



NOTICE

Our Ref: 1044/99

PARMELIA PIPELINE RING FENCING ARRANGEMENTS EXTENSION OF TIME

CMS Gas Transmission of Australia (CMS) has submitted that it requires an extension of time in order to meet its ring fencing obligations for the Parmelia Pipeline (Licence Numbers WA: PL 1-3, 5 and 23). The extension of time has been requested to enable CMS to establish an appropriate corporate structure and put in place the necessary staffing arrangements to meet the requirements of section 4.1 of the *National Gas Pipelines Access Code for Natural Gas Pipeline Systems* (the Code).

As an interim measure, CMS has proposed physically separating the provision of gas transportation services, which will be based at CMS' operational facility at Kewdale, from CMS' gas trading activities, which will be located at its Perth corporate office. This physical separation will be accompanied by a separation of personnel responsible for the gas transportation and gas trading activities.

After considering CMS' request, I have granted a 6 month extension of time from 31 March 2001 for CMS to comply with the requirements of section 4.1(b), (h) and (i) of the *National Gas Pipelines Access Code for Natural Gas Pipeline Systems* (the Code). Section 4.1 (b) relates to the Service Provider not being permitted to carry on a Related Business and Sections 4.1 (h) and (i) involve the separation of Marketing Staff of the Service Provider of the Parmelia Pipeline from the Marketing Staff of any Related Business. This extension of time will allow CMS sufficient time to put in place the necessary arrangements to effect its corporate restructuring, bearing in mind the legal procedural steps required. It should be noted that other extensions of time have already been granted in respect of this matter.

This extension of time has been granted pursuant to section 7.19 of the Code and is conditional on the following:

- that the interim administrative, marketing and commercial arrangements will be put in place and made public by 30 April 2001; and
- that the extension of time will be subject to review in the event any matter is raised with the Regulator regarding the effectiveness of the interim arrangements.

In consideration of this, I invite submissions from interested parties on whether the period of time being considered materially impacts on their business.



Submissions close at 4PM (WST) on 12 April 2001.

Confidentiality

In general, all submissions from interested parties will be treated as in the public domain and placed on the *OffGAR* web site. Where an interested party wishes to keep part or all of the contents of a submission confidential, it should indicate these parts clearly. However, where the information is not considered to be 'unduly harmful' to the legitimate business interests of any party, the submission may be returned to the party making the submission with the option of revising or withdrawing it.

Format for Submissions

Submissions with comments on the proposed interim arrangements should be in both written and electronic form, preferably in Microsoft Word 6.0 or Word 97 and addressed to:

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KEN MICHAEL
GAS ACCESS REGULATOR

30 March 2001