



AGL Large Customer Default Rates

-- As at July 2021 until further notice --

Default Rates

There are two different Default Rates that may apply to you; these are set out in Table 1 and Table 2, below. When each applies depends on the circumstances, as explained below each table.

Table 1:

State	Default Rate (\$/GJ)
ACT	\$17.60
NSW	\$17.60
QLD	\$15.60
SA	\$17.00
VIC	\$14.40
WA	\$10.90

When do the Default Rates in Table 1 apply?

The Default Rates set out in Table 1 above for gas delivered in the relevant period and location set out in that table may be payable by you if you consume over one (1) terajoule of gas per annum at a *delivery point* in that location (i.e. you are a large customer) and:

1. you are supplied by AGL without an agreed *energy charge* because either:
 - a. you previously entered into a contract with AGL for the purchase of gas for that *delivery point* at an agreed *energy charge*, which has now expired or terminated (or a fixed period for the agreed *energy charge* has expired), and you have not entered into a new contract for supply to that *delivery point* either with AGL or with another gas retailer; or
 - b. you have not yet entered into any contract with a gas retailer for the purchase of gas at that *delivery point* and AGL has financial responsibility under *energy law* for gas supplied to that *delivery point*, or
2. you are supplied by AGL with an agreed *energy charge* under a contract and you withdraw gas in excess of your *ACQ* or, if specified in your contract, the aggregate of the *ACQs*.

Table 2:

State	Default Rate (\$/GJ)
NSW	
QLD	110% x either <i>energy charge</i> or daily <i>STTM price</i> , whichever is higher
SA	
VIC	110% x either <i>energy charge</i> or daily <i>spot price</i> , whichever is higher
WA	110% x <i>energy charge</i>



When do the Default Rates in Table 2 apply?

A Default Rate for gas delivered in the relevant period and location set out in Table 2 above is payable by you if you are supplied by AGL with an agreed *energy charge* under a contract and:

1. you withdraw gas in excess of your *MDQ* on any *day* (or, if specified in your contract, the aggregate of the *MDQs*); or
2. your *MDQ* (or, if specified in your contract, the aggregate of the *MDQs*) is at least 3 TJ/*day*, and you withdraw gas in excess of the quantity forecast for that *day* and outside an *authorised variation*; and
3. the Default Rates in Table 1 do not already apply to that volume of gas.

If a Default Rate is payable by you as set out above, we will subtract any *energy charges* already paid by you on gas withdrawn in excess of your *MDQ* on any *day* (or, if specified in your contract, the aggregate of the *MDQs*).

Frequently Asked Questions

How are Default Rates set?

Default Rates are set by AGL from time to time at a rate or rates that AGL determines would be necessary to protect AGL or a *related body corporate* from potential market exposures to certain withdrawals of gas by you, including the costs of acquiring and transporting gas in the market and selling that gas to you at a reasonable margin and allowances for market constraints and fluctuations.

These rates reflect the greater risks to AGL of managing your uncontracted gas requirements, which can result in significant incremental cost to AGL.

When do Default Rates cease to apply?

The Default Rates are subject to change from time to time by AGL by publishing on our website. The Default Rates in Table 1 and Table 2 will no longer be applicable to a *delivery point* if:

1. you move to another retailer and AGL is notified in accordance with *energy law* that another retailer is registered as the retailer for that *delivery point*; or
2. you no longer meet the definition of a 'large customer' under *energy law*; or
3. the *delivery point* is decommissioned or disconnected.

If you enter into a new contract with AGL in relation to that *delivery point* your contract will have an agreed *energy charge* for gas delivered within your ACQ and MDQ.

What other charges will apply?

In addition to the Default Rates set out above (as applicable), you will be charged other applicable charges, including, where relevant, *energy charges*, *GST*, *fixed charges*, *network charges*, *pass through charges*, *market charges* and any other cost incurred or payable by AGL, or any *related body corporate* of AGL, in relation to the sale or supply of gas to you.



Definitions

ACQ means the Annual Contract Quantity set out in your contract, which is the maximum quantity of gas that AGL is obliged to make available and sell to you and you are entitled to purchase and withdraw at a *delivery point* in a Contract Year (for the definition of Contract Year, please refer to your contract).

authorised variation means a variation in daily consumption falling within the tolerance specified in your contract, if you are required to give a 14-day forecast under your contract.

day means, in respect of a *delivery point* located in:

1. Victoria—has the same meaning as “gas day” in Part 19 of the National Gas Rules;
2. Queensland—has the same meaning as “gas day” in Part 20 of the National Gas Rules for the Brisbane hub;
3. New South Wales, the Australian Capital Territory or South Australia—has the same meaning as “gas day” in Part 20 of the National Gas Rules for a hub other than the Brisbane hub; or
4. Western Australia—has the same meaning as “gas day” in the Retail Market Rules that have effect under the Retail Market Scheme established under the *Energy Coordination Act 1994* (WA).

delivery point means a point at which gas is withdrawn from the gas network by you (and identified by a unique MIRN or DPI), or a point within the gas network at which we have agreed to deliver gas to you.

energy charge means an agreed rate for gas delivered or treated as delivered to a *delivery point*.

energy law means any law, statute, regulation, rules, code, direction, mandatory guideline, licence condition, access arrangement or other regulatory instrument, which governs or affects any one or more of the price of gas, the cost to AGL of buying or selling gas, the delivery of gas, the sale or supply of gas to you, the management of greenhouse gas emissions or concentrations generally or in connection with the production, processing, transportation, sale, purchase, supply or consumption of gas, the cost of complying with any new or changed laws or the gas industry generally.

fixed charges means, if you have or had a contract with AGL for supply of gas to the relevant *delivery point*, the charges described as ‘Monthly Fixed Charges’ or ‘Monthly Capacity Charges’ in your contract, and otherwise any other charges related to the fixed costs of transmission haulage.

GST has the meaning given in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

market charges means your allocation of any charges (other than any network charges) payable to the Australian Energy Market Operator or any other gas market operator by AGL pursuant to the National Gas Rules.

MDQ means the Maximum Daily Quantity set out in your contract, which is the maximum quantity of gas which AGL is obliged to make available and sell to you and you are entitled to purchase and withdraw at a *delivery point* on a *day*.

network charges means, if you have or had a contract with AGL for supply of gas to the relevant *delivery point*, the charges described as ‘Network Charges’, and otherwise all charges, fees, costs, expenses and similar payments calculated by AGL as being payable to a gas distributor, gas



market operator, or metering data provider for your use of the distribution system or otherwise based on the volume limits applicable to your *delivery point* (including MDQ, MHQ or ACQ, and chargeable demand for NSW *delivery points*).

pass through charges means your allocation of any other charges payable by AGL to a third party on your behalf or directly as a result of the supply and sale of a quantity of gas to you, and includes services charges.

related body corporate has the meaning given in the *Corporations Act 2001* (Cth).

services charges means the fees we may charge you for any other products or services we agree to provide to you.

spot price means the price for gas on the Victorian Declared Wholesale Gas Market on a *day* (as published by the Australian Energy Market Operator (AEMO) in its INT042 Weighted Average Daily Prices report), or another price for gas published by AEMO and reasonably determined by AGL as representing a spot price for gas in Victoria on the relevant *day*.

STTM means the Short Term Trading Market, a market-based wholesale gas balancing mechanism established at defined gas hubs in Sydney, Adelaide and Brisbane.

STTM price means the daily market price set by the STTM at each hub, or another price reasonably determined by AGL as representing a market price for gas in New South Wales, Queensland or South Australia on the relevant *day*.