



OFFICE OF GAS ACCESS REGULATION

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NOTICE

FINAL DECISION FULL RETAIL CONTESTABILITY COSTS ALINTAGAS NETWORKS PTY LTD

I have today issued my Final Decision on the proposal by AlintaGas Networks Pty Ltd (“AGN”) that seeks my agreement, under section 8.21 of the *National Third Party Access Code for Natural Gas Pipeline Systems* (“Code”), that the costs of developing systems associated with the introduction of Full Retail Contestability (“FRC”) in Western Australia meet the requirements of section 8.16 of the Code. The effect of my agreement of these costs is to bind my decision when AGN’s Access Arrangement is reviewed, currently to be finalised on 31 December 2004.

After considering AGN’s application, submissions received, advice from the technical consultant, and the relevant terms of the Code, I have decided that there is no reason for me to depart from my Draft Decision of 25 August 2003. Therefore, I have agreed that the capital costs proposed by AGN for the implementation of a NMIS to a maximum of \$12 million will meet the requirements of section 8.16 of the Code.

In its application, AGN also requested that I provide a non-binding acknowledgement that FRC-related non capital costs estimated at about \$1.3 million per annum are likely to satisfy the requirements of section 8.37 of the Code. Although the technical consultant, Evans and Peck, indicated that in their view the non capital costs proposed by AGN are reasonable, the Code does not give me discretion to provide any approval of the non capital costs at this time. I am therefore of the view that it would be inappropriate in the circumstances for me to provide a non-binding acknowledgement that such costs would be likely to satisfy section 8.37 of the Code.

Copies of the Final Decision are available from the Office of Gas Access Regulation (OffGAR) web site (www.offgar.wa.gov.au).

For further information please contact Mr Peter Kolf on +61 8 9213 1900.

KEN MICHAEL
GAS ACCESS REGULATOR

1 October 2003

