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Mr Greg Martin
Managing Director
AGL Gas Networks Limited
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Dear Mr Martin

Approval of application to apply proposed access arrangement revisions to four covered pipelines under section 2.28A of the Gas Code

I refer to AGLGN's request, dated 10 November 2004, to apply its proposed access arrangement and access arrangement information submitted in December 2003 in aggregate to the four covered pipelines that comprise its NSW network as permitted by section 2.28A of the *National Third Party Access Code for Natural Gas Pipeline Systems* (the Code).

The covered pipelines that are the subject of AGLGN's request are:

- the pipeline from Wilton, via Horsley Park, Plumpton and Killingworth, to Walsh Point (the Wilton to Newcastle transmission pipeline)
- the pipeline from Wilton to Wollongong (the Wilton to Wollongong transmission pipeline)
- the pipelines within the AGL NSW distribution system
- the pipelines within the AGL Central West distribution system.

After considering AGLGN's request, the Tribunal has agreed that the proposed access arrangement will apply to the covered pipelines listed above, under section 2.28A of the Code.

The Tribunal's approval was based on the knowledge that AGLGN has proposed to maintain a separate capital base for each of the Wilton to Newcastle and Wilton to Wollongong transmission pipelines and the distribution system as well as a consolidated capital base for the entire NSW network. The Tribunal requires AGLGN to continue maintaining separate capital bases in addition to the aggregated capital base as this is consistent with the current access arrangement, will assist the cost allocation process and provide transparency for users of the AGLGN network.

Yours sincerely

James Cox
Acting Chairman