

2 December 2016

## **Australian Energy Market Commission**

GPO Box 787  
CANBERRA ACT 2601

Via online portal: [www.aemc.gov.au](http://www.aemc.gov.au)

### **Re: Review of the Victorian Declared Wholesale Gas Market**

#### **To Whom It May Concern:**

Australian Gas Networks Limited (AGN) is one of Australia's largest natural gas distribution companies. AGN owns approximately 24,000 kilometres of natural gas networks, serving over 1.2 million customers in Victoria, South Australia, Queensland, New South Wales and the Northern Territory.

AGN understands that the Australian Energy Market Commission (the Commission) is seeking feedback on its draft final report in relation to its "*Review of the Victorian Declared Wholesale Gas Market*". Feedback from this process will inform the Commission's final recommendations.

Although we are largely unaffected by potential changes that may be made to the Victorian Declared Wholesale Gas Market (VDWGM), we are supportive of the objective of creating a more liquid and transparent wholesale gas market in order to better manage the changing wholesale market for gas on the east coast.

In particular, through our engagement with our business customers, it is clear that a key concern of our customers relates to gaining access to a competitive supply of natural gas over any contracting period (particularly for longer term contracts). Customers tell us that often they will receive only one compliant quote, on inflexible terms and on a 'take it or leave it' basis.

Consequently, we intend to participate in the market design consultation process in order to ensure (to the extent possible) that the reforms will increase natural gas supply and improve the transparency and liquidity of wholesale gas markets. To this end, we also note the complexity of the Commission's recommendations and encourage the Commission to continue to engage with affected parties to ensure that any reforms are implemented at least cost to energy customers.

Please feel free to contact either Ashley Muldrew (08 8418 1115) or myself (08 8418 1129) should you wish to discuss our submission further.

Yours sincerely,

**Craig de Laine**  
**General Manager - Regulation**