



9 July 2019

Mr Tyson Self  
Economic Regulation Authority  
PO Box 8469  
Perth BC WA 6849

By electronic lodgement

Dear Mr Self

**RE: Proposed revised access arrangement for the Mid-West and South-West Gas Distribution Systems - Draft Decision and ATCO revised proposal**

Origin welcomes the opportunity to respond to the Economic Regulation Authority (ERA) Draft Decision on Proposed Revisions to ATCO Gas Australia's (ATCO) Access Arrangement for 2020 to 2024 and ATCO's revised proposal.

Origin appreciates the efforts of both the ERA and ATCO in developing the Draft Access Arrangement for 2020 to 2024. Origin is pleased to see that ATCO have accepted the majority of the ERA's amendments to the access arrangement. We note that this has resulted in a lesser increase to the annual network bill for B3 (residential) customers in 2020 (around 13 per cent) compared to the 24.1 per cent originally proposed. While still significant, we consider the revised increase will be more palatable to customers and will assist in maintaining the competitiveness of retail gas market prices vis-a-vis alternative energy sources.

Origin is pleased to note that ATCO has responded to retailer concerns in relation to cancellation charges for ancillary services not undertaken. ATCO has proposed a zero cancellation fee for certain ancillary services (apply meter lock, remove meter lock and special meter reading) where the cancellation is notified more than three business days prior to the scheduled service date. We consider this is a pragmatic outcome that ultimately reduces costs to consumers.

Origin notes that ATCO has revisited its IT capital expenditure in light of the ERA's Draft Decision. ATCO presents further information in support of its program and effectively maintains that its original forecast IT capital expenditure remains appropriate. While Origin notes the significant increase in forecast IT capital expenditure from the current regulatory period, the primary concern for Origin is ensuring that the proposed expenditure facilitates the alignment of the Western Australian Retail Gas Market with national markets. To the extent this is not the case, we encourage further assessment of the proposed expenditure.

If you have any questions regarding this submission, please contact Gary Davies in the first instance at

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Yours sincerely

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Keith Robertson  
General Manager, Regulatory Policy

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