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1 September 2005
Mr. Lyndon Rowe
Chairman, Economic Regulation Authority
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Via email copy to: Mr. Russell Dumas, russell.dumas@era.wa.gov.au

Dear Mr. Rowe

Assessment of the DBNGP Revised Access Arrangement – Report by PB Associates regarding the impact of a broader gas specification and “Amendment 15”

Thank you for your invitation to comment on the above mentioned matter and the above mentioned report. Nickel West strongly supports measures designed to increase competition in the Western Australian gas market. The broadening of the DBNGP gas specification, as proposed in Amendment 15, will have a significant and positive impact on competition in gas markets serviced by the DBNGP and, in time, the Goldfields Gas Pipeline (“GGP”).

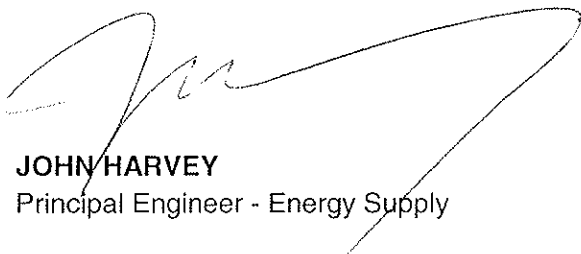
The report prepared by PB Associates is very thorough and the comparative methodologies set out in section 2.7.2, at page 11 of that report represent a proper basis for assessing the impact of the proposed broader gas specification on the capacity of the DBNGP. We note that the report pursues only one of the methodologies set out in section 2.7.2 and we assume that this reflects the lack of publicly available information regarding the first of the comparative methodologies. Nickel West agrees with the conclusion of PB Associates that the methodology used by BDP to assess the capacity impact of Amendment 15 is ill conceived and does not properly represent the impact of the broader gas specification on the capacity of the DBNGP.

Nickel West questions the validity of the HHV data, and derived Wobbe indices, set out in Table 2.2 at page 9 of the report. Whilst it does not appear that these data were actually used to prepare the PB Associates report the Authority should confirm that these data were not used in DBNGP capacity calculations.

Nickel West accepts the PB Associates estimate of the impact of Amendment 15 on the capacity of the DBNGP and commends the PB Associates report and conclusions to the Authority. Nickel West encourages the Authority to pursue “Amendment 15” to the DBNGP Access Arrangement.

It is noted that there is a possibility in the future that the DBNGP and the GGP will become interconnected. In the event that this interconnection proceeds, it is recommended that the GGP gas specification also be reviewed to comply with the broader gas specification

Yours sincerely
BHP BILLITON

A handwritten signature in black ink, appearing to read 'John Harvey', with a long, sweeping horizontal stroke extending to the right.

JOHN HARVEY
Principal Engineer - Energy Supply