

**HAMERSLEY IRON
PTY. LIMITED**

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6 August, 2001

Mr Robert Pullella
Office of Gas Access Regulation
6th Floor, 197 St Georges Terrace
PERTH WA 6000

Dear Sir,

**Re : Draft Decision : Proposed Access Arrangement – Dampier to Bunbury
Natural Gas Pipeline**

Hamersley Iron notes with interest the draft decision of the Regulator in respect of the proposed Access Arrangement for the Dampier to Bunbury Natural Gas Pipeline.

In particular, Hamersley Iron takes special interest in Amendment 63, which provides that total charges under the Reference Tariff should be no more than would have been paid for a T1 Service under the *Gas Transmission Regulations 1994*.

Notwithstanding this Amendment, the Regulator has also proposed Revised Pipeline Capacity Charges and Revised Delivery Point Charges which, at face value, do not appear to meet the objectives of Amendment 63.

If these revised charges are used to calculate a new tariff for the Hamersley Iron delivery point, the charge calculated is approximately 2-3 times our current charges. While this is a substantial improvement over the original proposal (which resulted in charges being 14 times current charges) a doubling of current charges remains unacceptable and unjustified, and certainly inconsistent with the principle imposed by Amendment 63.

Hamersley Iron requests that the Regulator clarifies the relationship between the revised charges for the Hamersley Iron delivery point and Amendment 63, and confirms that it is the intention of the Draft Decision that our charges not be increased above the current charges payable for T1 Service.

Yours faithfully,

Peter M. Jensen
Manager Utilities
Hamersley Iron Dampier