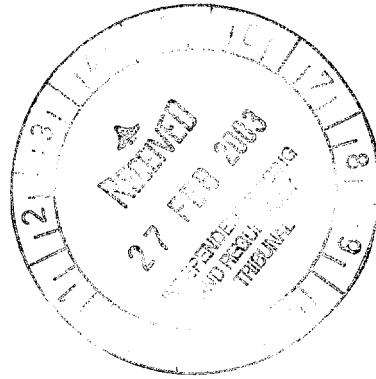




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26 February, 2003



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

Dear Dr Parry,

**APPLICATION FOR AN EXTENSION OF THE REVISIONS SUBMISSION DATE
AND REVISIONS COMMENCEMENT DATE UNDER THE AGL GAS
NETWORKS LTD ACCESS ARRANGEMENT FOR NSW GAS NETWORKS**

I write to formally request an extension of the date that AGL Gas Networks (AGLGN) is required to submit revisions to its current Access Arrangement (AA). As you will be aware, the Revisions Submission Date is 30 June 2003 and the Revisions Commencement Date is 1 July 2004.

There has been a material change in circumstances relating to the national review of the Gas Access Regime which, we believe makes it appropriate to extend the period in which AGLGN is required to lodge its proposed revisions to the AA by a period of six months.

At its meeting in Brisbane on 29 November 2002, the Ministerial Council on Energy agreed to complete a review of the Gas Access Regime (code and legislation) in 2003. The timing of this commitment is significant as it will mean that the code and legislative review will not be completed before the date which AGL is required to lodge its proposed revisions.

AGLGN believes it is in the best interest of all parties impacted by the AA if the Revisions Submission Date is extended to 31 December 2003 and, consequently, the Revisions Commencement Date is extended to 1 January 2005, so that the policy, legislative and legal platform for the revision is more certain.

A delay in the application date would remove the risk that AGLGN would have to submit a new AA application once the code review is completed thus exposing all parties involved to the increased cost of two applications. These increased costs are ultimately borne by the gas consumers of NSW.



A extension period of six months would also provide additional impetus to complete the code review process during the 2003 “window of opportunity” and avoid the significant conflict created by the concurrent completion of the code review and the AA review.

As you know, AGLGN’s legal advisers have stated that the appropriate section of the National Third Party Access Code for Natural Gas Pipeline Systems (Gas Code) under which this request for an extension should be considered is section 7.19. This section gives IPaRT wide discretion to grant this extension. We acknowledge that IPaRT has indicated it would prefer to deal with this request for an extension as a review of the Access Arrangement under sections 2.22 to 2.48 of the Gas Code and in particular, section 2.28.

AGLGN requests that IPaRT consider our request for **an** extension to the Revisions Submission Date and Revision’s Commencement Date under section 7.19, failing which, the request be considered under section 2.28 of the Gas Code.

With regards to a request under section 2.28, we consider the revisions to the AA which we propose will not result in changes to Reference Tariffs or to the Services that are Reference Services and are not material. Consequently, we suggest that if this application for **an** extension is considered under section 2.28 then IPaRT should consider its discretion under section 2.33 of the Gas Code:

“the Relevant Regulator may dispense with the requirement to produce Access Arrangement Information in respect of the proposed revisions and may approve or not approve the proposed revisions without consultation with, or receiving submission from, persons other than the Service Provider.”

Whichever section of the Gas Code is deemed to apply, its is clear that IPART has the discretion to grant **an** extension.

AGLGN recognises the value which can be provided by consultation with interested parties and to this end we are intending to meet with representatives of customer groups, major retailers, and contract customers to seek their views on the extension of the Revisions Submission Date and Revisions Commencement Date. AGLGN is endeavouring to complete this exercise prior to 14 March 2003 and would like to present the results of that consultation to IPaRT for consideration at its meeting to be held on March 19th 2003.

Yours sincerely,



William Armitage
General Manager Energy Networks
For and on behalf of AGL Gas Networks Limited

Attachments: Applications for extensions under sections 2.28 and 7.19 of the National Third Party Access Code for Natural Gas Pipelines

**APPLICATION FOR AN EXTENSION OF THE REVISIONS SUBMISSION
DATE AND REVISIONS COMMENCEMENT DATE UNDER THE AGL GAS
NETWORKS LTD ACCESS ARRANGEMENT FOR NSW GAS NETWORKS**

**(For consideration under section 2.28 of the National Third Party Access Code for
Natural Gas pipelines)**

AGLGN propose the following amendment to section 10.2 of the AGL Gas Networks Access Arrangement for NSW Gas Networks to read:

“For the purposes of the National Code the Revisions Submissions Date is 31 December 2003”.

And the following amendment to section 10.3 of the AGL Gas Networks Access Arrangement for NSW Gas Networks to read:

“For the purposes of the National Code the Revisions Commencement Date is the latter of 1st 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.”

**APPLICATION FOR AN EXTENSION OF THE REVISIONS SUBMISSION DATE
AND REVISIONS COMMENCEMENT DATE UNDER THE AGL GAS
NETWORKS LTD ACCESS ARRANGEMENT FOR NSW GAS NETWORKS**

**(For consideration under section 7.19 of the National Third Party Access Code for
Natural Gas pipelines)**

AGLGN applies for IPART to grant an extension to the Revision Submissions date in section 10.2 of the AGL Gas Networks Access Arrangement for NSW Gas Networks: to read:

“For the purposes of the National Code the Revisions Submissions Date is 31 December 2003”.

And for IPART to grant an extension to the Revision Commencement date in section 10.3 of the AGL Gas Networks Access Arrangement for NSW Gas Networks: to read:

“For the purposes of the National Code the Revisions Commencement Date is the latter of 1st 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.”