



DECISION AND STATEMENT OF REASONS

Decision

The AER has made the following amendments to Envestra Limited's (Envestra's) access arrangement for its Queensland gas distribution system:

1. Replaced the definitions for the 'Brisbane Zone' and 'Dinmore Zone' in the Glossary (pages 14 and 16 of the access arrangement) with the following definitions respectively:

'Brisbane Zone' means the area in Brisbane and Ipswich covered by the Brisbane Region, except for the area covered by the Riverview Zone.

'Riverview Zone' means the Riverview industrial area, being the area depicted in Annexure D.

2. Inserted a map of the 'Riverview Zone' in Annexure D of the access arrangement, which was previously blank.
3. Replaced the word "Dinmore" with the word "Riverview" on page 4 of the access arrangement and in tables 1 and 2 of Annexure B of the access arrangement.
4. Added to the cover page, under the date "5 June 2006", the words "Amended version - 19 June 2009".

No other changes have been made to the access arrangement, which was originally approved by the Queensland Competition Authority (QCA) in June 2006.

The AER has published an amended version of the access arrangement on its website: www.aer.gov.au.

Date of effect of the amendment

19 June 2009

Statement of Reasons

Background

Envestra is the owner of a natural gas distribution system in Queensland that covers the areas of Brisbane (north of the Brisbane River), Ipswich, Gladstone and Rockhampton. The QCA approved Envestra's access arrangement for its Queensland gas distribution system in June 2006. Since 1 July 2008, the AER is responsible for the administration of the access arrangement, which runs from 1 July 2006 to 30 June 2011.

On 27 April 2009, Envestra wrote to the AER highlighting an error in the way the 'Dinmore Zone' was described in the access arrangement. Envestra suggested the AER use its powers under section 68 of the National Gas Rules (NGR) to correct this misdescription.

Reasons

The AER considers that there is a misdescription (consistent with clause 68(1)(b) of the NGR) of the 'Dinmore Zone' in Envestra's Queensland access arrangement. The intended objective of the approved Dinmore zone as described by the QCA Final Decision¹ is not achieved given the definition of the Dinmore zone in the access arrangement.

The AER considers the error to be material, given the impact on existing customers and the potential affect on new customers, and therefore has decided to correct the error. The AER consulted with interested parties as required by the NGR.

The changes to the access arrangement have been made to reflect the intent of the QCA in approving Envestra's Queensland access arrangement.

¹ QCA, *Final Decision, Revised access arrangement for gas distribution network: Envestra*, May 2006, p.155.