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Mr Peter Bucki  
Head of Regulation  
Australian Gas Infrastructure Group  
Level 6, 400 King William Street  
Adelaide SA 5000

5 June 2024

Dear Mr Bucki,

### **Submission to Australian Gas Networks: Draft Reference Service Proposal**

The Energy and Water Ombudsman (SA) Limited (EWOSA) welcomes the opportunity to submit on Australian Gas Network's Draft Reference Service Proposal, Form of Revenue Control and Tariff Structure.

EWOSA is the independent energy and water ombudsman scheme in South Australia. It receives, investigates and facilitates the resolution of complaints by customers with regard to (*inter alia*) the connection, supply or sale of electricity, gas or water.

The submission provides comments on the Draft Reference Service Proposal, the proposed form of revenue control and the proposed tariff approach.

### **Reference Service Proposal**

EWOSA supports many aspects of the reference services, ancillary reference services and ancillary non-reference services proposed. We don't believe any reclassification of services is required. Our only concerns relate to abolishment services and uncertainty about where new gas connection services fit in and how their costs are recovered.

#### Abolishment services

While we agree with Australian Gas Networks (AGN) that the policy situation in South Australia is significantly different to that in Victoria, we consider it prudent for AGN to have abolishment services designated as a specific service in South Australia. The reasons for this are:

- to provide transparency and visibility for consumers who are seeking to switch away from gas to electricity and what their choices are (disconnection versus full abolishment, for example) and how much the different options would cost, so they can make the appropriate decision for their circumstances
- the Essential Services Commission of South Australia (the Commission) explicitly considered whether abolishment services should be defined in its Issues Paper on AGN's Regulatory Framework Review 2026-2031 and there may be requirements on AGN from the Commission and/or the Australian Energy Regulator regarding abolishment services for the upcoming regulatory period

- it would provide more consistency across the operations of AGN/AGIG and probably would not add significantly to costs
- the policy situation could change with a change in government or if the Senate Inquiry into Residential Electrification recommends changes to national energy laws, rules and regulations or different policies and incentives that would encourage electrification and a switch away from using gas in households and small businesses.

### New connection services

We note that new gas connection services aren't specified anywhere in the Draft Reference Service Proposal. We believe these services have a level of demand that is high enough to warrant them being designated as a specific service and to have how their costs are recovered explained. In addition, new gas connections sometimes require a co-contribution from the customer(s) and it is important that there is transparency and visibility on this, so consumers know what to expect and don't receive any unpleasant surprises.

### **Proposed Tariff Approach**

EWOSA supports the continuation of the proposed price-cap form of revenue control for AGN and the continuation of a declining block tariff structure.

Thank you for consideration of this submission. Should you require further information or have any enquiries regarding this submission, please contact me at [antony.clarke@ewosa.com.au](mailto:antony.clarke@ewosa.com.au) or on (08) 8216 1861.

Yours sincerely



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Antony Clarke  
Policy and Governance Lead