



The Hon Anthony Roberts MP
Minister for Resources and Energy
Special Minister of State

VF14/499

Ms Michelle Groves
Chief Executive Officer
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

07 APR 2014

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Dear Ms Groves

On the 8 August 2013, the National Competition Council (the Council) made its recommendation to me concerning Envestra Limited's application for revocation of coverage of the Wagga Wagga Gas Distribution Network (WWGDN).

The Council's report identifies that the removal of retail price regulation is the key factor influencing its recommendation. Specifically, that if the NSW Government decided not to remove retail price regulation for gas then: -

the Council considers that competition in the market for gas sales in the Wagga Wagga area is likely to remain stagnant irrespective of whether the WWGDN is covered. In such a circumstance criterion (a) could not be satisfied and coverage should be revoked.

I confirm that after consideration of the Australian Energy Market Commission's report on retail competition in the NSW energy market, the NSW Government has decided to retain retail price regulation for gas.

Based on the Council's advice, I am not satisfied all the Pipeline Coverage Criteria are satisfied in relation to the WWGDN and, as required by Section 107 (2)(b) of the National Gas Law, I must revoke coverage of the Envestra Wagga Wagga Gas Distribution Network. This coverage revocation determination takes effect immediately.

I have advised the Council and Envestra Limited of my decision on this matter. Should you require any further information, please contact for Mr Adrian Amey, Manager Supply and Networks Policy, 02 8281 7449, adrian.amey@trade.nsw.gov.au.

Yours sincerely

Anthony Roberts MP
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