

## **Queensland Major Gas Users Group**

QMGUG

PO Box 1309, Brisbane, Qld 4001

Telephone 61-7-32260714

Facsimile 61-7-32260635

John.A.Rich@BHPBilliton.com

5 November, 2004

The Manager – Energy Market Reform Team  
National Energy Market Branch  
Department of Industry, Tourism and Resources  
GPO Box 9839  
Canberra ACT 2601

Dear Sir or Madam:

### **Re: Queensland Major Gas Users Group (QMGUG) Submission – Emergency Gas Protocol**

The QMGUG represents the major gas users in Qld including large industrial consumers and retailers who provide gas to households and commercial consumers.

The QMGUG have reviewed and discussed the draft protocols and have agreed it best to take a high level view in this initial phase of the development of the Protocols.

As a result we have distilled down to three core steps we believe need to be agreed prior to proceeding into the next level of detailed development. Some of these steps reinforce the Market Reform Team's draft to which we are now responding.

The three core steps we are recommending are as follows :-

1. 'Emergency' is defined as gas-related interruption to supply that :
  - (a) Result from long-term or critical damage to gas processing or supply infrastructure;  
and
  - (b) Will result in major curtailment to supply.
2. Each Region, State and Federal jurisdiction must have, developed via Government co-ordination, a curtailment list to be enacted when an emergency (as 1. above) occurs. An emergency can be limited to a Region or State.
3. Under an emergency, gas pricing is determined by the gas market supplying the curtailment listed loads.

QMGUG believes if the above steps are in place, gas emergencies will be :-

- limited in number,
- prior understood by the market allowing better management of exposure, and,

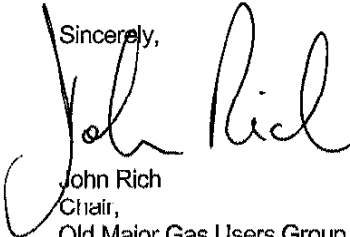
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- will allow prior input by the public and industry at large in determining the curtailment list under a defined process.

QMGUG looks forward to contributing to such a process.

If the National Energy Market Reform Team wish to discuss the above concepts further, QMGUG would welcome the opportunity.

Sincerely,



John Rich  
Chair,  
Qld Major Gas Users Group

CC's: Members of QMGUG