



Ref:GasproposalOGAR19August2001.doc

19 August 2001

Office of Gas Regulation
PO Box 8469
Perth Business Center 6949

Dear Sir

OFFGAR Draft Decision on the DBNGP Pipeline

I am very concerned with the draft decision issued by the Office of Gas Regulation which reduces the price of gas to 75c/GJ in Perth and 85c/GJ south of Perth.

Whilst this may appear beneficial in the short term for consumers there are some very significant factors to be considered for the medium to long term and these are as follows:

- Future expansion of the gas pipeline may not be economically viable
- Compared to coal or diesel, gas is a much cleaner source of energy – why not promote this throughout the state and allow the industry to grow.
- Availability of gas to mine sites and regional communities in Western Australia will be jeopardised. This will have a detrimental effect on employment in these areas together with project viability.
- Is Western Power to become a “cash cow” as a result of the proposed reduction in prices and return the funds to the Government?
- Gas producers will not be able to expand their businesses and new entrants in the field will be very limited.

My business provides air services to remote mining operations in Western Australia and will be greatly affected by this proposal as outlined above. **I am strongly against any reduction in gas prices because it will have a significant and negative affect on the development of our state.**

Yours faithfully

Lindsay Evans
Managing Director

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