

OFFICE OF GAS ACCESS REGULATION

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NOTICE

This is to advise that I have today issued a Decision on the proposed contract (“Haulage Contract”) between AlintaGas Networks Pty Ltd and AlintaGas Sales Pty Ltd for access to haulage services provided by means of the Mid-West and South-West Gas Distribution Systems. The Haulage Contract was submitted to the Regulator on 27 February 2001.

The Mid-West and South-West Gas Distribution Systems include natural gas reticulation areas in the Geraldton, Eneabba, Perth metropolitan, Harvey, Bunbury and Busselton regions.

Under the Haulage Contract, AlintaGas Networks proposes supplying AlintaGas Sales with services broadly equivalent to Reference Services A, B1, B2 and B3 under AlintaGas Network’s Access Arrangement for the Mid-West and South-West Gas Distribution Systems. The Haulage Contract provides for some differences to the Access Arrangement in the terms and conditions of service provision and also makes provision for the services to be provided at tariffs less than the relevant Reference Tariffs.

The Regulator considers that the Haulage Contract constitutes an Associate Contract under section 7.1 of the *National Third Party Access Code for Natural Gas Pipeline Systems* (“Code”). Accordingly, AlintaGas Sales and AlintaGas Networks may not enter into the proposed Haulage Contract without first obtaining the approval of the Regulator.

The Regulator is required to approve the Haulage Contract unless the Regulator considers it would be likely to have the effect of substantially lessening, preventing or hindering competition in a market.

After considering the issues raised by interested parties in submissions, I have decided to **approve** the proposed Haulage Contract taking the view that the contract is not likely to have the effect of substantially lessening, preventing or hindering competition in the retail market for natural gas.

Notwithstanding the conclusion that the Haulage Contract is not likely to have the effect of substantially lessening, preventing or hindering competition, I am aware of concern that has



been expressed by Users about the potential for anti-competitive conduct in the market. It is beyond the scope of my assessment of the Haulage Contract to speculate about that potential. In the event of any such conduct the Regulator may take this into account when reviewing the Access Arrangement or when considering any future Associate Contract and may take any other action considered appropriate.

In this regard, the Regulator will be assisted by the reporting obligations imposed on the relevant Service Provider under Section 4 of the Code.

A copy of the Decision on the Haulage Contract and a summary of my deliberations in reaching this decision are available from the Office of Gas Access Regulation (*OffGAR*) by contacting Robert Pulella on +61 8 9213 1944, or through *OffGAR*'s website: (<http://www.offgar.wa.gov.au>).

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KEN MICHAEL
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