

Acceptance of the Gas Marketing Code Consultative Committee's Final Report Recommendations

FINAL DECISION – 26 March 2007

Economic Regulation Authority



WESTERN AUSTRALIA

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For further information, contact:

Economic Regulation Authority
Perth, Western Australia
Phone: (08) 9213 1900

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DECISION

The Economic Regulation Authority (**Authority**) has decided to:

1. Exercise its power pursuant to section 11ZPU(1)(b) of the *Energy Coordination Act 1994 (Act)* to repeal the *Gas Marketing Code of Conduct 2004 (Code)*.
2. Accept and implement all of the remaining recommendations made in the Gas Marketing Code Consultative Committee (GMCCC) Final Report for Review of the Gas Marketing Code of Conduct 2004.

REASONS

3. Under section 11ZPV(1)(a) of the Act, the GMCCC is required to carry out a review of the Code as soon as practicable after the first anniversary of its commencement. Section 11ZPV(5) of the Act requires the GMCCC to prepare a report on the Code review and give it to the Authority.
4. Pursuant to section 11ZPO of the Act, the Authority established the GMCCC for the purpose of undertaking the Code review in May 2005. The Secretariat of the Authority supplied the GMCCC Chairman and Executive Officer.
5. The GMCCC prepared and issued a principles paper, on 3 January 2006, to interested persons for comment in accordance with section ZPV(3) of the Act which requires the GMCCC to invite comments from interested persons on the review. This paper detailed the proposed approach for undertaking the review. The approach included a legal review of the Code.
6. The GMCCC prepared and issued a draft report, on 11 August 2006, for a second round of comment from interested persons. The key draft report recommendation arising from the legal review of the Code, was to repeal the Code and replace it with a regulatory instrument (Gas Marketing Standard) to be included in the Gas Trading Licences together with a licence condition requiring compliance with the regulatory instrument. The GMCCC also recommended that a consumer information document be prepared to provide gas consumers with relevant information concerning the marketing of gas in WA.
7. The GMCCC provided its final report to the Authority on 2 March 2007. Drafts of the proposed Gas Marketing Standard, licence compliance condition and consumer information document were included in the final report.
8. In making its decision, the Authority had regard to the legislation covering the Code review process (Part 2C of the Act), the submissions received from interested persons during the course of the review and the GMCCC's final report.