

Appendix I: Format for Submissions

To assist the Gas Industry Co in the orderly and efficient consideration of stakeholders' responses, a suggested format for submissions has been prepared. This is drawn from the questions posed throughout the body of this discussion document. Respondents are also free to include other material in their responses.

Recommended Format for Submissions

Submission from: Bridge Petroleum Limited - Kevin Johnson

| QUESTION | COMMENT |
|--|---|
| Q1: Do you agree that the overall objective of any protocols should be to facilitate access to gas processing facilities where that is both economically efficient and contributes to better achievement of Government's overall policy objective, taking account of the specific outcomes it expects of the sector? If not, what should the objective be? | Generally agree. |
| Q2: Do you agree with the proposed definition of gas processing facilities for the purpose of considering access protocols? | Yes, although it should be noted that gas processing facilities often include condensate or oil processing as an integral part of a single plant. The operation of the plant involves running the unit as a single facility while optimising the production of both product streams. It is arguably more accurate to describe these facilities as petroleum processing facilities and they may exhibit value drivers that are different to those facilities that are designed to exclusively process gas. |
| Q3: Do you agree that the framework outlined in section 5 is suitable for identifying whether there are substantial inefficiencies arising from current arrangements for access to gas processing facilities? If not, what alternative framework would provide a superior assessment? | Generally yes. The economies of scale issue is interesting and it is likely that it is characterised by more pronounced step changes in capacity vs cost in the lower capacity range rather than that depicted by the graph in Figure 4. |

| QUESTION | COMMENT |
|--|---|
| Q4: Do you agree with the technical/economic assessment presented in section 6? | In broad terms, yes. |
| Q5: Do you agree with the conclusion that there do not appear to be substantial inefficiency problems with access to gas processing facilities? | Yes |
| Q6: Do you agree that alternatives to the status quo that may meet the objective are limited to low cost, light-handed measures? | Yes this is an alternative but my view is that to date sensible commercial arrangements between parties should prevail particularly with the smaller capacity facilities. |
| Q7: Do you agree with the assessment and that information disclosure is the preferred means of meeting the objective? If not, why not? | Yes. This would be a good first step and likely to result in identifying any need for further protocols, but noting the need to recognize the importance of private property rights of the facility owners. |
| Q8: Do you concur with Gas Industry Co's assessment that the industry be invited to adopt a voluntary information disclosure regime? If not, please give your reasons. | Yes – the voluntary aspect is key here. |

