



South East Australia Gas Pty Ltd

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Australian Energy Regulator
GPO Box 520
Melbourne VIC 3000
Attention: General Manager Transmission and Gas
By email: AERInquiry@ aer.gov.au

Dear Sir / Madam

Re: Australian Gas Networks' application for Future Capital Expenditure determination for the Mount Barker Gas Network Extension

SEA Gas welcomes the opportunity to comment in response to the above matter.

Having reviewed AGN's business case, SEA Gas has concluded that the assumptions appear to be reasonable. In fact, the business case appears to be quite conservative in a number of areas (e.g. no new connections have been factored in after the first 20 years).

In SEA Gas' experience, there is strong demand for natural gas in the subject region. We have recently fielded several enquiries from parties looking to connect to our Port Campbell to Adelaide (PCA) transmission pipeline to supply potential new gas loads in the vicinity of Murray Bridge and Monarto. Unfortunately, the relatively high cost of developing dedicated off-takes from the SEA Gas PCA pipeline has thus far prohibited such proposals coming to fruition. However, AGN's proposal to extend gas to Mount Barker via Monarto would establish an alternative supply source with economies of scale that would facilitate the establishment of new loads in the region.

AGN's proposed trunk line to Mount Barker would cross the SEA Gas PCA pipeline near Murray Bridge. It would be SEA Gas' intention to pursue a tie-in between the PCA and the new AGN trunk line to Mount Barker. Doing so would improve security of supply, not only to customers serviced by the new Mount Barker gas network extension but also existing consumers supplied by the Riverland and Mildura pipelines. In addition, such interconnection would yield potential competition benefits for all such consumers.

I trust that the above will assist the AER in its deliberations. Should you wish to discuss our submission further, please contact Paul Frederick, Head of Commercial on (08) 8236 6823.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Wendy Oldham'.

Wendy Oldham
Chief Executive Officer