

Dr Ken Michael
WA Independent Gas Pipelines Access Regulator
Office of Gas Regulation
PO Box 8469
Perth Business Centre WA 6849

Dear Dr Michael

RE : Submission on Access Arrangements for the DBNGP

The Bunbury Wellington Economic Alliance is a partnership between the Shires of Harvey, Collie, Dardanup, Capel, Donnybrook/Balingup, the City of Bunbury and industry and business located in the Bunbury Wellington region. The organisation was established to facilitate sustainable economic development in the region. We make this submission in the interests of our current and prospective members.

While the Bunbury Wellington Economic Alliance Board members do not consider that they are in an adequately informed and knowledgeable position to make a detailed submission on this technical and complex issue, it is felt that the potential impact of the Regulator's final decision is of such significant importance to many of our industry members and the business sector generally in the region and so warrants our comment with regard to the broad principles that we believe should underpin such decision making. Based on the information currently available the Bunbury Wellington Economic Alliance requests that the Regulator ensures the following broad principles are considered when determining the transportation charges and services that are provided to third parties seeking access to the Dampier to Bunbury Natural Gas Pipeline (DBNGP).

Underpinning Principles

- That Epic Energy receives a reasonable rate of return on its incremental investment;
- Ensuring the affordability of gas as a fuel;
- The price differential between the metropolitan area and the Bunbury is kept to an absolute minimum in order to ensure the competitiveness of the south west in terms of attracting investment;
- The associated uncertainty for new gas based industrial projects is removed;

- There is a level playing field in energy competition; and
- All shippers in the same zone pay the same tariff as the DBNGP is progressively expanded over the coming years.

Obviously this is a highly complex issue with many facets to be considered. Essentially, however, the outcome will influence the international competitiveness of industries that currently produce several billion dollars worth of exports from the Bunbury Wellington Region. Their future expansion and in some cases, the viability of new development will hinge on the delivered cost of energy in our region.

We encourage you to review your draft decision to ensure the broad principles outlined above are reflected in the final outcome.

Yours sincerely



Shelley Pike
Chief Executive Officer

21 August 2001