

STRONGER REGULATION OF GAS PIPELINES: MAKING IT HAPPEN

REVIEW OF ECONOMIC REGULATION OF COVERED PIPELINES
FINAL REPORT 3 JULY 2018

The AEMC has concluded a review of Parts 8-12 of the National Gas Rules that set out the framework for the economic regulation of gas pipelines, and has recommended a package of changes to the way gas pipelines are regulated. This will make it cheaper and easier to move gas around the market. This helps keep gas and electricity prices for consumers as low as possible.

NEXT STEPS

CHANGES TO NATIONAL GAS RULES AND NATIONAL GAS LAW

- COAG Energy Council or other stakeholders submit rule change requests to the AEMC
- COAG Energy Council recommends law changes to the South Australian parliament



Set out a new process for determining which services will be subject to access arrangements so more services have prices and terms set by the regulator



Clarify how regulators calculate efficient costs so prices can be set at more efficient levels



Improve the access arrangement process by clarifying decision making, enhancing consistency and promoting consultation. Access arrangements set out the prices ('reference tariffs') that pipeline operators can charge their customers.



Make pipeline owners provide more information about capacity and usage to help users in negotiations



Enhancing the dispute resolution process by:

- setting a clear trigger for pipeline users to start arbitration if negotiations fail
- creating a new fast-track process for arbitration
- enabling other pipeline users to join existing disputes



Clarifying how pipeline extensions (of geographic reach) and expansions (of capacity) are regulated

UPDATES TO GUIDELINES, SYSTEMS AND PROCEDURES

Regulators and AEMO update guidelines, systems and procedures to reflect changes to gas rules and law. This includes updates to new financial reporting guidelines and changes to Bulletin Board procedures.



If rule change requests are submitted promptly, all changes could be made in 2019 - before the next round of decisions on most access arrangements.

