

5 May 2000

Mr Robert Pullella
Office of Gas Access Regulation
Level 6, Governor Stirling Tower
197 St Georges Terrace
PERTH WA 6000

Dear Mr Pullella

Re: OffGAR's draft decision on the AlintaGas Access Arrangement

AGL Energy Sales & Marketing (AGL ES&M), as a retailer and shipper of gas, submits the following comments on the draft decision regarding the AlintaGas Access Arrangement by the Office of Gas Access Regulation.

Gas Quality

AGL ES&M understands that gas specifications are required to ensure that the commercial interests, as well as the safety, of the end users of the distribution network are protected. However, we feel that the proposed gas specifications are more stringent than they have to be, and we believe that this may prevent smaller producers from supplying gas into the AlintaGas distribution system.

Standing Charge

We accept that a standing charge may be required to ensure a sufficient capital recovery from the construction and maintenance of the AlintaGas distribution network. However, we have not seen information that justifies a \$50,000 per annum standing charge for the proposed Reference Service A. We therefore ask the Regulator to request further information from AlintaGas so that this charge can be adequately assessed. We also ask the Regulator to give consideration to the impact a charge of this order may have on the delivered cost of gas for a small Reference Service A tariff customer.

We believe that should the proposed gas specifications and standing charge be approved by the Regulator, they may have the potential to significantly inhibit competition amongst gas producers and retailers on the AlintaGas network, as well as stifle economic growth in the regions covered by the distribution system.

Yours sincerely

Thomas Melsom
Manager Market Development (WA)