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Mr Sebastian Roberts
Acting General Manager
Regulatory Affairs – Electricity
GPO Box 520J
MELBOURNE VIC 3001

Dear Sir

Murraylink Transmission Company – Application for conversion to a prescribed service.

We refer to the Issues Paper issued by the Australian Competition and Consumer Commission with regard to the application by Murraylink Transmission Company (“Murraylink”) for conversion to a prescribed service. We note that Murraylink has also applied for a determination of maximum allowable revenue and in view of our opposition to their conversion to a prescribed service, we will refrain from commenting on their second application.

Santos supports the ACCC’s approach to applications for conversion from a market network service to a prescribed service as set out in its Issues Paper. It seems to us that there should be no difference of approach, other than those necessary as pointed out in the Issues Paper, between applications to be regulated and those made for conversion to regulation. There appears, in principle, to be no distinction between the two cases as both need to be assessed against the criteria of the legislation for admittance. To favour one kind of application would be contrary to the spirit and letter of the legislation.

We note from a review of the decision of the National Electricity Tribunal in the Murraylink matter in 2002 that the Tribunal comprehensively disagreed with the position put by Murraylink. We agree, with respect, with that finding. Murraylink have now sought to attain their objective by another route and it appears to us that similar issues will be required to be covered in this application to the issues covered in the failed tribunal application with little change in the factual circumstances of the two proposals.

It is noted in the Tribunal’s decision that Murraylink and other market network service providers have been unable to secure contracts for transmission. This appears to indicate that the decisions of the regulators have been correct and that there is no case for the imposition of charges on the network.

We look forward to the determination of the Commission.

Yours faithfully

R.A. English
Senior Joint Venture & Regulatory Adviser