



3 February 2012

Mr Warwick Anderson
General Manager
Network Regulation Branch
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

By email: rbb@aer.gov.au

Dear Mr Anderson

**QUEUING REQUIREMENTS IN THE APT PETROLEUM PIPELINE LIMITED (APTPPL) 2012-17
ACCESS ARRANGEMENT PROPOSAL FOR THE ROMA TO BRISBANE PIPELINE (RBP)**

Origin Energy Limited (Origin) would like to thank the Australian Energy Regulator (AER) for hosting an industry workshop on 12 January 2012 to discuss the queuing requirements in the Access Arrangement Proposal for the RBP.

In light of those discussions, we would like to highlight this additional point. Much of the workshop focused on the proposed auction process and its implications for the price of capacity on the RBP, particularly the reference tariff for reference services. While the preservation of the reference tariff is important, the preservation of the reference terms and conditions associated with the reference service is as equally important.

The Access Arrangement Proposal stipulates that if bids exceed the capacity available in an auction, then capacity will be allocated based on the net present value of the bids. At the industry workshop, APTPL indicated this net present value ranking primarily takes into account price, term and volume, as well as additional elements such as variations to the terms and conditions. Given this, the proposed auction process potentially allows for a participant to submit a bid for a reference service in which they are willing to accept less favourable terms and conditions than the reference service terms and conditions.

The proposed auction process represents a significant change from the current queuing policy. By holding the industry workshop, the AER clearly understands the importance of ensuring any new process is efficient and effective and meets the needs of both the pipeline operator and its users. The preservation of the reference service terms and conditions is a key issue within this context. Origin would appreciate the AER taking it into account in its development of the Draft Decision.

Should you have any questions or would like to discuss this submission further, please contact Hannah Heath (Manager, Regulatory Policy) on (02) 9503 5500 or hannah.heath@originenergy.com.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Phil Moody".

Phil Moody
Group Manager - Change, Analysis & Risk Services
Energy Risk Management