

{The Australian Gas Users Group}

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Mr Luke Berry
National Competition Council
GPO Box 250B
Melbourne VIC 3000

APPLICATION FOR COVERAGE OF EASTERN GAS PIPELINE

Dear Mr Berry,

We have received a copy of the issues paper relevant to the application from AGL Energy Sales and Marketing Limited for coverage of the Eastern Gas Pipeline.

The Australian Gas Users Group appreciates the opportunity to put forward its views to the Council for consideration.

While there are many issues raised in the issues paper we would like to confine our comments to the question of public interest.

We are concerned at the level of involvement that would be possible for interested parties such as our own Group to assess and comment upon access arrangement information submitted voluntarily under Part IIIA of the Trade Practices Act. A key feature of all pipeline access reviews conducted by regulators to date has been the level of information disclosure by the applicant. The National Gas Code is quite explicit in its requirements for information disclosure and in many instances regulators have experienced considerable difficulty in achieving satisfactory compliance from applicants.

Adequate information disclosure is not only crucial to the performance of regulators in access reviews but also to the involvement and participation of interested parties in the review process - the public interest aspect.

Voluntary undertakings under part IIIA are not subject to the same requirements and could be used to limit the level of assessment and scrutiny by third parties.

The history of pipeline access reviews conducted by regulators under the provisions of the National Gas Code to date indicates that the input from third parties has been of considerable value. In our view it is essential that this participation be retained and that any proposal to limit the quality of it be rejected.

We thereby recommend to the Council that the application for coverage of the Eastern Gas Pipeline be granted and look forward to receiving advice from the Council on its recommendation to the Minister.

Yours sincerely

Alan J Reichel
Executive Director