



Economic Regulation Authority

Western Australia

NOTICE OF APPLICATION TO EXTEND LODGEMENT OF PROPOSED REVISIONS TO THE ACCESS ARRANGEMENT FOR THE DAMPIER TO BUNBURY NATURAL GAS PIPELINE

On 14 January 2005 DBNGP (WA) Transmission Pty Ltd (previously Epic Energy (WA) Transmission Pty Ltd) (**DBNGPT**) formally requested that the Economic Regulation Authority (**Authority**) exercise its discretion under section 7.19 of the Code to further extend the time for submission of proposed revisions to the Access Arrangement and applicable Access Arrangement Information for a period of two weeks from 17 January 2005 to 31 January 2005.

DBNGPT was advised yesterday that its request was refused and that the Authority would require it to comply with the Revisions Submission Date of 17 January 2005.

However, in breach of section 2.28 of the Code, no proposed revisions were lodged by DBNGPT by the close of business yesterday.

Background

The Revisions Submission Date has been previously extended on three occasions. On 17 February 2004 the former owners of the DBNGP, Epic Energy, requested an extension of time for submission of revisions to the Access Arrangement which were due on 1 April 2004. The Authority granted an extension to 1 July 2004 for the Revisions Submission Date and 1 April 2005 for the Revisions Commencement Date. On 30 June 2004, the Authority considered a further request from Epic Energy for an extension of time. An extension was granted by the Authority and the Revisions Submission Date was amended to 1 December 2004 and the Revisions Commence Date to 1 July 2005. On 12 November, the DBNGPT requested a further extension of the Revisions Submission Date from 1 December 2004 to 31 January 2005. The Authority granted an extension to 15 January 2005.

In its recent letter requesting an extension, DBNGPT advised the Authority that, as a result of a Board meeting held on 13 January 2005, an issue has arisen requiring further analysis of substantive parts of the proposed revised Access Arrangement documentation, including the services policy, the reference tariff policy, the terms and conditions, the queuing policy, the trading policy and the extensions/expansions policy, necessitating an extension to 31 January 2005 to submit its proposed revisions to the Access Arrangement.

Decision

In considering the request for an extension under section 7.19, the Authority had regard to the reasons given for the delay, the likely effect of the request for an extension on the timetable for completion of the assessment of the proposed revisions to the Access Arrangement, the interests of the Service Provider in being given a reasonable opportunity to submit its revisions, the interests of Users, Prospective Users and any party that may be financially disadvantaged by any delay in the continuation of the existing Access Arrangement beyond

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the current Revisions Commencement Date and the public interest in having decisions of the Authority finalised in a timely fashion.

The Authority was of the view that the proposed extension of time would mean that the Authority will not be able to complete its assessment of the revisions to the Access Arrangement by 30 June 2005.

When the Authority previously consulted with interested parties with respect to DBNGPT's last request for an extension in November 2004, submissions indicated that there would be parties financially disadvantaged by any delay through the continuation of certain aspects of the existing Access Arrangement beyond the current Revisions Commencement Date.

The letter from DBNGPT requesting an extension of time does not explain why the issues raised by DBNGPT have only been raised at this late stage of the process. In the Authority's view, the request for an extension of time does not provide sufficient reasons to support the Authority in agreeing to a further extension of time.

Following careful consideration of all relevant circumstances, the Authority decided not to exercise its discretion under section 7.19 of the Code to grant the extension of time requested.

Effect of Non-compliance

Pursuant to section 2.45 of the Code, if the Service Provider fails to submit revisions to an Access Arrangement by the Revisions Submission Date, the Authority may draft and approve its own revisions to the Access Arrangement. Before approving its own revisions under this section, the Authority must:

- (a) prepare an information package which, to the extent practicable, contains all information required to be in the Access Arrangement Information under sections 2.6 and 2.7 of the Code; and
- (b) follow the process set out in sections 2.31 to 2.37 to the extent practicable as though the revisions had been proposed by the Service Provider.

The Authority will consider whether it will accept revisions to the DBNGP Access Arrangement from DBNGPT for the purpose of its assessment if these are received by 21 January 2005. Alternatively, the Authority intends to exercise its discretion under section 2.45 of the Code to commence drafting and approving its own revisions to the Access Arrangement.

For further information, please contact Mr Russell Dumas on telephone number +61 8 9213 1900.

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CHAIRMAN
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