

## Charges for New Connection Services

In addition to charges for ongoing supply, Australian Gas Networks may charge for new connection services.

Australian Gas Networks provides two classes of new connection services.

### 1. Basic Connection Services

There are two basic connection services.

- a. The first basic connection service available under Australian Gas Networks' model standing offer comprises the provision of a new connection between Australian Gas Networks' distribution pipeline and a retail customer's premises, where:
  - a. the provision of the service involves minimal or no extension to, or augmentation of, the distribution network; and
  - b. Australian Gas Networks estimates that the retail customer's consumption of gas, at or through the connection, will be less than 1 terajoule ("TJ") of gas per annum; and
  - c. Australian Gas Networks believes that the capital expenditure conforms with the National Gas Rules and estimates that the present value of the expected incremental value to be generated as a result of Australian Gas Networks' capital expenditure for the relevant connection assets exceeds the present value of that capital expenditure; and
  - d. Australian Gas Networks (and its authorised representatives) have safe and unhindered access to the retail customer's premises, so that it is not necessary for Australian Gas Networks (or its authorised representatives) to make a repeat visit to the premises.

There is no connection charge for this first basic connection service.

- b. The second basic connection service available under Australian Gas Networks' model standing offer comprises a repeat visit to commence or continue new connection work where Australian Gas Networks (or its authorised representatives) do not get safe and unhindered access to the retail customer's premises, so that a repeat visit becomes necessary.

Australian Gas Networks will impose a connection charge for the additional connection service involved in the repeat visit.

The connection charge is known as a Repeat Visit Fee. The current Repeat Visit Fee is set out in Australian Gas Networks' tariff schedule. The Repeat Visit Fee is payable by a customer's retailer unless:

- A. the retailer did not apply for the connection service and Australian Gas Networks has notified the retail customer that the customer must pay the connection charge directly;
- B. the retailer customer asks to pay the connection charge directly and Australian Gas Networks agrees; or
- C. Australian Gas Networks and the customer's retailer agree that Australian Gas Networks is to recover the connection charge from the retail customer.

### 2. Negotiated Connection Services

Negotiated connections often require an extension or augmentation of Australian Gas Networks' existing distribution network to facilitate connection to the connection applicant's premises. If upon Australian Gas Networks' assessment the cost of the extension or augmentation is greater than the expected rate of return over the life of the new infrastructure, an upfront "capital contribution" or connection charge may be imposed on the connection applicant.

Australian Gas Networks may also charge a connection applicant a reasonable fee to cover expenses directly and reasonably incurred by Australian Gas Networks in assessing the connection applicant's application and making a connection offer.