

Letter by email

Town of PORT HEDLAND



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DRAFT REGULATORY DECISION ON THE DBNGP

I write to express Council's concern at the draft regulatory decision on the Dampier to Bunbury Natural Gas Pipeline (DBNGP) issued recently by your Office.

The draft decision to significantly decrease the transportation charges for the DBNGP, while appearing to provide a public benefit, in fact has significant adverse implications for future investment in Western Australia.

The draft decision will clearly, if implemented, compromise the commercial ability of the DBNGP owner and operator, Epic Energy, to expand the capacity of the pipeline. Further, there are serious negative implications for economic growth in the Pilbara as, although the Burrup to Port Hedland pipeline (also owned by Epic) is not part of this regulatory framework, the decision will undoubtedly place financial pressure on Epic to increase tariffs on gas transport which will further inhibit the development of downstream processing industries based on the area's iron ore and salt resources.

The history and prior undertakings and understandings inherent in the purchase of the DBNGP asset by Epic Energy from the State Government clearly need to be incorporated into any regulatory decision on gas transport charges. A wider view of public benefit should be taken in this case and Council would urge your reconsideration of the draft decision.

Tony Ford
CHIEF EXECUTIVE OFFICER

13 August 2001

cc Mayor Brent Rudler; Sue Ortenstone, CEO Epic Energy