



25 February 2008

Moston Neck
Queensland Competition Authority
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Brisbane QLD 4001

By email: gas@qca.org.au

Draft Decision – Envestra’s FRC Pass-through Application

AGL welcomes the opportunity to comment on the Draft Decision Paper released by the Queensland Competition Authority (QCA).

The Draft decision paper proposes the following:

- Envestra’s recovery of FRC costs be limited to \$10.3 million over 4 years

In general terms, AGL agrees with the QCA’s position of the amount of the cost passthrough, and the period over which these costs should be recovered.

Further opportunities for reduction in Envestra’s FRC costs..

AGL is aware that the Distribution Network in Queensland is now being managed by one entity (namely APA Group). In a number of Industry meetings it has been advised that there is a project under way where resources that were previously employed by Envestra are being co-located, and indeed AGL believes that further resourcing efficiencies may be gained by this initiative. AGL believes that this process would lead to a reduction in the costs Envestra associated with the implementation of FRC, and which would not have been included in previous submissions.

AGL is of the view that if the QCA does not re-assess Envestra’s cost pass through submission based on these efficiencies, that APA’s FRC cost pass through submission will appropriately reflect efficiencies related to this project.

~~Should you have any questions, please contact Andrew Robertson on 03 0632 6045.~~

Yours Sincerely,

A black rectangular box redacting the signature of Andrew Robertson.

Andrew Robertson
Regulatory Development Manager