

Subject

Date

Author



epicenergy

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24<sup>th</sup> AUGUST 2001

OFFICE OF GAS ACCESS REGULATION  
PO BOX 8469  
PERTH BUSINESS CENTRE.  
WA.

Dear Sir,

While on holidays in the South West Region of WA, I have heard about a draft policy from the Office of Gas Access Regulation (OGEAR) regarding their interest in the Dampier Bunbury National Gas Pipeline (DBNGP)

I am concerned about certain issues contained in the draft policy, and have decided to write down a few thoughts in my Albany motel room.

- \* DBNGP is close to 100% of transportation volumes. To accept any new industrial customers, incremental expansion capacity is required.
- \* A service provider, such as Epic, could only invest in future new pipeline infrastructure only at rates that are commercially economically viable.
- \* The rates suggested by the Regulator does not encourage any future pipeline expansion by investors.

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- \* If new customers supplied by new gas lines are paying extra money, compared to existing customers, this creates an uneven playing field
- \* a barrier to competition, and difficult for new entrants to compete in areas such as power generation.
- \* Western Power will be in a better situation than other power suppliers. Power cost reductions may only be short term.
- \* There would be no incentive for Epic Energy to make any commitment for long term expansion. This would have the risk of slowing economic growth of WA.
- \* With State rivalry, Eastern States would have their doors open to potential investment in new business.
- \* Tonight's ABC news stated that with Epic Energy 25% reduction in revenue from gas transportation, WA would most likely see no future pipelines built. The result, a state with no horizon.

As a small business operator and sub contractor to Epic Energy (SA) Pty Ltd., I am fearful of the repercussion that may occur as a result of the rationalization and reduction of service contracts Epic will have to make to contractors around Australia.

Yours faithfully,

Leon Rosenzweig  
manager Rosenzweig Seeds.