



Presentation to IPART Public Forum on AGLGN Access Arrangement

23 March 2005

KEY OUTSTANDING ISSUES

- Access to partial use of system, ie de-linking of Trunk and Local Network Services
- Load shedding priority for embedded network users
 - All end-users should be treated equally regardless of where their Delivery Point is located
- Metering Contestability
 - Issue not addressed in IPART Draft Decision
 - But Basic Metering Equipment charges were allowed to increase
- Access to Meter Data
- Flexibility in term of Service Agreement
 - Issue not responded to in IPART Draft Decision

KEY SECTIONS FROM NATIONAL CODE

Section 2.24

The relevant Regulator may approve a proposed Access Arrangement only if it is satisfied the proposed Access Arrangement contains the elements and satisfies the principles set out in section 3.1 to 3.20. In assessing a proposed Access Arrangement, the Relevant Regulator must take the following into account:

- (a) the Service Provider's legitimate business interests and investment in the Covered Pipeline;
- (b) firm and binding contractual obligations of the Service Provider or other persons (or both) already using the Covered Pipeline;
- (c) the operational and technical requirement necessary for the safe and reliable operation of the Covered Pipeline;
- (d) the economically efficient operation of the Covered Pipeline;
- (e) the public interest, including the public interest in having competition in markets (whether or not in Australia);
- (f) the interest of Users and Prospective Users;
- (g) any other matters that the Relevant Regulator considers are relevant.

Section 3.2

The Services Policy must comply with the following principles:

- (a) The Access Arrangement must include a description of one or more Services that the Service Provider will make available to Users or Prospective Users, including:
 - (i) one or more Services that are likely to be sought by a significant part of the market; and
 - (ii) any Service or Services which in the Relevant Regulator's opinion should be included in the Services Policy.
- (b) To the extent practicable and reasonable, a User or Prospective User must be able to obtain a Service which includes only those elements that the User or Prospective User wishes to be included in the Service.
- (c) To the extent practicable and reasonable, a Service Provider must provide a separate Tariff for an element of a Service if this is requested by a User or Prospective User.

Section 3.3

An Access Arrangement must include a Reference Tariff for

- (a)
- (b) each Service that is likely to be sought by a significant part of the market and for which the relevant Regulator considers a Reference Tariff should be included.

Section 3.6

An Access Arrangement must include the terms and conditions on which the Service Provider will supply each Reference Service. The terms and conditions included must, in the Relevant Regulator's opinion, be reasonable.

Definitions

“**Delivery Point**” means the point or points within the Covered Pipeline at which the custody of Natural Gas is transferred from a Service Provider to a User

“**Service**” means

- (a) a service provided by means of a Covered Pipeline (or when used in section 1 a service provided by means of a Pipeline) including (without limitation):
 - (i) haulage services (such as firm haulage, interruptible haulage, spot haulage and backhaul); and
 - (ii) the right to interconnect with the Covered Pipeline, and
- (b) services ancillary to the provision of such services,

but does not include the production, sale or purchasing of Natural Gas.

- Is there always an incentive for AGLGN to develop and offer negotiated services for users that require a separate trunk or local network service?
- Fundamental requirement to ensure bypass pipelines / embedded networks can be connected to AGLGN's network. Refer IPART to confidential submissions from CSR, Austral Bricks and Pilkington.
- This should not simply be viewed as a request for “partial use of network” service, but ability to obtain only those elements the user wishes to be included in the Service – as mandated under Code section 3.2.

ACCESS TO METER DATA

- This is a separate Service under the Access Arrangement as was originally required by IPART in 1999
- End-users have the right to self-contract or use an agent (ie a retailer)
- As a self-contracting shipper, the end-user gets its data
- Using an agent, IPART is essentially saying that the end-user isn't entitled to it anymore
- If Meter Data Service is available as a separate service, each end-user can enter a direct agreement for such service with AGLGN

Joint Request on the Issue of Access to Meter Data

Copy of Question put to Industry Participants and Major Gas Users

EnergyAdvice seeks your agreement to join other stakeholders and end-users in a joint request to IPART to have access to meter data to be provided to end-users as a service under the proposed AGLGN AA on the following basis:

- a User must be able to obtain a Service which includes only those elements that the User wishes to be included in the Service [Code s.3.2(b)]. In this case the end-users are seeking a Meter Data Service to be provided without having to have such a Service linked to actual transportation services (which in the majority of cases those end-users are still utilising albeit via the services of a retailer/shipper);
- that it is reasonable for an end-user to be able to have direct access to their usage data from the meter provider/meter data agent, particularly when those services are effectively non-contestable/monopoly services under the current market rules and operations of the AGLGN gas network;
- that such a request is not inconsistent with the definition of "Services" under the Code;
- that such a request is not inconsistent with the definition of a "User" under the Code, given that a party (ie an end-user) seeking a specific Meter Data Service as a Service under the AA would still be a "User" as defined under the Code;
- that it is a Service sought by a significant part of the market [Code s.3.3], being the large gas end-users sourcing gas delivered through the AGLGN gas network, including those parties who are supporting this joint request to IPART;
- that such a request has no negative impact on the AGLGN's legitimate business interests, other contractual obligations or contracted parties, or the operational and technical requirements necessary for the safe and reliable operation of the network [Code s.2.24(a)-(c)];
- that the provision of such a service is consistent with the economically efficient operation of the pipeline [Code s.2.24(d)];
- that it is in the public interest to ensure end-users can have direct access to their energy usage data, from which their energy charges and costs are derived and from which they can actively monitor and report on energy usage and meet their external greenhouse and environmental reporting obligations [Code s.2.24(e)];
- that it is in the interests of Users and Prospective Users [Code s.2.24(f)];

Joint Request on the Issue of Access to Meter Data

List of Respondents supporting this request:

ACI Glass	Orica
Alcoa Australia Rolled Products	Pacific Brands
Amtcor	Pilkington
Austral Bricks	Readymix Holdings
BlueScope Steel	Shinagawa Refractories
BOC Gases	SugarAustralia
Boral	Unilever
Caltex Refinery	University Of NSW
Camilleri Stockfeed	Visy
Ceramic Industries	Weston Aluminium
Crane Group	Energy Users Association of Australia
CSR	Hunter Gas Pipeline
Delta EMD	Macquarie Generation
Harrison Manufacturing	EnergyAustralia
Hydro Aluminium	Origin Energy
Insulation Solutions	TXU
Lovell Springs	
Nestlé	
OneSteel	

The above companies represent over 30 PJ of the NSW gas market and other key stakeholders (eg 3 retailers)

EnergyAdvice is happy to table written confirmations from these companies to IPART upon request.