

OFFICE OF GAS ACCESS REGULATION

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NOTICE

INVITATION FOR PUBLIC SUBMISSIONS FULL RETAIL CONTESTABILITY COSTS ALINTAGAS NETWORKS PTY LTD

Submissions are invited from interested parties on a proposal by AlintaGas Networks Pty Ltd ("AGN") that seeks my binding approval, under section 8.21 of the *National Third Party Access Code for Natural Gas Pipeline Systems* ("Code"), to the costs of developing systems associated with the introduction of "full retail contestability" ("FRC") in Western Australia. The effect of this approval would be to have the costs of this investment by AGN added to its capital base when its Access Arrangement is reviewed in March 2004 and reference tariffs for use of its Mid-West and South-West Gas Distribution Systems would be adjusted accordingly.

As the major provider of gas distribution access services, AGN expects to incur new facilities investment mainly in relation to information systems and additional operating costs necessary for the introduction of FRC. AGN has also requested that I provide a non-binding acknowledgement that FRC related non-capital costs are likely to satisfy the requirements of section 8.37 of the Code.

The application by AGN is in accordance with clause 37(1) of its Access Arrangement for the Mid-West and South-West Gas Distribution Networks, which makes provision for AGN to seek approval that the new facilities investment meets the requirements of section 8.16 of the Code.

As indicated above, the Code allows me to agree at the time new facilities investment takes place that it meets the requirements of section 8.16 of the Code, the effect of which is to bind the Regulator to including the new facilities investment costs into the capital base when the Access Arrangement is revised.

In relation to public consultation, the Code requires that any application under section 8.21 of the Code must be treated as if it were a proposed revision to the Access Arrangement submitted under section 2.28 of the Code. Accordingly, I am required to call public submissions for a period of at least 28 days following the release of this notice, issue a draft decision and call a further period for public submissions of at least 14 days following the draft decision.

Submissions must be received by 4pm Friday 2 August 2002 Western Standard Time.

Available Documentation

A copy of the proposal from AGN under section 8.21 is available at no cost from the Office of Gas Access Regulation (OffGAR) web site (www.offgar.wa.gov.au). Printed copies of the documentation are available directly from OffGAR for \$10.00 per copy. Requests for the document can be made to:



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As part of the public consultation process, I propose to shortly release an information paper that provides further information on the processes involved for a section 8.21 approval of new facilities investment under the Code. This information paper will also discuss any issues raised in the application by AGN.

Interested parties are invited to register their interest with Mr Robert Pullella at the above address to receive a copy of this information paper in either electronic or hard copy form.

Confidentiality

Parties making submissions should be aware that, in general, all submissions received by me will be treated as being in the public domain and will be placed on the *OffGAR* web site. The receipt and publication by me of any submission lodged for the purposes of the Code shall not be taken as indicating that I have formed an opinion as to whether or not any particular submission contains any information of a confidential nature.

Where an interested party wishes to make a submission in confidence, it should clearly indicate the parts of its submission in respect of which confidentiality is claimed. I will consider any claim of confidentiality in accordance with the provisions of section 7 of the Code. Parties should bear in mind that, under the Code, notwithstanding any claim of confidentiality, I may publicly release submitted information where I consider that it would not be unduly harmful to the legitimate business interests of any party to do so. If I consider that a submission provided in confidence should be made public, I will notify the submitting party, return the submission and provide the party with an opportunity to revise or withdraw it. If a submission is withdrawn, I will not publicly release the information contained therein.

Format of Submissions

Submissions with comments on the proposed FRC costs should be in both written and electronic form and addressed to Mr. Robert Pullella at the above address.

KEN MICHAEL
ACTING GAS ACCESS REGULATOR

4 July 2002