

ALCOA WORLD ALUMINA AUSTRALIA, SUMMER GAS ALLOCATION

2234. Hon Jim Scott to the Minister for Local Government and Regional Development representing the Deputy Premier

- (1) How much did the Government pay per litre for Alcoa's gas allocation during the shortage last summer?
- (2) How much per litre did the Government pay Alcoa to use diesel during the gas shortage last summer?

Hon TOM STEPHENS replied:

Western Power Corporation (WPC) and Alcoa World Alumina (Alcoa) are both major customers of Epic Energy, utilising the Dampier-Bunbury Natural Gas Pipeline (DBNGP) to transport gas from the North-West of Western Australia to their facilities based in the South-West. During periods when WPC does not have sufficient transport capacity to meet its requirements for power generation, it can call on an agreement it has with Alcoa whereby Alcoa converts a portion of its operations from gas to distillate fuel, making gas and gas transport capacity available in the DBNGP for WPC's use. The agreement that WPC has with Alcoa involves WPC meeting all of Alcoa's costs associated with distillate use including replacement distillate, storage and cleaning.

In answer to both Questions (1) and (2): WPC does not directly purchase gas or gas transport from Alcoa. The agreement operates such that WPC reimburses Alcoa the costs incurred to convert its operations from gas to distillate fuel, thus making an equivalent quantity of Alcoa's allocation of gas and gas transport available for WPC's use.