

1 October 2010

Mr Lyndon Rowe  
Chairman  
Economic Regulation Authority  
Level 6 Governor Stirling Tower  
197 St Georges Terrace  
PERTH WA 6000

Dear Mr Rowe

### **Application for an extension of time to the revision period referred to in National Gas Rule 59(3)**

We refer to the access arrangement for the Mid-West and South-West Gas Distribution System (**GDS**). WA Gas Networks Pty Ltd (**WAGN**) is the covered pipeline service provider for the GDS under the National Gas Access (Western Australia) Law as defined in section 7 of the *National Gas Access (Western Australia) Act 2009* (WA) (**NGL**).

On 17 August 2010 the Economic Regulation Authority (**ERA**) issued its access arrangement draft decision in relation to the GDS under National Gas Rule 59 and stipulated a revision period of 4:00 pm (WST) on Friday, 1 October 2010 by which WAGN was to respond to the access arrangement draft decision and provide revisions to its access arrangement proposal.

This letter is a request for the ERA to exercise its discretion under National Gas Rule 12(1) (or any other relevant National Gas Rule or provision of the NGL) and extend the revision period from 4:00 pm (WST) on Friday, 1 October 2010 to 4:00 pm (WST) on Friday, 8 October 2010.

The reasons for the request to extend the revision period to 4:00 pm (WST) on Friday, 8 October 2010 are.

1. On or around 10 September 2010 CBA Spectrum announced that it would no longer publish the generic fair value yield curves which have been relied upon in the past by the ERA in the calculation of debt risk premium in the context of the rate of return.
2. From 10 September 2010 to 30 September 2010 WAGN has discussed the issue with the ERA and has endeavoured to identify a suitable replacement for the generic fair value yield curves published by CBA Spectrum (while some progress has been made WAGN has not been able to complete the task to its reasonable satisfaction);
3. Further relevant information became available on 1 October 2010 and WAGN requires time to consider that further relevant information and to incorporate any necessary revisions to its access arrangement proposal in the event that the information provides an appropriate alternative to CBA

Spectum.

4. WAGN considers that an extension of the revision period to 4:00 pm (WST) on Friday, 8 October 2010 is reasonable given the complexity of the subject matter and the revisions that will be required to its access arrangement proposal.

If you would like to discuss this issue further please contact me on 6218 1721 (office) or 0419 834 494 (mobile).

Yours faithfully

**Justin Scotchbrook**  
**Senior Manager Commercial & Business Development**