



Weston Aluminium Pty Ltd

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Attention: Sebastian Roberts
General Manager
2014 Jemena Gas Access Arrangement Review
Australian Energy Regulator

Dear Sebastian,

Weston Aluminium Pty Ltd is pleased to be able to provide the AER a submission on the Jemena Gas Networks (NSW) - Access arrangement 2015-20. Please see our comments below for your consideration.

Decreases in Chargeable Demand

The Jemena Gas Networks (NSW) - Access arrangement 2015-20 (AA) Reference Service Agreement stipulates that a User may ask for a Reduction Request for a Delivery Point as long as a number of criteria have been met.

The condition that the minimum level that Chargeable Demand can be reduced to either, the ninth-highest Quantity of Gas withdrawn on any one day in the previous 12 month period or the MDQ, does not directly link changes in consumption profiles with costs. If there is material reduction in the amount of Gas and therefore the capacity/Chargeable Demand required for the foreseeable future then the end use customer, via their retailer/supplier, should be able to have the Chargeable Demand reduced sooner than having to wait 12 months.

Also, the MDQ is more often a historic parameter which was estimated in the Request for Service when the Delivery Point was coming into existence and may no longer be of any relevance. As there is no obligation (the RFS says the Service Provider "may" reduce the MDQ) on Jemena to set the MDQ at levels appropriate to the current usage the end user still be unable to have the Chargeable Demand reset down as expected.

We propose that the maximum level that the Chargeable Demand can be reset down to is the highest daily usage in the 3 month period prior to the Reduction Request.

The disconnect between Jemena and the end user

With no direct agreement in place between Jemena and the end user there is no avenue for an end user to engage directly with Jemena should the need arise. With the retailer/supplier sitting in the middle of Jemena and the end user and with the retailer/supplier able to pass on all costs associated with the network there is no driver for them to act with any urgency on behalf of an end user.

We request a mechanism be put in place for the direct engagement between Jemena and the end user or at a minimum the ability for disputes and appeals to be put to an independent third party.

Direct Access to Meter Data

The AA does not provide the end use customer direct access to their gas consumption data. To obtain the meter read consumption data the end use customer has to put a request into their retailer/supplier. The delivery of this data can take weeks and it does not provide the end use customer with the ability to link their on-site production activities with gas consumption in real or near time basis. The AA has mechanisms where the end use customer may be financially penalised for increasing their use via increasing the Chargeable Demand and/or imposing Overruns however the AA gives the end use customer no tool to measure and manage this risk.

Direct access to meter data via an online portal or equivalent for the end use customer or their representative will assist end use customers in optimising their on-site usage which should then also assist in the optimising of the gas network.

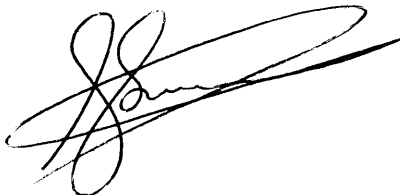
Self Contracting Users

It is our understanding that one of priorities of the Australian Energy Market Commission is to empower consumers to participate confidently in all parts of the energy supply chain where they desire to do so. With the advent of the Sydney STTM there is the option to take delivery of gas from a supplier at the STTM hub and for the end user to become self contracting users on the Jemena Gas Network.

It is our view that the process for an end use customer to become a self contracting user is not well defined and is a hindrance in allowing end users to participate in all parts of the energy supply chain. A streamlined process and set of parameters for becoming a self contracting user is highly sought after.

Thank you for considering Weston Aluminium Pty Ltd's comments. If you require any further information please contact Garbis Simonian on (02) 9413 3345.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Garbis Simonian', with a large, sweeping flourish extending to the right.

Garbis Simonian
Managing Director