



23 November 2009

Mr Lyndon Rowe  
Chairman  
Economic Regulation Authority  
6th Floor  
197 St. George's Terrace  
PERTH WA 6000

Dear Mr Rowe

### **Response to BHPB Submission on GGP Proposed Revisions to Access Arrangement**

The objective of this correspondence is to identify errors of fact contained in the "Public Submission by BHP Billiton (BHPB) in Response to the Proposed Revisions to the Goldfields Gas Pipeline Access Arrangement and Access Arrangement Information dated 30 June 2009" (the "BHPB Submission").

### **Charges for System Use Gas**

At section 6.3 (page 21), the BHPB Submission states:

BHPB is currently being charged fuel gas for PAC, Wyloo West and will be charged for the Ned's Creek when completed.

The above statement is incorrect, as BHPB supplies System Use Gas ("SUG"), as distinct from "being charged" for such gas. The basis for the provision of this gas is contained in a commercially negotiated contract between BHP Billiton Nickel West Pty Ltd ("BHPBNW"), a wholly-owned subsidiary of BHPB and Southern Cross Pipelines Australia Pty. Ltd. ("SCPA"). SCPA does not purchase any gas for any third parties (including BHPBNW) or for SUG. It is common practice in the industry that users supply gas for SUG rather than be charged for the amount of SUG utilised.

### **Utilisation of the Goldfields Gas Pipeline**

At section 13.3 (page 41) BHPB state that:

... GGT's largest single customer is BHPB which is estimated to account for approximately 50% of total GGP throughput.

For clarification purposes, SCPA advise that BHPB is not a customer of GGT per se but is in fact a customer of the owners of the GGP, i.e., it is a customer of Alinta Dewap Pty Ltd and as previously mentioned, SCPA.

SCPA trusts that the clarifications provided above will assist the Authority in its consideration of the Proposed Revisions to the GGP's Access Arrangement. SCPA may further address matters raised by BHPB in future submissions.

Yours faithfully

**David King**  
**Chief Executive Officer**