



20 July 2017

Dr Michael Vertigan AC  
Gas Market Reform Group  
c/o Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Submitted via email: [enquiries@gmrg.coagenergycouncil.gov.au](mailto:enquiries@gmrg.coagenergycouncil.gov.au)

Dear Dr Vertigan

### **Gas Pipeline Information Disclosure and Arbitration Framework – Initial National Gas Rules**

Origin Energy Limited (Origin) welcomes the opportunity to provide comments on the Gas Market Reform Group's (GMRG) Initial National Gas Rules (NGR) for the Gas Pipeline Information Disclosure and Arbitration Framework.

Origin is supportive of the GMRG's proposed framework for enhancing gas pipeline information disclosure and implementing a binding framework for commercial arbitration. The draft initial rules appear to be consistent with implementing this framework, but Origin has provided feedback on two issues, as noted below.

#### **Rule 562(5)(a)(b) – Access negotiation information**

To ensure the information requested under this rule is appropriately targeted and relevant to the access request, the following amendments are suggested.

(5) *A party to negotiations under this Part:*

- (a) *may from time to time reasonably request another party to the negotiations to provide access negotiation information in relation to a specific matter arising in the negotiations; and*
- (b) *may during the course of negotiations request another party to the negotiations to provide all access negotiation information the party may reasonably seek to rely on if the matter is referred to arbitration.*

With regard to the prospect of classifying the obligation to provide information under this rule as either as a civil penalty provision and/or conduct provision, this may be appropriate to incentivise pipeline service provider compliance. But in the context of existing/prospective shippers, Origin believes denial of access would provide a more appropriate incentive to ensure those party's comply with the rule.

#### **Rule 569(2)(a) – Pricing and other principles**

The intent of implementing the commercial arbitration framework was to introduce a credible threat to regulation while simultaneously avoiding the shortcomings of a more prescriptive regulatory approach. Consistent with this, Origin is supportive of the GMRG's original drafting of Rule 569(2)(a) which provides the arbitrator with greater discretion when determining asset values. Under this approach, the

arbitrator is likely to have regard to a range of asset valuation techniques, including those used for covered pipelines.

If you wish to discuss any aspect of this submission further, please contact Shaun Cole at [shaun.cole@originenergy.com.au](mailto:shaun.cole@originenergy.com.au) or on 03 8665 7366.

Yours Sincerely,

A handwritten signature in blue ink, consisting of a series of connected loops and a vertical line at the end, resembling the name 'Steve Reid'.

Steve Reid  
Manager Wholesale Regulatory Policy