

15 August 2002

Ms Kanwaljit Kaur  
General Manager  
Regulatory Affairs - Gas  
ACCC  
PO Box 1199  
DICKSON ACT 2602

Dear Kanwaljit

**Moomba to Sydney Pipeline - Revised Access Arrangements**

Please find attached TXU's response to the ACCC Issues Paper dated 20 June 2002 with respect to East Australian Pipeline Ltd's (EAPL) revised access arrangement for the Moomba to Sydney Pipeline (MSP). TXU appreciates the extension granted for this submission.

TXU supports in principle EAPL's application for revocation of coverage of the Moomba Wilton Pipeline and Canberra Lateral. This issue remains under consideration by the National Competition Council (NCC). However, in responding to the Commission's Issues Paper, TXU has assumed that the current draft NCC decision not to allow revocation will be upheld; that is, the MSP will remain fully covered.

In reviewing EAPL's revised access arrangement, TXU is concerned primarily with ensuring that a Prospective User is able to gain access to transportation capacity easily and such access is gained on terms commensurate with those of other shippers (particularly the foundation shippers). Key areas of concern for TXU based on our current understanding of EAPL's proposals are:

1. Given that TXU does not have access to current EAPL contracts, TXU is unable to assess whether or not Prospective Users will be offered access to the MSP on terms and conditions commensurate with existing contracts (i.e. AGL Wholesale Gas - Gas Transportation Deed).
2. TXU believes that the simplistic approach proposed by EAPL in relation to its queuing policy is unlikely to result in the most efficient outcome and meet the section 8 Code requirements.
3. EAPL has proposed high over-run and imbalance charges relative to industry practice.

4. It is difficult to provide a definitive response in relation to EAPL's tariff proposals, due to the lack of detailed information to enable TXU to form a view as to reasonableness or otherwise. In particular, we note the significant increase in O&M expenses and the change to the depreciation approach from that submitted in the initial Access Arrangement. As it is difficult to make meaningful comment in these areas without additional explanatory material, we ask that the Commission carefully review EAPL's proposals.

TXU reserves the right to lodge further submissions on EAPL's proposed access arrangement as more information becomes available.

If you require any further information please call Peter Carruthers on 03 8628 1244 at your convenience.

Yours sincerely

**Caryle Demarte**  
**General Manager**  
**Government & Regulatory Affairs**