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Office of Gas Access Regulation
PO Box 8469
Perth Business Centre 6849
The Regulator

10th August 2001

Subject - OFFGAR Draft Decision on the DBNGP Pipeline.

We write to you to express our concern of the WA State Governments draft decision issued by the Office of Gas Regulation (OffGAR) of 75c/GJ and 85c/GJ which is considerably less than the required development charges needed by EPIC ENERGY to develop future regional development of the gas in industry in WA.

The proposed rates would restrict existing and new private sectors to compete in power generation against Western Power (a state owned entity) which appears to be in conflict with earlier energy policy directives to source all future generation capacity from the private sector. Further more the AGA forecasts growth in natural gas in WA of more than 26% up to 2014/15 -the viability of the DBNGP is a critical link if this industry growth is to be realised in the future.

We as a major pipeline specialist supplier to EPIC ENERGY and an "Service Alliance Agreement" partner would be adversely effected if the DBNGP Pipeline Project was postponed or cancelled due to its non commercial viability based on the above tariff rates. Consequently our plans and those of our overseas Principals to expand into WA with the opening of an office to serve the Gas Industry in WA and the Australasian region would be need to be "put on hold" pending a resolution to the above decision.

Whilst we are a "small player " in the market we are a "specialist company" who rely solely on pipeline and plant expansions and we trust our view on the detrimental impact that this draft decision, if accepted, would have on our future and the future development of the gas industry in WA can be taken into consideration when finalising your regulatory decision.

Yours faithfully

Brian Meehan
Manager
BCM Pipeline Supply Pty Ltd