

4th April 2001

Dr K Michael AM
Chief Executive Officer
Office of Gas Access Regulation
PO Box 8469
Perth Business Centre 6849
Western Australia

Dear Dr. Michael

RE: EPIC ENERGY PROPOSAL TO ADJUST CERTAIN TRANSPORT TARIFFS

It has been brought to this Commission's attention that Epic Energy has recently submitted to your office a proposal to adjust certain transport tariffs applicable to their facility. Of concern is the request to double the charge for transport between Dampier and the take off point to the Goldfields Gas Transmission Pipeline known as Compressor Station Number One.

It has been put to the Commission that if this proposal is accepted by OGAR it will effectively inhibit a competitor from offering an alternative, competitive supply of natural gas to the Goldfields Esperance region.

If this were to be the case, it would be of concern from a regional development point of view. The GGT pipeline is currently perceived by sections of industry as having a tariff structure that is too high cost for consumers; compared to the tariffs charged by other pipeline companies. This has a negative impact on the competitiveness of existing business and makes it extremely difficult to attract new industries to our region.

I would welcome your comments on this matter.

Thanking you in anticipation.

Yours sincerely

Colin Purcell
Chief Executive Officer