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27 October 2005

Mr Warwick Anderson
Acting General Manager
Regulatory Affairs - Gas
Australian Competition & Consumer Commission
GPO Box 3648
SYDNEY NSW 2001

Dear Mr Anderson

Revisions to Access Arrangement for Moomba to Adelaide Pipeline System

I refer to your letter of 15 September 2005.

Background

On 19 August 2005, I wrote to your predecessor, Mr Mike Buckley, seeking an extension of time for the lodgement by Epic Energy South Australia Pty Ltd ('EESA') under section 2.28 of the *National Third Party Access Code for Natural Gas Pipeline Systems* ('Code') of proposed revisions to the Access Arrangement ('AA') for the Moomba to Adelaide Pipeline System ('MAPS').

Your letter of 15 September 2005 advised that the Commission decided, pursuant to 7.19 of the Code, to grant the requested extension until 16 January 2006.

On 27 April 2005, the Commission approved a request by EESA to extend the lodgement date from 1 July 2005 to 1 October 2005.

Request for further extension of time

I am writing again on behalf of EESA to request a further extension of time for the lodgement of revisions. Section 7.19 of the Code permits the granting of extensions on one or more occasions.

EESA seeks a further extension of time until 27 March 2006 (or such later date as the Commission considers appropriate) for the submission of revisions.

Reasons for application

My letter of 19 August 2005 outlined that the initial extension of time was sought because EESA had made an application to the National Competition Council ('NCC') for revocation of

coverage of MAPS as a Covered Pipeline under the Code, and the subsequent extension of time was sought due to delays in the release of the NCC's recommendation on the revocation application.

The timeline for consideration of the application outlined in my previous letters has again changed.

The NCC has on four occasions extended (under section 7.16 of the Code) the time under the Code for the issue of its draft recommendation on the application. The most recent extension was until 29 November 2005. EESA does not know whether that date is likely to be further extended.

If this further date is not further extended, the revised timeline for the next steps in consideration of the revocation application will be as follows:

Step	Date
NCC draft recommendations issued	29 November 2005
Submissions on draft recommendations due	13 December 2005 (unless time further extended)
NCC final recommendation to Minister - within 14 to 28 days after issue of draft recommendation.	27 December 2005 to 10 January 2006 (unless time further extended)
Minister to make decision on NCC's coverage recommendation - within 21 days after receipt of NCC recommendation	17 January to 31 January 2006 (unless time further extended)

The Code permits the NCC and the Minister to further extend, on one or more occasions, the relevant period for decision making. See sections 7.16 to 7.18 of the Code.

Given the experience to date, it is highly likely that the minimum timeframes outlined above will further slip. Based on events to date it is perhaps likely that the NCC's final recommendation will not be known until early 2006. It is probable that the Minister's decision on the application would not be known until early 2006 at the earliest.

In light of those circumstances, EESA requests that the date for submission of revisions to the MAPS Access Arrangement be further extended by seventy days from the current due date, to 27 March 2006. The seventy days is equivalent to the number of days by which the NCC has extended its timeframe since the Commission extended the revisions submissions date to 16 January.

For the reasons outlined in my earlier letter, EESA would need a number of months lead time between knowing the NCC's final recommendation or the Minister's decision and the date for submission of revisions to prepare the revisions.

Undertaking

EESA again offers the same undertaking set out in my earlier letter that it will commence the work required to prepare the revisions to the AA if the NCC makes a final recommendation to the Minister not to revoke coverage.

Lack of prejudice to third parties if further extension is granted

We consider that the position outlined in our earlier letters about a lack of prejudice to other persons if an extension of time is granted continues still to be the case for the reasons outlined in my earlier letters. A further extension of time for submission of revisions should not materially prejudice any third parties.

If there is any aspect of this application which you wish to discuss with EESA or if there is any further information that the Commission requires for its consideration of the application, would you please advise us. If the Commission considers that the grant of an extension should be made subject to further conditions or assurances from EESA, we would also be pleased to address those issues.

Yours sincerely

Stephen Livens
Manager Regulation, Risk & Insurance