

21 August 2009

Don Gray
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Dear Don

Review of Interconnection Arrangements

Following up on my letter of 29 July I would like to arrange a meeting with the people in your organisation who are responsible for defining and providing your interconnection service.

To ensure a well structured dialogue, we will use the questions below as a guide. It would also be helpful if you can send us a full set of your documentation before the interview or, failing that, have a set available at the interview for us to take away. We would like to assess whether it provides for an efficient process and offers interconnection on reasonable terms and conditions.

Some of the questions below relate to your corporate policies or our policy development process. It would be helpful if the person(s) we interview are aware of your corporate policies/views or, if you prefer, you may answer the questions separately in writing.

Interconnection Process

1. Do you have a published interconnection policy (as described in Appendix A of the Guidelines)?
2. Do you have the following standard documents (as described in Appendix A of the Guidelines):
 - an interconnection establishment agreement (ICEA);
 - an interconnection agreement; and
 - technical and metering standards?

3. Do you consider that your interconnection process is clear to any party who may seek interconnection? If not, what areas require more work and when do you expect that work to be complete?
4. Is your interconnection process for the application, planning, contract negotiation, design, and construction phases significantly different to the processes set out in the Guidelines?
5. Do you consider that your interconnection documentation is complete? If not, what areas require more work and when do you expect that work to be complete?
6. Is the scope or content of your interconnection documentation significantly different to the scope and content proposed in Appendix A of the Guidelines?

Recent Interconnection Activity

7. What interconnection activity has occurred in 2009?
8. Have any issues come to light during those interconnections?

Interconnection Principles – Is it your policy:

9. to offer non-discriminatory access to all interconnection applicants, including those affiliated with the TSO, on a first-come, first-served basis?
10. to permit interconnection arrangements to be negotiated independently of transportation arrangements?
11. to determine ownership of receipt point interconnection equipment (other than the hot tap and isolation valve) by agreement?
12. to allow the interconnecting party to own delivery point interconnection equipment (other than the hot tap and isolation valve)?
13. to develop a project plan and agree how it will be managed with the interconnecting party?
14. to specify the requirements for the interconnection equipment specified in section 3.4 of the Guidelines?

Guidelines

15. Have the Guidelines been useful to you?
16. Do you think the Guidelines have an ongoing role?
17. Which aspects of the Guidelines do you think need further work?

Regulation

18. Are there aspects of interconnection that you believe would benefit from regulation?

Policy development options

19. On the basis of your experience, which of the following options do you support?
- a. Leave the Guidelines as they are and hold a further review in, say, six months.
 - b. Revise certain aspects of the Guidelines and hold a further review in, say, six months.
 - c. Commence a full regulatory assessment of current interconnection processes against the Gas Act and GPS objectives.
 - d. Other?

Can you please advise me which days during the week commencing 1 September would be suitable for a meeting, and where the best place for a meeting would be.

Yours sincerely

Ian Wilson

Principal Adviser - Pipelines