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Our Ref: 1044/99

NOTICE

FINAL DECISION: RING FENCING ARRANGEMENTS

PARMELIA PIPELINE

This is to notify that I have today issued a Final Decision on the application for waiver of certain ring fencing obligations lodged in respect of the Parmelia Pipeline [Pipeline Licence No's: 1-3, 5 and 23]. This application was lodged by CMS Gas Transmission Australia (CMS) on 31 March 2000.

On 22 May 2000, I issued a Draft Decision advising that I did not intend issuing a notice under section 4.15 of the Code granting a waiver of the pertinent ring fencing obligations. The Draft Decision and Notice calling for public submissions were placed on the Office of Gas Access Regulation web site (www.offgar.wa.gov.au) on that date.

On 5 September 2000, CMS withdrew its application for waiver of ring fencing obligations and sought a further extension of time from 1 November 2000 to 31 March 2001 to meet the ring fencing obligations for the Parmelia Pipeline. The same extension of time was sought by CMS to comply with sub-section 4.1(a) of the Code concerning the legal entity status of the Service Provider. A copy of CMS' most recent application dated 5 September has been placed on the OffGAR Web site.

In its application for an extension of time, CMS indicated that its parent company was currently reviewing its gas pipeline and associated activities in Western Australia and as a consequence was not in a position to establish with any degree of certainty the corporate structure that would prevail for the Parmelia Pipeline following the review. This review is expected to be completed by 31 March 2001.

In view of the circumstances, the Final Decision on the waiver application is to not issue a notice under section 4.15 of the Code waiving any of the Service Providers obligations under sub-sections 4.1(b), (h) and (i) of the Code.



On the basis of the reasons given by CMS in its submission dated 5 September 2000, I have also determined that the Service Provider is required to comply with the obligations of sub-sections 4.1(b), (h) and (i) by 1 April 2001.

A copy of the Final Decision has been placed on the Office of Gas Access Regulation web site (www.offgar.wa.gov.au).

KEN MICHAEL
GAS ACCESS REGULATOR

21 September 2000