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Mr Paul Kelly
Executive Director
Licensing, Monitoring & Customer Protection
Economic Regulatory Authority
Level 6, Governor Stirling Tower
197 St Georges Terrace
Perth WA 6000

Dear Paul

Draft Gas Last Resort Supply Arrangements

I refer to your recent correspondence in regard to the abovementioned and requesting interested persons to provide submissions as to the process of "supplier of last resort" provisions under the Energy Coordination Act 1994 will be implemented by the Authority.

Alinta Sales Pty Ltd as an interested party has reviewed the Draft Guidelines and Template Plan and provides the following comments:

Small Use Customers

Under existing legislation, the definition of a small use customer is defined as "means a customer whose consumption of gas is less than 1 terajoule per year".

As we are aware, however, the current threshold for contestable gas customers has been reduced to 180 GJ per annum and customers above this threshold value are entitled to source their gas supply from other Retailers.

As existing SOLR arrangements are intended to cover small use customers, there is now a gap in this range which will need to be addressed. In the interim, customers in this range may require to be treated in a different manner under a Last Resort Supply Plan and the draft plan should be amended to address this anomaly.

Tariffs

As Alinta has outlined as part of the Gas Tariffs Review, existing retail tariffs are not cost reflective. As part of the Last Resort Supply Plan, the intent should be to ensure that the SOLR is not subsidising uncommercial customers.

Supply of Gas

As part of the Last Resort Supply Plan, there will be a requirement to ensure that the SOLR has sufficient supply of gas and contractual arrangements in place to secure additional supplies and transport the gas in the event of SOLR being invoked. In order for this to be addressed, the nominated SOLR may require information which is currently not made available.

All of the above matters can be addressed as part of the formulation of a Last Resort Supply Plan; however Alinta does consider it appropriate to raise these matters as part of the submission process.

Alinta appreciates the opportunity to be invited to comment on this matter and is pleased to offer these comments in an effort to achieve an acceptable outcome in this matter.

Please contact Ray Myles on (08) 9486 3328 if you wish to discuss these matters further or seek clarification on any of the information provided.

Yours sincerely

Ray Myles
Customer Services Manager
Alinta Sales Pty Ltd