

Jemena Gas Networks (NSW) Ltd

Negotiated Connection Process for Volume Customers

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The purpose of this document is to:

- inform Connection Applicants and Volume Customers of their right to negotiate with Jemena for a negotiated connection contract; and
- provide guidance to Connection Applicants and Volume Customers on the Negotiation Connection Contract Process for Volume Customers,

in accordance with the National Energy Retail Rules (**NERR**) and the National Gas Rules (**NGR**).

A Volume Customer is a single business customer or residential customer who consumes less than 10TJ of gas a year - generally, smaller commercial and industrial customers, small businesses and residential customers.

If a customer is not a Volume Customer, they are a Demand Customer (generally the top 400 industrial gas customers in NSW). If you are seeking connection services for a Demand Customer, please see the Industry section our website.

Please note this document is for informational purposes only and is not a legally binding document.

1. BACKGROUND

1.1 INTRODUCTION OF THE NATIONAL ENERGY CUSTOMER FRAMEWORK

The National Energy Customer Framework (**NECF**) commenced full operation in NSW on 1 July 2015 and includes requirements for how distributors and Connection Applicants contract for gas connection services.

The NECF includes Part 12A of the NGR, which provides for physical gas connection service arrangements.

Applications for connection services in NSW under Part 12A can be made by:

- A retail customer (that is an owner/occupier who wants to connect to Jemena’s gas network and has either appointed a retailer; or will do so before the connection work is carried out)
- An energy retailer acting on behalf of a retail customer;
- Another person acting on behalf of a retail customer (e.g. a builder or plumber); or,
- A real estate developer.

The above are described as “**Connection Applicants**” in this document.

1.2 PHYSICAL CONNECTION SERVICES UNDER PART 12A

There are two types of connection services under Part 12A:

- a) a service relating to a new connection for a premises; and
- b) a service relating to a connection alteration for a premises.

A new connection generally involves the physical connection of a premises to our gas distribution network for the supply of natural gas.

A connection alteration generally involves:

- a meter or service upgrade to increase the maximum hourly quantity of gas that can be delivered to a premises;
- a meter or service downgrade to decrease the maximum hourly quantity of gas that can be delivered to a premises;
- relocating the meter to a new location on the premises; or,
- adding pulse output connection to enable near real-time monitoring of gas usage.

2. APPLICATIONS

2.1 RETAILER CONNECTION SERVICES APPLICATIONS

A retailer can apply for a connection service for a Volume Customer under Part 12A of the NGR by either:

- using our Connect And Manage My Gas system, accessible from our website; or,
- through the Business to Business (**B2B**) service as defined AEMOs Retail Market Procedures (**RMP**).

For more information on our electronic processes, please see our Retailer Information Pack.

2.2 OTHER APPLICATIONS

All other Connection Applicants can apply for a connection service for a Volume Customer under Part 12A of the NGR by either:

- using our Connect And Manage My Gas system, accessible from our website; or,
- completing, signing and submitting an application form which is also accessible from our website. If you would like a hard copy of an application form please contact us and we will send one to you. .

2.3 JEMENA'S PROCESSES FOLLOWING RECEIPT OF APPLICATION

Within 10 business days of receiving a completed application (or any additional information we require), we will advise a Connection Applicant:

- a) whether the connection service sought in the application is a basic or negotiated connection service, and
- b) if the negotiated connection contract process applies (a description of which is outlined in sections 3 and 4 below).

We may be entitled to charge a fee to recover our expenses directly and reasonably incurred in assessing an application and making a connection offer. If we intend to charge such a fee, we will advise you when providing our initial response to the application.

3. RIGHT TO NEGOTIATE

A Connection Applicant has a right to negotiate with us for a negotiated connection contract in accordance with the negotiation process set out in Division 3 of Part 12A of the NGR where:

- a) the connection service sought is not a basic connection service; or
- b) the connection service sought is a basic connection service, but the Connection Applicant elects to negotiate the terms and conditions on which the connection service is to be provided.

The negotiations may also extend to the provision of supply services available from us.

4. NEGOTIATION PROCESS

4.1 OBLIGATION TO NEGOTIATE IN GOOD FAITH

During the negotiated connection contract process, Jemena and the Connection Applicant must negotiate in good faith.

4.2 PROVISION OF INFORMATION

As required under the National Gas Rules, the Connection Applicant must provide us with any information that we reasonably require in order to negotiate on an informed basis. This might include, for example, estimates of average demand and maximum demand for gas. We will, if practicable, request any information we require within 20 business days after an application is received.

Similarly, we will as soon as practicable after receiving an application, or where applicable, as soon as practicable after receiving any additional information we require, provide a Connection Applicant with any information that the Connection Applicant reasonably requires in order to negotiate on an informed basis. This will include our preliminary estimate of the connection charges for the connection service to the customer's premises and a statement of the basis on which they are calculated and the assumptions that have been used.

4.3 CONSULTATION WITH THIRD PARTIES DURING ASSESSMENT

If we consider it necessary, we may consult with other users of the distribution pipeline who may be affected by the proposed new connection or connection alteration.

4.4 ASSESSMENT

When assessing an application for a negotiated connection contract, we will determine:

- a) the technical requirements for the proposed new connection or connection alteration;
- b) the extent and costs of any necessary augmentation or extension; and
- c) any possible material effect of the proposed connection or connection alteration on the capacity of the distribution pipeline (and any other distribution pipeline that might be affected) to meet existing and future demand.

4 — NEGOTIATION PROCESS

4.5 NEGOTIATED CONNECTION OFFER

We will use reasonable endeavours to make a negotiated connection offer that complies with a Connection Applicant's reasonable requirements.

We will use our best endeavours to make a negotiated connection offer to a Connection Applicant within 65 business days after receiving a completed application (this time period does not include the time it takes a Connection Applicant to provide information reasonably required by us).

A negotiated connection offer will remain open for 20 business days from the date of the offer. If the offer is not accepted during that time, the offer will lapse, unless otherwise agreed between Jemena and the Connection Applicant.

4.6 ACCEPTANCE OF NEGOTIATED CONNECTION OFFER

If our negotiated connection offer is acceptable to the Connection Applicant, the Connection Applicant may accept our offer within the offer validity period. We will schedule the connection works after the Connection Applicant has accepted our offer and paid the connection charges (if applicable), provided our reasonable conditions are satisfied – e.g. safe and unhindered access to the Volume Customer's premises.

If a Connection Applicant accepts our negotiated connection offer, the terms and conditions of the offer become the terms and conditions of a negotiated connection contract formed between Jemena and the Connection Applicant.

4.7 CONFIDENTIALITY

Jemena and the Connection Applicant must maintain the confidentiality of confidential information disclosed by the other party in the course of negotiations unless disclosure of the information is authorised by the party to whom the duty of confidentiality is owed or under law.