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29 May 2009

Attn Lyndon Rowe  
Goldfields Gas Pipeline  
Gas Access  
Economic Regulation Authority  
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Dear Lyndon

**Revisions to Goldfields Gas Pipeline (GGP) Access Arrangement**

I refer to the Access Arrangement Information and the proposal to amend the Access Arrangement submitted by Goldfields Gas Transmission Pty Ltd (GGT) to ERA, on behalf of Southern Cross Pipelines Australia Pty Ltd, Southern Cross Pipelines (NPL) Australia Pty Ltd and Alinta DEWAP Pty Ltd (**SCP**) on 23 March 2009.

BHP Billiton Nickel West Pty Ltd (**NiW**) makes the following submissions in relation to the changes to the Gas Specification, proposed by SCP, namely:

1. increase the minimum gross heating value from 35.5 MJ/m<sup>3</sup> to 37.0 MJ/m<sup>3</sup> (**GHV Amendment**); and
2. increase the maximum carbon dioxide from 3.6 to 4.0% (**CO2 Amendment**)

**GHV Amendment:** The proposed GHV Amendment materially narrows the specification of natural gas which may be injected into the GGP by a shipper at an inlet point.

For an existing shipper operating under a Gas Transportation Agreement (**GTA**) which incorporates the General Terms and Conditions (**GTCs**) currently comprised in the Access Arrangement, this represents a material adverse change to the rights of that shipper. As we understand it, if this change in specification is approved by the ERA, it would flow through to that GTA by virtue of the definition of the term "Gas Specification" in Appendix 1.

We note that under section 2.25 of the Code, the ERA must not approve an Access Arrangement any provision of which would, if applied, deprive any person of a contractual right in existence prior to the date the proposed Access Arrangement was submitted.

NiW submits that the revised Access Arrangement cannot be approved with the proposed GHV Amendment as it would deprive existing shippers as described above of the contractual right to inject into the GGP natural gas with a GHV in the range of 35.5 MJ/m<sup>3</sup> to less than 37.0 MJ/m<sup>3</sup>.

NiW's natural gas is currently sourced from both inlets to the GGP at Yarraloola, and relies on the current specification in at least one of its gas supply contracts. As such, NiW would be adversely

impacted were the proposed GHV Amendment to flow through to its GTA (a matter NiW is currently reviewing).

Further NiW is in negotiations for future gas supply, whereby the current minimum specification of 35.5 MJ/m<sup>3</sup> is a requirement of the supplier.

Also, NiW delivers gas to other shippers on the GGP and in the event that those shippers are subjected to the GHV Amendment, NiW may be unable to supply those shippers.

**CO2 Amendment:** NiW endorses the CO2 Amendment as it represents a broadening of the Gas Specification and as such does not present the same issues as identified above in relation to the GHV Amendment.

Please note that NiW is considering other aspects of the proposed revised Access Arrangement, in particular the revised tariff regime, and may make further submissions in respect thereof.

Yours truly,



Darren Beugelaar

Commercial Manager, Energy Supplies  
BHP Billiton Nickel West