



**DEPUTY PREMIER**

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Our ref: E002673

Dr Ken Michael  
Gas Access Regulator  
Office of Gas Access Regulation  
PO Box 8469  
PERTH BUSINESS CENTRE WA 6849

Dear Dr Michael

**INVITATION FOR PUBLIC SUBMISSIONS – FULL RETAIL CONTESTABILITY COSTS FOR ALINTA NETWORK SERVICES**

In response to your invitation for public submissions on the costs of developing systems associated with the introduction of gas full retail contestability ("FRC") in Western Australia, I am pleased to provide the following comments.

I previously provided a submission on 27 July 2002, advising that the State is committed to a uniform national framework applying to access to natural gas transmission and distribution pipelines. Since this submission, the Gas Retail Deregulation Project (GRDP) has continued to fulfil the Government's commitment of implementing gas FRC in Western Australia, with the following objectives:

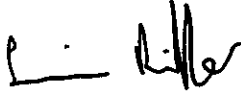
- to provide the choice of retailer to all gas consumers; and
- to facilitate a smooth transition from a regulated to deregulated gas retail market.

The proposal by Alinta Network Services ("ANS") to provide the necessary systems for the ring-fenced distribution business to facilitate customer transfers is an essential element of achieving gas FRC and the above outlined objectives.

The Government supports the principle of ANS' proposal to recover FRC related costs through its Access Arrangement. The Government considers third party access charges should reflect prudent and efficient FRC related costs of the network operator. The Government has every confidence that you will examine this matter with as much rigor as necessary and looks forward to an early decision on this issue. A speedy resolution will assist in progressing the implementation of practical gas FRC in Western Australia by the Government's Go-Live target date of 1 May 2004.

I invite you to contact Mr Richard Harris, as the Chair of the Gas Retail Deregulation Project Steering Group, to discuss and clarify any matters being dealt with by the project that might be of relevance to ANS' proposal on recovery of FRC costs.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Eric Ripper', written in a cursive style.

**ERIC RIPPER MLA  
DEPUTY PREMIER; TREASURER;  
MINISTER FOR ENERGY**

- 3 AUG 2009