



The Hon Anthony Roberts MP

Minister for Resources and Energy
Special Minister of State

V14/499

07 APR 2014

Mr David Crawford
President
National Competition Council
GPO Box 250
Melbourne VIC 3001

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Dear Mr Crawford

Thank you for the National Competition Council's (the Council's) recommendation dated the 8 August 2013 concerning Envestra Limited's application for revocation of coverage of the Wagga Wagga Gas Distribution Network (WWGDN).

The Council's report identifies that the removal of retail price regulation is the key factor influencing its recommendation. Specifically, that if the NSW Government decided not to remove retail price regulation for gas then: -

the Council considers that competition in the market for gas sales in the Wagga Wagga area is likely to remain stagnant irrespective of whether the WWGDN is covered. In such a circumstance criterion (a) could not be satisfied and coverage should be revoked.

I confirm that after consideration of the Australian Energy Market Commission's report on retail competition in the NSW energy market, the NSW Government has decided to retain retail price regulation for gas.

Based on your advice, I am not satisfied all the Pipeline Coverage Criteria are satisfied in relation to the WWGDN and, as required by Section 107 (2)(b) of the National Gas Law, I must revoke coverage of the Envestra Wagga Wagga Gas Distribution Network. This coverage revocation determination takes effect immediately.

I have advised the Envestra Limited and the Australian Energy Regulator of my decision. Thank you for the Council's advice on this matter. Should you require any further information, please contact for Mr Adrian Amey, Manager Supply and Networks Policy, 02 8281 7449, adrian.amey@trade.nsw.gov.au.

Yours sincerely

Anthony Roberts MP
Minister for Resources and Energy
Special Minister of State