

## Go-ahead for lower-quality gas to lure more developers

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The State Government will allow lower-quality gas to travel through WA's pipelines to encourage petroleum companies to develop more marginal gas fields.

The decision has sparked concern in the industry about the cost and safety of the move.

But resources giant BHP Billiton welcomed the move, saying it would make projects such as its Macedon gas field off Onslow more viable, helping to "safeguard the State's energy supplies".

Development of the field is projected to supply up to 20 per cent of WA's

gas needs, possibly as early as 2012.

The decision comes after an Office of Energy review into broadening gas specifications for pipelines to bring them into line with Australian standards.

In a submission to the review, Dampier-to-Bunbury pipeline chief Stuart Hohnen warned that poorer-quality gas could threaten the "integrity" of its pipeline and burden it with higher costs, including having to pump more gas to ensure its energy content was consistent.

Energy Minister Peter Collier said yesterday those issues would be resolved by ensuring new gas produc-

ers compensated pipeline owners and big consumers for increased costs through commercial negotiations.

He said suppliers could avoid these costs by treating gas to meet current requirements before it was delivered to the pipelines.

Mr Collier expected the decision to improve competition among suppliers and so put downward pressure on local gas prices.

Households would be helped to replace pre-1980 appliances incompatible with the new standard, due to take effect in January 2012.