

DOWNSTREAM GAS SUPPLY AND AVAILABILITY IN NSW

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Partially Confidential

Inquiry into downstream gas supply and availability in NSW

The primary reasons for increasing natural gas connections to households are:

- Cheaper for heating
- More efficient
- More environmentally friendly than electricity

At a time when electricity prices are rising every day and climate change and global warming are considered genuine concerns, it's a shame that not more is being done to provide more people with access to gas.

We would greatly appreciate anything that can be done to make piped gas more accessible to more people.

- a) the adequacy of transmission pipeline systems and distribution networks for future downstream gas needs and supply challenges; -

The current gas distribution networks are completely inadequate in established suburbs in Sydney. All of the new housing going up in the Growth Centres appears to have gas distribution networks installed at the time of the developments going in and subsequent household access to piped gas. However in older residential suburbs the availability of gas is patchy and there is no effort being made by AGL, the company responsible for the supply of piped gas in much of Sydney to expand the distribution network. As an example, residences in First Farm Drive, Castle Hill, who put in applications for piped gas more than 20 years ago are finally getting gas pipelines in 2013. We have tried to get a natural gas connection to our home in Wahroonga NSW since we moved into the house in 2005. Unfortunately we have not had any success. AGL, the company that supplies gas in our suburb has stated that there are no gas pipelines in our street and therefore we cannot be connected to piped gas. We live at [REDACTED], Wahroonga and have been advised that there is a gas main in Grosvenor Street, about a kilometre away.

- (b) barriers to the expansion of downstream gas supply and distribution networks;

Unknown. However I note that in 2005 we offered to pay for a pipeline to be installed from Grosvenor Street, Wahroonga to our house in [REDACTED], Wahroonga. AGL advised that since the pipe would be on public land and it was their pipeline we could not pay for it. Eventually we arranged for an LPG connection and changed over to LPG for cooking. However as LPG is quite expensive we continue to use reverse cycle air conditioners for heating.

- (c) the effectiveness of competition in the downstream gas market and consumer pricing implications; -

There appears to be very little competition as in every area there is only one gas company operating, therefore if they refuse to provide a gas connection on the basis that there is no pipeline to existing residences and they are not prepared to install additional pipelines, there is nothing a consumer can do, which is what happened in our case.

(d) the effectiveness of existing protections for consumers and measures to facilitate access to gas connection and supply;

In 2005 we asked AGL to consider laying gas pipes down [REDACTED], Wahroonga. At the time AGL said they would not consider it as it was too expensive. More recently in November 2012 we again applied to AGL for a gas connection, with the same result - there are no gas pipelines in [REDACTED] [REDACTED], Wahroonga and AGL will not consider extending the line from Grosvenor Street. In addition we have not received a written rejection from AGL either in 2005 or 2012. Both times we received a phone call from a customer service representative, who appeared to be working out of a call centre. On both occasions the customer service representative did not appear to have any knowledge of the gas reticulation system, could not provide any advice on why AGL would not provide us with a connection, or advice on any further action that we could take obtain access to piped gas.

(e) possible measures to encourage gas network operators to extend existing distribution networks, including financial incentives of license obligations, particularly in regional centres that do not have access to reticulated gas

Allow customers to contribute towards the cost of expanding the gas reticulation system to get access to piped gas faster if they are prepared to do so.