropriate portion of the revenue generated from the sale of rebateable services to reduce the reference tariff in accordance with rule 97; and

(b) any other conditions determined by the AER are satisfied.

(4) A pipeline service is a **rebateable service** if:

(a) the service is not a reference service; and

(b) substantial uncertainty exists concerning the extent of the demand for the service or of the revenue to be generated from the service.

94 Tariffs – distribution pipelines

(1) For the purpose of determining reference tariffs, customers for reference services provided by means of a distribution pipeline must be divided into tariff classes.

(2) A tariff class must be constituted with regard to:

(a) the need to group customers for reference services together on an economically efficient basis; and

(b) the need to avoid unnecessary transaction costs.

~~(3) For each tariff class, the revenue expected to be recovered should lie on or between:~~

~~(a) an upper bound representing the stand alone cost of providing the reference service to customers who belong to that class; and~~

~~(b) a lower bound representing the avoidable cost of not providing the reference service to those customers.~~

~~(4) A tariff, and if it consists of 2 or more charging parameters, each charging parameter for a tariff class:~~

~~(a) must take into account the long run marginal cost for the reference service or, in the case of a charging parameter, for the *element* of the service to which the charging parameter relates;~~

~~(b) must be determined having regard to:~~

~~(i) transaction costs associated with the tariff or each charging parameter; and~~

~~(ii) whether customers belonging to the relevant tariff class are able or likely to respond to price signals.~~

(3) Subject to subrule (3A), for each tariff class, the revenue expected to be recovered must lie on or between:

(a) an upper bound representing the lower of:

(i) the stand alone cost of providing the reference service to customers who belong to that class; and

(ii) the equivalent price of the reference service necessary to keep the retail price of gas competitive with alternative sources of energy for a hypothetical end user who can readily switch to such alternatives, taking into account the cost of switching to those alternative sources; and

(b) a lower bound representing the avoidable cost of not providing the reference service to those customers.

(3A) The revenue expected to be recovered for a tariff class may exceed the upper bound referred to in subrule (3)(a) or be less than the lower bound referred to in subrule (3)(b) if:

(a) the service provider proposes the recovery of a greater or lesser amount (as applicable);

(b) the service provider explains why the recovery of that greater or lesser amount would contribute to the achievement of the national gas objective; and

(c) the AER approves the recovery of that greater or lesser amount having regard to the national gas objective.

(4) A tariff, and if it consists of 2 or more charging parameters, each charging parameter for a tariff class must be determined having regard to:

(a) the efficient use of the reference service or, in the case of a charging parameter, the efficient use of the element of the service to which the charging parameter relates;

(b) transaction costs associated with the tariff or each charging parameter; and

(c) whether customers belonging to the relevant tariff class are able or likely to respond to price signals.

(5) If, however, as a result of the operation of subrule (4), the service provider may not recover the expected revenue, the tariffs must be adjusted to ensure recovery of expected revenue with minimum distortion to efficient patterns of consumption.

95 Tariffs – transmission pipelines

(1) A tariff for a reference service provided by means of a transmission pipeline must be designed:

(a) to generate from the provision of each reference service the portion of total revenue referable to that reference service; and

(b) as far as is practicable consistently with paragraph (a), to generate from the user, or the class of users, to which the reference service is provided, the portion of total revenue referable to providing the reference service to the particular user or class of users.

(2) The portion of total revenue referable to a particular reference service is determined as follows:

(a) costs directly attributable to each reference service are to be allocated to that service; and

(b) other costs attributable to reference services are to be allocated between them on a basis (~~which must be consistent with~~having regard to the revenue and pricing principles) determined or approved by the AER.

(3) The portion of total revenue referable to providing a reference service to a particular user or class of users is determined as follows:

(a) costs directly attributable to supplying the user or class of users are to be allocated to the relevant user or class; and

(b) other costs are to be allocated between the user or class of users and other users or classes of users on a basis (~~which must be consistent with~~having regard to the revenue and pricing principles) determined or approved by the AER.

98 Incentive mechanism

(1) A full access arrangement may include (and the AER may require it to include) one or more incentive mechanisms ~~to encourage efficiency in the provision of services by the service provider~~to encourage the provision of services in a manner that contributes to the achievement of the national gas objective.

(2) An incentive mechanism may provide for carrying over increments for efficiency gains and decrements for losses of efficiency from one *access arrangement period* to the next.

~~(3) An incentive mechanism must be consistent with the revenue and pricing principles.~~

(3) A service provider must, in proposing an incentive mechanism, explain how the revenue and pricing principles have been applied in respect of that incentive mechanism.

(4) The AER must, in:

(a) requiring an incentive mechanism; or

(b) determining whether to approve an incentive mechanism proposed by a service provider,

explain how the revenue and pricing principles have been taken into account.

Schedule 1 Transitional provisions

Part 22 2026 transitional provisions

Division 7 Transitional provisions consequent on the National Gas Amendment (Gas networks in transition) Rule 2026

142 Definitions

In this Division:

Amending Rule means the *National Gas Amendment (Gas networks in transition) Rule 2026.*

commencement date means 18 December 2026, being the date the Amending Rule commences.

current access arrangement means an access arrangement in effect on the commencement date in respect of the following pipelines:

(a) Mid-West and South-West Gas Distribution Systems;

(b) Goldfields Gas Pipeline;

(c) NSW Gas Network (otherwise known as Jemena Gas Network);

(d) Dampier to Bunbury Natural Gas Pipeline;

(e) Canberra Network (otherwise known as the ACT and Queanbeyan-Palerang Gas Distribution Network);

(f) SA Gas Distribution Network; and

(g) Amadeus Gas Pipeline,

each as registered on the pipeline register under Part 15 of these rules.

new rule 72(3) means rule 72(3) as in force on and from the commencement date.

new rule 73 means rule 73 as in force on and from the commencement date.

new rule 89 means rule 89 as in force on and from the commencement date.

new timeframes rules means rules 50, 59(3) and 62(7) as in force on and from the commencement date.

next access arrangement period means, in respect of an access arrangement, the *access arrangement period* that commences on the first revision commencement date for that access arrangement that occurs after the commencement date.

next access arrangement revision proposal means, in respect of an access arrangement, the first *access arrangement revision proposal* that is submitted by the service provider for that access arrangement after the commencement date.

old timeframes rules means rules 50, 59(3), 62(7) and 62(8) as in force immediately before the commencement date.

transitional access arrangement means an access arrangement that is the subject of a transitional access arrangement proposal.

transitional access arrangement proposal means an *access arrangement proposal* that was submitted prior to the commencement date in respect of either of the following pipelines:

(a) Roma to Brisbane Pipeline; or

(b) Victorian Transmission System,

each as registered on the pipeline register under Part 15 of these rules.

Victorian gas distribution networks means:

(a) the AusNet Distribution Network;

(b) the Multinet Gas Distribution Network; and

(c) the Victorian Gas Network and Albury Gas Distribution Network,

each as registered on the pipeline register under Part 15 of these rules.

143 Application of Amending Rule to transitional access arrangement proposals and transitional access arrangements

(1) The amendments to the Rules made by the Amending Rule do not apply to:

(a) any transitional access arrangement proposal (including the AER's review of, and *decisions* in respect of, that transitional access arrangement proposal); or

(b) any transitional access arrangement during the next access arrangement period, except in respect of an *access arrangement revision proposal* submitted during the next access arrangement period.

(2) A service provider is not entitled to:

(a) seek a variation of a transitional access arrangement during the next access arrangement period to apply any part of the amendments to the Rules made by the Amending Rule; or

(b) propose a revision commencement date for the *access arrangement period* immediately following the next access arrangement period that is earlier than the revision commencement date set out in the transitional access arrangement.

(3) Despite subrule (1) and rule 50, the AER may fix a *review submission date* for a transitional access arrangement that is earlier than the *review submission date* proposed in the transitional access arrangement proposal to the extent necessary or desirable to reflect the new timeframes rules.

144 Application of Amending Rule to Victorian gas distribution networks

(1) Subject to subrules (2) and (3), the amendments to the Rules made by the Amending Rule apply to the next access arrangement revision proposal submitted in respect of each Victorian gas distribution network (including the AER's review of, and *decisions* in respect of, that next access arrangement revision proposal).

(2) In respect of the next access arrangement revision proposal for each Victorian gas distribution network:

(a) the new timeframes rules do not apply;

(b) the old timeframes rules apply.

(3) If a service provider for a Victorian gas distribution network proposes to use a nominal approach to the treatment of inflation under new rule 73 or an approach to recovering depreciation that includes acceleration of depreciation under new rule 89 in its next access arrangement revision proposal, then:

(a) new rule 72(3) does not apply;

(b) the service provider may provide *access arrangement information* for the next access arrangement revision proposal using its own financial model.

145 Application of Amending Rule to current access arrangements

(1) Subject to subrule (2), the amendments to the Rules made by the Amending Rule do not apply to any current access arrangement until the next access arrangement period.

(2) The amendments to the Rules made by the Amending Rule will apply to the next access arrangement revision proposal submitted in respect of a current access arrangement.

(3) A service provider is not entitled to:

(a) seek a variation of a current access arrangement during the current access arrangement period to apply any part of the amendments to the Rules made by the Amending Rule; or

(b) propose a revision commencement date for the next access arrangement period that is earlier than the revision commencement date set out in the current access arrangement.

(4) The AER must vary each current access arrangement to amend the *review submission date* to the extent necessary or desirable to reflect the new timeframes rules.

(5) The AER must make its variation *decision* under subrule (4) in respect of a current access arrangement at least 18 months before the *review submission date* set out in that access arrangement as at the commencement date.

(6) When the AER makes a variation *decision* under subrule (4), it must:

(a) give a copy of the *decision* to the service provider whose current access arrangement has been varied by the *decision*; and

(b) publish the *decision* on the AER's website.

146 Update, substitution or revocation of financial models

By no later than 12 months after the commencement date, the AER must amend, substitute or revoke each of its financial models published under rule 75A to take into account the Amending Rule.