

15<sup>th</sup> August 2001



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Dear Sirs

**Re: OFFGAR Draft Decision on the DBNGP Transportation Tariffs**

There has been great discussion of late regarding the proposed changes to the transportation tariffs for the Dampier to Bunbury Natural Gas Pipeline.

Cockburn *Wreckair*, as a third party supplier to not only Epic Energy, but to a great many other companies associated with the oil and gas industry, feels that a change to the transport rates such as those proposed by OFFGAR, would have a dramatic effect on service providers throughout the state.

A 25% reduction in forecasted revenue for any business would directly impact the company's projected growth, return on investment to its stakeholders, market competitiveness and the level of service currently being provided to its customers.

Gas Transportation charges experienced a 22% cost reduction back in 1997. A further 25% reduction would only create greater strain on already cost efficient operations such as Epic Energy.

Taking the decision to reduce transportation rates from \$1/GJ to .75c/GJ to Perth and from \$1.08/GJ to .85c/GJ south of Perth, will have the effect outlined above not only on Epic Energy, but on all suppliers involved within this field.

Cockburn *Wreckair* employs in excess of 180 staff in Western Australia alone. A great number of these people are directly involved with organisations supporting the Oil and Gas industry and it is of great concern that decisions such as these will dramatically affect the operating profits of all businesses involved in this area.

It is for these reasons that we ask you to consider the impact of OFFGAR's decision before taking it beyond a draft submission.

Yours sincerely

**COCKBURN WRECKAIR HIRE**

*Warren Dix*

**WARREN DIX**



## Contracts Manager