



9 May 2000

Mr Mike Jansen
Office Of Gas Access Regulation
Level 6 Governor Stirling Tower
197 St Georges Terrace
PERTH WA 6000

Dear Mr Jansen

"RING FENCING" OF PARMELIA PIPELINE

We make the following submission in relation the CMS's request for a waiver of ring fencing obligations. Origin Energy-Major Industry and Power makes these comments as a procurer, shipper and marketer of gas.

CMS control one to two major shipping pipelines into the Perth major industrial markets being the Parmelia Pipeline. They have stated they are planning to extend this network by laterals and connections to the Alinta distribution network.

Origin Energy believes there should be a complete separation between gas transportation and gas marketing businesses. Without separation CMS has a significant advantage in gas marketing along the Parmelia Pipeline.

CMS is the owner and operator of the processing plant at Dongara and has a Gas Marketing Alliance with ARC Energy, owner of the Dongara Gasfield. In addition CMS has a gas storage business at Mondarra. Together with their gas purchase and transport arrangements on the DBNGP to Mondarra these businesses provide market information on all new customer contracts and requirements and how other potential gas suppliers are proposing to bid on these contracts.

Ring fencing would enhance the Parmelia Pipeline as a transport route to the Perth industrial markets.

We would welcome the opportunity to discuss this further.

Yours sincerely

Mr Andrew Dimsey
Senior Manager, Energy Marketing (WA)
Major Industry & Power