



Western Australia

Economic Regulation Authority

NOTICE

DISCUSSION PAPER INCENTIVE MECHANISMS UNDER SECTION 8 OF THE NATIONAL THIRD PARTY ACCESS CODE FOR NATURAL GAS PIPELINE SYSTEMS

This is to advise that a discussion paper prepared for the Economic Regulation Authority (**Authority**) by Farrant Consultancy Pty Ltd on “Incentive Mechanisms for Code Regulated Gas Pipeline Systems” has been issued today by the Authority.

The aim of the discussion paper has been to explore issues related to the design of incentive mechanisms appropriate for inclusion in Access Arrangements under the *National Third Party Access Code for Natural Gas Pipeline Systems (Code)*. The discussion paper limits its scope specifically to the provisions of the Code.

Incentives may be included in an Access Arrangement in order to encourage the operator to improve efficiency and promote efficient growth of the gas market. The discussion paper focuses on the incentive created through the price path approach that is relevant to such an Access Arrangement and it examines issues and makes comments on the sharing of efficiency gains and losses between the operator of a regulated pipeline and users of the regulated services of that pipeline.

The discussion paper may be of interest to parties wishing to provide comment to the Authority on these matters.

While the discussion paper identifies a number of matters that are likely to be of relevance to the Authority’s consideration of proposed revisions to Access Arrangements, these matters should not be regarded as forming an exhaustive list.

Available Documentation

The discussion paper may be downloaded from the ERA website (www.era.wa.gov.au). Requests for copies of the document can be made to:

Mr Peter Rixson
Senior Business Analyst
Economic Regulation Authority
Level 6, Governor Stirling Tower
197 St Georges Terrace
Perth 6000

Fax: (08) 9213 1999
Telephone: (08) 9213 1968
Email: peter.rixson@era.wa.gov.au

Invitation to Comment

Submissions on the discussion paper are invited from all interested parties. These submissions, addressed to Mr Peter Rixson at the above address, should be in both written and electronic format and must be received by close of business Monday 14 June 2004 Western Standard Time.

Confidentiality

In general, all submissions from interested parties will be treated as in the public domain and placed on the ERA website. The receipt and publication of any submission lodged for the purposes of the Code shall not be taken as indicating that the Authority has formed an opinion as to whether or not any particular submission contains any information of a confidential nature.

Where an interested party wishes to make a submission in confidence, it should clearly indicate the parts of the submission in respect of which confidentiality is claimed. Any claim of confidentiality will be considered in accordance with the provisions of sections 7.11 to 7.14 of the Code.

LYNDON ROWE
CHAIRMAN

17 May 2004