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Mr Kanwaljit Kaur
General Manager
Regulatory Affairs – gas
PO Box 1199
Dickson
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Dear Mr Kaur

MAPS ACCESS ARRANGEMENT – QUEUING POLICY

Australian National Power welcomes the opportunity to comment on your latest arrangements for MAP queuing process as outlined in Attachment A of your letter dated 1 August 2001. ANP is generally supportive of the proposal to have separate queuing policies for new (first in first served) and existing (arbitration) capacity requests.

It is the second policy for the existing MAP capacity that we have some comments on in relation to the defined arbitration process, in particular clarification on the intent of your proposal:

- The additional scope of the arbitrator specified in your proposal must not compromise, deteriorate or over ride the rights available to access proponents under the arbitration process described in the Gas Pipelines Access Act-1997.
- Gas Pipeline Access Act contemplates a single shipper disputant with the service provider and not a multi shipper dispute. This constraint will make arbitration difficult on disputes about over subscribed capacity where there are many disputants as currently experienced on the MAP.
- One issue that has hampered the current MAP dispute is the ability of new proponents to make capacity requests at any time and thereby become new parties to the dispute. This makes the process difficult and almost impossible to resolve. Part of any dispute process should have a final closing date for all new capacity requests prior to commencing arbitration. The pending capacity dispute and the closing date for new capacity requests must be made public so as not to artificially exclude any genuine capacity requests.
- The arbitration process as detailed in your proposal lacks a clear time horizon for the process including define time lapses for each stage of the dispute.

Australian National Power recommends the inclusion of a conciliation process in the first instance prior to entering the arbitration process. If successful, would provide a solution sooner and more economical than an arbitration process. Conciliation must remain in the control of the disputants and voluntary participation is mandatory. Any failure of the conciliation including the departure of one of the disputants from the process should automatically move to the next stage of the dispute.

The requirement in your proposal for the arbitrator to consider '*The prospective users intended use for gas*' is open ended and gives the arbitrator the authority to make discretionary choice on one use of gas is better than another. Australian National Power believe the intent of the requirement is to test whether the proponent has a legitimate end use for the gas and not merely gaining MAP capacity to on sell at a later date. Priority should be given to existing gas end users in preference to speculative requests.

We welcomed the opportunity to make this submission to the ACCC and trust our comments assist in reaching a final determination on the MAP open access regime. If you would like to discuss the point of this submission or require supporting information in regard to the MAP access regime, please contact Stephen Timms on (08) 8217 5856 or myself on (03) 9617 8410.

Yours sincerely

Michael Downey
Market Development Manager