

AS/MS/122

17 April 2003

The Queensland Competition Authority
Level 19
12 Creek Street
Brisbane QLD 4000

Dear Sir/Madam

Please find attached Envestra's comments on the draft "General Accounting Guidelines for Gas Distribution Network Service Providers" issued in March 2003.

Envestra believes that the draft Guidelines need further amendments to make them consistent with the Gas Pipeline Access (Queensland) Law including the National Third Party Access Code for Natural Gas Pipeline Systems. As currently drafted, the Guidelines extend power to the QCA that goes beyond that provided for under the Code. Secondly much of the information proposed to be included in the regulatory accounts is not necessary to monitor compliance with ring fencing obligations and cannot be provided in a meaningful way.

Finally we believe that it would not be helpful to implement the proposed Guidelines in any form in Queensland until regulators across Australia have agreed on a consistent approach for producing regulatory accounts for monitoring ring fencing compliance. This cannot be done until the Code review has been completed (later in the year).

Our detailed comments on the Guidelines are provided in the Attachment. I can be contacted on 08 8418 1125 if you require further information.

Yours faithfully

Andrew Staniford
Commercial Manager