



30 August 2004

Revisions to the GasNet System access arrangement

On 24 August 2004, GasNet Australia (Operations) Pty Ltd (GasNet) lodged, for approval by the ACCC under the provisions of the *National Third Party Access Code for Natural Gas Pipeline Systems*, proposed revisions to the access arrangement covering the GasNet System in Victoria.

The access arrangement describes the terms and conditions under which GasNet offers third party access to the GasNet System. The ACCC approved the access arrangement for the GasNet System in 1998 and revised the access arrangement in 2003. (This was later varied by the Australian Competition Tribunal.) The next scheduled review of the access arrangement is due in 2007 and the current proposed revisions are voluntary.

GasNet proposes to change four specific aspects of its access arrangement only:

- the price control formula, so that the over-recovery of the maximum average revenue in any year is returned to users over the remainder of the access arrangement period rather than all in the year following the over-recovery;
- the transmission refill tariff applicable to injections into the Iona underground storage facility, so that gas injected into the facility and then withdrawn into the SEA Gas pipeline will pay the same tariff as if it were withdrawn directly from the GasNet System into the SEA Gas pipeline;
- the forecast volumes (on which tariffs are based), in light of the new weather standard adopted by VENCORP in November 2003. GasNet does not propose to incorporate any other changes VENCORP has made to its forecasts since the ACCC's assessment of GasNet's access arrangement in 2002; and
- the rules governing the alterations to tariffs, so that if the ACCC approves these revisions after it has made a decision on the annual tariff adjustment (which must be submitted by mid November), the tariff adjustment may be resubmitted, based on the revised access arrangement.

The proposed access arrangement and supporting documentation are available from the ACCC's website at

<http://www.accc.gov.au/content/index.phtml/itemId/534025/fromItemId/520048>.

Interested parties are invited to make submissions to the ACCC on any issues relevant to these proposed revisions by 30 September 2004. The ACCC prefers that all written submissions be publicly available to foster an informed, transparent and robust consultative process. Accordingly, submissions will be treated as public documents unless otherwise requested. Parties wishing to submit confidential information are asked to provide both confidential and non-confidential versions of their submission. All non-confidential submissions will be placed on the ACCC's website. Any information for which confidentiality is claimed will be dealt with under sections 7.11-7.13 of the code.

Please supply submissions in electronic format compatible with Microsoft Word to the review e-mail address gasnet@acc.gov.au. In addition, one original signed document should be mailed to the postal address below:

Mr Mike Buckley
General Manager
Regulatory Affairs Division– Gas
ACCC, GPO Box 3648
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A copy of the Draft Decision and Final Decision documents will be sent to all parties who make a submission. The default form of distribution is to e-mail the copy. If you prefer to receive a hard copy, please indicate this in writing when you lodge your submission and indicate the postal address to which it should be sent.

Similarly, if you do not make a submission but wish to receive copies of the decisions, please send details of your request to the above e-mail or postal address.

Non-confidential versions of submissions, any consultancy reports, further information from GasNet and other relevant material will also be placed on the ACCC's website. If you wish to receive automatic advice of additional information being added, please register for the ACCC's "email alert" facility by following the link on the left hand side of the home page of the ACCC's site (<http://www.accc.gov.au>). Note that this facility will then need to be activated on each page which is of interest to you.

Please contact Alex Ralston on (02) 92309161, or at the above email address, if you have any questions on this matter.

Mike Buckley
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