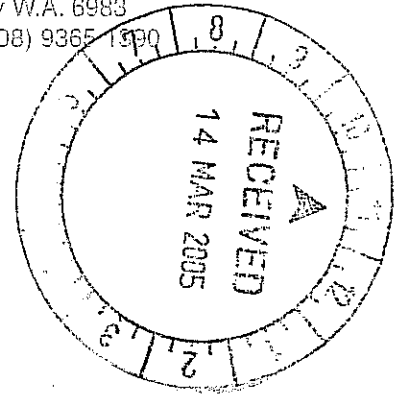




## TIWEST JOINT VENTURE

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11 March 2005

Ms Annette Watkins  
Manager, Projects  
Economic Regulation Authority  
Level 6, Governor Stirling Tower  
197 St. George's Terrace  
Perth WA 6000.

**Attention: Mr Lyndon Rowe.**

**Submission to the Economic Regulator on the Proposed Access Arrangements for the Dampier to Bunbury Natural Gas Pipeline.**

Dear Ms Watkins,

~~We submit that the proposed Access Arrangements in their current form is potentially~~  
costly, highly unreasonable and restrictive in that:

1. The proposal does not adopt the natural gas specification referred to as the 'Broadest Specification' which was introduced by the Dampier to Bunbury Pipeline Regulations 1998 (WA). Indeed, the proposed Access Arrangements incorrectly describes an alternate gas specification in Item 3 of Schedule 2 as the 'Broadest Specification'.

We submit that the proposed Operating Specification fails to meet our expectations and that of Industry. We further submit that the failure to move to the broadest possible gas specification will impede upstream oil and gas competition resulting in additional financial cost to consumers and the Western Australian Economy during the period 2005 to 2010 - a period where we anticipate significant industry growth and output. We respectfully point out that other Australian Jurisdictions have already moved to and adopted these broadest specifications, and that the Goldfields and the Parmelia natural gas pipelines together with the Alinta Distribution System are already set to a broader specification. We also highlight that the Australian Standard AS4564 is broader than the 'Broadest Specification'.



2. The proposed arrangements also lack or fail to address and include any Part Haul Service as a Reference Service or indeed incorporate a Reference Tariff Structure which would ensure that a Part Haul Service could be accessed by Shippers/Customers at a cost or charge which would parallel a Zonal Type Basis of Cost - consistent with the existing Access Arrangement and the charges Shippers/Customers would have paid under a Contract entered into under the Regulations.

We respectfully request that the Regulator take into account the additional cost burden and the barriers to competition that the Proposed Access Arrangements would have on ourselves, industry and existing/future gas producers. We would urgently recommend to the Regulator he take this opportunity to amend the Arrangements in the two areas mentioned above for the period 2005 - 2010 to ensure Western Australian Industry is not disadvantaged during this unique period of State growth.

Yours faithfully

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**Neil Liddelow**  
Manager, Commercial and Logistic Services

**TIWEST PTY LTD for the**  
**Tiwest Joint Venture**