Our reference: 03/79

14 April 2003

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Mr William Armitage
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111 Pacific Highway
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Dear Mr Armitage

Access Arrangement for AGL Gas Networks (AGLGN)

I refer to your letters dated 26 February and 31 March 2003 seeking the Tribunal's approval to vary the Revisions Submission Date in clause 10.2 of AGLGN's Access Arrangement from 30 June 2003 to 31 December 2003 and the Revisions Commencement Date in clause 10.3 of AGLGN's Access Arrangement from 1 July 2004 to 1 January 2005.

I understand the proposed variation to delay the Revisions Submission Date and the Revisions Commencement Date is sought to permit AGLGN to understand with more certainty the potential changes to the policy and legal environment in which the next Access Arrangement review would be conducted, given the pending review of the National Gas Code, before submitting its proposed Revisions to the Tribunal.

In considering AGLGN's proposed variation the Tribunal has taken into account the factors in s2.24 and s8.1 of the Code. The Access Arrangement has previously been approved by the Tribunal. As the proposed variation extends only to the Revisions Submission Date and the Revisions Commencement Date, the Tribunal continues to be satisfied that the Access Arrangement contains the elements described in s3.1 to s3.20 of the Code.

In considering AGLGN's request the Tribunal has also considered s2.33 of the Code which provides:

> "The Relevant Regulator may dispense with the requirement to produce Access Arrangement Information in respect of proposed revisions and may approve or not approve the proposed revisions without consultation with, or receiving submissions from, persons other than the Service Provider if:
>
> (a) the revisions have been proposed by the Service Provider other than as required by the Access Arrangement; and

(b) the Relevant Regulator considers that the revisions proposed are not material and will not result in changes to Reference Tariffs or to the Services that are Reference Services."

The Tribunal notes that the proposed variation is not a requirement of the Access Arrangement and that accordingly paragraph (a) has been satisfied.

You have submitted that the proposed variation is not material and will not result in changes to Reference Tariffs or to Reference Services. The proposed variation only defers the existing Revisions Submission Date and Revisions Commencement Date by 6 months. It has no express impact on any other provision of the Access Arrangement and no other revisions are sought. The Tribunal is therefore satisfied that the proposed variation will not result in changes to Reference Tariffs or to the Services that are Reference Services.

In assessing whether the proposed variation is material, the Tribunal considered the relevance of the variation and its significance, both within its terms and in its likely impact. Among the matters considered is its impact on Reference Tariffs and Reference Services and on the terms and conditions of the Access Arrangement.

The Tribunal also considered the factors in clause 2.24 of the Code, including the implications of the proposal on the interests of Users and Prospective Users. The Tribunal notes that AGLGN sought the views of some its major customers. The Tribunal was made aware of those views at the time that it considered the variation.

The Tribunal considers that the variation is likely to have a limited immediate impact, because it will not result in changes to Reference Tariffs or to the Services that are Reference Services. To the extent that there may be impacts (including financial impacts) over the six months of the variation, it is open to the Tribunal to properly consider these when AGLGN's revision is next submitted to the Tribunal. Given these considerations and the period of the extension in comparison to the overall term of the Access Arrangement, the Tribunal is satisfied that the variation is not material.

The Tribunal has therefore decided to dispense with the requirement for AGLGN to produce an Access Arrangement Information and for consultation, other than that already undertaken with AGLGN. It is the Tribunal's final decision to approve the proposed variation. This final decision and approval is effective from Wednesday, 3 April 2003, being the date of the Tribunal meeting and decision.

The effect of this approval is that AGLGN must amend clause 10.2 of the Access Arrangement to provide:

> AGLGN will submit revisions to the Access Arrangement to the Regulator on or before 31 December 2003

and AGLGN must amend clause 10.3 of the Access Arrangement to provide:

The revisions to the Access Arrangement will commence on the latter of 1 January 2005 and the date on which the approval by the Regulator of the revisions to the Access Arrangement takes effect under the National Code.

AGLGN must submit to the Tribunal within 28 days of this letter a revised Access Arrangement in the terms approved.

Yours sincerely,

Thomas G Parry
Chairman