


REF: JW-PB-JW-SL: 0457

22 August 2014

Mr Greg Watkinson
Chief Executive Officer
Economic Regulation Authority
PO Box 8469
Perth BC WA 6849

Delivered by hand

Dear Mr  Watkinson

**Proposed Revisions to Access Arrangement for the Goldfields Gas Pipeline:
Confidential Information**

Goldfields Gas Transmission Pty Ltd (GGT) submitted proposed revisions to the Access Arrangement for the Goldfields Gas Pipeline (GGP Access Arrangement) to the Economic Regulation Authority (ERA) for approval on 15 August 2014. In the letter covering submission of the proposed revisions, we advised that the Access Arrangement Supporting Information, its attachments, and a tariff model, all contained confidential information, and that GGT would provide the ERA with versions from which the confidential information had been removed. These "public versions" of the documents could then be posted on the ERA's website.

GGT has now prepared a "public version" of the Supporting Information, a public version of one of the attachments (Attachment 7) which contained confidential material, and a public version of the tariff model.


Some of the attachments contain commercially sensitive information and should continue to be kept confidential by the ERA. The others are not confidential.

The public version of the Supporting Information, the non-confidential Attachments, the public version of Attachment 7, and the public version of the tariff model, are provided on the USB flash drive enclosed with this letter.

Further details as to what is, and what is not, confidential are set out in the attachment to this letter.

Should there be any issue with the documents or with the arrangements proposed, please contact me on (08) 6189 4594, or at john.williams@apa.com.au.

Yours sincerely


John L Williams
Manager Regulatory

Attachment

Proposed revised GGP Access Arrangement: Confidential Information

1. Supporting Information

PUBLIC VERSION PROVIDED

A public version of the *Supporting Information*, in which confidential information has been "blacked out", is provided. The confidential information has been removed from the *Supporting Information* in a way which preserves the section and page numbering of the corresponding confidential document.

The confidential material removed, the reasons for its removal, and the pages from which it has been removed, are set out in the following table.

| Page | Confidential material |
|------|--|
| 32 | Table 1: Reserved capacity forecasts for individual users of GGP |
| 32 | Table 1: Throughput forecasts for individual users of GGP |
| 32 | Text identifying individual users of GGP |
| 33 | Text identifying individual users of GGP |
| 34 | Text identifying individual users of GGP |
| 35 | Text identifying individual users of GGP |
| 36 | Text identifying individual users of GGP |
| 37 | Text identifying individual users of GGP |
| 97 | Text identifying individual users of GGP |
| 163 | Table 23: Market sensitive cost inputs and market intelligence: sensitive information provided as aggregates |
| 164 | Table 24: Market sensitive cost inputs and market intelligence: sensitive information provided as aggregates |
| 166 | Market sensitive cost inputs (references to items in Table 24) |
| 169 | Table 25: Market sensitive cost inputs and market intelligence: sensitive information provided as aggregates |
| 170 | Table 26: Market sensitive cost inputs and market intelligence: sensitive information provided as aggregates |
| 171 | Market sensitive cost inputs and market intelligence (references to items in Table 26) |
| 172 | Market sensitive cost inputs and market intelligence (references to items in Table 26) |
| 173 | Market sensitive cost inputs and market intelligence (references to items in Table 26) |
| 174 | Market sensitive cost inputs and market intelligence (references to items in Table 26) |
| 175 | Market sensitive cost inputs and market intelligence (references to items in Table 26) |
| 176 | Market sensitive cost inputs and market intelligence (references to items in Table 26) |
| 177 | Market sensitive cost inputs and market intelligence (references to items in Table 26) |
| 180 | Market sensitive cost inputs and market intelligence (references to items in Table 26) |
| 181 | Deletion to effect continuity in text |
| 183 | Market sensitive cost inputs and market intelligence |
| 184 | Market sensitive cost inputs and market intelligence |

2. Supporting Information: Attachment 1

Log of changes to GGP Access Arrangement

NOT CONFIDENTIAL

3. Supporting Information: Attachment 2

HoustonKemp Economists:
Methodology for Allocating Goldfields Gas Pipeline Costs

NOT CONFIDENTIAL

4. Supporting Information: Attachment 3

Tom Hird, CEG (Competition Economists Group):
Cost Allocation for the Goldfields Gas Pipeline

NOT CONFIDENTIAL

5. Supporting Information: Attachment 4

HoustonKemp Economists:
Depreciation Methodology for the Goldfields Gas Pipeline

NOT CONFIDENTIAL

6. Supporting Information: Attachment 5

Conforming capital expenditure: 2010-2014

This submission sets out the costs of individual items of plant and equipment. Public disclosure of this type of information prejudices GGT's ability to negotiate lower prices with suppliers.

All of the costs are provided in aggregate in Tables 4 and 7 of the Supporting Information, and in Table 1 of the Proposed Revised Access Arrangement Information.

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7. Supporting information: Attachment 6

Forecast conforming capital expenditure: 2015-2019

This submission sets out the costs of individual items of plant and equipment. Public disclosure of this type of information prejudices GGT's ability to negotiate lower prices with suppliers.

All of the costs are provided in aggregate in Tables 9 and 13 of the *Supporting Information*, and in Table 6 of the Proposed Revised Access Arrangement Information. Descriptions of the aggregate costs are provided on pages 58 to 61 of the *Supporting Information*.

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8. Supporting information: Attachment 7

SFG Consulting:

Cost of equity for the Goldfields Gas Pipeline: Report for Goldfields Gas Transmission

Paragraphs 256-266 of this report refer to individual users of the GGP. SFG has removed those paragraphs from the report and provided a public version to GGT.

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9. Supporting information: Attachment 8

SFG Consulting:

Alternative versions of the dividend discount model and the implied cost of equity: Report for Jemena Gas Networks, ActewAGL, APA, Ergon, Networks NSW, Transend and TransGrid

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10. Supporting information: Attachment 9

Operating expenditure over earlier access arrangement period: auditor review reports

These reports contain some information pertaining to unregulated assets. All of the information they contain which is directly relevant to the proposed revisions to the GGP Access Arrangement is set out (in the case of operating expenditures, in aggregated form) in Tables 4, 7 and 23 of the Supporting Information, and in Tables 1 and 2 of the Proposed Revised Access Arrangement Information.

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11. Supporting information: Attachment 10

Major expenditure jobs: 2015-2019

This submission sets out the costs of individual items of plant and equipment. Public disclosure of this type of information prejudices GGT's ability to negotiate lower prices with suppliers.

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12. Supporting information: Attachment 11

KPMG:

Corporate Cost Benchmarking: Goldfields Gas Pipeline

KPMG's report includes information purchased from specialist firms which provide benchmarking data to clients. Those data were provided to KPMG on terms which limit their disclosure. KPMG has used the data in its corporate costs benchmarking report on the basis of GGT agreeing to maintain its confidentiality within the limits prescribed by KPMG's suppliers. GGT is able to provide KPMG's report to the ERA on a confidential basis, but is unable to provide a public version of KPMG's report.

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13. Tariff model

The tariff model which GGT provided to the ERA on 15 August 2014 included commercially sensitive information pertaining to individual users of the GGP.

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