

18 October 2016

## **COAG Energy Council Secretariat**

GPO Box 787  
CANBERRA ACT 2601

Via email: [energycouncil@environment.gov.au](mailto:energycouncil@environment.gov.au)

### **Re: Examination of the Coverage Test for the Regulation of Gas Pipelines**

#### **To Whom It May Concern:**

Australian Gas Networks Limited (AGN) is one of Australia's largest natural gas distribution companies. AGN owns approximately 24,000 kilometres of natural gas networks, serving over 1.2 million consumers in Victoria, South Australia, Queensland, New South Wales and the Northern Territory.

We are largely unaffected by any potential changes that may be made to the coverage criteria set out in the National Gas Law. This reflects that, as a gas distribution business, our major assets are covered. We are however interested in any reforms that are aimed at improving the competitive position of natural gas relative to competing energy sources (noting the discretionary nature of natural gas for most of our customers).

Through our engagement with business customers, it is clear that the key concern of our customers relates to gaining access to a competitive supply of natural gas over any contracting period (particularly for longer term contracts). Customers tell us that often they will receive only one compliant quote, on inflexible terms and on a 'take it or leave it' basis.

Consequently, we are particularly interested in working with the Gas Market Reform Group on those reforms that will increase natural gas supply and improve the transparency and liquidity of wholesale gas markets. We believe that these reforms have the potential to make a bigger difference for customers than any potential changes to the pipeline coverage criteria.

We therefore look forward to ongoing engagement with the Gas Market Reform Group. Please feel free to contact either Ashley Muldrew (08 8418 1115) or myself (08 8418 1129) should you wish to discuss the current Consultation Paper, the matters raised in this letter or the future reform agenda that is being considered by the Energy Council.

Yours sincerely,



**Craig de Laine**  
**General Manager - Regulation**