



## AGL Energy Sales & Marketing

29 June 2001

Ms Kanwaljit Kaur  
General Manager  
Regulatory Affairs - Gas  
Australian Competition and Consumer Commission  
PO Box 119  
DICKSON ACT 2602

Dear Ms Kaur

### **Access Arrangement for Moomba – Adelaide Pipeline**

AGL Energy Sales & Marketing is pleased to respond to the Commission's issues paper dated 25 May 2001 and to comment on the revised access arrangement submitted to the Commission by Epic Energy.

The issues paper identifies a number of specific points on which the Commission seeks comment, including the related questions of extensions/expansions policy, future tariffs and possible trigger mechanisms. AGL ES&M notes that these are complex matters, particularly so in the case of the Moomba – Adelaide pipeline system for which existing capacity is a limiting factor on market growth and for which the prospect of an alternative pipeline is currently evolving. We submit that it is impractical to aim for an access arrangement that deals with the range of possible outcomes, even those that may eventuate within the limited timeframe of a typical regulatory review period. Rather, we would encourage the Commission to aim for an access arrangement that deals as simply as possible with a particular outcome and provides for its subsequent reopening if and when that outcome is no longer expected to eventuate.

The present situation, where the MAPS is 'covered' under the national third party access Code for natural gas pipeline systems but the terms of access are still apparently governed by the 1995 SA Pipelines Access Act, gives rise to confusion about the basis for shippers to seek access to capacity in the MAPS. A priority objective should be to resolve the uncertainty without any unnecessary delays, by the establishment of an access arrangement under the Code, even if subsequent revisions prove to be necessary.



---

**AGL Energy Sales & Marketing Limited** A.C.N 076 092 067  
181-187 First Avenue Five Dock NSW 2046 v PO Box 395 Five Dock NSW 2046  
Telephone +61 2 9712 6116 Facsimile +61 2 9712 6143

THE AUSTRALIAN GAS LIGHT COMPANY SINCE 1837

In addition to our comments on the matters specifically raised in the Commission's issues paper, we note that there appear to be some problematic aspects of the access arrangement which probably derive from the terms of existing contracts between Epic and its shippers. We believe that these need to be resolved in order to avoid unnecessary impediments for new entrants into the South Australian gas market. Further, we express concern about Epic's failure to comply with some of the amendments proposed in the Commission's draft decision of 16 August 2000.

Despite the complexity of some of the issues we have deliberately kept our comments brief. Should you wish for any elaboration I ask that you contact Robert Wiles, either by email at [rwiles@agl.com.au](mailto:rwiles@agl.com.au), or by phone on (02) 9712 6273.

Yours Sincerely  
AGL Energy Sales & Marketing Limited

P M James  
General Manager Business Strategy