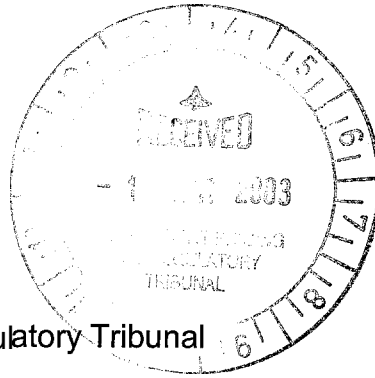




The Australian Gas Light Company
Formed in
New South Wales in
1837 with limited liability

31 March 2003

Dr T G Parry
Chairman
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB POST OFFICE NSW 1230



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Dear Dr Parry,

ADDITIONAL INFORMATION FOR CONSIDERATION IN AGLGN'S APPLICATION FOR A DELAY IN ITS ACCESS ARRANGEMENT REVIEW

On 26 February AGL Gas Networks (AGLGN) applied for an extension to the Revisions Submission Date and Revisions Commencement Date under its Access Arrangement (AA) for the NSW Gas Networks. It is AGLGN's understanding that at its meeting of 19 March IPART deferred a decision on this application until its meeting on 3 April. In the circumstances AGL would like to provide supplementary information about the reasons for the application for delay of the AA review process.

AGL submits that a six month delay should provide for sufficient progress on the Gas Code Review to provide guidance on how the principles underpinning access law will be amended. As the Tribunal is aware the Gas Code Review has been agreed to by the Ministerial Council on Energy following the Productivity Commission Review.

Given the detailed Productivity Commission Report, AGL believes that the Gas Code Review should be completed this year. AGL offers the following observations for this conclusion:

- The review is intended to be a revision of the existing Code, not an attempt to create a new code.
- The issues requiring attention in the existing Code have already been addressed by the Productivity Commission.
- The Ministerial Council on Energy and the Parer Report have both supported the recommendations of the Productivity Commission in relation to the Gas Code Review.
- Governments and industry have been addressing the Code Review for some time and are currently engaged in extensive pre-work for the anticipated formal commencement of the review in May.



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ABN 95 052 167 405

A six month delay in AGLGN's AA would allow the Revision Submission Date to follow a substantial body of work on the Gas Code Review. This would allow a total of 19 months from the likely commencement date of the Gas Code Review to the proposed new AA Commencement Date.

In addition AGL appreciates that the full legislative amendment process that would follow from the Gas Code Review will take some time. However this does not detract from the overall position that the broad recommendations from such a Review would be sufficient to provide guidance on future Access Arrangements.

If there is no change to the AA Submission & Commencement dates AGL is of the view that the AA review process will be impeded by the concurrent substantial review of the principles underpinning the Gas Code. This action risks the outcome that AGL may need to seek to repeat the draft AA review.

AGLGN remains confident that a six month delay would allow the AA review process to be carried out subsequent to the substantial completion of the principles underpinning access regulation arising from the Gas Code Review. If this does not turn out to be the case AGL assures the Tribunal that it has no intention of seeking a further delay to its Revision Submission Date or its Revision Commencement Date and will submit its draft AA on 1 January 2004.

Yours sincerely,



William Armitage
General Manager Energy Networks

For and on behalf of AGL Gas Networks Limited