



**APT Petroleum Pipelines Limited
ACN 009 737 393**

14 June 2005

Mr Mike Buckley
General Manager,
Regulatory Affairs – Gas,
Australian Competition and Consumer Commission
PO Box 1199
DICKSON ACT 2602

Dear Mr Buckley,

Extension of Time for Roma to Brisbane Pipeline Access Arrangement

The National Third Party Access Code for Natural Gas Pipeline Systems (the Code) covers Queensland pipeline PPL2 Wallumbilla to Brisbane, commonly known as the Roma to Brisbane pipeline (RBP). As the Commission is aware, this pipeline is owned by APT Petroleum Pipelines Limited, a wholly owned subsidiary of Australian Pipeline Trust (APA).

The RBP is currently covered by an Access Arrangement approved by the Commission in 2002. Revisions to this Access Arrangement are due to be lodged on 31 January 2006.

As foreshadowed at a meeting between APA and the Commission's officers on 24 May 2005, APA is applying under section 7.19 of the Code for an extension of time to submit the Access Arrangement revisions.

The major reason for this application is the pending Federal Court appeal. In addition, there is also uncertainty created by the potential impact of the proposed PNG pipeline on the Queensland gas market.

The outcome of Commission's appeal to the Federal Court on the Moomba Sydney Pipeline decision can be expected to influence the content and evaluation of the RBP Access Arrangement, particularly issues relating to the derivation of an Initial Capital Base.

Until such a time as the Federal Court's decision is handed down, there may be considered to be some uncertainty as to the interpretation of several provisions of the Code. APA considers that it is therefore desirable to undertake the RBP Access Arrangement once the uncertainty created by the appeal is resolved.

APA also submits that the date for lodgement of the revisions should be extended due to the uncertainty raised by the proposed PNG Pipeline project.

As the Commission may be aware, tenders for the Australian section of the PNG pipeline Front End Engineering Design (FEED) Program were awarded in May 2005. FEED includes work relating to engineering design, route selection and financial viability assessments. APA understands that the outcomes of these processes will be known by early 2006, and that the final investment decision will be undertaken at the completion of the FEED program. If the project proceeds, the PNG Gas Project participants are targeting initial gas deliveries to customers in 2009.

The decision whether to proceed with the PNG pipeline may have major consequences for the RBP, particularly as the nature of services to be provided and the volumes of gas to be transported. These consequences vary under different scenarios and make accurate forecasts of future costs and volumes, and the nature of Reference Services, subject to significant uncertainty.

If revisions to the RBP Access Arrangement are lodged on 31 January 2006, as currently required, final resolution of the Federal Court decision and / or the PNG Pipeline may result in the need to substantially modify the proposed Access Arrangement shortly after it is lodged. Alternatively, these decisions may create uncertainty or delay during the Commission's assessment of the revised Access Arrangement.

For the reasons outlined above APA seeks an extension of the revisions lodgement date to a day six months from the date of the decision by the Federal Court. Given the hearing of the appeal before the Federal Court is scheduled for mid-August, APA also expects that by this extended time the uncertainty surrounding the PNG project will have been substantially reduced.

In this application APA also brings to the Commission's attention the fact that the RBP is currently fully contracted. None of these contracts have price reset clauses. Therefore any delay in the timing of a revised Access Arrangement will not materially affect current users. APA is also not aware of any potential users who will be relying on the Access Arrangement to obtain access in the period after 31 January 2006.

A list of current customers and potential future customers and relevant contact details are attached.

Please do not hesitate to contact me if you require further information.

Yours Sincerely



Stuart Ronan
Regulatory Manager

Contact Details of Current and Potential Shippers

Current Shippers		
SWQP	Craig Langford Manager Commercial	Santos Limited PO Box 2455 Adelaide SA 5001
Origin Energy	Bob Timmons State Manager	GPO Box 484 Brisbane QLD 4001
Energex	Sandra McCullough Gas Supply Manager	GPO Box 1461 Brisbane QLD 4001
Enertrade (QPTC)	Malcolm Whalley General Manager Energy Trading and Operations	GPO Box 10 Brisbane QLD 4001
CS Energy	Ron Roduner General Manager Trading and Operations	GPO Box 769 Brisbane QLD 4001
Contracted Future Shippers		
Braemar Power Project	Trevor St Baker Managing Director	PO Box 98 Kenmore QLD 4069
Incitec	Arthur Pitts Gas Purchasing Manager	Incitec Pivot Limited PO Box 140 Morningside QLD 4170
Potential Shippers		
Arrow Energy	Nick Davies Chief Executive Officer	GPO Box 5262 Brisbane QLD 4001
BP	Caroline Buchanan Energy Strategist	BP Australia Pty Ltd GPO Box 5222BB Melbourne 3000