

**Our Ref:** 18.1.3/04575

The Office of Gas Access Regulation  
PO Box 8469  
Perth Business Centre  
PERTH WA 6849

Dear Sir or Madam:,

**DAMPIER TO BUNBURY GAS PRICES**

It has come to the attention of the Northampton Shire Council of an apparent decision by your office with regards to the pricing of gas for the Dampier to Bunbury Natural Gas Pipeline (DBNGP). It is understood that the operators, Epic Energy need to levy a tariff, which is higher, than that regulated by the OffGAR.

If the regulation on tariff charges is to remain this Council is concerned that by imposing a lower tariff the carrier will be impacted in such a way that it will restrict the development of new services to areas such as the Mid West as it will not be commercially viable. If new customers seek incremental capacity on the pipeline, they will be paying more for it than existing customers. This we believe is not a fair operation.

The proposed rates would also act as a barrier to competition for new entrants in industries such as power generation, an area that will be pursued for the Mid West particularly if the Oakajee Industrial site develops, as it requires a gas fired power station.

We urge the OffGAR to reconsider the regulated tariffs proposed and ensure the valuable resource of natural gas and its supply is commercially competitive and its pricing structure is fair to all users

Yours faithfully

**GARRY L KEEFFE  
CHIEF EXECUTIVE OFFICER**

**11 September, 2001**

