

Manager - EMR Projects  
National Energy Market Branch  
Department of Industry, Tourism and Resources  
Canberra ACT 2601

29 October 2004

Dear Madam/Sir

MINISTERIAL COUNCIL ON ENERGY  
STANDING COMMITTEE OF OFFICIALS  
ISSUES PAPER  
NATIONAL FRAMEWORK FOR ELECTRICITY AND GAS  
DISTRIBUTION AND RETAIL REGULATION  
AUGUST 2004

WA submission by APT Parmelia (CMS Gas Transmission of Australia now owned  
by Australia Pipeline Trust)

Thank you for inviting submissions on the subject matter issues and any other issues considered relevant. I make the following comment:

I welcome the policy objective of establishing a framework which lowers barriers to competition.

The Parmelia pipeline operator and users have been trying to get permanent unrestricted access into the Perth gas distribution system operated by Alinta since 1997, without success even after 7 years of negotiations with Alinta and the introduction of an Access Arrangement by Alinta, which was approved by the economic regulator (OffGAR). The lack of establishment of an explicit, open and complete framework to allow more than one pipeline to supply a gas distribution network, has created hidden barriers against market access and competition. These barriers against market access and competition still stand today.

Proposed new Gas Standards (Gas Supply and System Safety) Amendment Regulations 2004, draft 5, would create additional barriers to market access and competition.

Alinta Haulage Contracts in WA are based on a Linear Approach Issue 15), which has created some problems. A customer could sign up with a retailer, who then must take out a Haulage Contract with Alinta for a minimum of 1 year, because that's the minimum term provided. The customer could then churn (or just as likely could shut down and go out of business) to another retailer, who would then take out a separate Haulage Contract with Alinta for the same customer site. This leaves independent retailer's exposed and therefore increases their risk and therefore creates a burden, which Alinta Sales (the retailer) does not have.

Also, why are there no forums in Perth?

Mr Rudi Petrig  
Business Development Manager  
CMS Gas Transmission of Australia (now owned by Australia Pipeline Trust)