



WESFARMERS LPG PTY LTD (INC IN WA)

A.C.N. 009 214 831

Mr. Lyndon Rowe
Chairman
Economic Regulation Authority
GPO Box 8469
WA 6849

18th March, 2005

Proposed Revised Access Arrangement for the DBNGP

Dear Mr. Rowe,

With reference to the DBNGP Proposed Revised Access Arrangement of 25th January, 2005, Wesfarmers LPG Pty Ltd (WLPG) express concern regarding the proposed maximum Oxygen levels contained in Item 1 and Item 3 of Schedule 2 of Annexure A: Access Contract Terms and Conditions.

The proposed Oxygen level of 0.2 mol% in Item 1 (Gas quality at Receipt and Delivery points) and Item 3 (Broadest Specification) will cause WLPG operational problems at our Kwinana gas extraction plant.

The current oxygen design specification for oxygen levels in the inlet gas to the plant is 10 ppm by volume, which is required for the economic efficient operation of our molecular sieve dehydration system. The proposed oxygen level of 0.2 mol% equates to approximately 2,000 ppm by volume. At this elevated oxygen level, the efficiency of our molecular sieve dehydration system would be greatly reduced resulting in WLPG requiring to increase the frequency of molecular sieve regenerations. The impact of increased molecular sieve regenerations will result in increased operation costs (fuel gas and heating) and capital cost (increase in rate of molecular sieve replacement) for WLPG.

Yours Faithfully

Peter Wilson
Operations Manager
Wesfarmers LPG

cc

C.J. French,
General Manager WLPG

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