



Tel: (08) 8299 4071
Fax: (08) 8299 4021

AGL South Australia Pty Limited
ABN 49 091 105 092

AGL Centre
226 Greenhill Road
Eastwood SA 5063

GPO Box 888
Adelaide SA 5001
www.agl.com.au

10 June 2005

Dr Patrick Walsh
Acting Chairman
Essential Services Commission of South Australia
GPO Box 2605
Adelaide SA 5001

Dear Dr Walsh,

**2006 Review of Envestra's Gas Distribution Access Arrangement
Discussion Paper**

AGL South Australia (AGLSA) welcomes the opportunity to provide comment on the Commission's Discussion Paper relating to the review of Envestra Limited's Access Arrangement for the covered South Australian gas distribution system.

AGL would like to provide comment on a few specific issues:

Reference Services

Whilst AGLSA believes that the current Haulage Reference Services outlined in the Services Policy are appropriate, it considers that some of the Terms and Conditions applicable to the provision of these services, as outlined in Annexure E of the Access Arrangement, need review.

Specifically, AGLSA believes that the Terms and Conditions relating to demand delivery points, in particular to MDQ re-sets and the provision of metering data, should be revised. MDQ re-set provisions could be improved and better assurance is required by network users concerning the quality and timeliness of demand delivery point metering data.

The Discussion Paper indicates that Envestra intends to amend its Ancillary Reference Services, in particular its disconnection and reconnection services so that they are aligned with those supplied by Envestra in Victoria. AGL proposes to provide Envestra with comments directly on these services as part of Envestra's separate consultation with network users.

Terms and Conditions

AGLSA supports the Commission's proposal to further clarify the service standards set out in the Terms and Conditions. AGL believes that this will improve the effectiveness of retail competition and the standards of service provided to customers.

In particular, AGLSA supports the Commission's proposal to convene a Terms and Conditions Working Group to consider Envestra's proposed Terms and Conditions.

AGL believes that a Working Group comprised of Envestra, network users and the Commission will provide the appropriate mix of representatives and has a strong desire to participate in this group.

AGL notes the Commission's remark concerning the appropriate division between 'standard' terms and conditions that are subject to regulatory approval and 'specific' terms and conditions that are not approved but negotiated separately between Envestra and each network user. AGL believes that a large portion of the Special Terms and Conditions set out in current haulage agreements can be incorporated into the more general Terms and Conditions of the Access Arrangement. This would make haulage agreements more equitable between retailers as well as improve the process for negotiating haulage agreements. The current negotiating process is lengthy and cumbersome, with most of the issues arising over clauses in the Special Terms and Conditions.

If you have any questions on the above comments please direct them to Catherine Rousch, Manager Market Development, on (08) 8299 4071.

Yours Sincerely,

Sean Kelly
General Manager Retail Regulation