

Mr. Tyson Self
Assistant Director, Gas Access
Economic Regulatory Authority
Level 4, Albert Facey House
469 Wellington Street
Perth WA
6000
18 December 2014

Dear Tyson,

Re: Proposed Revised Access Arrangement for the Mid-West and South-West Gas Distribution Systems - Draft Decision

Thank you for the opportunity to comment on the draft decision regarding revised access arrangements.

As a well-established builder of new homes and apartments in the Perth and Mandurah areas, Danmar Homes market a wide range gas cooking, high efficiency gas water heater models and other gas products for our clients. We have built a display home in Alkimos which showcases domestic gas products; gas hot plates, gas oven, gas hot water unit, gas room heater, gas space heater, outdoor gas heater, gas clothes dryer, gas BBQ. We actively promote the use of gas products in all of our homes.

We understand from ATCO Gas Australia (AGA) that the draft ruling of October 14th will impact their ability to finance the gas reticulation of new housing estates for the period of the arrangement. As a new homes builder for the Western Australian market, we are concerned that this may have the impact of reducing the uptake of gas water heaters, gas cooking and gas heating and thereby limiting the choice of new home owners to the following options:

Higher greenhouse emission electric water heaters, electric hot plates and electric room heaters.
Higher running cost LPG gas water heaters, gas cooking and heating.
Higher up front cost solar water heaters.
Higher running costs for electric hot plates and electric room heaters.

Our concern is that this decision will result in a limitation of choice for new homeowners, who may want to choose the benefits of reticulated gas water heating, gas cooking and/or gas room heating over any of the alternatives, either for cost or environmental reasons.

Whilst the decision does not preclude the roll out of gas reticulation to new estates, it does limit the ability of ATCO to fund the activity. Even if developer demand for natural gas is strong enough that its infrastructure needs to be included in new developments, then the only way that this could be funded under the new arrangements is by passing through development costs to new home buyers, presumably reducing new home affordability.

We would therefore encourage the ERA to review the draft decision to ensure that new home owners have as wide a choice of energy types as existing Western Australian homeowners, and are able to choose the product that best suits their particular needs.

Regards,

Rob Williams | Construction Manager



Phone 9445 7833 **Fax** 9445 7933

Web www.danmarhomes.com