

13 December, 2000

Ms Jennifer Hocking  
Project Manager  
Queensland Competition Authority  
GPO Box 2257  
Brisbane QLD 4001

Dear Ms Hocking

**Subject: Issues Paper – Access Arrangements for Queensland Gas Distribution Networks**

Envestra has reviewed the above document and commends the QCA on the document's thoroughness, balance and readability. We also congratulate the QCA on its progress to-date, and although our regulatory resources are currently stretched, we will endeavour to respond to QCA requests as quickly as possible in order to maintain this progress.

At this stage, we have only several comments to make on the Issues Paper and they are as follows:

1. Reference: page 10, final paragraph – it is stated that “SAIPAR (2000a) required that an additional service be provided relating to short term services for small and medium customers”. This requirement by SAIPAR was based on the misunderstanding that a minimum one-year term applied for all Reference Haulage Services, when in fact it only applied to the Demand Haulage Reference Service. No minimum term applies to Haulage Reference Services for small and medium consumers in South Australia or Queensland.
2. Reference: page 19, Envestra's extensions and expansions policy – the QCA states that it is unclear from the Access Arrangement what
  - Envestra's notice in relation to a stand-alone Pipeline relates to; and
  - Whether the QCA would have a role in regulating a stand-alone Pipeline;We seek to clarify the Access Arrangement by rewording the appropriate section of the Extensions and Expansions Policy as detailed in Attachment A. The new words make it clear that a stand-alone Pipeline is not a Covered Pipeline. Envestra understands that the QCA will not have a role in Pipelines that are not Covered.
3. Reference: page 84, 2<sup>nd</sup> dot point from bottom of page – the Demand tariffs are on a “\$/GJ of MDQ” basis, not on a “\$/GJ” basis.

If you wish to discuss further any of the above, please contact me on (08) 8418 1125.

Yours sincerely



Andrew Staniford  
National Manager, Regulatory Affairs

Current words in section 8.1 of the Access Arrangement:

*A significant extension is an extension to one or more Delivery Points, where the anticipated Quantity of Gas delivered exceeds 10TJ per year.*

*In this case, Envestra will have the option of treating the extension as either:*

- *part of the Network; or*
- *a stand-alone Pipeline, in which case Envestra will provide written notice to the Regulator prior to the extension entering into service. Envestra will have the option of including the stand-alone Pipeline as part of the Network at any subsequent review of the Access Arrangement for the Network.*

Proposed words:

*A significant extension is an extension to one or more Delivery Points, where the anticipated Quantity of Gas delivered exceeds 10TJ per year.*

*In this case, Envestra will have the option of treating the extension as either:*

- *part of the Network; or*
- *a stand-alone Pipeline that is not Covered, in which case Envestra will provide written notice to the Regulator (of Envestra's intention to construct the stand-alone Pipeline) prior to the extension entering into service. This notice will also outline the rationale behind Envestra's decision to treat the extension as a stand-alone Pipeline. Envestra will have the option of including the stand-alone Pipeline as part of the Network at any timesubsequent review of the Access Arrangement for the Network, by making an application for Coverage in accordance with section 1.3 of the Code.*