

20 March 2009

Paul Reid  
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Dear Paul

**Submission – Review of Incident Reporting Manual for Electricity, Gas and Water Licensees**

WestNet Energy appreciates the invitation from the Economic Regulation Authority (**The Authority**) to provide feedback on the Incident Reporting Manual for Electricity, Gas and Water Licensees (**The Manual**) dated February 2009.

As you are aware WestNet Energy provides services to WA Gas Networks Pty Ltd (**WAGN**) to assist WAGN in the operation and maintenance of its gas distribution system known as the Mid West and South West Gas Distribution System (**GDS**). WestNet Energy responds to your letter in the course of providing those services to WAGN.

Having reviewed The Manual we note the requirements set out by The Authority. These seek to impose further obligations over and above the reporting requirements already in place with both The Authority and other government regulatory agencies and we question the benefit of this duplication. Nevertheless we provide the following comments:

***Section 2.4 Uses of Information***

The Manual states information provided by Licensees will be treated as confidential, however The Authority reserves the right to use and report on the information provided. Both WAGN and WestNet Energy are subject to confidentiality and ring fencing obligations and are keen to ensure this is not compromised. Given legal and commercially sensitive information may be provided, what protection will be put in place to prevent the Licensee being held liable for the release of such information. In addition what processes will be established for Licensees to review information prior to any public release.

***Section 3 Commencement***

If The Manual becomes effective 1 July 2009 and requires Licensees to comply with the reporting obligations commencing 1 January 2010, system modifications would be required to capture and report on all obligations. Any modifications would have to be scheduled in line with planned system upgrades and would incur costs. It is suggested that a transition period of 12 months be established to report on best endeavours basis whilst new systems and procedures are implemented.

#### ***Section 4.5 The Authority's Response to an Incident Report***

Section 4.4 states The Authority understands the first priority of a Licensee during an incident is to deal with the situation at hand. Section 4.5 then states the Authority will respond to all Incident Reports and may request further information. The dual reporting requirement could impose an additional burden during an emergency. For this reason any request for additional information should only be sought once the incident has been managed.

#### ***Section 5 Incidents Reported by all Licensees***

The Authority wishes to be notified of any incident or "event, relevant to the operation of a licence" that has been reported to any government regulatory agency. The Manual is designed to capture incident reporting yet the scope is then broadened to include a much wider range of activities. This creates unnecessary duplication of reporting and it is not clear how widening the scope is justified.

#### ***Section 7 Gas Distribution Requirements***

The Licensee notes the increased reporting requirements would have significant impact on operating costs and resources, which in turn would need to be recovered through increased haulage tariffs.

We trust the above information is of assistance and look forward to the opportunity to discuss these views in more detail if required.

Kind Regards

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Manager Regulatory Services