

7 February 2003

Mr Russell Phillips
Acting General Manager
Regulatory Affairs Division – Gas Group
ACCC
PO Box 1199
DICKSON ACT 2602

Dear Mr. Phillips,

Re: Draft Greenfields Guideline for Natural Gas Transmission Pipelines

TXU welcomes the opportunity to comment on the ACCC's Draft Greenfields Guideline for Natural Gas Transmission Pipelines. TXU understands the Greenfields Guideline has been developed to assist prospective pipeline developers and users in the gas industry understand the regulation of new natural gas (greenfields) transmission pipelines.

TXU has been following the regulatory debate associated with the reticulation of greenfield pipelines. We approach this issue with interest due to its implications for investment in greenfield pipelines in Australia.

TXU provides this submission as an integrated energy company. Not only has TXU recently invested in a transmission pipeline in Australia (SeaGas), forcing it to deal with the complex issues associated with investment in greenfield transmission pipelines, but TXU is a major buyer, shipper and retailer of gas to Australian consumers. We believe this gives us an informed and possibly even unique appreciation of the issues associated with greenfields pipeline investment from the perspective of investor/developer and buyer/shipper.

Further information or clarification on this submission should be directed to Mr Con Noutso, Senior Regulatory Economist, at TXU on telephone (03) 8628-1240 or at Level 32,385 Bourke St Melbourne Vic 3000.

Yours Sincerely,

Caryle Demarte
General Manager
Government & Regulatory Affairs