



# REFERENCE SERVICE PROPOSAL

2025-29 ACCESS ARRANGEMENT

CONSULTATION DRAFT

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# EXECUTIVE SUMMARY

## ABOUT THIS DOCUMENT

ATCO Gas Australia (ATCO) is developing the plan for the Mid-West and South-West Gas Distribution Systems (MWSWGDS) for the Access Arrangement period 2025-2029 (AA6). Under the National Gas Rules (NGR), we are required to submit our Reference Service Proposal to the Economic Regulation Authority (ERA) on 1 September 2022.

This Reference Service Proposal is a consultation draft of our proposed pipeline services for the AA6 period and has been developed to enable further consultation with retailers and stakeholders ahead of ATCO's formal submission of the Reference Service Proposal to the ERA.

## PIPELINE SERVICES

*Reference* and *non-reference* services are together called *pipeline services* which are defined in the National Gas Law (NGL). The classification of a service as either a reference or a non-reference service is considered at the beginning of the access arrangement review having regard to the *reference service factors* outlined in the National Gas Rules (NGR) (see *Section 1.4*). The final classification of services will be approved by the ERA when it makes its 'Reference Service Proposal decision' (which it is required to make by 1 March 2023)<sup>1</sup>.

Reference services are pipeline services that form the basis of the prices and terms and conditions for the access arrangement period. Tariffs for reference services are approved by the ERA later in the access arrangement review process. ATCO groups reference services into two categories:

- **Haulage Reference Services** – for the transportation of gas for our residential, commercial, and industrial customers. Haulage reference services are used by all users of the MWSWGDS, and all gas delivered through our network is delivered under these services. These services cover the full range of activities involved in receiving, transporting, and delivering gas to our customers.
- **Ancillary Reference Services** – services that are commonly used by retailers in conjunction with providing a haulage service.

Non-Reference Services are services with low or infrequent demand and are typically negotiated on a case-by-case basis with our customers. In the current access arrangement period, Non-Reference Services make up approximately 2% of our total revenue. Tariffs and terms and conditions for these services are not determined by the ERA.

## PROPOSED SERVICES FOR AA6

- **Haulage Reference Services:** Our engagement with retailers and stakeholders as part of this process supports ATCO continuing to offer the current haulage reference services as reference services into AA6. We do not expect any changes to these services in AA6 and they continue to remain appropriate reference services based on the reference service factors.

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<sup>1</sup> The reference services specified in ATCO's access arrangement proposal must be consistent with the ERA's Reference Service Proposal decision unless there is a material change in circumstances.



- **Ancillary Reference Services:** Our engagement with retailers and stakeholders as part of this process found general support for our ancillary reference services to remain unchanged in AA6 with some minor change requests that we are considering (refer to *Section 2*). They remain appropriate reference services based on the reference service factors.
- **Non-Reference Services:** Our Non-Reference Services should not be specified as reference services having regard to the reference service factor requirements, primarily due to their low or variable demand, variation of allocatable costs, and higher substitutability.

## FEEDBACK & NEXT STEPS

We are seeking feedback from our stakeholders so that we can refine and finalise our Reference Service Proposal for submission to the ERA. You can provide feedback via the following options:

1. Through our website: [www.atco.com/rsp](http://www.atco.com/rsp)
2. Send us an email: [haveyoursay@atco.com](mailto:haveyoursay@atco.com)
3. Call us on: (08) 6163 5000
4. Post your feedback: Locked Bag 2, Bibra Lake DC, WA 6965.
5. Visit us virtually or in person: Please contact Hugh Smith, GM Regulation via email [hugh.smith@atco.com](mailto:hugh.smith@atco.com) to arrange an appointment.

So that we can finalise our Reference Service Proposal in time for 1 September 2022, we ask that you please provide your feedback by 8 July 2022.

## YOUR CONSENT

We may publish stakeholder feedback on our website and may include some submissions, or reference information contained in submissions, in the final Reference Service Proposal or access arrangement proposal that we submit to the ERA. Unless you expressly state otherwise in your submission, you consent to your feedback being used and published in this way.

Your consent will continue until you inform us that you want to withdraw it, and at that point, we will not publish your feedback in any further material (unless we are legally required to). If you have a preference on how you would like your feedback referenced, please let us know in your submission.

Please also let us know in your submission whether you wish us to treat all or any part of your feedback as confidential. Where a submission contains only some confidential or commercially sensitive information, you may consider providing a public version of the submission with a clear indication of where the confidential information is included.

The ERA provides guidance on how it treats confidentiality claims on its website ([www.erawa.com.au](http://www.erawa.com.au)). The information on the ERA website indicates that your submission (if and to the extent it is provided or referred to by us in the final Reference Service Proposal or access arrangement proposal) may still be disclosed under the terms of the Economic Regulation Act 2003 or the Freedom of Information Act 1992 (or any other applicable written law), despite being marked as confidential.

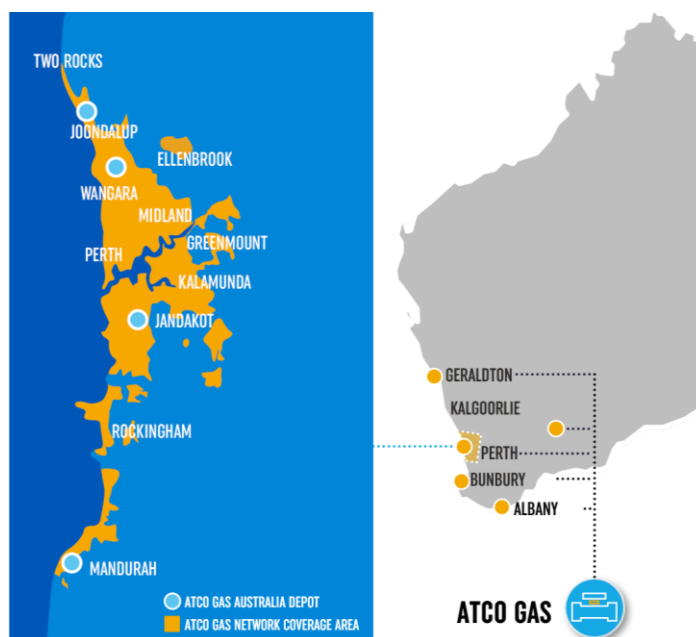
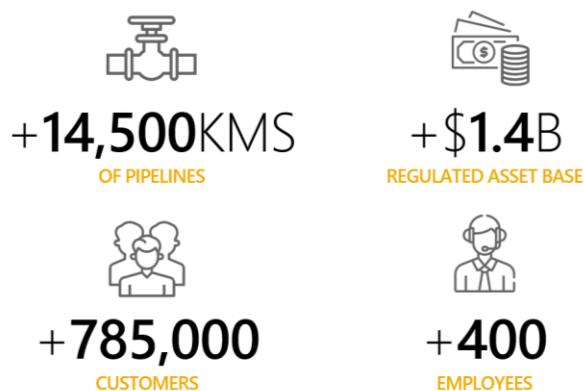
# 1. THE GAS NETWORK

ATCO Gas Australia (ATCO) owns and operates the largest gas infrastructure network in Western Australia; the Mid-West and South-West Gas Distribution Systems (MWSWGDS). Our core business is owning, operating, and maintaining gas distribution networks and providing a safe, reliable, and affordable gas delivery service to residential, commercial, and industrial customers.

Figure 1.1: The ATCO Gas Network

## ATCO OWN, OPERATE AND MAINTAIN

- Mid-West & South West Gas Distribution System  
(Focus of this Proposal)
- Kalgoorlie & Albany Gas Networks



Our network supplies approximately 785,000 customers through a network of pipes that are over 14,500 kilometres in length, supported by an ATCO workforce of over 400 personnel and an additional contracted workforce.

Our networks are located in Geraldton, Bunbury, Busselton, Harvey, Pinjarra, Brunswick Junction, Capel, and the Perth greater metropolitan area. More than 80% of the Perth metropolitan area is serviced by our underground network of pipelines.

Further information on our gas network can be found [here](#) or at [www.atco.com](http://www.atco.com).

The final Reference Service Proposal will not include our gas distribution networks in Albany and Kalgoorlie, as these networks do not require an access arrangement.

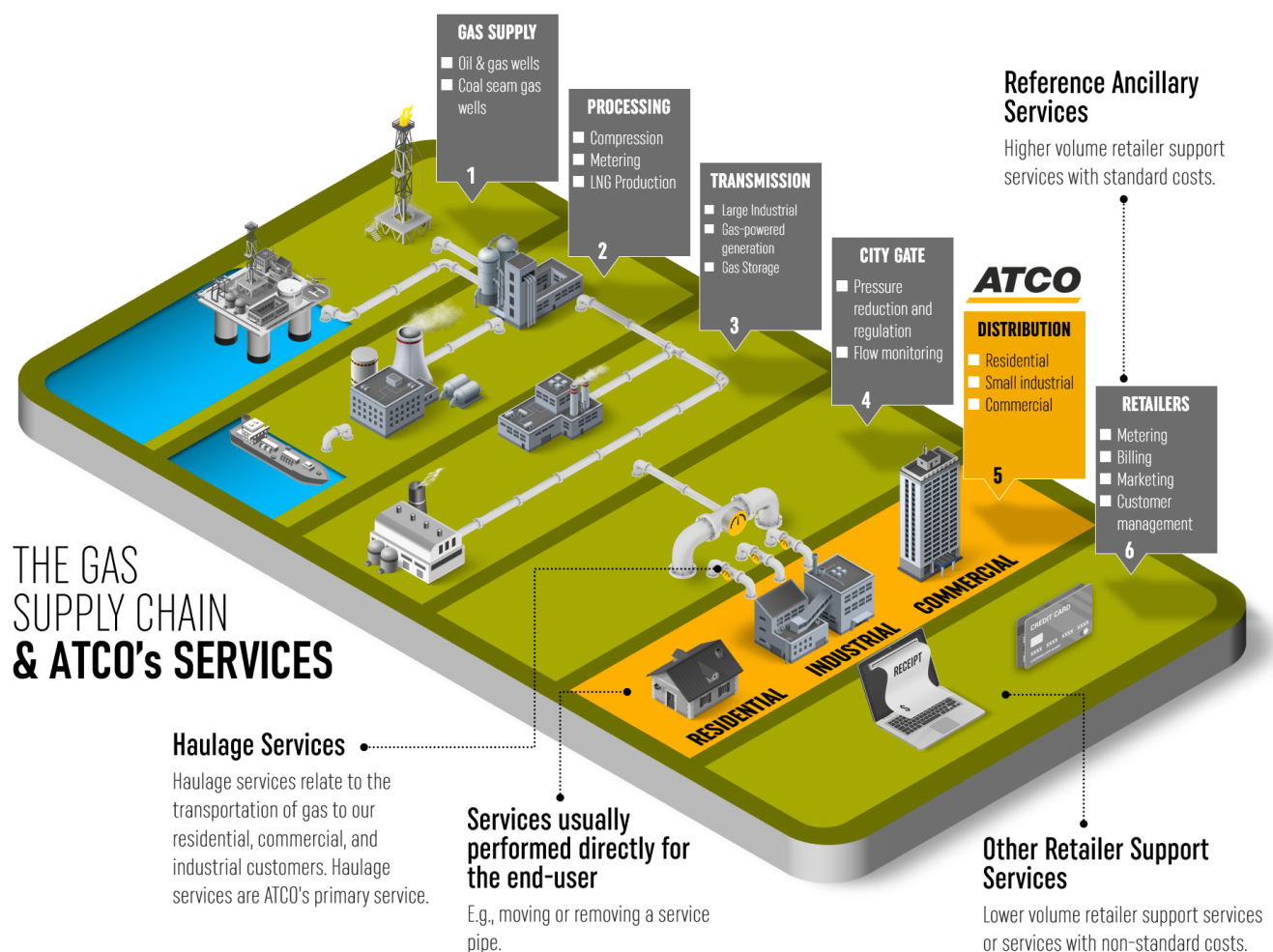
## 1.1 Our role in the supply chain

Our role in the supply chain is to distribute gas to consumers. Following production and processing, the gas is delivered to the mid-west and south-west of Western Australia through high-pressure transmission pipelines (such as the Dampier to Bunbury Pipeline and the Parmelia Pipeline).

The gas is then delivered to homes and businesses through our gas distribution network. ATCO owns, operates, and maintains the distribution pipelines up to the meter box of the customer and ATCO owns and maintains the meter in the meter box and conducts the meter readings at each property.

Retailers organise gas contracts from producers and on-sell gas to consumers. Retailers are also responsible for managing the customers' accounts and are the primary customer contact point.

**Figure 1.2: ATCO's role in the gas supply chain and our services<sup>2</sup>**



## 1.2 Our role in the energy transition

ATCO operates in a dynamic environment and the services detailed in this Reference Service Proposal need to be considered in the context of how things may change between now and 2030.

ATCO has been on a path of energy transition and decarbonisation for many years and is committed to continuing this work. A significant step in our sustainability journey was the January 2022 announcement of our commitment to net-zero emissions and Environmental Social and Governance (ESG) performance targets, several of which focus on the energy transition.<sup>3</sup>

Natural gas is widely recognised as one of the safest and most reliable sources of energy, and it has been used as a fuel in Australia for nearly 60 years. Natural gas features strongly in Western Australia's

<sup>2</sup> Adapted from an image at <https://aemo.com.au/learn/energy-explained/energy-101/industry-overview>

<sup>3</sup> Media release available here: <https://www.atco.com/en-ca/about-us/news/2022/122943-atco-announces-strategic-environmental-social-and-governance-tar.html>

current energy profile – it accounts for around half of the total energy consumption. Given our pledge to be a net-zero company by 2050, we expect the role of natural gas to evolve over time. ATCO Group's roadmap to net-zero emissions is shown in Figure 1.3 and our full sustainability report can be found [here](#)<sup>4</sup>.

**Figure 1.3:** ATCO Group's Roadmap to Net-Zero



## 1.3 ESG and the AA6 Period

In setting our 2030 ESG targets, we have recognised that we must thoughtfully transition our assets and invest in many new and different options, so that our operations and our customers can reduce their emissions in ways that work for their individual situations. We expect our strategy for AA6 to focus on initiatives such as cleaner fuels (hydrogen and renewable natural gas, or RNG), energy efficiency, and carbon offsets to achieve our 2030 targets.

To support the decarbonisation of the gas distribution network, the National Gas Law (NGL) and National Gas Rules (NGR) are currently being changed to extend the regulatory framework to hydrogen and renewable gases. This will enable our network to distribute cleaner fuels and continue to provide valuable energy services to the community.

We are not waiting to act. Later this year, we will commence blending hydrogen through our gas distribution network. This is an important step towards achieving the WA Government's Renewable Hydrogen Strategy goal of up to a 10% renewable hydrogen blend and we are grateful for the support that we are receiving across the WA Government to achieve this.

<sup>4</sup> <https://www.atco.com/en-au/our-commitment/environment.html>



## 1.4 Relevant regulatory framework

Under Rule 47A of the NGR, we are required to submit a Reference Service Proposal to the ERA no later than twelve months (being 1 September 2022) prior to the submission of our Access Arrangement revision proposal. In summary, the NGR requires that our Reference Service Proposal must include:

- identification of the MWSWGDS pipeline (*refer to Section 1*)
- a description of all the pipeline services that we can reasonably provide on the MWSWGDS (*refer to Sections 3 and 4 and Appendix A*)
- at least one of these pipeline services to be proposed as a 'reference service', having regard to the 'reference service factors' (*refer to Section 4 and Appendix A1*)
- any stakeholder feedback on the proposed reference services if a stakeholder engagement process has been conducted (*refer to Section 2*).

On receipt of our Reference Service Proposal in September 2022, the ERA will consider our proposed reference services against the reference service factors, and any ERA-led consultations with service users.

The reference service factors are detailed in NGR 47A(15) and in summary include:

- actual and forecast demand for the service and number of customers
- whether the service is substitutable for another reference service
- whether it is feasible to allocate costs to the service
- whether the service is useful in supporting access negotiations and dispute resolution for non-reference services
- the likely regulatory costs to customers, retailers, gas networks and the ERA of making the service a reference service.

## 2. STAKEHOLDER ENGAGEMENT

As a global infrastructure and energy solutions provider for 75 years, ATCO has built a strong reputation as a community-focussed business. Building respectful and mutually beneficial relationships with communities, with Indigenous Peoples, and with businesses has long defined how we do business. Together with these partners, we are continually exploring new ways to collaborate. We recognise that our long-term success depends on both our ability to understand our customers' requirements today, and to anticipate their needs and expectations tomorrow.

Meaningful and ongoing customer and stakeholder engagement is at the core of how we operate and will be an important input into our Reference Service Proposal development. This chapter explains our approach to stakeholder engagement and outlines how the process to date has affected our consultation draft.

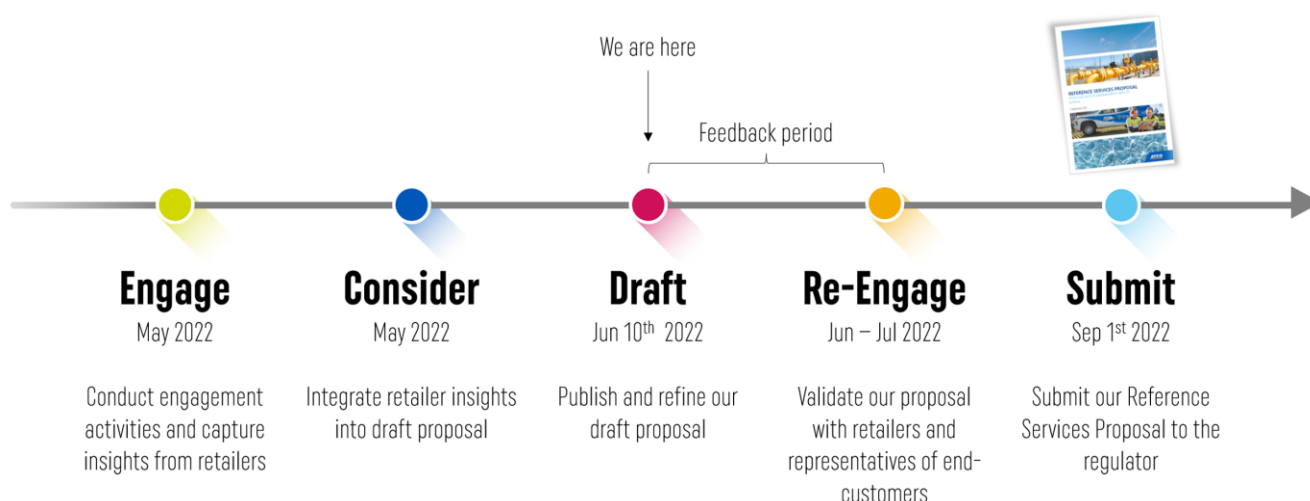
### 2.1 Our approach

Our Reference Service Proposal will consider our conversations with gas network stakeholders and the broader community. Our approach is to engage early and often and with an open mind. We listen first and will choose a path where the potential effects are managed, and our stakeholders feel their input has been addressed.

We have focussed the first phase of our engagement program on Western Australian gas retailers and end consumer representatives (e.g., through the Expert Consumer Panel (ECP)). Our approach is structured to ensure we obtain meaningful and valuable feedback as an input to our AA6 services. The approach includes an initial engagement (through workshops and '1:1' meetings), with an opportunity to obtain further feedback following this draft proposal.



**Figure 2.1:** ATCO's Reference Service Proposal Engagement Approach



The first phase of our engagement program provided an opportunity for our stakeholders to understand and discuss the services we offer and whether these services sufficiently met their needs.

The initial Retailer workshop was held in early May 2022, with more detailed follow-up 1:1 sessions. An additional ECP workshop was also held in May to obtain feedback from our end-users.

All feedback from the first phase of our engagement program has been collated, and we have provided our initial responses below. This consultation draft proposal will be sent to our stakeholders for further consideration, and discussions will continue during the Re-Engage stage of our program.

## 2.2 Feedback on our proposed services

We are fortunate to report that there was much support for our current reference and non-reference services from the retailer group. The workshops and meetings were well-attended, and we collated feedback on our services and a range of operational matters. We treat all feedback as valuable, and anything considered out of scope of the Reference Service Proposal process has been directed to relevant departments within the business. We will continue to address these discussions outside of the Reference Service Proposal process.

The feedback and responses below relate directly to ATCO's proposed reference services. Our preliminary responses to this feedback are provided for discussion in the next stage of our program, and we welcome further feedback and engagement on these topics to ensure we get them right for AA6.

**Table 2.1:** Retailer feedback and ATCO's preliminary response

TOPIC	FEEDBACK	ATCO'S PRELIMINARY RESPONSE
Zero consumption meters	Retailers proposed a zero-consumption tariff with no standing charge where there had been zero consumption for greater than 12 months.	ATCO is challenged in progressing this proposal because we incur maintenance and meter reading costs even for meters that have zero consumption for extended periods. We have structured our standing charge to be based on the costs associated with these activities. For example, it is necessary to read the meter to monitor for any unbilled gas, to ensure safety and maintain an emergency response capability.
Meter read frequency	A retailer asked if ATCO could read meters on a monthly basis to support more regular billing of the end customer for small business customers (B2 & B3) that are currently billed every three months.	We received a mixed response on meter reading frequency in the first phase of our engagement program. Some retailers have indicated that they can estimate monthly usage if there is a steady load, and that interval data may be more useful than monthly reads.  We welcome further feedback on the need for more frequent meter reads.

TOPIC	FEEDBACK	ATCO'S PRELIMINARY RESPONSE
Disconnection method in street	Consider installing cut-off valves in the street at the time of disconnection to avoid higher cost of future reconnection.	<p>For disconnections that have escalated to disconnect in the street, ATCO's concern is that the affected customers can still interfere with the cut-off valves in the street and create a safety issue.</p> <p>ATCO's aim for the TAC isolation device is to reduce the number of escalations to disconnection in the street.</p> <p>The first phase of our engagement program has highlighted that retailers would value ATCO considering requests for the installation of a valve on a case-by-case basis given the low volumes expected.</p>
Seasonal tariffs	Introduce a seasonality or demand-based tariff to align with demand profiles more closely – similar to some East Coast network service providers (NSP).	<p>We understand that other gas networks, such as Multinet, are moving away from seasonal tariffs (due to their complexity) in order to lower transaction costs and to send clearer pricing signals to end customers.<sup>5</sup></p> <p>We note that ATCO's A1 service for large industrial customers currently has a demand-based tariff. For commercial or residential customers, there may be some practical limitations with time-of-use or seasonal tariffs given the existing metering stock and meter read frequency.</p> <p>We welcome further feedback on time-of-use or seasonal tariffs and whether ATCO should make additional investment in smart metering facilities to support these tariff structures.</p>
Trailer Air Coupling (TAC) isolation devices	Consider introducing TAC isolation devices as a reference service.	<p>Demand for TAC isolation devices is still uncertain, as current numbers are relatively low and inconsistent. As a result, TAC devices are not proposed as a reference service for AA6 at this time.</p> <p>ATCO welcomes feedback on future demand to allow us to understand if there is sufficient and consistent TAC demand expected.</p>
Meter reading	Could ATCO provide a 'customer self meter read' option.	<p>ATCO is currently investigating a customer self meter read mobile application and the appropriate systems to ensure the integrity of the read. We expect to implement this change within the AA5 period.</p> <p>We do not consider that this needs any changes to our Reference Service Proposal.</p>

<sup>5</sup> Multinet. *Five year plan for our Victorian distribution network, Draft Plan*. January 2022, p131



TOPIC	FEEDBACK	ATCO'S PRELIMINARY RESPONSE
Remove service pipe and make safe (previously 'Demolitions')	Consider removing charges associated with disconnecting the service for demolitions. In other jurisdictions there are incidences where demolition has gone ahead without the meter or service pipe being properly removed causing safety issues.	<p>ATCO has experienced very few illegal demolitions (removal or capping service pipe). Our experience is at most one or two per year.</p> <p>Given the small number of incidents, we are not proposing to incorporate this feedback into our Reference Service Proposal.</p>

### FURTHER CONSIDERATIONS FOR OUR STAKEHOLDERS

We also welcome feedback on the following questions to ensure we get our pipeline services right for AA6:

1. Are any changes needed to ATCO services to enable the distribution of cleaner fuels (e.g., hydrogen and renewable natural gas, or RNG)?
2. Should ATCO develop haulage services that fully offset the carbon emissions associated with the combustion of the natural gas delivered to the end customer? If so, do you have a preference for how ATCO structures the service and its eligibility criteria?
3. Is there demand for consumption data to be available immediately for end users? If so what type of customers need this information?
4. Are there any additional pipeline services that ATCO can provide?
5. Do you require further information regarding ATCO's preliminary responses?

### 3. CURRENT SERVICES

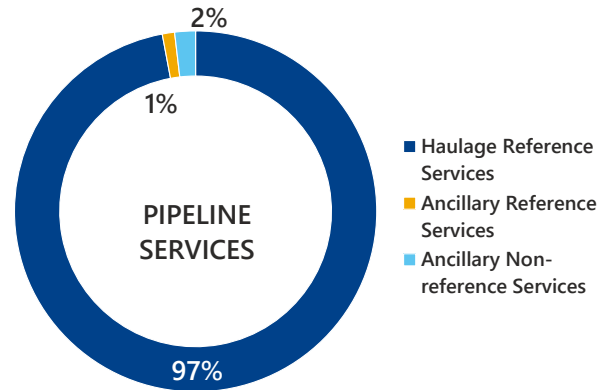
Reference and non-reference services are together called *pipeline services* which are defined in the National Gas Law (NGL). Reference services are pipeline services that **form the basis of the prices and terms and conditions for the access arrangement period**. In the current AA5 period, reference services make up around 98% of our revenue on the MWSWGDS, see Figure 3.1.

**Reference services** fall into two categories:

- Haulage reference services – for the transportation of gas for our residential, commercial, and industrial demand customers
- Ancillary reference services – are commonly used services ancillary to providing a haulage service.

**Non-reference services** are services that typically have low or infrequent demand from our customers. Non-reference services can be negotiated on a case-by-case basis with customers.

**Figure 3.1:** Pipeline Services Revenue



**Figure 3.2:** Services provided by ATCO



## 3.1 Current Reference Services in AA5

Table 3.1: Haulage Reference Services

HAULAGE REFERENCE SERVICE	DESCRIPTION
A1	Major industrial customers using <b>&gt;35 TJ of gas</b> per year, at high or medium pressures
A2	Large customers using <b>between 10 and 35 TJ of gas</b> per year, at high or medium pressures
B1	Medium sized customers using <b>&lt;10 TJ of gas</b> per year, at high or medium pressures
B2	Small-use customers with a <b>standard meter with capacity from 12m<sup>3</sup>/h to less than 18m<sup>3</sup>/h</b> , typically commercial or large residential, supplied at medium or low pressures
B3	Small-use customers with a <b>standard meter capacity less than 12m<sup>3</sup>/h</b> , typically residential or small business customers, supplied at medium or low pressures

Table 3.2: Ancillary Reference Services

REFERENCE SERVICE	DESCRIPTION
Disconnections	<ul style="list-style-type: none"> <li>Applying a meter lock</li> <li>Remove regulator (formerly called 'Disconnection')</li> </ul>
Reconnections	<ul style="list-style-type: none"> <li>Removing a meter lock</li> <li>Re-install regulator (formerly called 'Reconnection')</li> </ul>
Deregistration	<ul style="list-style-type: none"> <li>Deregistering a delivery point including removing the meter</li> </ul>
Special read	<ul style="list-style-type: none"> <li>Request to perform a special read on a basic meter.</li> </ul>

## 3.2 Current Non-reference Services in AA5

Table 3.3: Ancillary non-reference services

NON -REFERENCE SERVICE	DESCRIPTION
Disconnections	<ul style="list-style-type: none"> <li>Applying a Trailer Air Coupling (TAC) isolation device</li> <li>Disconnect service in street</li> </ul>

NON -REFERENCE SERVICE	DESCRIPTION
Reconnections	<ul style="list-style-type: none"> <li>• Removing a TAC isolation device</li> <li>• Removing a TAC isolation device same day business hours</li> <li>• Remove meter lock same day business hours</li> <li>• Remove meter lock after hours</li> <li>• Reconnect service in street</li> <li>• Priority re-install regulator - business hours only</li> </ul>
Service removal	<ul style="list-style-type: none"> <li>• Remove service pipe and make safe (formerly called 'Demolition')</li> </ul>
Meter reading services	<ul style="list-style-type: none"> <li>• Special read at appointed time</li> </ul>
Other meter services	<ul style="list-style-type: none"> <li>• Meter retake and test</li> <li>• Remove meter set (non-standard meter or meter <math>\geq 18\text{m}^3/\text{hr}</math>)</li> <li>• Additional metering information - install telemetry or pulse head</li> </ul>
Alter delivery facilities	<ul style="list-style-type: none"> <li>• Alter meter position and/or a gas service pipe</li> <li>• Alter the position of a gas service pipe only</li> <li>• Upgrade meter-pressure <math>\leq 2.75\text{Kpa}</math></li> <li>• Upgrade meter-pressure <math>&gt; 2.75\text{Kpa}</math></li> <li>• Upgrade meter up to M18AL</li> <li>• Upgrade to non-standard meter</li> <li>• Emergency change over</li> <li>• Mains extension - single</li> </ul>
Other services that the Service Provider agrees to provide	Any other service requested by a retailer or customer that may arise during AA6



## 4. PROPOSED SERVICES SUMMARY

This consultation draft Reference Service Proposal has been prepared to ensure our proposed services for the next AA6 period meet the requirements of the National Gas Rules, and appropriately address the needs of retailers and end customers. We have considered the feedback provided by retailers as outlined in *Section 2*.

We have provided our full list of proposed pipeline services for AA6 in Appendix A, which ATCO considers are all the pipeline services that can reasonably be provided on the MWSWGDS, including our assessment against the reference service factors.

We welcome feedback on our assessment and categorisation of the proposed pipeline services for AA6.

### 4.1 Proposed Haulage Reference Services for AA6

We will continue to offer haulage services as a reference service in the next access arrangement. Haulage reference services are used by all users of the MWSWGDS, and all gas delivered through our network is delivered under these services. These services cover the full range of activities involved in receiving, transporting, and delivering gas to our customers.

Haulage reference services will be unchanged in the next access arrangement period. They remain appropriate reference services based on the reference services factors:

**Table 4.1:** Haulage Services – Reference Service Factors

REFERENCE SERVICE FACTORS	RELEVANT ISSUES
Actual and forecast demand for the service and number of customers.	Haulage services have the highest demand and generate most of our revenue.
Whether the service is substitutable for another reference service.	Haulage services are not substitutable by other services.
Whether it is feasible to allocate costs to the service.	Costs can be reasonably allocated to the haulage services.
Whether the service is useful in supporting access negotiations and dispute resolution for non-reference services.	This a largely irrelevant factor, as ATCO rarely receives requests for services not specified in the access arrangement. We believe however that our haulage services do provide a basis for negotiation.
The likely regulatory costs of making the service a reference service	Regulatory costs are minimised by retaining existing services.

## 4.2 Ancillary Reference Services

Ancillary reference services will be unchanged in the next access arrangement period. They remain appropriate reference services based on the reference services factors. Stakeholders were generally supportive of our ancillary reference services with some minor change requests that we are considering (refer to *Section 2*).

**Table 4.2:** Ancillary Services – Reference Service Factors

REFERENCE SERVICE FACTORS	RELEVANT ISSUES
Actual and forecast demand for the service and number of customers.	Ancillary reference services are those with the highest demand out of our full list of ancillary services and generate most of our ancillary service revenue.
Whether the service is substitutable for another reference service.	Some services may be substitutable by other higher cost services with lower volumes. However, we propose that the current services are the most appropriate due to the higher levels of demand.
Whether it is feasible to allocate costs to the service.	Costs can be reasonably allocated to the service.
Whether the service is useful in supporting access negotiations and dispute resolution for non-reference services.	This a largely irrelevant factor, as the services are standard within the market and there is little demand for variations other than those lower demand non-reference services.
The likely regulatory costs of making the service a reference service.	Regulatory costs are minimised by retaining existing services.

## 4.3 Proposed Non-Reference Services for AA6

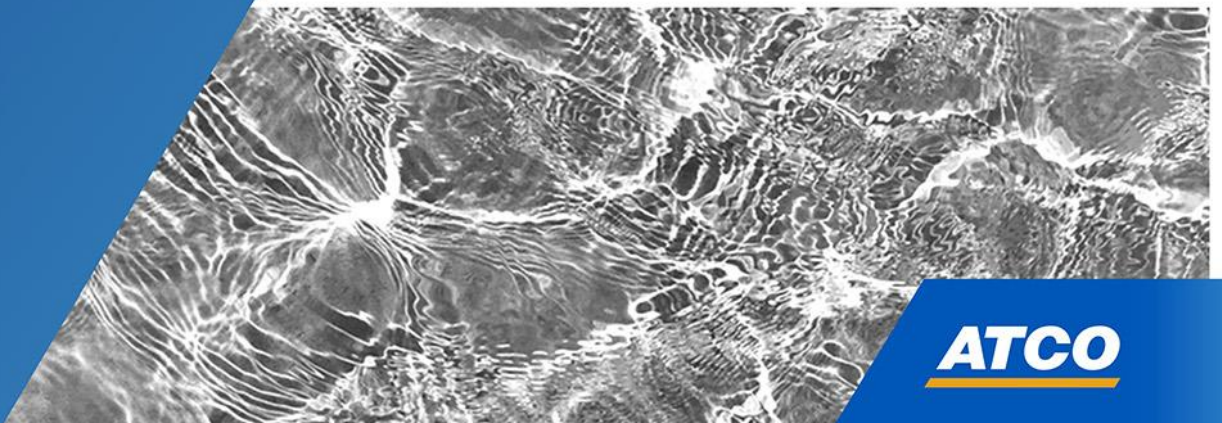
We consider that our proposed Non-Reference Services should not be specified as reference services having regard to the reference service factor requirements, primarily due to their low or variable demand, variation of allocatable costs, and higher substitutability:

- Several non-reference services have low and/or unpredictable demand, for example:
  - 'Meter retake and test' experiences low demand with only eleven incidences of this service in 2021
  - The 'Remove service pipe and make safe' service is sought approximately 2,000 times per year. The service is typically part of a demolition process of a premise and has low demand (compared to the demand for haulage reference services)
- Some non-reference services have highly variable costs depending on the specific customer requirements - Given the highly variable nature of these costs, a standard charging methodology risks allocating costs unfairly and is not consistent with the long-term interests of consumers. For example, Meter Alter Position will vary depending on the specific circumstances and the distance the meter is required to be shifted

- Some non-reference services are substitutable with regular services - For example, 'After hours priority restore' and 'Special meter read at an appointed time' are premium services and can be substituted by the ancillary reference services 'Reconnecting a delivery point' and 'Special meter read' respectively

# APPENDIX A

## DETAILED SERVICES LIST





# A1. PROPOSED REFERENCE SERVICES

## A1.1 Haulage Reference Services

Table A1.1: Haulage Reference services

REFERENCE SERVICE	DESCRIPTION	SERVICE USAGE (2021)		RELEVANT REFERENCE SERVICE FACTORS		AA6 SERVICE DRAFT PROPOSAL
A1	Major industrial customers using > 35 TJ of gas per year, at high or medium pressures	Customer numbers:	74	Sought by a significant part of the market:	Yes	Keep as Reference Service
		Demand pa (TJ):	12,342	Service is substitutable:	No	
		Revenue pa (\$M):	7.0	Feasible to allocate costs to the service:	Yes	
A2	Large customers using between 10 and 35 TJ of gas per year, at high or medium pressures	Customer numbers:	104	Sought by a significant part of the market:	Yes	Keep as Reference Service
		Demand pa (TJ):	1,829	Service is substitutable:	No	
		Revenue pa (\$M):	4.5	Feasible to allocate costs to the service:	Yes	
B1	Medium sized customers using < 10 TJ of gas per year, at high or medium pressures	Customer numbers:	1,877	Sought by a significant part of the market:	Yes	Keep as Reference Service
		Demand pa (TJ):	2,076	Service is substitutable:	No	
		Revenue pa (\$M):	9.4	Feasible to allocate costs to the service:	Yes	
B2	Small-use customers with a standard meter with capacity from 12 m <sup>3</sup> /h to less than 18 m <sup>3</sup> /h, typically commercial or large residential, supplied at medium or low pressures	Customer numbers:	12,229	Sought by a significant part of the market:	Yes	Keep as Reference Service
		Demand pa (TJ):	1,328	Service is substitutable:	No	
		Revenue pa (\$M):	9.0	Feasible to allocate costs to the service:	Yes	
B3	Small-use customers with a standard meter capacity less than 12 m <sup>3</sup> /h, typically residential or small business customers, supplied at medium or low pressures	Customer numbers:	751,397	Sought by a significant part of the market:	Yes	Keep as Reference Service
		Demand pa (TJ):	10,512	Service is substitutable:	No	
		Revenue pa (\$M):	132.6	Feasible to allocate costs to the service:	Yes	

## A1.2 Ancillary Reference Services

**Table A1.2:** Ancillary Reference Services

REFERENCE SERVICE	DESCRIPTION	INDICATIVE ANNUAL SERVICE USAGE <i>(from relevant period)</i> <sup>6</sup>		RELEVANT REFERENCE SERVICE FACTORS	AA6 SERVICE DRAFT PROPOSAL	
DISCONNECTIONS						
Applying a Meter Lock	Attaching a lock to the valve that comprises part of the standard delivery facilities to prevent gas from being delivered to the delivery point. This service is available at delivery points receiving the B2 or B3 haulage service subject to suitability of meter control valve to fit locking device.	Quantity pa: Revenue pa (\$M):	9,508 0.49	Sought by a significant part of the market: Service is substitutable: Feasible to allocate costs to the service:	Yes Yes Yes	Reference Service
Remove regulator	Physically disconnecting a delivery point to prevent gas from being delivered to the delivery point. This service is available at delivery points receiving the B2 or B3 haulage service.	Quantity pa: Revenue pa (\$M):	3,481 0.36	Sought by a significant part of the market: Service is substitutable: Feasible to allocate costs to the service:	Yes Yes Yes	Reference Service
RECONNECTIONS						
Removing a Meter Lock	Removing the lock that was applied to a valve comprising part of the standard delivery facilities to prevent gas from being delivered to the delivery point. This service is available at delivery points receiving the B2 or B3 haulage service.	Quantity pa: Revenue pa (\$M):	7,886 0.22	Sought by a significant part of the market: Service is not substitutable: Feasible to allocate costs to the service:	Yes No Yes	Reference Service
Re-install regulator	Reconnecting a delivery point to allow gas to be delivered to the delivery point. This service is available at delivery points receiving the B2 or B3 haulage service.	Quantity pa: Revenue pa (\$M):	3,063 0.45	Sought by a significant part of the market: Service is substitutable: Feasible to allocate costs to the service:	Yes No Yes	Reference Service

<sup>6</sup> Quantities and Revenue have been taken from the periods that most reflect expected annual demand, to normalise the effect from the atypical COVID-19 demand fluctuations.

REFERENCE SERVICE	DESCRIPTION	INDICATIVE ANNUAL SERVICE USAGE <i>(from relevant period)</i> <sup>6</sup>		RELEVANT REFERENCE SERVICE FACTORS		AA6 SERVICE DRAFT PROPOSAL	
OTHER							
Deregistering a delivery point including removing the meter	A delivery point is permanently deregistered by removing the meter (for delivery points receiving the B2 or B3 haulage service if ATCO considers necessary), removing the delivery point (as per the Retail Market Procedures), and removing the delivery point from the Delivery Point Register. For delivery points receiving the A1, A2 or B1 haulage service the removal of the meter set is subject to a separate quote (refer to the Remove meter set service below).	Quantity pa: Revenue pa (\$M):	2,135 0.27	Sought by a significant part of the market: Service is substitutable: Feasible to allocate costs to the service:	Yes No Yes	Reference Service	
Special read	Request to perform a special read on a basic meter. This service is available at delivery points receiving the B1, B2 or B3 haulage service.	Quantity pa: Revenue pa (\$M):	105,066 1.41	Sought by a significant part of the market: Service is substitutable: Feasible to allocate costs to the service:	Yes No Yes		Reference Service

## A2. PROPOSED NON-REFERENCE SERVICES

### A2.1 Non-reference Services

**Table A2.1:** Ancillary non-reference services

NON-REFERENCE SERVICE	DESCRIPTION	INDICATIVE ANNUAL SERVICE USAGE <i>(from relevant period)</i> <sup>7</sup>		RELEVANT REFERENCE SERVICE FACTORS		AA6 SERVICE DRAFT PROPOSAL
DISCONNECTIONS						
Applying a TAC Isolation Device	Attaching an isolation device to the valve that comprises part of the standard delivery facilities to prevent gas from being delivered to the delivery point. This service is available at delivery points receiving the B3 haulage service subject to suitability of meter control valve to fit isolation device.	Quantity pa: Revenue pa (\$M):	100 0.03	Sought by a significant part of the market: Service is substitutable: Feasible to allocate costs to the service:	No Yes Yes	Non-reference service due to low demand and substitutability with a reference service
Disconnect Service in Street	Used to initiate a disconnection of supply when access to the meter is not possible, or endangers the safety of the field personnel, and disconnection of supply can only be effected by disconnecting the service pipe in the street (or closing isolation valve).	Quantity pa: Revenue pa (\$M):	136 0.13	Sought by a significant part of the market: Service is substitutable: Feasible to allocate costs to the service:	No No Yes	Non-reference service due to low demand
RECONNECTIONS						
Removing a TAC Isolation Device	Removing the isolation device that was applied to a valve comprising part of the standard delivery facilities to prevent gas from being delivered to the delivery point. This service is available at delivery points receiving the B3 haulage service.	Quantity pa: Revenue pa (\$M):	100 0.02	Sought by a significant part of the market: Service is substitutable: Feasible to allocate costs to the service:	No No Yes	Non-reference service due to low demand

<sup>7</sup> Quantities and Revenue have been taken from the periods that most reflect expected demand, to normalise the effect from the atypical COVID-19 demand fluctuations.



NON-REFERENCE SERVICE	DESCRIPTION	INDICATIVE ANNUAL SERVICE USAGE <i>(from relevant period)</i> <sup>7</sup>		RELEVANT REFERENCE SERVICE FACTORS		AA6 SERVICE DRAFT PROPOSAL
Remove meter lock same day business hours	Reconnecting a delivery point to allow gas to be delivered at the delivery point outside of normal business hours by removing meter lock. This service is available at delivery points receiving the B2 or B3 haulage service.	Quantity pa:	440	Sought by a significant part of the market:	No	Non-reference service due to low demand and substitutability with a reference service
		Revenue pa (\$M):	0.00	Service is substitutable:	Yes	
				Feasible to allocate costs to the service:	Yes	
Remove meter lock same day after hours	Removing the lock that was applied to a valve comprising part of the standard delivery facilities to prevent gas from being delivered to the delivery point as a priority. This service is available at delivery points receiving the B2 or B3 haulage service.	Quantity pa:	22	Sought by a significant part of the market:	No	Non-reference service due to low demand and substitutability with a reference service
		Revenue pa (\$M):	0.00	Service is substitutable:	Yes	
				Feasible to allocate costs to the service:	Yes	
Reconnect service in street	Used to request reconnection of gas supply, previously disconnected in the street.	Quantity pa:	141	Sought by a significant part of the market:	No	Non-reference service due to low demand
		Revenue pa (\$M):	0.13	Service is substitutable:	No	
				Feasible to allocate costs to the service:	Yes	
Priority re-install regulator – business hours only	Reconnecting a delivery point to allow gas to be delivered to the delivery point as a priority. This service is available at delivery points receiving the B2 or B3 haulage service.	Quantity pa:	220	Sought by a significant part of the market:	No	Non-reference service due to low demand and substitutability with a reference service
		Revenue pa (\$M):	0.06	Service is substitutable:	Yes	
				Feasible to allocate costs to the service:	Yes	
Priority remove TAC Isolation Device – business hours only	Removing the isolation device that was applied to a valve comprising part of the standard delivery facilities to prevent gas from being delivered to the delivery point as a priority. This service is available at delivery points receiving the B3 haulage service.	Quantity pa:	N/A	Sought by a significant part of the market:	No	Non-reference service due to expected low demand
		Revenue pa (\$M):	N/A	Service is substitutable:	No	
				Feasible to allocate costs to the service:	Yes	

NON-REFERENCE SERVICE	DESCRIPTION	INDICATIVE ANNUAL SERVICE USAGE <i>(from relevant period)</i> <sup>7</sup>		RELEVANT REFERENCE SERVICE FACTORS		AA6 SERVICE DRAFT PROPOSAL
SERVICE REMOVAL						
Remove service pipe and make safe (Previously Demolition)	Following the successful deregistration and meter removal, this service is for the removal of the service pipe. This service is available only at delivery points that previously received the B2 or B3 haulage service and have also sought the “Deregistering a delivery point including removing the meter” service.	Quantity pa: Revenue pa (\$M):	2,030 1.60	Sought by a significant part of the market: Service is substitutable: Feasible to allocate costs to the service:	No No Yes	Non-reference service due to low demand (compared to the demand for haulage reference services)
METER READING SERVICES						
Special read at appointed time	Request to perform a special read on a basic meter at a time agreed by AGA with the customer based on contact details and indicative appointment details provided by the User. This service is available at delivery points receiving the B1, B2 or B3 haulage service.	Quantity pa: Revenue pa (\$M):	2,610 0.21	Sought by a significant part of the market: Service is substitutable: Feasible to allocate costs to the service:	No Yes Yes	Non-reference service due to low demand (compared to the substitutable reference service)
OTHER METER SERVICES						
Meter Retake and Test	Used to initiate a meter test to see if falls within allowable limits.	Quantity pa: Revenue pa (\$M):	10 0.00	Sought by a significant part of the market: Service is substitutable: Feasible to allocate costs to the service:	No No Yes	Non-reference service due to low demand
Remove meter set and make safe	By quotation removal of non-standard meter or meter set >=18 m³/hr This service is available at delivery points receiving the A1, A2 or B1 haulage service.	Quantity pa: Revenue pa (\$M):	8 By quote	Sought by a significant part of the market: Service is substitutable: Feasible to allocate costs to the service:	No No Yes	Non-reference service due to low demand and high variability in costs to undertake work
Additional metering information - install telemetry or pulse head	Services for meter set including the installation of telemetry device and pulse application	Type of service and costs varies		Sought by a significant part of the market: Service is substitutable: Feasible to allocate costs to the service:	No No Yes	Non-reference service due to expected low demand and high variability of costs to undertake work

NON-REFERENCE SERVICE	DESCRIPTION	INDICATIVE ANNUAL SERVICE USAGE <i>(from relevant period)</i> <sup>7</sup>		RELEVANT REFERENCE SERVICE FACTORS	AA6 SERVICE DRAFT PROPOSAL	
ALTER DELIVERY SERVICES						
Alter meter position and/or gas service pipe	Alter the position of an existing meter and or gas service pipe on a property at the request of a customer	Quantity pa: Revenue pa (\$M):	490 0.31	Sought by a significant part of the market: Service is substitutable: Feasible to allocate costs to the service:	No No Yes	Non-reference service due to expected low demand and high variability of costs to undertake work
Upgrade meter pressure <=2.75Kpa	Regulator change over: <ul style="list-style-type: none"><li>Residential B3 - 1.25 kPa to 2.75 kPa</li><li>Commercial B2 - 1.25 kPa to 2.75 kPa</li></ul> This service is available at delivery points receiving the B2 or B3 haulage service.	Quantity pa: Revenue pa (\$M):	647 0.14	Sought by a significant part of the market: Service is substitutable: Feasible to allocate costs to the service:	No No Yes	Non-reference service due to expected low demand
Upgrade meter pressure > 2.75Kpa	Commercial B2 - 2.75 kPa to 5.00 kPa This service is available at delivery points receiving the B2 haulage service.	Quantity pa: Revenue pa (\$M):	1 0.00	Sought by a significant part of the market: Service is substitutable: Feasible to allocate costs to the service:	No No Yes	Non-reference service due to expected low demand and high variability of costs to undertake work
Upgrade meter up to M18AL	Upgrading of existing meter: <ul style="list-style-type: none"><li>Upgrading meter B3 to B2 to M12AL</li><li>Upgrading meter to M18AL for domestic use</li></ul>	Quantity pa: Revenue pa (\$M):	63 0.03	Sought by a significant part of the market: Service is substitutable: Feasible to allocate costs to the service:	No No Yes	Non-reference service due to expected low demand
Upgrade to non-standard meter	Replace existing meter with a new meter of higher capacity	Quantity pa: Revenue pa (\$M):	14 0.00	Sought by a significant part of the market: Service is substitutable: Feasible to allocate costs to the service:	No No Yes	Non-reference service due to expected low demand
Emergency change over	Used to initiate an urgent new line of main connection to facilitate a customer switching from an electric to a gas hot water system for residential customers. This service is available at delivery points receiving the B3 haulage service.	Quantity pa: Revenue pa (\$M):	40 0.00	Sought by a significant part of the market: Service is substitutable: Feasible to allocate costs to the service:	No No Yes	Non-reference service due to expected low demand

NON-REFERENCE SERVICE	DESCRIPTION	INDICATIVE ANNUAL SERVICE USAGE <i>(from relevant period)</i> <sup>7</sup>		RELEVANT REFERENCE SERVICE FACTORS		AA6 SERVICE DRAFT PROPOSAL
Mains extension - single	Mains extensions for a single customer	Quantity and revenue variable	10 0.1	Sought by a significant part of the market: Service is substitutable: Feasible to allocate costs to the service:	No No Yes	Non-reference service due to expected low demand and high variability of costs to undertake work
OTHER SERVICES THAT THE SERVICE PROVIDER AGREES TO PROVIDE						
Other which the Service Provider agrees to provide	Any other service requested by a retailer or customer that may arise during AA6	Dependent on services requested	N/A	Sought by a significant part of the market: Service is substitutable: Feasible to allocate costs to the service:	No No Yes	Non-reference service due to expected low demand and high variability of costs to undertake work