

OFFICE OF GAS ACCESS REGULATION

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NOTICE

INVITATION FOR PUBLIC SUBMISSIONS FULL RETAIL CONTESTABILITY COSTS ALINTAGAS NETWORKS PTY LTD

Submissions are invited from interested parties on a proposal by AlintaGas Networks Pty Ltd ("AGN") received on 26 June 2003 that seeks my binding approval, under section 8.21 of the *National Third Party Access Code for Natural Gas Pipeline Systems* ("Code"), to the costs of developing systems associated with the introduction of "full retail contestability" ("FRC") in Western Australia. The effect of this approval would be to have the costs of this investment by AGN added to reference tariffs for use of its Mid-West and South-West Gas Distribution Systems after review of the Access Arrangement. The Access Arrangement for the Mid-West and South-West Gas Distribution Systems is scheduled for review in March 2004.

As the major provider of gas distribution access services in Western Australia, AGN expects to incur new facilities investment mainly in relation to its development and implementation of a Network Management Information System ("NMIS") and additional operating costs necessary for the introduction of FRC. AGN has also requested that I provide a non-binding acknowledgement that FRC related non-capital costs are likely to satisfy the requirements of section 8.37 of the Code.

AGN first submitted an application seeking approval of its FRC costs on 24 June 2002. On 27 December 2002, I issued an information paper explaining that costs of the type proposed to be recovered by AGN did not fall within the terms of section 8.21 and that, accordingly, I was unable to agree that the proposed New Facilities Investment would meet the requirements of Section 8.16. There was no other specific power under the Code enabling me to give any binding approval such as that provided for under section 8.21.

On 17 April 2003, the Code was amended to enable prior binding approval for capital costs such as those proposed by AGN to be given.

In relation to public consultation, the Code requires that any application under section 8.21 of the Code must be treated as if it were a proposed revision to the Access Arrangement submitted under section 2.28 of the Code. Accordingly, I am required to call public submissions for a period of at least 28 days following the release of this notice, issue a draft decision and call for further public submissions for a period of at least 14 days following the draft decision.

Submissions must be received by 4 pm Monday 28 July 2003 Western Standard Time.

Available Documentation

A copy of the proposal from AGN under section 8.21 is available at no cost from the Office of Gas Access Regulation (OffGAR) web site (www.offgar.wa.gov.au). Printed copies of the documentation are available directly from OffGAR for \$10.00 per copy. Requests for the document can be made to:



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As part of the public consultation process, I propose to shortly release an information paper that provides further information on the processes involved for a section 8.21 approval of New Facilities Investment under the Code. This information paper will also discuss any issues raised in the application by AGN.

Interested parties are invited to register their interest with Mr Robert Pullella at the above address to receive a copy of this information paper in either electronic or hard copy form.

Confidentiality

Parties making submissions should be aware that, in general, all submissions received by me will be treated as being in the public domain and will be placed on the *OffGAR* web site. The receipt and publication by me of any submission lodged for the purposes of the Code shall not be taken as indicating that I have formed an opinion as to whether or not any particular submission contains any information of a confidential nature.

Where an interested party wishes to make a submission in confidence, it should clearly indicate the parts of its submission in respect of which confidentiality is claimed. I will consider any claim of confidentiality in accordance with the provisions of section 7 of the Code. Parties should bear in mind that, under the Code, notwithstanding any claim of confidentiality, I may publicly release submitted information where I consider that it would not be unduly harmful to the legitimate business interests of any party to do so. If I consider that a submission provided in confidence should be made public, I will notify the submitting party, return the submission and provide the party with an opportunity to revise or withdraw it. If a submission is withdrawn, I will not publicly release the information contained therein.

Format of Submissions

Submissions with comments on the proposed FRC costs should be in both written and electronic form and addressed to Mr Robert Pullella at the above address.

KEN MICHAEL
GAS ACCESS REGULATOR

30 June 2003