

GAS DISTRIBUTION SYSTEM CODE OF PRACTICE (UNACCOUNTED FOR GAS BENCHMARKS) AMENDMENT 2022

Amendments made by the Essential Services Commission on 14/12/2022

1 Nature and commencement of this instrument

- (1) This instrument amends the Gas Distribution System Code of Practice.
- (2) This instrument comes into operation on 1 January 2023.

2 Table of amendments

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- (1) In items 1.1 and 1.2, omit 'Distribution System Code of Practice' and substitute with 'Gas Distribution System Code of Practice'.
- (2) In item 1.6, omit 'How is this Code to be interpreted?' and substitute with 'Civil penalty requirements'.

Clause 1.3 – Commencement and operation

- (3) In clause 1.3(a), omit the paragraph and subsequent Note and substitute:

1.3 Commencement and operation

- (a) The *Gas Distribution System Code of Practice* (version 16) commences on 1 January 2023.

Note: This Code of Practice amends version 15 of the *Gas Distribution System Code of Practice* that was deemed to be a Code of Practice under section 76(1)(g) of the Essential Services Commission Act 2001.

Clause 2.1 – Distributor obligations

- (4) In clause 2.1(f)(i), omit '*Distribution System Code*' and substitute '*Gas Distribution System*

Code of Practice'.

Clause 2.4 – Unaccounted for gas

(5) In clause 2.4(a), omit 'less than the *unaccounted for gas benchmark*' and substitute 'less than the applicable *unaccounted for gas benchmark(s)*'.

(6) After clause 2.4(a), insert:

Note: Each of the *unaccounted for gas benchmark* values set out in Schedule 1, Parts C1 and C2 is specific to a single *DUAFG period*. Where a calendar year comprises two *DUAFG periods*, the quantity of *unaccounted for gas* for each of those *DUAFG periods* must be assessed against the *unaccounted for gas benchmark* applicable in that *DUAFG period*.

(7) After clause 2.4(c), insert:

Note: The reconciliation amount for a calendar year is the sum of the reconciliation amounts for each of the *DUAFG periods* in that calendar year and any adjusted reconciliation amounts (determined under Appendix D of the Wholesale Market Distribution UAFG Procedures (Victoria)) for a *DUAFG period* in the previous calendar year.

Clause 6.1 – Provision of metering installations

(8) In clause 6.1(e)(i), omit '*non-declared transmission system*' and substitute '*non-DTS distribution system*'.

Clause 6.5 – Metering installation standards

(9) In clause 6.5(a)(iv), omit '*non-declared transmission system*' and substitute '*non-DTS distribution system*'.

Clause 13.1 – Glossary

(10) In clause 13.1, insert the following definitions in alphabetical order:

declared transmission system (DTS): a *transmission pipeline*, or part of a *transmission pipeline*, declared by Order under section 39 of the

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National Gas (Victoria) Act 2008 to be a declared transmission system.

DUAFG period: has the same meaning as in the Wholesale Market Distribution UAFG Procedures (Victoria).

regulatory year: a period commencing on 1 July in a calendar year and terminating on 30 June in the following calendar year.

(11) In clause 13.1, omit the definition of '*non-declared transmission system*' and substitute:

non-DTS distribution system: a *distribution system* which is not connected directly or indirectly to a *declared transmission system*, or which is indirectly connected to a *declared transmission system* but by means of a pipeline that does not form part of a *declared transmission system*.

(12) In clause 13.1, omit the definition of '*year*' and substitute:

year: a calendar year or a *regulatory year*.

(13) In clause 13.1, omit the definition of '*Gas Distribution System Code of Practice*' and reinsert it in alphabetical order.

SCHEDULE 1 PART C – UNACCOUNTED FOR GAS

(14) Omit Schedule 1 Part C and substitute:

Part C Unaccounted for gas

Note 1: The unaccounted for gas benchmarks:

- effective in the period 1 January 2023 to 30 June 2023 (being the transitional period) are set out in Part C1; and
- effective in the period 1 July 2023 to 30 June 2028 are set out in Part C2 below.

Note 2: Each of the *unaccounted for gas benchmark* values set out in Schedule 1, Parts C1 and C2 is specific to a single *DUAFG period*. Where a calendar year comprises two *DUAFG periods*, the quantity

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of unaccounted for gas for each of those *DUAFG periods* must be assessed against the *unaccounted for gas benchmark* applicable in that *DUAFG period*.

C1 Unaccounted for gas benchmarks – effective from and including 1 January 2023 to 30 June 2023 (transitional period)

Declared Transmission System (DTS) distribution systems

Distributor	Class A benchmarks ≥ 250,000 GJ/pa	Class B benchmarks < 250,000 GJ/pa
	1 January 2023 – 30 June 2023 (transitional period)	1 January 2023 – 30 June 2023 (transitional period)
Australian Gas Networks (Victoria)	0.003	0.040
Australian Gas Networks (Albury)	0.001	0.040
Multinet	0.003	0.053
AusNet Services	0.003	0.046

Non-DTS distribution systems – Combined Class A and Class B benchmarks

Distributor	1 January 2023 – 30 June 2023 (transitional period)
Australian Gas Networks	0.020
Multinet	0.020
AusNet Services	0.049

C2 Unaccounted for gas benchmarks – effective from and including 1 July 2023 to 30 June 2028

Declared Transmission System (DTS) distribution systems

Distributor	Class A benchmarks ≥ 250,000 GJ/pa	Class B benchmarks < 250,000 GJ/pa
	1 July 2023 – 30 June 2028	1 July 2023 – 30 June 2028
Australian Gas Networks (Victoria)	0.003	0.0406
Australian Gas Networks (Albury)	0.001	0.0406
Multinet	0.003	0.0549
AusNet Services	0.003	0.0460

Non-DTS distribution systems – Combined Class A and Class B benchmarks

Distributor	1 July 2023 – 30 June 2028
Australian Gas Networks	0.020
Multinet	0.020
AusNet Services	0.049

C3 Reconciliation Amount

The Reconciliation Amount is: $(X + Y) \times (B - A)$

Where:

X = the average volume weighted market price (AVWMP), as determined by AEMO under clause 2.1.1 of the Wholesale Market Distribution UAFG Procedures (Victoria), for the *DUAFG period*;

Y = the average transmission tariff for the *DUAFG period* expressed in \$ per gigajoule as calculated under the transmission provider's prevailing reference tariffs;

A = $D - (E / (1 - G))$

Where:

D = the quantity of Gas withdrawn from the Transmission System by the Distributor for Retailer at the Connection Points for the *DUAFG period*;

E = the quantity of Gas withdrawn by Distributor for Retailer at all Class A Supply Points for the *DUAFG period*.

B = $H / (1 - F)$

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- H = the quantity of Gas withdrawn by Distributor for Retailer at all Class B Supply Points for the *DUAFG period*;
- F = the *unaccounted for gas benchmark* for Class B Supply Points for the *DUAFG period*.
- G = the *unaccounted for gas benchmark* for Class A Supply Points for the *DUAFG period*.

SCHEDULE 1 PART E – GUARANTEED SERVICE LEVELS

(15) In Schedule 1 Part E, omit 'calendar year' and substitute '*regulatory year*'.

(16) In Schedule 1 Part E, insert in footnote 'd', after '...third party event.':

'For the period starting on 1 January 2023 and ending on 30 June 2023 the threshold to incur a GSL payment for repeat interruptions is: upon second interruption \$75; upon fifth interruption additional \$75. From 1 July 2023 onward, repeat interruptions to be counted during a regulatory year in accordance with this Part E.'