

Attachment 10: Network access

Access Arrangement Information

ACT and Queanbeyan-Palerang gas network 2026–31

Submission to the Australian Energy Regulator

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1. Introduction

Evoenergy proposes to revise the current 2021–26 access arrangement including the reference service agreement (RSA) for the period 2026–31. The access arrangement contains the details of the arrangements, reference services and tariffs that Evoenergy will offer users to access Evoenergy’s gas pipeline network. The RSA is contained within Schedule 6 of the access arrangement and sets out the contractual terms and conditions for the reference services offered to users.

This attachment sets out the key changes that Evoenergy proposes making to the current access arrangement and RSA for the period 2026–31 and provides the reasons for the changes.

Appendices to this attachment provide more information on the proposed changes:

- Appendix 10.1 provides the current 2021–26 access arrangement marked up to show the changes proposed for the access arrangement 2026–31,
- Appendix 10.2 provides the current RSA marked up to show the changes proposed for the access arrangement 2026–31,
- Appendix 10.3 provides an explanation of the changes to the current access arrangement 2021–26,
- Appendix 10.4 provides an explanation of the changes to the current RSA 2021–26, and
- Appendix 10.5 provides Evoenergy’s curtailment methodology.

1.1 Approach to proposed changes

The approach taken by Evoenergy to update the current 2021–26 access arrangement and RSA for the 2026–31 access arrangement period is to make necessary changes to:

- separate the single transportation reference service into two separate reference services (Transportation (including metering) Reference Service and Ancillary Activities Reference Service)
- establish the definitions, descriptions and service policies for both the Transportation (including metering) and Ancillary Activities Reference Services
- establish the tariffs and tariff variation mechanisms for both the Transportation (including metering) and Ancillary Activities Reference Services
- remove the Capital Expenditure Incentive Scheme (CESS) from 2026–31 access arrangement period
- reflect regulatory and operating arrangement changes, and
- simplify or clarify drafting.

Many of the changes proposed by Evoenergy are consistent with changes proposed by Jemena Gas Networks (JGN) in their 2025–30 access arrangement, and approved by the AER. However, some specific changes proposed reflect Evoenergy’s unique circumstances arising from the ACT’s transition to full electrification by 2045.

Where appropriate consistency between Evoenergy and JGN access and operational arrangements is advantageous for users as both networks are commonly operated and maintained.

Evoenergy has engaged with existing users about the changes proposed to both the access arrangement and RSA and users have generally been supportive of the changes proposed.

Evoenergy's proposed changes to the access arrangement and RSA reflect our priorities to ensure safety, reliability and efficiency of the gas network through the ACT's electrification transition, while equitably managing gas network costs for those who remain on the network.

2. Changes to the access arrangement

An access arrangement sets out the terms and conditions of access to pipeline services provided or to be provided by scheme (or regulated) pipelines.¹ The access arrangement covers the arrangements for the services policy, incentive mechanisms, capital expenditure, fixed principles, return on debt, tariffs and tariff variation mechanisms, extensions and expansions, capacity trading, changing receipt and delivery points, queuing and liability.

The proposed changes to the access arrangement can be categorised as:

- changes required to reflect the separation of Evoenergy's reference services
- changes to reflect Evoenergy's unique circumstances arising from the electrification of the ACT
- other changes to reflect the regulatory environment and Evoenergy's operating context, and
- changes to simplify and clarify the drafting.

An overview of the proposed changes is provided under these categories. More information on the proposed changes can be found in Appendix 10.3: Table of reasons for changes to access arrangement.

2.1 Changes to reflect the separation of reference services

Evoenergy currently offers a single reference service which includes transportation of gas to a delivery point as well as metering, meter reading, data services and ancillary activities (such as special meter reads, disconnection and reconnection services) when requested. In addition, Evoenergy offers two non-reference services: an Interconnection Service and Negotiated Service.

In November 2024, the AER approved Evoenergy's proposal to separate its reference services as follows:²

- Transportation (including metering) Reference Service
- Ancillary Activities Reference Service (hourly charge, special meter read, temporary disconnection, reconnection and permanent disconnection).³

Evoenergy's 2026–31 services are shown in Table 1.

¹ National Gas (South Australia) Act 2008, Definitions.

² AER, Final decision Evoenergy Gas Distribution Determination 2026 to 31, Reference service, tariff variation mechanism and tariff structure, November 2024.

³ The AER did not approve Evoenergy's proposal to combine its temporary disconnection service with a reconnection service.

For more information on Evoenergy's ancillary activities, including our proposed approach to permanent disconnections see Attachment 8: Ancillary activities reference service and tariffs and Appendix 8.1: Disconnection services.

Table 1 Evoenergy's 2026–31 services

Evoenergy's reference services 2026–31		Evoenergy's non-reference services 2026–31
Transportation (including metering) reference service	Ancillary activities reference service	
<p>Transportation and delivery of gas to customers:</p> <ul style="list-style-type: none"> • ≤ 500kPa (consuming less than 10TJ pa) • ≤ 1,050 kPa (consuming more than 10TJ pa) <p>Meter reading services including:</p> <ul style="list-style-type: none"> • meter related services; • provision, installation and maintenance of standard meter; and • cyclical meter reading and associated data activity 	<ul style="list-style-type: none"> • hourly charge • special meter read • temporary disconnection (volume customer) • reconnection (volume customer) • disconnection and reconnection (demand customer) • basic permanent disconnection (volume customer) • basic (urgent) permanent disconnection (volume customer) • complex permanent disconnection (volume and demand customer) • wasted visits (reconnection, disconnection and special meter read activities) 	Interconnection service
		Negotiated service

2.2 Changes to reflect the ACT's unique circumstances

The following proposed changes to the access arrangement are made to reflect Evoenergy's commitment to safely, reliably, efficiently and equitably managing the gas network through the ACT's transition to full electrification by 2045:

- A revenue cap tariff variation mechanism (TVM) for our Transportation (including metering) Reference Service (2026–31 access arrangement, Clause 8 and Schedule 4), as detailed in Attachment 9: Tariff variation mechanism, to:
 - ensure revenue recovered from customers reflect no more and no less than the AER-approved efficient allowance to safely and reliably operate the gas network, reflecting the highest priority consideration for our community forum
 - remove demand forecasting risk for both customers and Evoenergy by updating the demand forecast annually throughout the period, for AER-approved actual, estimated and updated forecast demand. This is particularly relevant in the context of greater demand forecasting uncertainty in an unprecedented transition with a highly residential and seasonal demand profile, and regulatory uncertainty with ratcheting government intervention to accelerate electrification

- provide for consistent regulatory arrangements between gas and electricity energy substitutes for our customers, which will facilitate an efficient energy transition, provide effective price signals, and enable a total energy bill hedge as energy prices adjust in line with the pace of transition
- allow for smooth price adjustments, including to avoid intra-period price variability by allowing prices to incrementally adjust annually, reflecting the actual pace of the transition relative to the forecast. We have adopted a range of regulatory tools including rolling Unders and Overs mechanism to minimise year-on-year price variability, side constraint on individual tariff classes, gradual tariff rebalancing, and rolling annual updates to reflect ACT Government taxes and levies
- ensure that risk sharing arrangements implicit in the TVM are appropriate for the 2026–31 access arrangement within our operating context while allowing for a return commensurate with commercial and regulatory risks in accordance with the NGL
- safeguard consistency of Evoenergy’s incentives with the ACT emissions reduction policy, and
- minimise administrative costs and complexity.

The TVM includes:

- arrangements to allow for the cost pass through of government taxes and levies, including the Energy Industry Levy (EIL) and Utilities Network Facilities Tax (UNFT) to reduce price variability (2026–31 access arrangement, Clause 8)
- transitional arrangements for cost pass throughs in moving from a weighted average price cap to a revenue cap, and
- fixed principles to reflect the approach to cost pass throughs, and the application and mechanics of the revenue cap tariff variation mechanism.
- Reflect Evoenergy’s approach to capital expenditure over the 2026–31 period where there exists market and policy driven incentives to minimise investment and achieve capex efficiencies (as detailed in Attachment 3: Capital expenditure) including:
 - removing the CESS (2026–31 access arrangement, Clause 4)
 - establishing that the approach for calculating the 2031 capital asset base will be based on actual expenditure incurred in the 2026–31 access arrangement period, to reflect Evoenergy’s commitment to minimise investment (2026–31 access arrangement, Clause 5), and
 - removing the fixed principle in relation to the calculation of the capital asset base for the 2026–31 access arrangement period (2026–31 access arrangement, Clause 6).
- Establish differentiated disconnection services to reduce the cost of permanent disconnections for most users (2026–31 access arrangement, Schedule 5) (see also Appendix 8.1: Disconnection services).

2.3 Other changes to reflect current regulatory environment and operating arrangements

The following proposed changes are made to reflect changes in the regulatory environment and Evoenergy's operating arrangements:

- define the activities and initial reference tariffs for Ancillary Activities Reference Service (2026–31 access arrangement, Schedule 3)
- include provision for wasted visits to apply to the following ancillary activities: special meter reads, all temporary disconnection and reconnection services (for more information see Attachment 8: Ancillary activities reference service and tariffs)
- establish request for service procedures for both reference services (2026–31 access arrangement, Schedule 2)
- include reference to the Climate Change and Greenhouse Gas Act 2010 (ACT) under Applicable Law definition (2026–31 access arrangement, Schedule 1)
- include new clauses relating to procuring replacement gas (2026–31 access arrangement, Schedule 8)
- include new clauses to refer to the curtailment methodology as required under Part 10 of the NGR (2026–31 access arrangement, Schedule 8), and
- update the receipt point pressures for the Moomba-Sydney Pipeline (2026–31 access arrangement, Schedule 9).

2.4 Changes to simplify and clarify the drafting

In addition to the changes described above, there are several changes that are proposed to improve drafting by enhancing clarity, removing unnecessary clauses or consolidating provisions. Other changes have been made to update terminology:

- service provider has been changed to Evoenergy
- relevant regulator has been changed to the Australian Energy Regulator, or AER
- updates to reflect the current, past and future regulatory periods.

There are a number of changes throughout the 2026–31 access arrangement that are proposed to simplify and clarify drafting. A full list of proposed changes can be found in Appendix 10.3: Table of reasons for changes to access arrangement.

3. Changes to the reference service agreement

The RSA is contained in Schedule 6 of the 2026–31 access arrangement and sets out the terms and conditions under which the reference services are offered in the form of a contract.

Like the access arrangement, the proposed changes can be categorised into groups:

- changes required to reflect the separation of Evoenergy's reference services
- changes to align the agreement with current business or industry practice, and

- other changes.

An overview of the proposed changes is provided under these categories. More information on the proposed changes can be found in Appendix 10.4: Table of reasons for changes to RSA.

3.1 Changes to reflect the separation of Evoenergy's reference services

As with Evoenergy's access arrangement, we propose making changes to the RSA to reflect the separation of reference services into two separate services: Transportation (including metering) and Ancillary Activities Reference Services. This includes making necessary adjustments to existing clauses to:

- establish the definitions, commencement, service request processes and other arrangements for the Transportation (including metering) Reference Service (RSA clauses 1–3), and
- establish the definitions, commencement, service request processes and other arrangements for the Ancillary Activities Reference Service, including the differentiated permanent disconnection services (RSA clauses 1–3 and clause 16).

3.2 Changes to align the agreement with current business or industry practices

Evoenergy proposes making changes to RSA clauses relating to the striking of the agreement and dispute resolution to align with industry practices. These changes include:

- clarifying that amendments to the agreement must be signed by both parties (RSA 2026–31 Clause 1.2) and allowing for electronic signatures (RSA 2026–31, Clause 33)
- preventing the adverse construction of the agreement (RSA 2026–31, Clause 1.3)
- requiring that both parties use “reasonable endeavours” to resolve billing disputes promptly and efficiently (amendment to RSA 2026–31, Clause 18.7), and
- setting out the process for arbitration under the agreement (RSA 2026–31, Clause 31).

Evoenergy is also proposing changes to some technical clauses including:

- simplifying clauses relating to Specification Gas to refer to Australian Standard 4564 and relevant Gas Codes (RSA 2026–31, Clause 8 and Annexure 2)
- clarifying and simplifying clauses relating to responsibility for Delivery Station Components (RSA 2026–31, Clause 13 and Annexure 4)
- amending overrun procedures to align with service provider processes (RSA 2026–31, Clause 5)
- Allowing for Evoenergy's reasonable determination of failure of measuring equipment to align with industry practice (RSA 2026–31, Clause 15)
- Allowing for Evoenergy to make arrangements with gas shippers or operators in order to balance gas (RSA 2026–31, Annexure 3), and

- Updating receipt point pressures on the Moomba Sydney Pipeline (RSA 2026–31, Annexure 4).

3.3 Other changes to the RSA

Evoenergy is proposing to make the following additional changes to the RSA that:

- clarify the circumstances under which Evoenergy may share confidential information with an upstream pipeline, or the retailer of last resort (ROLR) (RSA 2026–31, Clause 29)
- meet legislative requirements under the Security of Critical Infrastructure Act 2018 (Cth) (RSA 2026–31, Clause 30), and
- amend definitions and clauses to improve readability, clarity and simplicity.

4. Engagement on the proposed changes

The current users on Evoenergy’s network are ActewAGL Retail, Origin Energy, Energy Australia, Red Energy, Covau Energy and Perpetual Energy.

Evoenergy engaged directly with ActewAGL, Origin Energy, Red Energy and Energy Australia three times each over the past 18 months as we developed our reference service proposal, 2026–31 access arrangement and RSA.⁴ We also provided our users with a draft copy of our marked-up RSA for feedback.⁵

Generally, our users recognised that the proposed changes reflect Evoenergy’s unique circumstances in managing a gas network facing significant declines in demand over the next regulatory period and beyond as the ACT transitions to full electrification by 2045.

Our users were generally supportive of our proposal to introduce wasted visit changes for ancillary activities. Users were also broadly supportive of our proposed approach to permanent disconnections in the context of the findings of the independent safety review and the transition to electrification in the ACT by 2045 (for more information see Appendix 8.1: Disconnection services).

Some of our users offered support for our proposals to:

- bring forward asset recovery to improve longer-term equity outcomes, and
- adopt a revenue cap to ensure that customers pay no more, or less, and Evoenergy receives no more or less, than is necessary to maintain network safety and reliability, even if actual demand varies from the forecast.

However, our users noted the challenges of increasing energy prices for customers. In particular, a number of users highlighted concerns with Evoenergy’s proposed gradual rebalancing of the volume tariff noting that many hardship customers are also large consumers of gas, particularly through the ACT region’s winter period. Our users highlighted these customers may face further hardship as a result of the proposed changes (for more information see Attachment 7: Transportation (including metering) reference service and tariffs).

⁴ Meetings occurred in May 2024, October 2024 and May 2025.

⁵ An opportunity to meet and a copy of our RSA was provided to all Users for their feedback.

Glossary of terms and acronyms

Term or acronym	Definition
access arrangement	Evoenergy's access arrangement
ACT	Australian Capital Territory
AER	Australian Energy Regulator
Capex	Capital expenditure
CESS	Capital Expenditure Sharing Scheme
JGN	Jemena Gas Networks
NGR	National Gas Rules
Permanent disconnection	The permanent disconnection of a gas connection at the premises. A permanent disconnection generally involves the removal of the gas meter and the physical disconnection of any pipeline to the property. This is considered the safest option as it removes all risks associated with having a pressurised gas pipe, including the risk of gas leaks and excavation strikes.
ROLR	Retailer of last resort
RSA	Reference service agreement
SEIFA	Socio-economic Indexes for Areas
Temporary disconnection	A disconnection is a temporary closure of a gas connection on a premises. It involves disabling the meter equipment by introducing a plug, wad, meter lock or blanking device to the inlet of the meter, preventing gas flow through the meter. A temporary disconnection does not disconnect the pipeline to the premises, meaning the gas pipeline is still active and pressurised. A temporary disconnection can be reversed.
TJ	Terajoule – unit of measurement of energy consumption
TVM	Tariff Variation Mechanism