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PIPELINE industry

association Ltd



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Australian Energy Market Commission
PO Box A2449
SYDNEY SOUTH NSW 1235
Lodged online at www.aemc.gov.au

Draft Decision on GRC0012: Reference service and rebateable service definitions

Dear Commissioners

The Australian Pipeline Industry Association (APIA) welcomes the opportunity to comment on the Australian Energy Market Commission's (AEMC) draft decision on the Australian Energy Regulator's rule change proposal GRC0012, which proposes changes to the definitions for a reference service and a rebateable service in the National Gas Rules (NGR).

APIA appreciates that the AEMC has recognised the role of contractual arrangements in the national gas access regime and the potential for unintended consequences to occur under the original rule change proposal.

Overall, APIA supports the AEMC's draft decision. The AER's proposed change to the definition of a reference service from 'all pipeline services' to 'at least one pipeline service' likely to be sought by a significant part of the market in NGR (101) is a useful one and will serve to improve regulatory processes. The AEMC's inclusion of the Revenue and Pricing Principles in NGR (101) provides appropriate guidance as to the inclusion of a pipeline service as a reference service and the preferable rule proposed by the AEMC is an improvement over both the existing rule and the AER's

proposed rule. There may be merit in including specific reference to the National Gas Objective in the new rule.

In regards to the rebateable service definition, APIA shares the AEMC's concerns that a change risks unintended consequences for service providers on pipelines other than the Victorian DTS. It is also apparent that the alleged over-recovery on the Victorian DTS is not occurring. APIA strongly supports the draft decision to not change the definition of a rebateable service in the NGR.

If you have any questions regarding APIA's views on this matter, please contact me on sdavies@apia.asn.au or (02) 6273 0577.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Steve Davies', with a stylized flourish at the end.

STEVE DAVIES
Policy Adviser