

NOTICE

Goldfields Gas Pipeline – Coverage of Capacity Expansion

The operator of the Goldfields Gas Pipeline (GGP), Goldfields Gas Transmission Pty Ltd (GGT), prior to the recently-completed expansion of the pipeline coming into operation, notified the Economic Regulation Authority that it had elected to exclude the expansion from coverage under the *National Third Party Access Code for Natural Gas Pipeline Systems*.

Under the extensions and expansions policy of the GGP Access Arrangement, GGT is required to notify the Authority of its decision on whether any expansion to the GGP during the access arrangement period will be covered. The options for GGT are set out in clause 10.3 of the [Access Arrangement](#), as follows:

If GGT expands the capacity of the Pipeline, GGT will elect:

- a) that the expanded capacity will be treated as part of the Pipeline for the purposes of the Access Arrangement and GGT will exercise its discretion to submit proposed revisions to the Access Arrangement under Section 2 of the Code; or
- b) that the expanded capacity will not be treated as part of the Pipeline for the purposes of this Access Arrangement and that GGT will lodge a separate Access Arrangement for such expanded capacity; or
- c) that the expansion will not be covered, subject to GGT notifying the Regulator of this fact prior to the expansion coming into operation.

GGT has elected option 10.3(c). The company also advised the Authority, subsequent to its letter, that the expansion of capacity (about seven terajoules per day) through the addition of a new compressor at the Paraburdoo compressor station was significantly different from that originally forecast when the GGP Access Arrangement was approved. A significant increase in demand following approval of the Access Arrangement had meant construction of a larger compressor than originally envisaged.

Accordingly, the Authority will not include the cost of adding the new compressor at Paraburdoo in the capital base for the pipeline when the current Access Arrangement is considered in 2009.

For further information contact:

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