



23 September 2005

Mr Warwick Anderson
Acting General Manager
Access Branch
AER, GPO Box 3648
Sydney NSW 2001

Dear Mr Anderson

CENTRAL RANGES PIPELINE ACCESS ARRANGEMENT

The Australian Pipeline Trust (APA) welcomes the opportunity to comment on the Central Ranges Pipeline Access Arrangement.

APA is the owner of the Central West Pipeline, which will connect to the Central Ranges Pipeline. APA supports the implementation of broadly consistent policies, terms and conditions on both pipelines in order to facilitate ease of contracting for shippers. This in turn will facilitate market development.

More generally APA believes the Central Ranges Pipeline Access Arrangement and competitive tender process set some positive precedents for future greenfields pipeline projects including:

- A fifteen year Access Arrangement period - this period was determined via the competitive tender and is further evidence that greenfields pipelines need long periods of regulatory certainty in order to be constructed
- A pre tax real weighted average cost of capital of 11.955% - this was determined via the competitive tender and is evidence of the level of returns that greenfields pipelines require in order to be viable.

APA trusts that the outcomes of the competitive tender process will be considered as appropriate benchmark for other greenfields pipeline projects.

Yours faithfully

Stuart Ronan
Regulatory Manager