



Western Australia

Economic Regulation Authority

NOTICE

REVISED ACCESS ARRANGEMENT FOR THE MID-WEST AND SOUTH-WEST GAS DISTRIBUTION SYSTEMS

COST OF HEATING VALUE MANAGEMENT

The Authority's Draft Decision of 28 February 2005 referred to the issue of heating value management on pages 15 to 22. Amendment 5 in the Draft Decision stated:

Amendment 5 The proposed revised Access Arrangement should be amended to include provisions, in accordance with the Code, by which Reference Tariffs may recover from all Users of the GDS the costs of heating value management during the second Access Arrangement Period.

AlintaGas Networks Pty Ltd (AGN) responded to Amendment 5 providing forecasts of projected New Facilities Investment and Non Capital Costs for heating value management in its estimated costs for 2005-2009. AGN's 21 March 2005 response to the Draft Decision was not explicit as to the amounts included for this matter, though the increased forecast expenditures were included in the totals in the Revised Access Arrangement Information.

AGN has since provided the Authority with additional information which explicitly deals with these forecast costs. This information has been submitted by AGN to support its cost estimates of \$2.04 million (increase in Forecast New Facilities Investment) and \$1.08 million (increase in Non Capital Costs). The information provided by AGN consists of the following documents:

- A submission on heating value management costs dated 27 April 2005.
- A report dated February 2005 by PCT Engineers entitled "Gas Network Heating Value Measurement – Feasibility Study and Market Survey Report" commissioned by AGN.

The above documents may be downloaded from the ERA website (www.era.wa.gov.au). Printed copies of the documents are available directly from the Authority for \$25.00 per set.

Invitation to Comment

As interested parties have not had the opportunity to comment on this aspect of AGN's forecast costs the Authority is seeking public comment on this particular matter.

Submissions on the forecasts of the projected New Facilities Investment and Non Capital Costs for heating value management are invited from interested parties. The closing date for submissions is **4:00pm Tuesday 17 May 2005**.

Submissions made to the Authority will be treated as in the public domain and placed on the Authority's website unless confidentiality is claimed in respect of the submission or part of the submission and the issues or parts of the submission in relation to which confidential treatment is sought are clearly marked. Any claim of confidentiality will be considered in accordance with the provisions of sections 7.11 to 7.14 of the Code.

The publication of a submission on the Authority's website shall not be taken as indicating that the Authority has knowledge either actual or constructive of the contents of a particular submission and, in particular, whether the submission in whole or part contains information of a confidential nature and no duty of confidence will arise for the Authority.

For further information please contact Mr Peter Rixson on telephone number (08) 9213 1900.

LYNDON ROWE
CHAIRMAN

3 May 2005

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