

5 October 2021

Ms Rebecca Knights

Department for Energy and Mining

Via email: demenergymarketreform@sa.gov.au

Dear Rebecca,

South Australian Derogation on Price Reporting from the Gas Pipeline Regulation National Package

Australian Gas Infrastructure Group (AGIG) welcomes the opportunity to provide comment on the Department for Energy and Mining (DEM)'s consultation on the South Australian Derogation on Price Reporting from the Gas Pipeline Regulation National Package (the Derogation).

Australian Gas Networks SA, part of AGIG, delivers gas safely and reliably to more than 460,000 South Australian homes and businesses every year through its gas distribution network. We currently publish the tariffs for the reference services we offer our customers as well as the terms and conditions for the supply of reference services. We also publish information on non-reference services, including averaged revenue and demand information as part of our reference service proposal.

We support the Derogation away from having service providers publish individual prices paid by shippers and instead, require publishing of anonymised minimum and maximum prices, along with weighted average prices. The proposal balances the need to address the identified information asymmetry issues faced by shippers while also recognising the need to support the ability of service providers to continue to offer bespoke products, therefore importantly retaining the ability for South Australian businesses to negotiate for these products.

Option 2 is appropriate

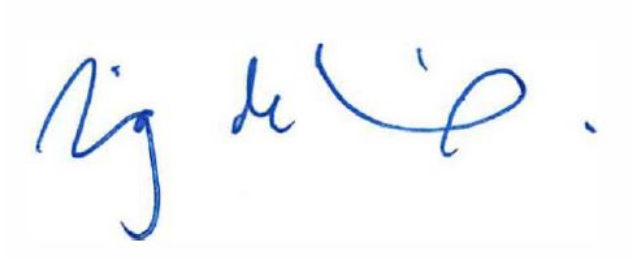
Option 2 is appropriate as it allows the Minister to vary the reporting requirements via proclamation following a derogation review to determine if the Derogation has benefited relevant parties when negotiating new contracts and what, if any impact, has been seen with bespoke services contracts. Option 2 would provide the Minister the flexibility to vary reporting requirements quickly without having to go through the legislative amendment process if circumstances warrant change.

We agree with DEM that an appropriate review period should be of a sufficient period so at least some new contracts have been executed between shippers and service providers to assist in informing the review. We consider that the new information disclosure arrangements should be in place for at least five years before a review is undertaken.

While the scope and intent of the derogation review and proclamation is focused on price reporting only, we think there is merit in expanding the scope to cover other information disclosure requirements such as historical financial and demand information. This would provide an opportunity for the SA Government to review whether other reporting requirements lead to better outcomes for South Australian shippers in negotiating for gas transport services.

Once again, I would like to thank you for the opportunity to provide comment on the Derogation. Should you have any queries about the information provided in this submission please contact Drew Pearman, Head of Policy and Government Relations [REDACTED]

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Craig de Laine". The signature is fluid and cursive, with a period at the end.

Craig de Laine
Executive General Manager Customer and Strategy