

14 March 2005



Mr Lyndon Rowe  
Chairman  
Economic Regulation Authority  
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## **Submission to the Economic Regulation Authority**

Dear Mr Rowe

### **Proposed Revisions to the Access Arrangement for the Dampier to Bunbury Natural Gas Pipeline**

This letter, written on behalf of Alinta Power Services Pty Ltd (**APS**), is in response to a request for submissions on the Proposed Revisions to the Access Arrangement for the Dampier to Bunbury Natural Gas Pipeline (**DBNGP**).

APS submits that proposals in clause 2 of the Access Contract Terms and Conditions that provide for a potential broadening of the gas specifications from the existing Operating Specifications are unacceptable.

A broadening of the gas specifications could have significant cost impacts on end-users such as APS that purchase gas for use in gas turbines. Gas turbines are designed to operate with a specific set of gas specifications, such that a broadening of the Operating Specifications is likely to impose significant costs on APS because of the resulting reduced gas turbine efficiency and increased maintenance costs. There may also be periods in which the gas turbines will have to be removed from service to avoid breaching environmental obligations.

APS submits that any end-user cost increases resulting from a broadening of the existing Operating Specifications should not be borne by end-users. APS submits that the logical outcome for the gas industry is for each gas producer to treat the gas it produces so as to deliver gas into the DBNGP that meets the Operating Specifications. If the cost impacts were borne directly by gas producers it would result in economically efficient outcomes for the benefit of the industry as a whole.

APS would be pleased to provide additional information in support of this submission as and when required.

Yours faithfully

**David Randle**  
**Energy Transport Manager**