



26 May 2008

Mr Mike Buckley
General Manager Network Regulation North
ACCC
23 Marcus Clarke St
Canberra 2601

By email

Dear Sir

Extension of Time for Submission of Revised Moomba Sydney Pipeline Access Arrangement

Under the current approved MSP Access Arrangement, revisions are due to be lodged with the Commission on June 30 2008 and take effect from 30 June 2009. APA understands that these Access Arrangement revisions would be assessed under the current National Gas Code.

As you are aware, from 1 July 2008 the new legislative and regulatory package contained in the NGL and NGR will replace the current Act and Code. This new regulatory package includes a light regulation option, whereby a covered pipeline may apply for light regulation. Now that the NGL is effectively finalised, APA has been able to determine that absent any change to the currently drafted NGL and NRG, we will apply for light regulation for the MSP. APA considers that the MSP will satisfy the test in the NGL for light regulation, rather than continued full regulation.

Under s114 of the NGL, the NCC is required to make a light regulation determination within 4 months of receiving an application for light regulation, although the NCC does have the ability to extend this period. The NCC's decision making timeline is to be consistent with the standard consultative procedure set out in the NGR. If the NCC makes a determination in favour of light regulation the determination comes into effect after 60 days. In that instance, the current Access Arrangement including the revisions submission date would cease to apply.

APA has engaged external advisors to assist in developing the application with a view to lodging an application soon after the NGL comes into effect.

Given APA will be applying for light regulation for the MSP, APA is applying under section 7.19 of the Code for an extension to the revisions submission date for the current MSP Access Arrangement to 15 December 2008.

APA asks that in considering this request for an extension of time the Commission take into account the following factors. We note that these factors outline the benefits of the extension of time rather than the benefits of light handed regulation per se.

- The MSP is only partially covered and the Access Arrangement including Reference Services and Reference Tariffs, only applies to the covered part. No User currently seeks the Reference Service or pays the Reference Tariff, and we



do not expect this situation to change. Any extension of time does not and cannot disadvantage Users.

- Undertaking a review of the Access Arrangement and Reference Tariff is a costly process in terms of resources, money and time for the Commission, the Service Provider and third parties, such as users, who may be involved in the process. It is undesirable that these costs be incurred in respect of an Access Arrangement for a covered pipeline which may cease to be covered during the review process.
- The current MSP Access Arrangement continues to apply. No one would be materially disadvantaged by any extension. APA has contacted current users of the MSP and notified them that we are seeking an extension to the Access Arrangement submission date for the purpose of applying for light regulation of the MSP.

APA would welcome the opportunity to discuss this request with the Commission's officers.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Sandra Dureau', written over a horizontal line.

Sandra Dureau
General Counsel & GM Regulatory
02 9693 0016

Cc Peter Nicholas
Cc Angelo Kriketos