

30 January 2019

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Electronic lodgement - GRC0048

Dear John,

**Draft Rule Determination  
National Gas Amendment (Regulation of Covered Pipelines) Rule 2019**

AusNet Services is pleased to provide this response on the Commission's draft rule determination. At this stage of the review, that is the translation of the Commission's review recommendations into Rules to be established in the National Gas Rules, our comments are limited to form in the drafting for the proposed amendments to the Rules.

Our comments are discussed in the following table.

Draft Rule clause	Issue	Comment
36A(1)	Consistency with drafting style of other clauses	For consistency and clarity it would be preferable if rule 36A(1) adopted a drafting style consistent with that Rules 36 and 37 i.e. "A service provider providing pipeline services by means of a <i>light regulation pipeline</i> must ...".
36C(2)	Consistency with drafting conventions	References to "light regulation pipeline" should be in italics.
47A(12)	Publication of a <i>reference service proposal decision</i>	It is unclear why the AER is not required to publish its <i>reference service proposal decision</i> at the same time as it publishes a revised <i>reference service proposal</i> under sub-rule (11). Requiring that the documents be published contemporaneously removes any uncertainty about the status and effect of the revised proposal in the period between its publication and the making of the reference service proposal decision.
48(1)(b)	Typographic error	"...describe all of the pipeline services that <del>that</del> <u>the</u> service provider can reasonably.."
73(3)	Use of financial models published by the AER	Where the effect of the new rule 73(3) is to require a service provider to use a particular financial model published by the AER, the service provider should not be required to convert financial information collected and recorded before the date the model is published. This could be made clear in the Rules or by the AER when it publishes its financial models.
79(6) and 91(2)	Proper allocation of new capital	The obligation to "properly allocate" conforming capital expenditure lacks specificity and risks creating uncertainty for service providers about the applicable basis for cost allocation. It

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	expenditure	would be preferable to use more precise language to explain the basis of allocation, such as the concept of “directly attributable” as used in rule 93(2).

We trust these comments on the drafting will be helpful to the Commission in finalising the Rules.

If we can provide further assistance to the Commission in relation to this submission please contact Kelvin Gebert.

Yours sincerely,



Charlotte Eddy  
**Manager Economic Regulation**