

27 October 2025

Mr Geoffrey Rutledge
Chief Executive
Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2000

Submitted online via the AEMC's submissions portal.

Dear Mr Rutledge,

Updating the Regulatory Framework for Gas Connections (GRC0085)

Thank you for the opportunity to comment on the Updating the Regulatory Framework for Gas Connections Draft Determination from the Australian Energy Market Commission (AEMC).

The comments contained in this submission reflect the views of the Energy and Water Ombudsman NSW (EWON), Energy and Water Ombudsman Queensland (EWOQ) and Energy and Water Ombudsman South Australia (EWOSA). We are the industry-based external dispute resolution schemes for the energy and water industries in New South Wales, Queensland and South Australia.

We have collectively reviewed the draft determination and we have only responded to those matters that align with issues customers raise, or with each respective organisation's operations as they relate to the draft determination.

We support the draft rule to:

- require gas distribution network service providers (DNSPs) to charge newly connecting retail gas customers cost-reflective charges for their new connection up front
- allow only the recovery of the prudent and efficient directly attributable costs of providing the connection service, through the application of suitable criteria
- not allow any new connections expenditure to be added to the asset base of the gas DNSP.

We agree that applying cost-reflective charges to new connections and not allowing new connections expenditure to be added to the asset base is preferable to the current approach, which spreads the costs of new connections across all gas consumers. These changes will reduce both the short-term and the long-term cost burdens of new connections on existing gas customers. Importantly, this includes those experiencing vulnerable circumstances, who may be less likely to be able to afford electrifying their premises, in the context of falling gas demand and possibly a declining customer base and rising gas prices.

We also support the retention of the current framework regarding the development of model standing offers for basic gas connections.

However, we note the observation in the Draft Determination on page 27 that no gas DNSPs have a model standing offer for standard gas connection services. Given the draft rule to impose a charge on new connections, we suggest that the AEMC consider whether prospective gas customers who will require a standard gas connection service will have enough information to make an informed choice in the absence of a model standing offer for them to refer to and make any appropriate changes to the rules if more information for such customers is deemed necessary.

The inclusion of model standing offers would also provide the AER with scrutiny of the efficient costs for common standard gas connection services, offering a level of protection for connecting consumers.

As mentioned in our submission to the AEMC's Consultation Paper, it is worth noting that Energy and Water Ombudsman are unable to resolve complaints from consumers regarding the setting of customer contributions to capital works, although we can check that the gas DNSP followed the correct process and applied the costs correctly. This effectively means that a new gas customer who is unhappy about paying a connection charge, or with the quantum of the connection charge, only has limited and potentially costly avenues for recourse.

If you require any further information regarding our submission, please contact Dr Rory Campbell, Manager Policy and Systemic Issues (EWON) on 02 8218 5266, Mr Jeremy Inglis, Manager Policy and Research (EWOQ) on 07 3212 0630 or Mr Antony Clarke, Policy and Governance Manager (EWOSA) on 08 8216 1861.

Yours sincerely



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