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19 August 2005

Mr Mike Buckley
General Manager
Regulatory Affairs - Gas
Australian Competition & Consumer Commission
GPO Box 3648
SYDNEY NSW 2001

Dear Mr Buckley

Revisions to Access Arrangement for Moomba to Adelaide Pipeline System

I refer to your letter of 28 April 2005.

Background

On 13 April 2005, I wrote to you seeking an extension of time for the lodgement by Epic Energy South Australia Pty Ltd ('EESA') under section 2.28 of the *National Third Party Access Code for Natural Gas Pipeline Systems* ('Code') of proposed revisions to the Access Arrangement ('AA') for the Moomba to Adelaide Pipeline System ('MAPS').

Your letter of 28 April advised that on 27 April 2005 the Commission decided, pursuant to 7.19 of the Code, to grant the requested extension until 1 October 2005.

Request for further extension of time

I am writing again on behalf of EESA to request a further extension of time for the lodgement of revisions. Section 7.19 of the Code permits the granting of extensions on one or more occasions.

EESA seeks a further extension of time until 1 March 2006 (or such later date as the Commission considers appropriate) for the submission of revisions.

Reasons for application

My letter of 13 April 2005 outlined that the initial extension of time was sought because EESA had made an application to the National Competition Council ('NCC') for revocation of coverage of MAPS as a Covered Pipeline under the Code. The application was made on 15 March 2005.

The timeline for consideration of the application outlined in my earlier letter has changed. My earlier letter outlined that if the timeframes set out in the Code were strictly applied, the Minister's decision should have been known by 26 July 2005. As events have transpired, the NCC has not yet reached the point of issuing its draft decision on the application.

The NCC has on two occasions extended (under section 7.16 of the Code) the time under the Code for the issue of its draft recommendation on the application. The most recent extension was until 16 August 2005. The NCC has now advised EESA that a further extension of 35 days will be granted to 20 September 2005. EESA does not know whether that date is likely to be further extended.

If this further date is not further extended, the revised timeline for the next steps in consideration of the revocation application will be as follows:

Step	Date
NCC draft recommendations issued	20 September 2005
Submissions on draft recommendations due	4 October 2005 (unless time further extended)
NCC final recommendation to Minister - within 14 to 28 days after issue of draft recommendation.	18 October to 1 November 2005 (unless time further extended)
Minister to make decision on NCC's coverage recommendation - within 21 days after receipt of NCC recommendation	8 November to 22 November 2005 (unless time further extended)

The Code permits the NCC and the Minister to further extend, on one or more occasions, the relevant period for decision making. See sections 7.16 to 7.18 of the Code.

Given the experience to date, it is highly likely that the minimum timeframes outlined above will further slip. Based on events to date it is perhaps likely that the NCC's final recommendation will not be known until late in 2005 or early 2006. It is probable that the Minister's decision on the application would not be known until early 2006 at the earliest.

In light of those circumstances, EESA requests that the date for submission of revisions to the MAPS Access Arrangement be further extended to 1 March 2006.

For the reasons outlined in my earlier letter, EESA would need a number of months lead time between knowing the NCC's final recommendation or the Minister's decision and the date for submission of revisions to prepare the revisions.

Undertaking

EESA again offers the same undertaking set out in my earlier letter that it will commence the work required to prepare the revisions to the AA if the NCC makes a final recommendation to the Minister not to revoke coverage.

Lack of prejudice to third parties if further extension is granted

We consider that the position outlined in our earlier letter about a lack of prejudice to other persons if an extension of time is granted continues still to be the case for the reasons outlined in my earlier letter. A further extension of time for submission of revisions should not materially prejudice any third parties.

If there is any aspect of this application which you wish to discuss with EESA or if there is any further information that the Commission requires for its consideration of the application, would you please advise us. If the Commission considers that the grant of an extension should be made subject to further conditions or assurances from EESA, we would also be pleased to address those issues.

Yours sincerely

Stephen Livens
Manager Regulation, Risk & Insurance