

14 March 2003

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

Dear Dr Parry,

**RESPONSE FROM INTERESTED PARTIES – FOR CONSIDERATION WITH
AGLGN’S APPLICATION FOR A DELAY IN ITS AA REVIEW**

To support its application for a delay in the Review Submission Date and Review Commencement Date under the AGL Gas Networks Limited (AGLGN) Access Arrangement for NSW Gas Networks, AGLGN has sought the response of interested parties to the proposed delays.

In determining who to contact AGLGN took into consideration:

- The fact that distribution charges to Tariff Delivery Points will (in 2003/4) represent 85% of total distribution charges.
- The role of AGLGN Customer Council & PIAC as the major advocates for tariff consumers
- The need to consult with major Retail Users of the network
- The need to consult a number of major contract market end users
- IPaRT’s request to consult BHP Petroleum

Based on the above AGLGN consulted with the following organisations

- The AGL Customer Council - on March 14th
- The Public Interest Advocacy Council (PIAC) - on March 12th
- Energy Australia - on March 12th
- Incitec - on March 10th
- Onesteel - on March 11th
- Caltex - on March 11th
- Country Energy - see comments below
- BHP Petroleum - on March 11th

All parties consulted were asked to advise either AGLGN or IPART of any concerns they had with the proposed delay for consideration at IPART’s meeting on March 19th. A summary of responses is set out below:

- **The AGL Customer Council**
The Council passed a motion unanimously supporting the delay.

- **The Public Interest Advocacy Commission**
PIAC were supportive of the issues and advised they would contact IPART if they had any concerns.
- **Energy Australia**
Energy Australia did not express any concerns over the proposed delay and indicated they were likely to contact IPART to confirm their support.
- **Country Energy**
A meeting with Country Energy is scheduled for Monday 17th March, but preliminary indications are that they are likely to be supportive
- **Incitec**
Incitec advised that they would respond directly to IPART with any concerns.
- **Onesteel**
Onesteel advised that they believed the Energy Market Reform Forum would be likely to respond to IPART on behalf of its members
- **Caltex**
Caltex were supportive and advised they would contact IPART if they had any concerns.
- **BHP Petroleum**
BHP Petroleum did not express a view to AGL but advised they would be likely to respond directly to IPART

Through this consultation process AGLGN's proposal to delay the review process has been communicated to

- Users and organisations representing 99.9% of tariff consumers,
- Users representing 94% of the contract market, including the three largest (by revenue) contract market end users, representing approximately 15% of contract market revenue.

The proposal has received support from the majority of the market, and in particular has received strong support from the tariff market which is the segment most impacted by the proposal.

The reasons for a delay set out in the letter attached to the application, and the response from interested parties now make a compelling case for the Tribunal to exercise its discretion to grant a delay under either section 7.19 or 2.33 of the Code

Yours sincerely,

William Armitage
General Manager Energy Networks

For and on behalf of AGL Gas Networks Limited

Attachment: Copy of Powerpoint presentation given to all interested parties