

Record No: TGD2016/6543 Container No: TGF2015/26

Mr Warwick Anderson General Manager – Network Finance and Reporting Australian Energy Regulator GPO Box 3131 Canberra ACT 2601 By email: Amadeus2015GAAR@aer.gov.au

Dear Mr Anderson,

APT Pipelines (NT) Pty Ltd's Revised Proposal for the Amadeus Gas Pipeline Access Arrangement for the 2016-21 Access Arrangement Period;

Channel Island Bridge Project

Territory Generation provides this submission in response APT Pipelines (NT) Pty Ltd's revised proposal for the Amadeus Gas Pipeline access arrangement for the 2016-21 access arrangement period.

Territory Generation had consulted with Power and Water Corporation to discuss the Channel Island Bridge Project proposal and Territory Generation believes that the proposal does not fully address the risks associated with our requirements.

In summary Territory Generation is not in favour of supporting the HDD proposal for the following reasons:

- The proposal does not align with Territory Generation's Strategic Plan in relation to gas supply;
- It may curtail gas supply during the construction phase; and
- It does not provide a dual gas feed into Channel Island, which would allow Territory Generation to reduce its reliance of diesel as an alternative fuel source.

In order to provide Territory Generation with a security of gas supply it is Territory Generation's preference to construct a Territory Generation owned pipeline lateral from Wickham Point Pipeline.

Territory Generation estimates the cost of a new lateral would be of the same order as the estimated cost of the HDD proposal. It is our opinion that this would be a better use of resources and funds to meet our corporate objectives.

For further information on this project, please feel free to call me on (08) 8985 8592, or email Grant.Chorvat@territorygeneration.com.au.

Yours sincerely

Grant Chorvat

Chief Operations Officer

4 February 2016