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NOTICE

Invitation for Public Submissions Dampier to Bunbury Natural Gas Pipeline Stage 5 Expansion

DBNGP (WA) Transmission Pty Limited (DBP) is seeking the Economic Regulation Authority's approval that its forecast capital cost of undertaking the Stage 5 expansion of the Dampier to Bunbury Natural Gas Pipeline (DBNGP) will meet certain requirements of the National Third Party Access Code for Natural Gas Pipeline Systems (Code).

This agreement is sought under section 8.21 of the Code.

The Revised Access Arrangement for the DBNGP, which came into effect on 30 December 2005, forecast that investment in new facilities associated with expansion of the pipeline would be \$969 million between 2005 and 2010. The Stage 5 expansion will significantly increase this proposed investment in new facilities.

DBP's application to the Authority outlines three options for expanding the DBNGP under Stage 5. These are:

- complete looping (Option I),
- mid-line compression (Option 2), and
- optimisation looping and compression (Option 3).

DBP has indicated that, currently, Option 3 is preferred. The indicated cost for option 3 is between \$1,457 million and \$1,521 million. The development of Stage 5 is based on providing an additional full-haul capacity on the pipeline of 310 terajoules per day.

DBP is seeking the Authority's approval in respect of its Stage 5 expansion by early June 2006.

The Authority's agreement would mean that up to \$1,521 million, for Stage 5, would be added to DBNGP's capital base when the current Access Arrangement is revised, subject to this capital expenditure being incurred by that time. Reference tariffs for use of the DBNGP would be adjusted at the time of the next Access Arrangement review which is scheduled to commence in 2010.

Public Submissions

The Code requires that the public consultation for an application under section 8.21 of the Code be conducted as if it were a proposed revision to the Access Arrangement submitted under section 2.28 of the Code, accordingly the Authority:

- must allow a public submissions for a period of at least 28 days following the publication the relevant notice in a national newspaper,
- issue a draft decision, and
- call a further period for public submissions of at least 14 days following the draft decision.

Submissions are invited from interested parties on DBP's application in relation to its forecast capital costs for its Stage 5 expansion of the DBNGP. All submissions should be in both electronic and hard copy form.

In general, submissions made to the Authority will be treated as in the public domain and placed on the Authority's website unless confidentiality is claimed in respect of the submission or part of the submission and the issues or parts of the submission in relation to which confidential treatment is sought are clearly marked. Any claim of confidentiality will be considered in accordance with the provisions of sections 7.11 to 7.14 of the Code.

The publication of a submission on the Authority's website shall not be taken as indicating that the Authority has knowledge either actual or constructive of the contents of a particular submission and, in particular, whether the submission in whole or part contains information of a confidential nature and no duty of confidence will arise for the Authority.

Submissions to the Authority on DBP's section 8.21 application must be received by 4:00pm WST, Monday 27 March 2006.

Documentation Available

DBP's application to the Authority can be downloaded from the Authority's website (www.era.wa.gov.au). Printed copies of this documentation are available directly from the Authority for \$25.00 per set.

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LYNDON ROWE CHAIRMAN 24 February 2006