

Revised Access Arrangement for

Proposed Revisions
DBNGP Access Arrangement

2016 – 2020 Access Arrangement Period

Access Arrangement Document



Economic Regulation Authority

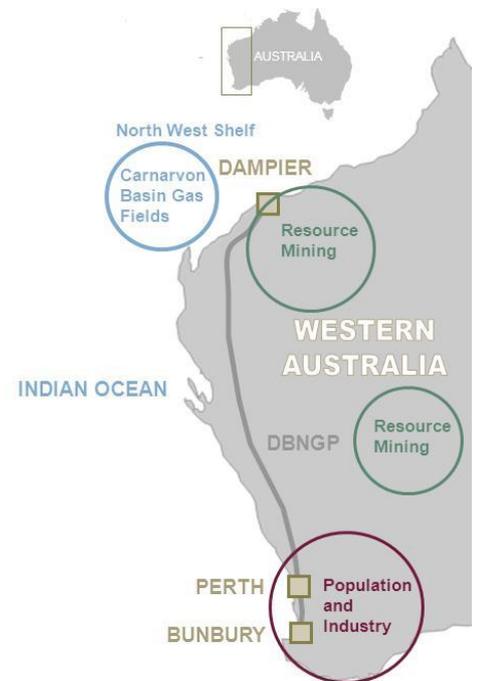
WESTERN AUSTRALIA

Date Submitted: 31/12/2014

DBP Transmission (DBP) is the owner and operator of the Dampier to Bunbury Natural Gas Pipeline (DBNGP), Western Australia's most important piece of energy infrastructure.

~~Revised by reason of and pursuant to orders of the Australian Competition Tribunal made on 26 July 2012~~

5 October 2012



A full copy of this document is available from the Economic Regulation Authority website at www.era.gov.au.

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The DBNGP is WA's key gas transmission pipeline stretching almost 1600 kilometres and linking the gas fields located in the Carnarvon Basin off the Pilbara coast with population centres and industry in the south-west of the State

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Access Arrangement

Introduction (Section 1)

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- 1.1.

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1. INTRODUCTION

- 1.1 This document is the applicable access arrangement that is a full access arrangement (**Access Arrangement**) for the Dampier to Bunbury Natural Gas Pipeline (DBNGP) pursuant to the requirements of the National Gas Access (WA) Act 2009 (**NGA**), the National Gas Access (Western Australia) Law (**NGL**) and National Gas Rules ~~2009~~(Version 22)¹ (**NGR**).
- 1.2 ~~1.2.~~——The DBNGP is an old scheme covered pipeline, a scheme pipeline and a covered pipeline under the NGA, the NGL and the NGR.
- 1.3 ~~1.3.~~——This document revises the access arrangement for covered pipeline services that was approved by the ERA on ~~26 June 2008 (including the corrigenda of notice issued by the ERA on 22 January 2010 5 October 2012 (Revised by reason of and pursuant to orders of the Australian Competition Tribunal made 26 July 2012)~~ (Prior Access Arrangement).
- 1.4 ~~1.4.~~——Operator is DBNGP (WA) Transmission Pty Limited ACN 081 609 190 (Operator). ~~#Operator~~ is a covered pipeline service provider who submitted the revisions to ~~the~~ Prior Access Arrangement. Operator is a complying service provider for the purposes of section 10 of the NGL. It submitted the revisions on its own behalf and on behalf of DBNGP (WA) Nominees Pty Limited ACN 081 609 289 (Nominees) as Trustee for the DBNGP WA Pipeline Trust, who is also a covered pipeline service provider.
- 1.5 ~~1.5.~~——This Current Access Arrangement sets out the terms and conditions about access to Pipeline Services provided or to be provided by means of the DBNGP.

¹ Version 23 was current as at 11 December 2014, a copy of which is available [here](#)

2. PIPELINE DESCRIPTION ~~(SECTION 2)~~

~~2. THE DBNGP (DESCRIPTION OF THE PIPELINE SYSTEM)~~

2.1 ~~2.1~~ The DBNGP is made up of the assets that are:

- (a) ~~(a)~~ as described in the following pipeline licences issued under the Petroleum Pipelines Act 1969 (WA):
- (i) ~~(i)~~ PL 40 (as amended or varied before the date the revisions to the Access Arrangement for the DBNGP commence to have effect under clause ~~14.10~~ of this ~~current~~Current Access Arrangement);
 - (ii) ~~(ii)~~ PL 41 (as amended or varied before the date the revisions to the Access Arrangement for the DBNGP commence to have effect under clause ~~14.10~~ of this ~~current~~Current Access Arrangement);
 - (iii) ~~(iii)~~ PL 47 (as amended or varied before the date the revisions to the Access Arrangement for the DBNGP commence to have effect under clause ~~14.10~~ of this ~~current~~Current Access Arrangement); ~~and~~
 - (iv) ~~(iv)~~ PL 69 (as amended or varied before the date the revisions to the Access Arrangement for the DBNGP commence to have effect under clause ~~14.10~~ of this ~~current~~Current Access Arrangement); ~~and~~

~~(b) the BEP Capacity.~~

(v) 2.2 PL 91 (as amended or varied before the date the revisions to the Access Arrangement for the DBNGP commence to have effect under clause 0 of this Current Access Arrangement);

(vi) PL 94 (as amended or varied before the date the revisions to the Access Arrangement for the DBNGP commence to have effect under clause 0 of this Current Access Arrangement);

(vii) PL 95 (as amended or varied before the date the revisions to the Access Arrangement for the DBNGP commence to have effect under clause 0 of this Current Access Arrangement);

(viii) PL 100 (as amended or varied before the date the revisions to the Access Arrangement for the DBNGP commence to have effect under clause 0 of this Current Access Arrangement);

(ix) PL 101 (as amended or varied before the date the revisions to the Access Arrangement for the DBNGP commence to have effect under clause 0 of this Current Access Arrangement); and

(b) the BEP Capacity.

2.2 A detailed description of the DBNGP is provided in Appendix 2 Attachment 1 to the Access Arrangement and maps showing the pipeline system are annexed to the Access Arrangement Information. A description of the DBNGP can also be found at <http://www.dbp.net.au>

3. PIPELINE SERVICES ~~(SECTION 3)~~

~~3. DESCRIPTION OF PIPELINE SERVICES [R.48(1)(b) & (c)]~~

~~3.1. Pipeline Services~~

3.1 —Operator, on its behalf and on behalf of Nominees, proposes to offer the following pipeline services on the DBNGP:

(a) ~~(a)~~ Reference Services

- (i) ~~(i)~~ Full Haul T1 Service (T1 Service);
- (ii) ~~(ii)~~ Part Haul T1 Service (P1 Service)
- (iii) ~~(iii)~~ Back Haul T1 Service (B1 Service)

(b) ~~(b)~~ Non-Reference Services

- (i) ~~(i)~~ Operator proposes, subject to availability of Capacity (as determined by Operator as a reasonable and prudent service provider), to offer to Prospective Shippers the following pipeline services:
 - (A) Spot Capacity Service;
 - (B) Park and Loan Service; and
 - (C) Seasonal Service;
- (ii) ~~(ii)~~ Operator proposes, subject to Operational Availability (as determined by Operator as a reasonable and prudent pipeline operator), to offer to Prospective Shippers the following pipeline services:
 - (A) Peaking Service;
 - (B) metering information service;
 - (C) pressure and temperature control service;
 - (D) odourisation service;
 - (E) co-mingling service;
 - (F) pipeline impact agreement service; and
 - (G) interconnection service.
- (iii) ~~(iii)~~ Non-Reference Services also include pipeline services provided by Operator under Access Contracts entered into prior to commencement of the Current Access Arrangement Period which are not for a Reference Service; and
- (iv) ~~(iv)~~ Operator is prepared to negotiate to provide a Prospective Shipper with any other pipeline service; and.

3.2 ~~(v)~~ a description of each of the above pipeline services follows.

~~3.2. [Deleted]~~

3.3. T1 Service

(a) ~~(a)~~ T1 Service is a Full Haul Service in which Operator (subject to availability of Capacity):

- (i) ~~(i)~~ takes receipt, at one or more Inlet Points on a Day, of a quantity of the Shipper's gas not exceeding:
 - (A) the sum of the Shipper's MDQ;
 - (B) plus or minus the quantity of gas required to correct any Imbalance on the preceding Day; and
- (ii) ~~(ii)~~ delivers to the Shipper at one or more Outlet Points on that Day a quantity of gas not exceeding the Shipper's MDQ, without interruption or curtailment except as permitted by the Access Contract.

(b) ~~(b)~~ The reference tariff for T1 Service (T1 Tariff) is:

- (i) ~~(i)~~—made up of the following components:
 - (A) the T1 Capacity Reservation Tariff; and
 - (B) the T1 Commodity Tariff; and
- (ii) ~~(ii)~~—varied in accordance with section 41.11 of this Current Access Arrangement.
- (c) ~~(c)~~ As at 1 January 2012-2016:
 - (i) ~~(i)~~—the T1 Capacity Reservation Tariff is \$1.0942523224/GJ (\$2010) ~~(to be converted to \$2012 values by applying the variation mechanism in clause 11.2(c));2016);~~ and
 - (ii) ~~(ii)~~—the T1 Commodity Tariff is \$0.0923893306/GJ (\$2010) ~~(to be converted to \$2012 values by applying the variation mechanism in clause 11.2(c)); 2016);~~
 - (iii) making a T1 Tariff of \$1.1866416530/GJ (\$2010) ~~(to be converted to \$2012 values by applying the variation mechanism in clause 11.2(c))-2016).~~
- (d) ~~(d)~~ Prospective Shippers seeking access to Spare Capacity of the DBNGP as it is configured at the time of approval of this Access Arrangement must nominate a minimum term of 2 years when lodging an Access Request for T1 Service, unless Operator in its absolute discretion agrees otherwise.
- (e) ~~(e)~~ Prospective Shippers seeking access for Developable Capacity must nominate a minimum term of 15 years when lodging an Access Request for T1 Service, unless Operator in its absolute discretion agrees otherwise.

3.4 ~~3.4.~~ P1 Service

- (a) ~~(a)~~ P1 Service is a Part Haul Service in which Operator (subject to availability of Capacity):
 - (i) takes receipt, at one or more Inlet Points on a Day, of a quantity of the Shipper's gas not exceeding:
 - (A) the sum of the Shipper's MDQ;
 - (B) plus or minus the quantity of gas required to correct any Imbalance on the preceding Day; and
 - (ii) ~~(i) takes receipt, at one or more Inlet Points on a Day, of a quantity of the Shipper's gas not exceeding:~~
 - ~~(A) the sum of the Shipper's MDQ;~~
 - ~~(B) plus or minus the quantity of gas required to correct any Imbalance on the preceding Day; and~~
 - (iii) ~~(ii)~~—delivers to the Shipper at ~~one or more~~ an Outlet ~~Points~~ Point ~~located upstream of compressor station 9~~ on that Day a quantity of gas not exceeding the Shipper's MDQ, without interruption or curtailment except as permitted by the Access Contract.
- (b) ~~(b)~~ The reference tariff for P1 Service (P1 Tariff) is:
 - (i) ~~(i)~~—made up of the following components:
 - (A) the P1 Capacity Reservation Tariff; and
 - (B) the P1 Commodity Tariff; and
 - ~~(B) the P1 Commodity Tariff; and~~
 - (ii) ~~(ii)~~—varied in accordance with section 41.11 of this Current Access Arrangement.
- (c) ~~(c)~~ As at 1 January 2012-2016:
 - (i) ~~(i)~~—the P1 Capacity Reservation Tariff is \$0.00078200095/GJ MDQ*km (\$2010) ~~(to be converted to \$2012 values by applying the variation mechanism in clause 11.2(c));2016);~~ and
 - (ii) ~~(ii)~~—the P1 Commodity Tariff is \$0.0.00006600024/GJ*km (\$2010) ~~(to be converted to \$2012 values by applying the variation mechanism in clause 11.2(c));2016);~~ and
 - (iii) making an P1 Tariff of \$0.00084800118/GJ*km (\$2010) ~~(to be converted to \$2012 values by applying the variation mechanism in clause 11.2(c))-2016).~~

- (d) ~~(d)~~ Prospective Shippers seeking access to Spare Capacity of the DBNGP as it is configured at the time of approval of this Access Arrangement must nominate a minimum term of 2 years when lodging an Access Request for P1 Service, unless Operator in its absolute discretion agrees otherwise.
- (e) ~~(e)~~ Prospective Shippers seeking access for Developable Capacity must nominate a minimum term of 15 years when lodging an Access Request for P1 Service, unless Operator in its absolute discretion agrees otherwise.

3.5 ~~3.5.~~ B1 Service

- (a) ~~(a)~~ B1 Service is a Back Haul Service in which Operator (subject to availability of Capacity):
 - (i) ~~(i)~~ ~~takes receipt, at one or more Inlet Points on a Day, of a quantity of the Shipper's gas not exceeding:~~
 - ~~(A) the sum of the Shipper's MDQ;~~
 - ~~(B) plus or minus the quantity of gas required to correct any Imbalance on the preceding Day; and~~
 - (ii) takes receipt, at one or more Inlet Points on a Day, of a quantity of the Shipper's gas not exceeding:
 - (A) the sum of the Shipper's MDQ;
 - (B) plus or minus the quantity of gas required to correct any Imbalance on the preceding Day; and
 - (iii) ~~(ii)~~ ~~delivers to the Shipper at one or more an~~ Outlet Point located upstream of the relevant Inlet Point on that Day a quantity of gas not exceeding the Shipper's MDQ, without interruption or curtailment except as permitted by the Access Contract.
- (b) ~~(b)~~ The reference tariff for B1 Service (B1 Tariff) is:
 - (i) ~~(i)~~ ~~made up of the following components:~~
 - (A) the B1 Capacity Reservation Tariff; and
 - (B) the B1 Commodity Tariff; and
 - (ii) ~~(ii)~~ ~~varied in accordance with section 44-11 of this Current Access Arrangement.~~
- (c) ~~(c)~~ As at 1 January ~~2012-2016~~:
 - (i) ~~(i)~~ ~~the B1 Capacity Reservation Tariff is \$0.00078200095/GJ MDQ*km (\$2010) (to be converted to \$2012 values by applying the variation mechanism in clause 11.2(c)); 2016); and~~
 - (ii) ~~(ii)~~ ~~the B1 Commodity Tariff is \$0.00006600024/GJ*km (\$2010) (to be converted to \$2012 values by applying the variation mechanism in clause 11.2(c)); 2016);~~
 - (iii) ~~making a B1 Tariff of \$0.00084800118/GJ*km (\$2010) (to be converted to \$2012 values by applying the variation mechanism in clause 11.2(c)); 2016).~~
- (d) ~~(d)~~ Prospective Shippers seeking access to Spare Capacity of the DBNGP as it is configured at the time of approval of this Access Arrangement must nominate a minimum term of 2 years when lodging an Access Request for B1 Service, unless Operator in its absolute discretion agrees otherwise.
- (e) ~~(e)~~ Prospective Shippers seeking access for Developable Capacity must nominate a minimum term of 15 years when lodging an Access Request for B1 Service, unless Operator in its absolute discretion agrees otherwise.

3.6 ~~3.6.~~ Other Non-Reference Services

~~(a)~~ Spot Capacity Service

- (a) ~~A:~~ a Spot Capacity Service is a pipeline service available on an interruptible basis (and at varying levels of interruptibility), subject to availability of Capacity in accordance with the following principles.

- (b) ~~(b)~~ Until otherwise advised by Operator, the following principles apply to Spot Capacity and Spot Transactions (as the case may be) (which principles form the basis of the Spot Market Rules):
- (i) ~~(i)~~ If the Shipper seeks to bid for Spot Capacity for a Gas Day it must, by notice to Operator at any time no later than 15:00 hours on the Gas Day before that Gas Day, notify Operator of the amount of Spot Capacity it requires for that Gas Day (Daily Bid) and the price it offers to pay for that Spot Capacity for that Gas Day (Daily Spot Bid Price).
 - (ii) ~~(ii)~~ Operator must by no later than 16:00 hours on each Gas Day before the relevant Gas Day allocate Spot Capacity for the relevant Gas Day between Daily Bids on the basis (subject to clause ~~5.3(e)(iv)~~ 5.3(d)(i)) of the Shipper bidding the highest Daily Spot Bid Price for that Gas Day being allocated the Spot Capacity it bid for, the shipper bidding the second highest Daily Spot Bid Price for that Gas Day being allocated the Spot Capacity it bid for, and so on until all Daily Bids are satisfied or until all available Spot Capacity is allocated to Daily Bids. If two or more Shippers bid the same Daily Spot Bid Price and there is not sufficient available Capacity to allocate to each of them the amount of Spot Capacity bid for by each of them, the Spot Capacity available to be allocated between them shall be allocated in proportion to the amount of Spot Capacity bid for by each of them respectively at the said Daily Spot Bid Price for that Gas Day.
 - (iii) ~~(iii)~~ Subject to clause ~~3.6(b)(v)~~ 3.6(b)(v), if the Shipper is allocated Spot Capacity for a Gas Day in response to a Daily Bid the Shipper must pay the Daily Spot Bid Price bid by it for that Spot Capacity for that Gas Day whether or not it uses the Spot Capacity.
 - (iv) ~~(iv)~~ Operator may set a minimum bid price (Minimum Bid Price) for Daily Bids and is not obliged to allocate Spot Capacity to any shipper bidding a Daily Spot Bid Price which is less than the Minimum Bid Price. The Minimum Bid Price for Daily Bids may not be set by Operator at a price greater than 115% of the Base T1 Tariff as defined in the standard shipper contract published by Operator on its nominated website from time to time applying on the relevant Gas Day.
 - (v) ~~(v)~~ The Shipper is relieved from paying the Daily Spot Bid Price in relation to Spot Capacity allocated to it for a Gas Day only where Operator interrupts or curtails the Spot Capacity which has been allocated to the Shipper, and then only to the extent of that interruption or curtailment.
 - (vi) ~~(vi)~~ Operator must provide the following information to the Shipper in respect of each Gas Day as soon as practicable after that Gas Day:
 - (A) the quantities the subject of Daily Bids which relate to that Gas Day;
 - (B) the quantities of Spot Capacity allocated for that Gas Day; and
 - (C) the Daily Spot Bid Prices for all bids allocated Spot Capacity for that Gas Day.
 - (vii) ~~(vii)~~ Operator will not bid for Spot Capacity and if an Operator Entity, Alcoa, ~~WestNet~~ or a Related Body Corporate of ~~either Alcoa or WestNet~~ bids and is allocated Spot Capacity, Operator must indicate on its electronic customer reporting system that the relevant Spot Capacity has been allocated to an Operator Entity, Alcoa or a Related Body Corporate of Alcoa without disclosing the identity of the Operator Entity, Alcoa or a Related Body Corporate of Alcoa.
 - (viii) ~~(viii)~~ Operator may unilaterally determine (and, if applicable, vary) over time rules governing the market for Spot Capacity in addition to the principles in this clause ~~3.6(a)~~ 3.6(b), provided that those rules are designed with a view to achieving the following objectives:
 - (A) there is no discrimination among shippers (other than in respect of price) in respect of the terms and conditions upon which, and the circumstances in which, Spot Capacity is granted;
 - (B) hindering market manipulation and gaming by Operator or shippers; and
 - (C) consistent with this clause ~~3.6(a)~~ 3.6(b).

- (c) ~~(c)~~ Park and Loan Service: Shippers or Prospective Shippers serving end users with Gas demands that are difficult to predict from day to day, or who face the prospect of outages of their Gas suppliers, may find the maintenance of their Accumulated Imbalances within the tolerance specified in the Access Contract for the Reference Service (or any other Haulage Service as the case may be) difficult. To assist these Shippers and Prospective Shippers, Operator will offer a Park and Loan Service, permitting limited Gas storage in the DBNGP, and/or taking of additional Gas from the DBNGP when required. Operator's ability to offer a Park and Loan Service is restricted by the operating characteristics of the DBNGP. A Shipper must also contract for a Haulage Service when contracting for a Park and Loan Service.
- (d) ~~(d)~~ Seasonal Service: Capacity in the DBNGP varies inversely with ambient temperature. A higher pipeline Capacity is available during winter months when ambient temperatures are low. A lower Capacity is available during summer months, with the lowest Capacity usually available in January. Operator may, in these circumstances, have unused Capacity when ambient temperatures are low, and this Capacity can be made available to shippers for use as Seasonal Service. Seasonal Service will only be made available subject to Operational Availability (as determined by Operator as a reasonable and prudent pipeline operator) and Operator meeting its obligations under Gas transportation contracts entered into prior to the commencement of the Access Arrangement Period.
- (e) ~~(e)~~ Peaking Service: This service will enable an increase in the MHQ at aan Outlet Point for a specified period.
- (f) ~~(f)~~ Metering information service: This service will entail the provision of metering and operational data directly to a Shipper in addition to the data the Operator agrees to provide under an Access Contract for the Reference Service.
- (g) ~~(g)~~ Pressure and temperature control service: This service will entail the provision of a service by the Operator to vary the temperature and/or pressure at which the Operator shall deliver Gas at aan Outlet Point.
- (h) ~~(h)~~ Odourisation service: This service will entail the provision of a service by the Operator to odourise the Gas being delivered at aan Outlet Point.
- (i) ~~(i)~~ Co-mingling service: This Service entails the agreement by the Operator with a Shipper to blend Out-of-Specification Gas with the main Gas stream such that the aggregate of the main Gas stream is within specification.
- (j) ~~(j)~~ Pipeline impact agreement service: This service encompasses any service DBP may agree to provide to facilitate the receipt into the DBNGP of Gas as a result of the application of the Gas Supply (Gas Quality Specifications) Act 2009 (WA).
- (k) ~~(k)~~ Interconnection service: This service will entail the construction of facilities to connect the DBNGP with another pipeline system and the terms and conditions for the ongoing operation and management of the interconnection facilities.

4. TERMS AND CONDITIONS ~~(SECTION 4)~~

~~4. TERMS AND CONDITIONS [R.48(1)(d)(ii)]~~

- 4.1 ~~4.1.~~ The terms and conditions upon which Operator will grant parties access to the T1, P1 and B1 Services, are those terms and conditions for the T1, P1 and B1 Services contained in the Access Contract Terms and Conditions as amended or varied from time to time in accordance with clause ~~4.3~~4.3 of the Access Arrangement.
- 4.2 ~~4.2.~~ At the commencement of the Access Arrangement Period, the Access Contract Terms and Conditions are set out in ~~APPENDIX 1.~~
- ~~(a)~~ For the T1 Service - Attachment 2;
~~(b)~~ For the P1 Service - Attachment 3; and
~~(a)(c)~~ For the B1 Service - Attachment 4.
- 4.3 ~~3.~~ Operator may amend or vary the Access Contract Terms and Conditions in accordance with:
- (a) ~~(a)~~ Part 8, Division 10 of the NGR;
(b) ~~(b)~~ Part 8, Division 5 of the NGR; and
(c) ~~(c)~~ in the case of the Reference Tariff, the Reference Tariff Variation Mechanism in this Access Arrangement.

5. QUEUING REQUIREMENTS ~~(SECTION 5)~~

~~5. QUEUING REQUIREMENTS [R.48(1)(e)]~~

5.1 ~~5.1.~~ Informal Requests and Reports:

- (a) Shippers and Prospective Shippers are encouraged to consult with Operator on available Capacity and facilities prior to making an Access Request.

5.2 ~~5.2.~~ Submission of Access Request

- (a) ~~(a)~~ Subject to clause ~~5.2(b)~~, 5.2(b), a Prospective Shipper may apply for access to a Service by submitting an Access Request in accordance with this clause ~~5.2.5.2.~~
- (b) ~~(b)~~ An Access Request must be lodged by a Prospective Shipper if:
 - (i) ~~(i)~~ the Prospective Shipper requests a feasibility study to be prepared by Operator;
 - (ii) ~~(ii)~~ the Prospective Shipper requests a terms sheet to be prepared or considered by Operator; or
 - (iii) ~~(iii)~~ Operator advises in the course of consultation under clause ~~5.40~~ that investigations are required under ~~rule NGR 112(3) (b) of the NGR.~~ (b).
- (c) ~~(c)~~ An Access Request must be made in writing and must state:
 - (i) ~~(i)~~ whether the Service requested is a Reference Service or a Non-Reference Service;
 - (ii) ~~(ii)~~ in the case of an Access Request for a Non Reference Service, the type of Non Reference Service that is requested;
 - (iii) ~~(iii)~~ a Commencement Date for the Service, which must be a date at least 30 Gas Days after the date the Access Request is submitted or such earlier date as the Service Provider agrees;
 - (iv) ~~(iv)~~ a Capacity End Date for the Service, which must, in the case of an Access Request for a Reference Service, be a date no earlier than the date 2 years after the Commencement Date;
 - (v) ~~(v)~~ relevant technical details (including the proposed Gas specification) for the connection to the pipeline and for ensuring safety and reliability of the supply of Gas to, or from, the pipeline, as outlined in the customer requirements form available on Operator's website;
 - (vi) ~~(vi)~~ Relevant financial information that would be required by a reasonable and prudent person to assess the Prospective Shippers' ability to meet financial obligations made under the Access Contract.
- ~~(vii)~~ (vii) in the case of a Reference Service and any other capacity related Non-Reference Service:
 - (A) each Inlet Point and Outlet Point for the Service; and
 - (B) the amount of the requested Service (in TJ/d) for each Inlet and Outlet point;
- ~~(viii)~~ (viii) ~~(viii)~~ the terms and conditions on which the Service is requested, by:
 - (A) in the case of a Reference Service, stating that the Prospective Shipper accepts the Access Contract Terms and Conditions;
 - (B) in the case of a Non-Reference Service (other than a Spot Capacity Service), specifying either:
 - ~~(a)~~ that it accepts the terms and conditions of any Access Contract for the relevant Non-Reference Service that the Operator has posted on its website; or ~~(b)~~ the terms and conditions the Prospective Shipper proposes should apply to the

Service or requesting Operator to propose the terms and conditions for provision of the Service; or

(C) in the case of a Spot Capacity Service, stating that the Prospective Shipper accepts the Spot Transaction Terms and Conditions and agrees to comply with the Spot Market Rules; and

~~(viii)(ix)~~ ~~(viii)~~ any conditions that apply to the Access Request.

(d) ~~(d)~~ An Access Request must:

(i) ~~(i)~~ be in the form for the particular Service requested, as specified from time to time by Operator on its nominated website (Access Request Forms). As at the commencement of the Current Access Arrangement Period, the Access Request Forms are available at <http://www.dbp.net.au/access.aspx> and comprise:

- (A) the Reference Service Access Request Form, for use for an Access Request for a Reference Service;
- (B) the Non-Reference Service (other than Spot Capacity Service and Non-Transportation Services) Access Request Form, for use for an Access Request for a Non-Reference Service (other than Spot Capacity Service);
- (C) the Spot Capacity Service Access Request Form, for use for an Access Request for Spot Capacity Service; and
- (D) the Non-Transportation Services Access Request Form (used for such services as data, blending and park and loan services);

(ii) ~~(ii)~~ be executed by or on behalf of the Prospective Shipper in accordance with sections 127(1), (2) or (3) of the Corporations Act or in such other manner as Operator, acting reasonably, may approve; and

(iii) ~~(iii)~~ be submitted in duplicate to the address from time to time specified by Operator for this purpose on the Access Request Form.

(e) ~~(e)~~ A Prospective Shipper may withdraw an Access Request at any time before Operator accepts the Access Request by giving notice in writing of the withdrawal to Operator.

(f) ~~(f)~~ A Prospective Shipper may amend an Access Request at any time prior to its acceptance by Operator by submitting a further Access Request which states expressly that it amends the previous Access Request (Original Access Request) and where the Access Request Form is marked up to show the changes from the Original Access Request. The amended Access Request supersedes the Prospective Shipper's Original Access Request.

5.3 ~~5.3.~~ Assessment of Access Requests

(a) ~~(a)~~ Operator will assess and respond to an Access Request in accordance with ~~rule~~ NGR 112 of the NGR based on the information provided to it with the Access Request.

(b) ~~(b)~~ The information specified in the Access Request Form does not necessarily contain all of the information Operator may need to assess an Access Request. If Operator requests more information it must, within 20 ~~business days~~ Business Days of receiving an Access Request from a Prospective Shipper:

(i) ~~(i)~~ request further information from a Prospective Shipper (including any evidence reasonably required by Operator that the Access Contract that would be formed by Operator's acceptance of the Access Request would be a valid and binding obligation of the Prospective Shipper);

(ii) ~~(ii)~~ advise the Prospective Shipper that investigations are required to be undertaken prior to responding to the Access Request. If so, the Operator must, in the advice to the Shipper, outline a proposal to the Prospective Shipper for carrying out the further investigations (FEED Proposal). The FEED Proposal must include:

- (A) a statement of the nature of the investigation;
- (B) a plan (including a time schedule) for carrying out and completing the investigation;
- (C) a statement of the reasonable costs of the investigation the Prospective Shipper would be required to meet; and

- (D) any other information reasonably required by the Operator for the purposes of the investigation.
- (c) ~~(e)~~ If an Access Request is for a Non-Reference Service and the Prospective Shipper does not agree to the terms and conditions for the relevant Non-Reference Service as posted on the Operator's website, the Prospective Shipper must promptly, on request by Operator, proceed to negotiate in good faith with Operator the terms and conditions on which the Service is to be provided.
- (d) ~~(d)~~ Operator may accept an Access Request:
- (i) ~~(i)~~—where the Access Request is for a Reference Service and is made on the basis of the Access Contract Terms and Conditions or is for a Spot Capacity Service, by executing the 2 copies of the Access Request Form executed by the Prospective Shipper and returning one executed copy to the Prospective Shipper; or
 - (ii) ~~(ii)~~—where the Access Request is for a Non-Reference Service (other than a Spot Capacity Service), and Operator and the Prospective Shipper have agreed the terms and conditions for the Service, by submitting an Access Contract in the form agreed to the Prospective Shipper for execution. If the Access Contract is not executed by the Prospective Shipper and returned to Operator (together with any evidence reasonably required by Operator that the Access Contract is a valid and binding obligation of the Prospective Shipper) within 10 ~~business days~~Business Days, the Access Request will be deemed to have been withdrawn by the Prospective Shipper.
- (e) ~~(e)~~ Subject to clause ~~5.3(f)~~,5.3(f)₁, Operator may reject an Access Request at any time prior to its acceptance in any of the following circumstances:
- (i) ~~(i)~~—the Access Request is incomplete or otherwise does not comply with the requirements specified in clause ~~5.2~~;5.2₁;
 - (ii) ~~(ii)~~—Operator considers, acting as a reasonable and prudent pipeline operator, that the Prospective Shipper is not capable of meeting its obligations under the Access Contract;
 - (iii) ~~(iii)~~—the Prospective Shipper fails to comply with a reasonable request by Operator for further information under clause ~~5.3(b)(i)~~5.3(b)(i) within 20 ~~business days~~Business Days after the date of such request;
 - (iv) ~~(iv)~~—where the Access Request requires the terms and conditions of the Access Contract to be negotiated between Operator and the Prospective Shipper, and the Prospective Shipper fails to negotiate in good faith when required to do so under clause ~~5.3(e)~~;5.3(c)₁;
 - (v) ~~(v)~~—acceptance of the Access Request would require an expansion of or extension to the DBNGP and the expansion or extension is inconsistent with the Extensions and Expansions Requirements of this Access Arrangement;
 - (vi) ~~(vi)~~—the requested Service cannot be provided having regard to the load characteristics set out in the Access Request and the load characteristics of Other Shippers;
 - (vii) ~~(vii)~~—the Access Request is for substantially the same Service as another current Access Request submitted by the Prospective Shipper; or
 - (viii) ~~(viii)~~—Operator considers, acting as a reasonable and prudent pipeline operator, that the Access Request is not a bona fide request for access.
- (f) ~~(f)~~—The Operator must reject an Access Request if the Operator and the Prospective Shipper are unable to agree on the FEED Proposal issued by the Operator under clause ~~5.3(b)(ii)~~,5.3(b)(ii)₁, or on some modification to it, within 20 ~~business days~~Business Days of the date of the FEED Proposal.
- (g) ~~(g)~~ If the Operator rejects an Access Request, it must notify the Prospective Shipper in writing and include reasons for rejecting it.

5.4 ~~5.4.~~ Queuing Requirements

- (a) ~~(a)~~ If Operator notifies a Prospective Shipper in accordance with ~~Rule NGR 112 of the NGR~~ that Spare Capacity does not exist to satisfy an Access Request, Operator will create a queue for determining the priority of access to Spare Capacity and Developable Capacity that will apply as between that Access Request and any other Access Request.
- (b) ~~(b)~~ Operator will maintain a single queue for access to Reference Services and Non-Reference Services that are Haulage Services (Queue).
- (c) ~~(c)~~ Access Requests are to have priority of access to Spare Capacity and Developable Capacity in the order in which they are entered in the Queue by Operator in accordance with this clause ~~5.4.5.4.~~ Subject to clauses ~~5.4(d), 5.4(d) to 5.4(k), 5.4(k).~~ Operator will enter Access Requests in the Queue with a priority date being the date on which they are received (or, as appropriate, deemed to be received) by Operator. Access Requests entered in the queue with the same priority date will have equal priority in the queue as between each other.
- (d) ~~(d)~~ Subject to clauses ~~5.4(e), 5.4(e) and 5.4(f), 5.4(f).~~ an Access Request will only be entered in the Queue if it complies with the requirements specified in clause ~~5.2.5.2.~~
- (e) ~~(e)~~ If an Access Request is incomplete or otherwise does not comply with the requirements of clause ~~5.2.5.2~~ and, in Operator's reasonable opinion, the Prospective Shipper remedies the deficiencies within 10 ~~business days~~ Business Days after being given notice of the deficiencies by Operator (which notice must be given promptly), the Access Request may be entered in the Queue with a priority date being the date on which the original Access Request was received by Operator. This clause only applies once. Otherwise, the Access Request will be entered in the Queue with a priority date being the date on which, in Operator's reasonable opinion, the deficiencies are remedied.
- (f) ~~(f)~~ If an Access Request requires the terms and conditions of the Access Contract to be negotiated between Operator and the Prospective Shipper or is subject to conditions, the Access Request will be entered in the Queue with a priority date being the date of receipt of the Access Request by Operator. However, unless:
 - (i) ~~(i)~~—where Operator notifies Shipper in accordance with ~~Rule NGR 112 of the NGR~~ that there is Spare Capacity sufficient to satisfy the Access Request, within 40 ~~business days~~ Business Days after the date Operator responds to the Prospective Shipper in accordance with ~~rule NGR 112 of the NGR~~ in respect of the Access Request; or
 - (ii) ~~(ii)~~—where Operator notifies Shipper in accordance with ~~rule NGR 112 of the NGR~~ that there is not Spare Capacity sufficient to satisfy the Access Request and the parties agree to a FEED Proposal, within 60 ~~business days~~ Business Days after the date the Shipper receives the report on the investigations to be provided to the Shipper under the FEED Proposal,either:
 - (iii) ~~(iii)~~—the negotiations are completed and/or the conditions are satisfied; or
 - (iv) ~~(iv)~~—the Prospective Shipper has agreed to amend the Access Request such that it becomes an Access Request for a Reference Service made on the basis of the Access Contract Terms and Conditions,
 - (v) the Access Request will be removed from the Queue and will subsequently be ~~reentered~~ re-entered in the Queue with a priority date being the date that negotiations are completed and/or the conditions are, in Operator's opinion, satisfied. However, where a dispute between Operator and the Prospective Shipper arises in respect of the terms and conditions of access and that dispute is referred to arbitration under section 181 of the NGA, the period of time remaining pursuant to paragraphs ~~(i) and (ii)~~ ~~(5.4(f)(i) and 5.4(f)(ii))~~ (as applicable) will be suspended from the date the dispute is referred to arbitration (Referral Date) until 4 months after the Referral Date.
- (g) ~~(g)~~ Operator may deal with Access Requests out of order provided that:

- (i) ~~(i)~~—the Access Request that is being dealt with out of order is materially different to the Access Requests which have the same or earlier priority dates; and
- (ii) ~~(ii)~~—Prospective Shippers with the Access Requests which have the same or earlier priority dates do not suffer any material prejudice as a result.
- (h) ~~(h)~~ Access Requests received by mail are deemed to be received on the day they are delivered to Operator. Access Requests delivered by hand are received on the date actually received.
- (i) ~~(i)~~—Any Access Request for a Service that was made prior to the revisions to this Access Arrangement coming into effect (Prior AA Access Requests) will have priority over Access Requests made after the revisions to this Access Arrangement come into effect. The priority amongst Prior AA Access Requests is to be determined in accordance with the order in which they were received by Operator.
- (j) ~~(j)~~—If an Access Request is rejected, that Access Request's priority in the Queue is lost.
- (k) ~~(k)~~—If a Prospective Shipper amends an Access Request in accordance with clause ~~5.2(f), 5.2(f)~~, the following applies:
 - (i) ~~(i)~~—the amended Access Request will have the same priority date as the Original Access Request if the amendment complies with clause ~~5.2(f), 5.2(f)~~ and if:
 - (A) the amendment is limited to a reduction in the amount of the Service requested or a change in the requested Commencement Date; or
 - (B) the amendment is not in Operator's reasonable opinion a material change to the Original Access Request; and
 - (ii) ~~(ii)~~—in all other cases, the amended Access Request will be removed from the Queue and will subsequently be re-entered in the Queue with a priority date being the date the amended Access Request is received by Operator.
- (l) ~~(l)~~—These Queuing Requirements are subject to any Capacity Expansion Options which may be granted by Operator from time to time under the Extensions and Expansions Requirements of the Access Arrangement. Nothing in the Queuing Requirements prevents Operator offering a Capacity Expansion Option in accordance with the Extensions and Expansions Requirements of this Access Arrangement at any time or complying with its obligation to provide Capacity to a Prospective Shipper in accordance with a Capacity Expansion Option.
- (m) ~~(m)~~—Where a Prospective Shipper has lodged an Access Request and Operator has agreed to undertake an expansion to satisfy the Access Request (including by the creation of a Capacity Expansion Option in accordance with the Extension and Expansion Requirements of this Access Arrangement) the Prospective Shipper's Access Request will remain in the Queue until the expansion capacity has become available to satisfy it. If Spare Capacity becomes available to satisfy the Access Request prior to completion of the expansion and Operator and the Prospective Shipper agree, that Spare Capacity may be made available to satisfy the Access Request (in accordance with its priority in the queue at that time) in place of the proposed expansion capacity.
- (n) ~~(n)~~—Queuing Requirements do not apply to access to a service secured pursuant to a Spot Capacity Service or to a Pipeline Service that is not a Haulage Service.
- (o) ~~(o)~~—Within a reasonable time of Operator becoming aware of any material change (in the context a Prospective Shipper's Access Request) in the expected timing of when the Prospective Shipper's Access Request in the Queue will be satisfied, Operator will notify the Prospective Shipper of the change.

6. CAPACITY TRADING REQUIREMENTS ~~(SECTION 6)~~

~~6. CAPACITY TRADING REQUIREMENTS [R.48(1)(f)]~~

6.1 ~~6.1.~~ A Shipper of any Haulage Service may transfer all or any of the Shipper's contracted capacity:

- ~~(a)~~ (a) Where the Operator is registered as a participant in a particular gas market - in accordance with the rules or procedures governing the relevant gas market; or
- ~~(b)~~ Where the Operator is not registered for the purposes of clause 6.1(a) - in accordance with NGR 105 and clauses 6.2 to 6.5.

~~6.2~~ A Shipper of any Haulage Service may:

- (a) without the Operator's consent transfer by way of subcontract, all or any of the Shipper's contracted capacity to another Shipper in accordance with clause 27.2 of the Access Contract Terms and Conditions for each reference service.
- (b) ~~(b) Subject to any [Pre-existing Contractual Right],~~ with the Operator's prior written consent transfer all or any of the Shipper's contracted capacity to another (Third Party) in accordance with clauses 27.3 and 27.4 of the Access Contract Terms and Conditions for each reference service and clause ~~6.3~~ 6.3

~~6.26.3~~ ~~6.2.~~ Operator must not withhold its consent under clause ~~6.1(b)~~ 6.2(b) unless it has reasonable grounds, based on technical or commercial grounds for doing so.

~~6.36.4~~ ~~6.3.~~ In addition to any conditions outlined in clauses 27.3 and 27.4 of the Access Contract Terms and Conditions for each reference service, and without limitation, the following are examples of reasonable technical or commercial grounds that the Third Party and the Shipper must comply with before Operator will consent under clause ~~6.1(b)~~ 6.2(b):

- (a) ~~(a)~~ The Third Party must comply with the Queuing Requirements in clause ~~5.4.5.4.~~
- (b) ~~(b)~~ The Shipper must reimburse Operator for all reasonable costs incurred by Operator in processing and determining the Shipper's consent request (including legal costs, internal costs and other costs as reasonably determined) whether or not the transfer proceeds to completion, subject to Operator providing, if requested by the Shipper, an estimate for the costs that Operator expects to incur (which estimate will not limit the costs which must be reimbursed under this clause ~~6.3(b)~~).

~~6.46.5~~ ~~6.4.~~ If Operator consents to the transfer of all or any of the Shipper's contracted capacity to a Third Party under clause ~~6.1(b)~~ 6.2(b), the following consequences arise:

- (a) ~~(a)~~ the Shipper's rights and obligations are terminated except that any rights or liabilities that accrued under, or in relation to, the Access Contract before the date on which Operator grants consent are not affected; and
- (b) ~~(b)~~ an Access Contract arises between the Operator, DBNGP (WA) Nominees Pty Ltd (in its capacity as Trustee for the DBNGP WA Pipeline Trust) and the Third Party on terms and conditions determined by or in accordance with this section 6.

7. EXTENSIONS AND EXPANSIONS ~~(SECTION 7)~~

~~7. EXTENSIONS & EXPANSIONS REQUIREMENTS [R.48(1)(g)]~~

- 7.1 ~~7.1.~~ Operator is not required to fund part or all of the expansion (except in relation to a Capacity Expansion Option, where the provisions of the Capacity Expansion Option require the expansion to be funded by the Operator or an Operator Entity).
- 7.2 ~~7.2.~~ Unless the Operator states otherwise in a Capacity Expansion Option, an expansion of the DBNGP pursuant to the exercise of a Capacity Expansion Option by the holder is to be treated as part of the Covered Pipeline.
- 7.3 ~~7.3.~~ If the Operator proposes to extend, expand or enhance the DBNGP for a purpose other than meeting its obligations to the holder of a Capacity Expansion Option.
- (a) ~~(a)~~ an extension or enhancement is to become part of the Covered Pipeline immediately the consent to operate the extension or enhancement is granted to the Operator under the Petroleum Pipelines Act, unless Operator elects otherwise, (at some point in time) and Operator will give the Regulator notice of an extension, expansion or enhancement which Operator elects will not become part of the Covered Pipeline; and
- (b) ~~(b)~~ an expansion is to become part of the ~~covered pipeline~~ Covered Pipeline immediately the consent to operate the expansion is granted to the Operator under the Petroleum Pipelines Act, except in instances:
- (i) ~~(i)~~ where ~~DBP can demonstrate to the Authority's reasonable satisfaction~~ the Operator notifies the Regulator in writing that it wishes the expansion to not become part of the Covered Pipeline (Expansion Non Coverage Request Notice); and
- ~~(ii)~~ within 30 Business Days of receiving the Non Coverage Request Notice, the Regulator advises the Operator by notice in writing that it is not reasonably satisfied that application of the access arrangement to such ~~services~~ expansion is inconsistent with the National Gas Objective and the Authority issues of the Coverage Criteria (Coverage Notice). The Coverage Notice must contain detailed reasons for why the Regulator is not satisfied that the application of the access arrangement to such expansion is inconsistent with the National Gas Objective and Coverage Criteria. If the Regulator does not issue a notice that it is Coverage Notice to the Operator under this clause within 30 Business Days of receiving the Expansion Non Coverage Request Notice, the Regulator will be deemed to have been thus satisfied and the expansion will not be part of the Covered Pipeline.
- 7.4 ~~7.4.~~ In considering whether to treat an extension or enhancement as part of the Covered Pipeline, Operator may have regard to the following factors:
- (a) ~~(a)~~ the application of the matters set out in ~~rule~~ NGR 104 of the NGR in respect of the facilities comprising the extension, ~~expansion~~ or enhancement;
- (b) ~~(b)~~ the extent to which the Capacity resulting from the extension, ~~expansion~~ or enhancement is Contracted Capacity;
- (c) ~~(c)~~ the legitimate business interests of Operator;
- (d) ~~(d)~~ the application of any voluntary right of access to the Capacity resulting from the extension, ~~expansion~~ or enhancement; and
- (e) ~~(e)~~ the extent to which any Access Contract under which the extension, expansion or enhancement capacity is contracted relies upon a determination of the Reference Tariff.
- 7.5 ~~7.5.~~ If an extension, expansion or enhancement of the DBNGP becomes part of the Covered Pipeline, the extension, expansion or enhancement will not affect the Reference Tariff before the ~~next~~ Revisions Commencement Date for the Next Access Arrangement. Although, if an extension, expansion or enhancement of the DBNGP becomes part of the Covered Pipeline:

- (a) ~~(a)~~ Operator may seek a Capital Contribution from Prospective Shippers or levy a Surcharge on Incremental Shippers in accordance with ~~Rules~~NGR 82 and 83 ~~of the NGR~~; and
 - (b) ~~(b)~~ Operator may submit proposed revisions to this Access Arrangement under ~~rule~~NGR 50 ~~of the NGR~~ at any time.
- 7.6 ~~7.6.~~ Operator may (as determined by Operator in its sole discretion) from time to time seek Surcharges or Capital Contributions from Prospective Shippers in respect of capital expenditure for assets in accordance with ~~rules~~NGR 82 and 83 ~~of the NGR~~. If Operator intends to levy a Surcharge on Shippers, it will provide written notice, including to the Regulator, of its intention to do so.
- 7.7 ~~7.7.~~ Except where Operator imposes a Surcharge or seeks a Capital Contribution, or where clause ~~7.10~~7.10 applies, Shippers using Incremental Capacity will pay the Reference Tariff.
- 7.8 ~~7.8.~~ To assist Prospective Shippers with their future Gas transportation needs, the Operator may from time to time offer Capacity Expansion Options. The Operator acknowledges that at the commencement of this Access Arrangement Period, Capacity Expansion Options have already been granted to certain Shippers on the DBNGP.
- 7.9 ~~7.9.~~ A Capacity Expansion Option gives a Prospective Shipper a right to a specified quantity of Capacity on the terms and conditions specified in the Capacity Expansion Option. A Capacity Expansion Option will have a purchase price to be determined by Operator and is able to be traded by the Prospective Shipper to another Prospective Shipper on the terms outlined in the Capacity Expansion Option.
- 7.10 ~~7.10.~~ ~~If the Operator elects to include as part of the covered pipeline any~~ if any extension, enhancement or expansion to be undertaken as a result of the application of the provisions of the Gas Supply (Gas Quality Specifications) Act 2009 (WA) is to be part of the Covered Pipeline and in circumstances where the funding of that extension, enhancement or expansion was made by someone other than the Operator or its Related Bodies Corporate (PIA Expenditure) the Operator and Nominees will not benefit, through increased revenue, from each amount of PIA Expenditure that has been rolled into the capital base through a mechanism equivalent to that in clause ~~12.4~~12.4.

8. CHANGING INLET AND OUTLET POINTS ~~(SECTION 8)~~

~~8. CHANGING INLET AND OUTLET POINTS [R.48(1)(h)]~~

8.1 ~~8.1.~~ In accordance with ~~rule~~NGR 106 ~~of the NGR,~~ the Shipper under a haulage service Access Contract may:

- (a) ~~(a)~~ change inlet and outlet points; and
- (b) ~~(b)~~ relocate all or any part of its Contracted Capacity from an existing inlet point or an existing outlet point to which the Access Contract relates,

(Change Request)

in accordance with the following principles:

- (c) ~~(c)~~ a Shipper must make a Change Request to the Operator in writing;
- (d) ~~(d)~~ the Operator must consent to a Change Request from the Shipper before any change or relocation that is the subject of the Change Request becomes effective; and
- (e) ~~(e)~~ the Operator must not withhold its consent to a Change Request unless it has reasonable grounds, based on technical or commercial considerations, for doing so.

8.2 ~~8.2.~~ Without limitation, the considerations which the Operator will take into account in deciding whether to consent to a request under clause ~~8.10~~ include:

- (a) ~~(a)~~ technical considerations;
- (b) ~~(b)~~ commercial considerations;
- (c) ~~(c)~~ in the case of a Change Request for a Reference Service, the considerations outlined in ~~section~~clause 14 of the Access Contract Terms and Conditions.

9. DEPRECIATION ~~(SECTION 9)~~

~~9. DEPRECIATION [R.90]~~

9.1 ~~9.1.~~ In accordance with ~~rule 90 of the~~ NGR 90, this section 9:

- (a) ~~(a)~~ governs the calculation of depreciation for establishing the Opening Capital Base for the Next Access Arrangement Period after the Current Access Arrangement Period (that is, the Opening Capital Base for the access arrangement period that is due to commence ~~on 1 January 2016~~ in accordance with clause 14.3).
- (b) ~~(b)~~ provides that outlines the basis for the depreciation of the projected Capital Base during the Current Access Arrangement Period ~~is to be based on forecast conforming capital expenditure~~.

9.2. Depreciation for establishing the Opening Capital Base for the Next AA Period

9.2 As part of the formula for establishing the Opening Capital Base for the Next Access Arrangement Period, the Operator will use the sum of the values of depreciation determined for the purpose of determining the Total Revenue for the Current Access Arrangement Period.

~~9.3~~ 9.3. ~~The values~~ In addition, a correction will be made for the over or under depreciation from the Current Access Arrangement Period. An over depreciation correction will be made to the extent that any assets would have been over depreciated by the end of the Current Access Arrangement Period due to the application of approved forecast depreciation and conforming capital expenditure inputs. This correction for over-depreciation:

- (a) achieves consistency with both the revenue and pricing principles and NGR 89(1)(d); and
- (b) will be accounted for, in the Total Revenue calculation table in the access arrangement information document for the Next Access Arrangement Period, as a separate line item, rather than as part of the return on the capital base line item in that table.

Depreciation of the projected capital base during the Current AA Period

~~9.39.4~~ Subject to paragraph 9.5 and following, the amount of depreciation determined for the purpose of determining the Total Revenue for each year of the Current Access Arrangement Period ~~are~~ is determined using the following principles:

- (a) ~~(a)~~ A separate depreciation schedule has been determined for each of the 45 groups of physical assets that form the DBNGP, these 4 groups are:
 - (i) ~~(i)~~ pipeline assets;
 - (ii) ~~(ii)~~ compressor station assets;
 - (iii) ~~(iii)~~ metering assets; ~~and~~
 - (iv) (iv) BEP Lease; and
 - ~~(iv)~~ (v) other assets.
- (b) ~~(b)~~ For the assets in each of the 45 groups, depreciation has been determined using ~~the~~ a straight-line method.
- (c) ~~(c)~~ Each depreciation schedule has been designed so that:
 - (i) ~~(i)~~ each group of assets is depreciated over the economic life of that group; and
 - (ii) ~~(ii)~~ each group of assets is depreciated only once (that is, so that the sum of the depreciation that is attributable to each group over the life of the assets is equivalent to the value of that group of assets at the time at which that value was first included in the Capital Base, ~~(subject to such adjustment for inflation as is appropriate given the approach to inflation adopted.)~~).

- 9.5 It should be noted that in calculating the Total Revenue for each year of the Current Access Arrangement Period, a further adjustment is to be made to the amount of depreciation on the projected capital base for each such year. This adjustment is required to be made as a result of:
- (a) the requirement to adopt a post-tax nominal approach to the calculation of the Total Revenue in each year; and
 - (b) adopting the current cost accounting approach to accounting for the capital base and using that approach in the AER's PTRM.
- 9.6 The following paragraphs explain the reason for the further adjustment.
- 9.7 The transition to a nominal approach requires an approach to depreciation that avoids the double counting of inflation.
- 9.8 It is noted that, in the Guidelines, the ERA indicated that the PTRM, or a similar model, will provide a basis for future access arrangement determinations and that there will be a number of transitional issues in moving from a real model to a nominal model. The Operator has therefore used the PTRM.
- 9.9 The Operator notes that the AER, in applying the PTRM, uses a particular method of accounting for the capital base (Current Cost Accounting – CCA) that applies indexation to the Capital Base and then, as a result of being a nominal model, removes an amount from depreciation that corresponds to the effect of indexing the capital base. This is how the PTRM avoids the double counting of inflation.
- 9.10 The AER accounts for this as one step in the calculation of the building block called the depreciation on the projected capital base. DBP is of the view that this is what is required under NGR 89(1)(d) - to ensure that “an asset is depreciated only once (ie that the amount by which the asset is depreciated over its economic life does not exceed the value of the asset at the time of its inclusion in the capital base (adjusted, if the accounting method approved by the ERA permits, for inflation))”.
- 9.11 The Operator has used the PTRM and adopted the same method of accounting for the capital base – the CCA – as is used by the AER in the PTRM.
- 9.12 The ERA has, since the release of the Guidelines, adopted the approach that the inflationary gain on the capital base caused by adopting a nominal approach to the calculation of the Total Revenue should not be offset from the nominal depreciation on the projected capital base.
- 9.13 Given that the ERA's accounting for removing the effect of inflationary gains on the capital base (caused by adopting a nominal approach to determining the Total Revenue) has the same practical affect as how the AER's accounts for it in its application of the PTRM (ie it is included in the calculation of the building block called “depreciation of the projected capital base”), the issue is more a matter of “form over substance” than anything else.
- 9.14 The Operator has therefore accounted for it in the Total Revenue calculation table in the Access Arrangement Information (in section 17) as a separate line item (to align with the approach of the ERA). However, for the purposes of complying with the requirements of the NGR, it is to be treated as part of the depreciation schedule used to determine the building block called “depreciation on the projected capital base”.

10. SPECULATIVE CAPITAL INVESTMENT (~~SECTION 10~~)

~~10. SPECULATIVE CAPITAL EXPENDITURE [R.84]~~

10.1 ~~10.1.~~ For the purposes of ~~rule~~NGR 84 ~~of the NGR~~, the amount of any Non-Conforming Capital Expenditure is, to the extent that expenditure is not to be recovered through a Surcharge on Shippers or a Capital Contribution, to be added to a notional fund (Speculative Capital Expenditure Account) and dealt with in accordance with ~~rule~~NGR 84(2) and rule 84(3) ~~of the NGR.~~

10.2 The Speculative Capital Expenditure Account will increase annually at the Speculative Investment Rate.

10.3 The Speculative Investment Rate is the return on equity that is used to estimate the Allowed Rate of Return (Nominal Post Tax).

11. REFERENCE TARIFF VARIATION MECHANISM ~~(SECTION 11)~~

~~11. REFERENCE TARIFF VARIATION MECHANISM [R.92(1)]~~

11.1 ~~11.1.~~ The Reference Tariff Variation Mechanism for the Current Access Arrangement provides for the variation of the Reference Tariff by the Operator by way of:

(a) ~~(a)~~ CPI Formula Variation;

(b) ~~(b)~~ Tax Changes Variation;

~~(c)~~ ~~(c)~~ New Costs Pass Through Variation;

~~(c)~~(d) Revenue cap adjustment; and

~~(d)~~ ~~the mechanism contained in clause 20.5 of the Reference Service Access Contract Terms and Conditions.~~

~~(e)~~ 11.2. Trailing Average Cost of Debt Annual Update.

11.2 The CPI Formula Variation means the following mechanism:

(a) ~~(a) The Reference Tariffs in clauses 3.3(b), 3.4(b) and 3.5(b)~~ The Initial Total Revenue in clause 11.6 of this Access Arrangement will be periodically varied for the effects of inflation during the Current Access Arrangement Period.

(b) ~~(b) Each Reference Tariff~~ The Initial Total Revenue for a given year will be varied annually on 1 January of each year of the Current Access Arrangement Period for the effects of inflation.

11.3 ~~(c)~~ This variation ~~of each Reference Tariff~~ the Initial Total Revenue will be effected by adjustment on 1 January in each of the years ~~2012, 2013, 2014~~ 2017, 2018, 2019 and ~~2015~~ 2020 in accordance with CPI on the following basis:

$$\text{Tariff}_n = \text{Tariff}_b \times \left(\frac{\text{CPI}_n}{\text{CPI}_b} \right)$$

where:

~~Tariff_n = Capacity Reservation Tariff or Commodity Tariff (as the case may be) in~~ $\text{ITR}_t = \text{ITR}_b \times \frac{\text{CPI}_t}{\text{CPI}_b}$

(a) Where:

ITR_t = The Initial Total Revenue allowed for year n, where t by the regulator in the access determination, after adjusting for inflation in year t, where year t is each of the years ~~2012, 2013, 2014~~ 2017, 2018, 2019 and ~~2015~~ 2020;

~~Tariff_b = Capacity Reservation Tariff or Commodity Tariff (as the case may be) set out in clause 3.3(c), 3.4(c) and 3.5(c) of the Current Access Arrangement;~~

~~CPI_n = ITR_b~~ The Initial Total Revenue allowed by the regulator for year t of the access period prior to any adjustment for inflation (ie - expressed in 2015 dollars);

CPI_t = CPI for the quarter ending on 30 September of the year before the year for which the Reference Tariff/ITR is being adjusted; and

CPI_b = CPI for the quarter ending on 30 September ~~2009~~ 2015.

~~(a)~~(b) ~~(d)~~ CPI means the Consumer Price Index, All Groups, weighted average of eight capital cities as published by the Australian Bureau of Statistics.

~~(b)(c)~~ ~~(e)~~ Within 10 Business Days of effecting the CPI Formula Variation, the Operator must provide the ERA with a written notice advising of this fact and include the application of the mechanism and the resultant varied Reference Tariff.

11.4 ~~11.3.~~ Tax Changes Variation means the following mechanism:

- (a) ~~(a)~~ The Operator has established the Reference Tariff for the Reference Service on the basis of forecast expenses for certain Taxes ~~and Carbon Costs~~ for the Current Access Arrangement Period being included in the Operator's forecast operating expenditure (Included Taxes ~~and Carbon Costs~~).
- (b) ~~(b)~~ If a Tax Change occurs in relation to the Included Taxes ~~and Carbon Costs~~ during the Current Access Arrangement Period, to the extent that the Tax Change changes any expenditure incurred or to be incurred by the Operator or any of its Related Bodies Corporate in providing pipeline services ~~(including any Carbon Costs attributable to the operation of the DBNGP whether incurred by the Operator directly, by payment to any third party or by reimbursement to any of its Related Bodies Corporate where any of these persons are liable for the payment of such Carbon Costs)~~, then:
 - (i) ~~(i)~~ if the changes in expenditure incurred or to be incurred as a result of the Tax Change ~~are such as would be incurred by a prudent service provider acting efficiently, in accordance with accepted good industry practice, to achieve the lowest sustainable cost of delivering pipeline services (Rule 91 Criteria) and the changed amount of the relevant Included Tax and Carbon Cost~~ is lower than the amount for that relevant Included Tax ~~and Carbon Cost~~ that was included in the forecast operating expenditure for the Current Access Arrangement Period - the Operator must vary the Reference Tariff to deal with the financial impact of the Tax Change; and
 - (ii) ~~(ii)~~ if the changes in expenditure incurred or to be incurred as a result of the Tax Change ~~satisfy the Rule 91 Criteria and the changed amount of the relevant Included Tax and Carbon Cost~~ is higher than the amount for that relevant Included Tax ~~and Carbon Cost~~ that was included in the forecast operating expenditure for the Current Access Arrangement Period - the Operator may vary the Reference Tariff to recover the financial impact of the Tax Change.
- (c) ~~(c)~~ Before the Operator varies the Reference Tariff under clause ~~11.3(b)~~, 11.4(b), the Operator must provide a written notice to the Regulator (Tax Change Notice) which:
 - (i) ~~(i)~~ ~~in outlines the case of a Tax Change where the changed amount of the relevant Included Tax and Carbon Cost is lower than the amount for that relevant Included Tax and Carbon Cost that was included in the forecast operating expenditure for in the Current Access Arrangement Period is submitted within 30 Business Days of the date when the Operator became aware of the relevant Tax Change;~~
 - ~~(ii)~~ ~~outlines the amount of the relevant Included Tax and Carbon Cost that was included sets out the expected annual increase or decrease in the Operator's forecast operating expenditure in the Current Access Arrangement Period;~~
 - ~~(iii)~~ ~~provides as a result of the Tax Change together with the Operator's assumptions, reasons and available evidence of the amount of the Tax Change;~~
 - ~~(iv)~~ ~~provides evidence that the Tax Change satisfies the Rule 91 Criteria;~~
 - (ii) ~~(v)~~ ~~specifies the scope that justify its estimate~~ of the financial impact of the Tax Change;
 - ~~(iii)~~ ~~(vi)~~ ~~sets out the amount by which the Reference Tariff is to be varied;~~
 - ~~(iii)~~ ~~(iv)~~ outlines the calculation of the proposed variation to the Reference Tariff as a result of the Tax Change; and
 - ~~(vii)~~ ~~states the effective date for the variation to the Reference Tariff to take effect.~~

- ~~(d)~~ ~~The Operator must not vary (for the purposes of this clause 11.4, Variation Date). The variation to the Reference Tariff under clause 11.3(b)(ii) unless:~~
- (d) ~~(i) the Operator provides a shall take effect on the Variation Date nominated in the Tax Change Notice to the, which must be no earlier than 20 Business Days from the date of the Tax Change Notice unless the Regulator, acting as a Reasonable and Prudent Person, objects to the proposed variation to the Reference Tariff on the basis that it can demonstrate one or more of the following grounds for objection:~~
- ~~(ii) the Regulator, after considering the Tax Change Notice, gives prior written approval to the variation.~~
- (i) ~~(e) The proposed variation to the Reference Tariff does not arise from a Tax Change;~~
- (ii) ~~There is a material flaw in the Operator's estimate of the financial impact of the Tax Change on the Operator's forecast annual operating expenditure; or~~
- (iii) ~~The calculation of the proposed variation to the Reference Tariff as a result of the Tax Change is flawed.~~
- ~~Any objection by the Regulator must be substantiated by a concise written summary of the reasons for the Regulator's objection and the existing Reference Tariff remains payable until the amount of the variation is resolved.~~
- ~~(e) If the Regulator objects to the proposed Tariff variation, the Operator may submit a further Tax Change Notice.~~
- ~~(e)(f) The Operator may submit one or more Tax Change Notices each Year. Each Tax Change Notice may incorporate a number of claims relating to different Tax Changes.~~
- ~~(f) The minimum notice period for a Tax Change Notice to be issued before a variation to the Reference Tariff commences to have effect is 30 Business Days.~~
- ~~(f)(g) (g) If the Tax Change Notice results in a reduction in the Reference Tariff, the Operator must, within 50 Business Days of the date of the Tax Change Notice pay each Shipper for a Reference Service an amount equal to the difference between:~~
- (i) ~~(i) the Charges actually paid by the Shipper between the date of the Tax Change and the date of the variation to the Reference Tariff commenced to have effect; and~~
- (ii) ~~(ii) the Charges that the Shipper would have paid for that period if the variation to the Reference Tariff had taken effect on the Date of the Tax Change.~~
- ~~(h) 11.4. If the Tax Change Notice results in an increase in the Reference Tariff, the Operator may, within 50 Business Days of the date of the Tax Change Notice invoice each Shipper for a Reference Service an amount equal to the difference between:~~
- (i) ~~the Charges actually paid by the Shipper between the date of the Tax Change and the date of the variation to the Reference Tariff commenced to have effect; and~~
- (ii) ~~the Charges that the Shipper would have paid for that period if the variation to the Reference Tariff had taken effect on the Date of the Tax Change.~~
- ~~(i) Nothing in this clause prevents the Operator seeking judicial review of a decision of the Regulator under clause 11.40.~~

11.5 New Costs Pass Through Variation means the following mechanism:

- (a) ~~(a)~~ The Operator may recover certain expenses it or its Related Bodies Corporate incur or are to incur if (but only if) the expenses:
- (i) ~~(i)~~ are or will be incurred as a result of circumstances beyond the control of the Operator or the relevant Related Body Corporate;
- (ii) ~~(ii)~~ satisfy the ~~Rule~~ criteria in NGR 91-Criteria(1) for operating expenditure;

- (iii) ~~(iii) could not be predicted prior to the~~ were not included in the Operators' forecast operating expenditure at the time at the revisions to the Access Arrangement were approved;
- (iv) ~~(iv)~~ were not included in the Total Revenue for one or more years of the Current Access Arrangement.
- (b) Expenses which satisfy all criteria in this clause ~~11.4(a)~~ 11.5(a) result in a Cost Pass Through Event.
- (c) ~~(b)~~ Cost Pass Through Events which can be recovered through the operation of the mechanism in this clause ~~11.4~~ 11.5 are:
 - (i) ~~(i)~~ Carbon Costs (including any Carbon Costs attributable to the operation of the DBNGP whether incurred by the Operator directly, by payment to any third party or by reimbursement to any of its Related Bodies Corporate where any of those persons are liable for the payment of such Carbon Costs);
 - ~~(i)(ii)~~ a Change in Law; and
 - (ii) ~~(ii)~~ [Deleted]; and
 - ~~(ii)(iii)~~ ~~(iii)~~ additional costs not included in the forecast operating expenditure that arise from a change in the type or level of the fees payable to the Land Access Minister under any Access Right relating to the DBNGP and granted under the Dampier to Bunbury Pipeline Act 1998; and
 - ~~(iv)~~ ~~(e)~~ any other expenses that satisfy all criteria in clause 11.5(a).
- (d) Before the Operator varies the Reference Tariff under this clause ~~11.4, 11.5~~, the Operator must ~~obtain~~ provide a written ~~approval from the Regulator to vary the Reference Tariff by providing a~~ notice to the Regulator (Cost Pass Through Event Notice) which:
 - (i) ~~(i)~~ must include sets out the substantiation for the Cost Pass Through Event justifying an actual or expected increase to their the Operator's actual or forecast operating expenditure that is used to calculate the Total Revenue for each year (as applicable) as a result of the Current Access Arrangement Period;
 - (ii) ~~(ii)~~ provides New Cost, together with the Operator's assumptions, reasons and available evidence –
 - (i) ~~(i)~~ A as to how that justify its estimate of the financial impact of the New Cost Pass Through Event has increased the operating expenditure on the operation of the Operator or its Related Bodies Corporate in their roles as service providers on the DBNGP, and;
 - (ii) ~~(ii)~~ B provides the Operator's assumptions, reasons and available evidence that the expenses associated with the Cost Pass Through Event satisfy the Rule 91 Criteria are such as would be incurred by a prudent service provider acting efficiently, in accordance with accepted good industry practice, to achieve the lowest sustainable cost of delivering pipeline services;
 - (iii) ~~(iii)~~ specifies the scope of the financial impact of the Cost Pass Through Event;
 - (iii) ~~(iii)~~ ~~(iv)~~ sets out the amount by which the Reference Tariff is to be varied;
 - ~~(iii)(iv)~~ ~~(iv)~~ outlines the calculation of the proposed variation to the Reference Tariff as a result of the Cost Pass Through Event; and
 - ~~(iv)(v)~~ ~~(v)~~ states the effective date for the variation to the Reference Tariff to take effect.
- (e) ~~(d)~~ The variation to the Reference Tariff shall take effect on the Variation Date nominated in the Cost Pass Through Event Notice, which must be no earlier than 20 Business Days from the date of the Cost Pass Through Event Notice unless the Regulator, acting as a

Reasonable and Prudent Person, objects to the proposed variation to the Reference Tariff on the basis that it can demonstrate one or more of the following grounds for objection:

- (i) the proposed variation to the Reference Tariff does not arise from a Cost Pass Through Event;
- (ii) there is a material flaw in the Operator's estimate of the financial impact of the Cost Pass Through Event on the Operator's forecast annual operating expenditure; or
- (iii) the calculation of the proposed variation to the Reference Tariff as a result of the Cost Pass Through Event is flawed.

Any objection by the Regulator must be substantiated by a concise written summary of the reasons for the Regulator's objection and the existing Reference Tariff remains payable until the amount of the variation is resolved.

(f) If the Regulator objects to the proposed Tariff variation, the Operator may submit a further Cost Pass Through Event Notice.

~~(e)~~(g) The Operator may submit one or more Cost Pass Through Notices each Year. Each Cost Pass Through Notice may incorporate a number of claims relating to different Cost Pass Through Events.

~~(e)~~ — The minimum notice period for a Cost Pass Through Notice to be issued before a variation to the Reference Tariff commences to have effect is 30 Business Days.

~~(f)~~ — The Operator must not vary the Reference Tariff under clause 11.4(a) unless:

- ~~(i)~~ — the Operator provides a Cost Pass Through Event Notice to the Regulator; and
- ~~(ii)~~ — the Regulator, after considering the Cost Pass Through Event Notice, gives prior written approval to the variation.

~~(f)~~(h) ~~(g)~~ If the New Costs Pass Through Variation results in a reduction in the Reference Tariff by an amount of one per cent or greater, the Operator must, within 50 Business Days of the date of the Cost Pass Through Event Notice pay each Shipper for a Reference Service an amount equal to the difference between:

- ~~(i)~~ ~~(i)~~ — the Charges actually paid by the Shipper between the date of the ~~Tax Change~~Cost Pass Through Event and the date that the variation to the Reference Tariff commenced to have effect; and
- ~~(ii)~~ ~~(ii)~~ — the Charges that the Shipper would have paid for that period if the variation to the Reference Tariff had taken effect on the Date of the Cost Pass Through Event.

(i) If the New Costs Pass Through Variation results in an increase in the Reference Tariff by an amount of one per cent or greater, the Operator may, within 50 Business Days of the date of the Cost Pass Through Event Notice invoice each Shipper for a Reference Service an amount equal to the difference between:

- (i) the Charges actually paid by the Shipper between the date of the Cost Pass Through Event and the date that the variation to the Reference Tariff commenced to have effect; and
- (ii) the Charges that the Shipper would have paid for that period if the variation to the Reference Tariff had taken effect on the Date of the Cost Pass Through Event.

11.6 Revenue Cap Adjustment means the following mechanism:

$$AR_t = ITR_t + \sum_{i=1}^{t-1} [(ITR_{t-1} - RER_{t-1})(1 + WACC)^i]$$

(a) Where

AR_t is Allowed Revenue

ITR_t is Initial Total Revenue determined by the ERA in its access determination for year t, having been adjusted for inflation.

RER regulated earned revenues²

WACC is the allowed rate of return

(b) In December of each year the tariff model is updated for:

(i) the RER during the preceding year and the extent to which it varies compared to the ITR; and

(ii) any change in forecast contracted capacity and throughput for the remaining period consistent with the following formulae.

$$CT_t = \frac{\theta AR_t}{E(\text{capacity}_t)} \quad \text{and} \quad TT_t = \frac{(1-\theta)AR_t}{E(\text{throughput}_t)}$$

(c) Where

C_T is the contracted capacity for the given year

T_T is the actual throughput for the given year

θ is the reservation proportion of the reference tariff.

11.7 Trailing Average Cost of Debt Annual Update means the following mechanism:

(a) A weighted average of the relevant debt rate associated with the capital base as at 1 January 2015 and the relevant debt rate associated with any subsequent tranches of capital expenditure which are greater than the relevant threshold (set at one-tenth of this capital base) where

(i) The weights are formed by the depreciated value of the capital base as at 1 January 2015 and each subsequent tranche of capital expenditure above the threshold, in year t.

(ii) The relevant debt rate for the capital base as at 1 January 2015 and each subsequent tranche of capital expenditure is formed via the trailing average mechanism outlined below, with a ten-year transition period to apply to the capital base as at 1 January 2015 and to each new tranche of capital expenditure above the relevant threshold.

(b) The Trailing Average Cost of Debt Annual Update is formed by the following equation for each year after the ten-year transition period:

$${}_xkd_{x+1} = \frac{1}{10} \cdot \sum_{t=1}^{10} {}_{x-10+t}R_{x+t}$$

(c) Where:

{}_xkd_{x+1} refers to the allowed return on debt for regulatory year x+1

{}_{x-10+t}R_{x+t} refers to the estimated rate of return on debt that was entered into in year (x-10+t) and matures in year (x+t) (in the formula above all debt has a ten year term); and

Weights of 1/10 apply to each element of the trailing average.

Estimates of {}_{x-10+t}R_{x+t} represent simple averages of the estimates for each Business Day within the averaging period in year (x-10+t).

(d) During the transitional period the following formulae applies:

² *These are the revenues the benchmark efficient entity operating the DBNGP would earn (rather than DBP itself) with the same capacity and throughput as in actual operations, but on the assumption that all customers are paying the regulated tariff.*

${}_aR_{a+10}$ corresponds to the estimated return on debt that was entered into in year a and matures in year a+10; and

${}_bkd_{b+1}$ refers to the allowed return on debt for regulatory year b+1. The AER proposes to compute the estimates of ${}_aR_{a+10}$ in accordance with the specified estimation method and represent simple averages of the estimates for each Business Day within the corresponding averaging period.

(e) In the first regulatory year of the transitional period, the allowed rate of return on debt to be based on the estimated prevailing rate of return on debt for that year (similar to the 'on the day' approach):

$${}_0kd_1 = {}_0R_{10}$$

(f) In the second regulatory year the allowed rate of return on debt to be the weighted average of the prevailing rates in the first and second regulatory year of the transitional period:

$${}_1kd_2 = 0.9 \cdot {}_0R_{10} + 0.1 \cdot {}_1R_{11}$$

(g) The allowed rate of return on debt in the third regulatory year to be the weighted average of the prevailing rates in the first, second, and third regulatory year of the transitional period:

$${}_2kd_3 = 0.8 \cdot {}_0R_{10} + 0.1 \cdot {}_1R_{11} + 0.1 \cdot {}_2R_{12}$$

(h) The calculation for all subsequent regulatory years until the transitional period is completed is set out below:

$${}_3kd_4 = 0.7 \cdot {}_0R_{10} + 0.1 \cdot {}_1R_{11} + 0.1 \cdot {}_2R_{12} + 0.1 \cdot {}_3R_{13}$$

$${}_4kd_5 = 0.6 \cdot {}_0R_{10} + 0.1 \cdot {}_1R_{11} + 0.1 \cdot {}_2R_{12} + 0.1 \cdot {}_3R_{13} + 0.1 \cdot {}_4R_{14}$$

$${}_5kd_6 = 0.5 \cdot {}_0R_{10} + 0.1 \cdot {}_1R_{11} + 0.1 \cdot {}_2R_{12} + 0.1 \cdot {}_3R_{13} + 0.1 \cdot {}_4R_{14} + 0.1 \cdot {}_5R_{15}$$

$${}_6kd_7 = 0.4 \cdot {}_0R_{10} + 0.1 \cdot {}_1R_{11} + 0.1 \cdot {}_2R_{12} + 0.1 \cdot {}_3R_{13} + 0.1 \cdot {}_4R_{14} + 0.1 \cdot {}_5R_{15} + 0.1 \cdot {}_6R_{16}$$

$${}_7kd_8$$

$$= 0.3 \cdot {}_0R_{10} + 0.1 \cdot {}_1R_{11} + 0.1 \cdot {}_2R_{12} + 0.1 \cdot {}_3R_{13} + 0.1 \cdot {}_4R_{14} + 0.1 \cdot {}_5R_{15} + 0.1 \cdot {}_6R_{16} + 0.1 \cdot {}_7R_{17}$$

$${}_8kd_9$$

$$= 0.2 \cdot {}_0R_{10} + 0.1 \cdot {}_1R_{11} + 0.1 \cdot {}_2R_{12} + 0.1 \cdot {}_3R_{13} + 0.1 \cdot {}_4R_{14} + 0.1 \cdot {}_5R_{15} + 0.1 \cdot {}_6R_{16} + 0.1 \cdot {}_7R_{17} + 0.1 \cdot {}_8R_{18}$$

$${}_9kd_{10}$$

$$= 0.1 \cdot {}_0R_{10} + 0.1 \cdot {}_1R_{11} + 0.1 \cdot {}_2R_{12} + 0.1 \cdot {}_3R_{13} + 0.1 \cdot {}_4R_{14} + 0.1 \cdot {}_5R_{15} + 0.1 \cdot {}_6R_{16} + 0.1 \cdot {}_7R_{17} + 0.1 \cdot {}_8R_{18} + 0.1 \cdot {}_9R_{19}$$

12. CAPITAL CONTRIBUTIONS ~~(SECTION 12)~~

~~12. CAPITAL CONTRIBUTIONS BY SHIPPERS [R.82(3)]~~

~~12.1. Capital Contributions made or to be made~~

12.1 Shippers have made capital contributions to Operator's capital expenditure during the earlier access arrangement period and may, in the Current Access Arrangement Period, make capital contributions to Operator's capital expenditure (For the purposes of this clause, each such Shipper is defined as a **Funding Shipper**).

~~12.2. Third party use of Funded Capital Expenditure~~

12.2 Capital expenditures to which Funding Shippers have made (or will make as the case may be) capital contributions (Funded Capital Expenditure) have created (or will create) pipeline assets (Contributed Assets) which are used (or will be used) in the provision of pipeline services, and which may be used in provision of a pipeline service.

~~12.3. Capital Contributions included in the capital base~~

12.3 Funded Capital Expenditure has been rolled into the capital base of the DBNGP.

~~12.4. No benefit by Operator from Funded Capital Expenditure~~

12.4 The Operator and Nominees will not benefit, through increased revenue, from each amount of Funded Capital Expenditure that has been rolled into the capital base through the following mechanism:

- (a) ~~(a)~~ Subject to clause ~~12.4(b)~~, 12.4(b), Funded Capital Expenditure is included in the Total Revenue determined for each year of the Current Access Arrangement Period on the basis that, the portion of the Total Revenue for each year of the Current Access Arrangement that equals the sum of the return on the Funded Capital Expenditure and the depreciation of the Funded Capital Expenditure will not be allocated to any pipeline service.
- (b) ~~(b)~~ Operator may levy a charge on any Shipper other than a Funding Shipper (Shipper Specific Facilities Charge) if:
 - (i) ~~(i)~~ Shipper requests a pipeline service and, to provide that service, Operator must use contributed assets;
 - (ii) ~~(ii)~~ Operator's contract with a Funding Shipper (Contributing Agreement) requires payment to the Funding Shipper for use by other Shippers of those contributed assets;
 - (iii) ~~(iii)~~ the Shipper Specific Facilities Charge is equal to the amount the Operator is required to pay to the Funding Shipper to which the contributed assets relate; and
 - (iv) ~~(iv)~~ Operator pays the proceeds from the levy of the Shipper Specific Facilities Charge to the relevant Funding Shipper in accordance with the terms of the Contributing Agreement.

13. FIXED PRINCIPLES (~~SECTION 13~~)

~~13. FIXED PRINCIPLES [R.99]~~

13.1 ~~(a)~~—The following are Fixed Principles in accordance with ~~rule~~NGR 99 ~~of the NGR~~:

- (a) ~~(i)~~—the method of determination of the Capital Base at the commencement of each year of each access arrangement period as set out in section 7 of the Current Access Arrangement Information;
- (b) ~~(ii)~~—the revenue earned by Operator during the period commencing on 1 July 2005 and ending on 31 December 2015 from the sale of any Services which is in excess of the amount (in net present value terms) equal to the sum of:

- (i) ~~(A)~~—the revenue that would have been earned had any of those services which were Full Haul Services been sold at the Reference Tariff; and
- (ii) ~~(B)~~—the revenue actually earned from the sale of those services which were services other than Full Haul Services,

must not:

- (iii) ~~(C)~~—be taken into account directly or indirectly for the purposes of setting a Reference Tariff or determining or applying any aspect of the price and revenue elements of the Access Arrangement which applies on or after 1 January 2011; or
- (iv) ~~(D)~~—otherwise be taken into account directly or indirectly by the relevant Regulator in performing any of its functions under the NGA, NGL or NGR.

~~(c)~~ ~~(b)~~ The trailing average approach described at Clause 11.7. In respect of the trailing average mechanism, both the methodology, and the actual allowed debt cost in a given year are to remain fixed. Thus, if the debt rate formed for year t is five per cent, then it will remain at five per cent until that tranche of debt falls away from the trailing average, and the rate for period 't' cannot be changed in period 't+i' to some value other than five per cent.

13.2 For the purposes of the Fixed Principles referred to in ~~clause 13(a)~~ clauses 13.1(a) and 13.1(b) of this Access Arrangement, the fixed period is until 31 December 2031.

14. REVISION AND COMMENCEMENT DATE (~~SECTION 14~~)

~~14. REVISION & COMMENCEMENT DATES [R.48(1)(i)]~~

~~14.1. The Current Access Arrangement Period commences on 1 January 2012.~~

~~14.2. The review submission date for the Current Access Arrangement is 3 years after the commencement of the Current Access Arrangement under clause 14.1.~~

14.1 ~~14.3. The revision commencement date for the Next Access Arrangement is the later of:~~

- ~~(a) 1 January 2016;~~
- ~~(b) the date the ERA stipulates in a Final Decision to approve an Access Arrangement Revision Proposal as to which the dates have effect or if no date is so fixed, 10 ~~business days~~ Business Days after the Final Decision as under ~~rule NGR 62 of the NGR~~; and~~
- ~~(c) if the ERA decides, under ~~rule NGR 64 of the NGR~~, to refuse approval of an Access Arrangement Revision Proposal, the date on which the ERA makes a Final Decision under ~~rule NGR 64 of the NGR~~ that stipulates the date the revisions are to have effect or if no date is fixed, 10 ~~business days~~ Business Days.~~

14.2 The review submission date for the Current Access Arrangement is 4 years after the commencement of the Current Access Arrangement under clause 0.

14.3 The revision commencement date for the Next Access Arrangement is the later of:

- (a) the date that is 5 years after the commencement of the Current Access Arrangement Period;
- (b) the date the ERA stipulates in a Final Decision to approve an Access Arrangement Revision Proposal as to which the dates have effect or if no date is so fixed, 10 Business Days after the Final Decision as under NGR 62 ; and
- (c) if the ERA decides, under NGR 64, to refuse approval of an Access Arrangement Revision Proposal, the date on which the ERA makes a Final Decision under NGR 64 that stipulates the date the revisions are to have effect or if no date is fixed, 10 Business Days.

15. DEFINITIONS ~~(SECTION 15)~~

~~15.~~ DEFINITIONS

Access Arrangement means Operator's access arrangement for the DBNGP as approved, varied or substituted by the Regulator.

Access Contract means a contract between Operator and a Shipper for a Pipeline Service.

Access Contract Terms and Conditions means the terms and conditions for the Reference Services contained in Annexure 4A, B and C as may be altered or varied by Operator from time to time.

Access Request means a request for access to a service provided by means of the DBNGP as described in clause 5.2 of this Current Access Arrangement.

Access Request Form means the Access Request forms for lodging Access Requests for Reference Service and Non-Reference Service in accordance with the Access Arrangement as specified from time to time by Operator and made available on Operator's nominated website, or as the context requires, the Access Request Form forming part of an Access Contract Terms and Conditions.

AER means the Australian Energy Regulator.

Alcoa means Alcoa of Australia Limited ABN 93 004 879 298.

Annexure means an annexure to this Current Access Arrangement.

B1 Capacity Reservation Tariff has the meaning provided for in the Access Contract Terms and Conditions and, as at 1 January 2012 is the amount provided for in clause 3.5(c) of this Current Access Arrangement.

B1 Commodity Tariff has the meaning provided for in the Access Contract Terms and Conditions and, as at 1 January 2012 is the amount provided for in clause 3.5(c) of this Current Access Arrangement.

B1 Service means the Service described in clause 3.5(a) of this Current Access Arrangement.

B1 Tariff has the meaning provided for in clause 3.5(b) of this Current Access Arrangement.

Back Haul means the haulage of Gas from inlet point which is downstream of the outlet point.

Back Haul Service means a service to provide Back Haul on the DBNGP.

BEP Agreement means an agreement between the Operator and Nominees and the owner of the BEP pursuant to which the Operator is granted a lease of the BEP Capacity: (BEP Lease).

BEP Capacity means the capacity on the BEP with respect to which the Operator and Nominees are granted a lease of the capacity, pursuant to the BEP Agreement.

Business Day means any Monday, Tuesday, Wednesday, Thursday or Friday which is not gazetted as a public holiday in the Perth metropolitan area.

Capacity means the capacity in the DBNGP, as it is configured at the commencement of the Access Arrangement, to transport quantities of Gas from an Inlet Point to an Outlet Point.

Capacity Expansion Option means an option for Capacity on the DBNGP which requires an expansion.

Carbon Cost means any costs (for the avoidance of doubt, including penalties if that is how such costs are described in the relevant Law) arising in relation to the management of and complying with any obligations or liabilities that may arise under any Law in relation to greenhouse gas emissions in so far as the obligation or liability is connected to the DBNGP. For the avoidance of doubt, such costs may include the costs reasonably incurred by the Operator or its Related Bodies Corporate of actions taken by it to reduce greenhouse gas emissions or mitigate their effect and the costs incurred in acquiring and disposing of or otherwise trading emissions permits.

Change in Law means the enactment or promulgation of any new Act of Parliament or regulation, the amendment of any existing Act or regulation, or a material change to the basis or method of calculation of any existing charge relating to:

- (a) ~~(a)~~ the management or protection of the environment which is specifically directed at industries which consume hydrocarbon fuels;
- (b) ~~(b)~~ the health and safety of workers;
- (c) ~~(c)~~ access to the DBNGP Corridor; or
- (d) ~~(d)~~ the operation and management of gas pipelines.

Change Request has the meaning given to it in clause 8.1 of this Current Access Arrangement.

Commencement Date means 08:00 hours on the date for commencement of the Service set out in the Access Request executed by the Operator.

Compressor Station(s) means the compressor stations located at various intervals on the DBNGP.

Contributed Assets has the meaning given to it in clause 12.2 of this Current Access Arrangement.

Contributing Agreement has the meaning given to it in clause 12.4(b)(ii) of this Current Access Arrangement.

Corporations Act means Corporations Act 2001 (Cth).

Cost Pass Through Event has the meaning given to it in clause 11.4(a)(ii) of this Current Access Arrangement.

Cost Pass Through Event Notice has the meaning given to it in clause 11.4(c) of this Current Access Arrangement.

Covered Pipeline means the Dampier to Bunbury Natural Gas Pipeline which is described in clause 2.

CPI Formula Variation has the meaning given to it in clause 11.2 of this Current Access Arrangement.

Current Access Arrangement means the Access Arrangement for the services on the DBNGP, the revisions for which commence in accordance with clause 14.1 of this Current Access Arrangement.

Current Access Arrangement Period means the period for the Current Access Arrangement that commences under clause 14.1.

Daily Bid has the meaning given to it in clause 3.6(b)(i) of this Current Access Arrangement.

Daily Spot Bid Price has the meaning given to it in clause 3.6(b)(i) of this Current Access Arrangement.

DBNGP means the Covered Pipeline as it is configured at the commencement of the Access Arrangement Period as described in clause 2 of this Current Access Arrangement and any extension or expansion of the DBNGP which becomes covered under the Current Access Arrangement pursuant to clause 11 of this Current Access Arrangement.

Depreciation Schedule means the schedule described in the Access Arrangement Information.

Developable Capacity means the difference between the Capacity and the capacity of the DBNGP which would be available if additions of plant and/or pipeline were made, but does not include any extension of the geographic range of the DBNGP.

ERA means the Economic Regulation Authority which is the independent economic regulator for Western Australia.

FEED Proposal has the meaning given to it in Clause 5.3(b)(ii) of this Current Access Arrangement.

Forward Haul means the haulage of Gas on the DBNGP where the inlet point is upstream of the outlet point.

Full Haul Service means a ~~Gas transportation~~Forward Haul pipeline service on the DBNGP where the ~~receipt point is upstream of main line valve 31 on the DBNGP and the delivery point~~Outlet Point is downstream of Compressor Station 9 on the DBNGP~~—, regardless of the location of the Inlet Point, but does not include Back Haul.~~

Funded Capital Expenditure has the meaning given to it in clause ~~42.20~~ of this Current Access Arrangement.

Funding Shipper has the meaning given to it in clause ~~42.40~~ of this Current Access Arrangement.

Guidelines means the ERA's Rate of Return Guidelines released in December 2013 pursuant to NGR 87(13).

Haulage Service means a Pipeline Service involving the contracting of capacity on the DBNGP;

Included Taxes and Carbon Costs has the meaning given to it in clause 11.3(a) of this Current Access Arrangement.

Incremental Capacity means Capacity over and above T1 Service Capacity.

Incremental Shippers means any Shipper utilising Incremental Capacity.

Inlet Point means a flange joint or other point at which any shipper on the DBNGP has Contracted Capacity from time to time for the Delivery of Gas by it to the Operator.

Minimum Bid Price has the meaning given to it in clause 3.6(b)(iv).

New Costs Pass Through Variation has the meaning given to it in clause 11.4 of this Current Access Arrangement.

Next Access Arrangement means the Access Arrangement for the services on the DBNGP which will incorporate revisions and which will commence in accordance with clause 14.3.

Next Access Arrangement Period means the period for the Next Access Arrangement.

NGA means the National Gas Access (WA) Act 2009 (WA).

NGL means the National Gas Access (Western Australia) Law being the provisions which apply because of section 7 of the NGA.

NGR means the National Gas Rules which are referred to in section 294 of the NGL.

Nominees means DBNGP (WA) Nominees Pty Limited ACN 081 609 289.

Non-Reference Service means any of the services referred to in clause 3.1(b) of this Current Access Arrangement.

Opening Capital Base has the meaning given in ~~rule~~NGR 77 ~~of the NGR.~~

Operator means DBNGP (WA) Transmission Pty Limited ACN 081 609 190

Operator Entity means the Operator, all of the Operator's Related Bodies Corporate and all entities controlled (as that word is defined in the Corporations Act as at the Commencement Date) by any of the foregoing.

P1 Capacity Reservation Tariff has the meaning provided for in the Access Contract Terms and Conditions and, as at 1 January 2012 is the amount provided for in clause 3.4(c) of this Current Access Arrangement.

P1 Commodity Tariff has the meaning provided for in the Access Contract Terms and Conditions and, as at 1 January 2012 is the amount provided for in clause 3.4(c) of this Current Access Arrangement.

P1 Service means the Service described in clause 3.4(a) of this Current Access Arrangement.

P1 Tariff has the meaning provided for in clause 3.4(b) of this Current Access Arrangement.

Park and Loan Service is a service where the Operator agrees that a Shipper may deliver a quantity of Gas into the DBNGP at aan Inlet Point on a Gas Day, without the Shipper taking delivery of that Gas at aan Outlet Point on the same Gas Day (Park Service) or where the Operator agrees that a Shipper may take a quantity of Gas at aan Outlet Point without supplying an equivalent quantity of Gas at aan Inlet Point on the same Gas Day and consequently that Gas is delivered to Shipper out of linepack (Loan Service).

Part Haul Service means a service to provide Forward Haul on the DBNGP which is not a ~~full haul~~Full Haul service and ~~which includes, without limitation, Services where the Inlet Point is upstream of main line valve 31 on the DBNGP and the Outlet Point is upstream of Compressor Station 9 on the DBNGP, Services where the Inlet Point is downstream regardless of the location of main line valve 31 on the DBNGP and the Outlet Point is downstream of Compressor Station 9 on the DBNGP, and Services where the Inlet Point is downstream of main line valve 31 on the DBNGP and the Outlet Point is upstream of Compressor Station 9 on the DBNGP, but does not include Back Haul.~~

Pipeline Service means either a Reference Service or a Non-Reference Service.

Prior AA Access Requests has the meaning given to it in clause 5.4(i) of this Current Access Arrangement.

Prior Access Arrangement means the Access Arrangement as in force before the commencement of the Current Access Arrangement.

Prospective Shipper means an entity who wishes to be a Shipper on the DBNGP.

PTRM means the model known as the Post Tax Revenue Model developed by the AER.

Public Register means the register of spare capacity that a scheme pipeline service provider must establish and maintain under Rule NGR 111 of the NGR.

Queue has the meaning given to it in clause 5.4(b) of this Current Access Arrangement.

Reference Service means the T1 Service, P1 Service or B1 Service.

Reference Tariff means the Operator's reference tariff for a Reference Service.

Regulator has the meaning given in the NGA.

Related Body Corporate has the meaning given in the Corporations Act.

Seasonal Service means the Gas haulage service made available by the Operator in relation to a particular Gas Month out of Incremental Capacity available due to seasonal factors.

Shipper means the Shipper specified in the Access Request.

Shipper Specific Facilities Charge has the meaning provided in clause 12.4(b) of this Current Access Arrangement.

Spare Capacity has the meaning given to that term in the NGA.

Spot Capacity means any capacity on the DBNGP on a Gas Day (being the capacity available after all Nominations for Reserved Capacity for that Gas Day have been allocated by the Operator for that Gas Day), which capacity, is, according to the Operator (acting in good faith) available for purchase.

Spot Capacity Service means a service for Spot Capacity by way of one or more Spot Transactions.

Spot Market Rules means the rules published by the Operator from time to time to apply to Spot Capacity Service and the market for Spot Capacity, which the Operator will make available on its website.

Spot Transaction means a transaction for a Spot Capacity Service between the Operator and Shipper in accordance with the Spot Transaction Terms and Conditions.

Spot Transaction Terms and Conditions means the terms and conditions for the Spot Capacity Service as determined by negotiation with Shippers and Prospective Shippers, which terms and

conditions are consistent with the principles and objectives in clause 3.6(a) of this Current Access Arrangement.

System Use Gas means Gas used by the Operator for the following purposes:

- (a) ~~(a)~~ replacing Gas consumed in the operation of the DBNGP (including, but not limited to:
 - (i) ~~(i)~~ compressor fuel;
 - (ii) ~~(ii)~~ gas engine alternator fuel;
 - (iii) ~~(iii)~~ heater fuel; and
 - (iv) ~~(iv)~~ increases to linepack, other than:
 - (A) when caused by or for the purposes of a supply of linepack gas to a third party under a balancing or back up service arrangement; or
 - (B) repacking the linepack of the DBNGP after an Expansion which involves looping of the pipeline); and
- (b) ~~(b)~~ replacing gas which leaks or otherwise escapes from the DBNGP (whether in normal operational circumstances or due to any rupture or other abnormal leakage) and Gas vented as part of the normal operation of the DBNGP.

T1 Capacity Reservation Tariff has the meaning provided for in the Access Contract Terms and Conditions and, as at 1 January 2012 is the amount provided for in clause 3.3(c) of this Current Access Arrangement.

T1 Commodity Tariff has the meaning provided for in the Access Contract Terms and Conditions and, as at 1 January 2012 is the amount provided for in clause 3.3(c) of this Current Access Arrangement.

T1 Service means the Service described in clause 3.3(a) of this Current Access Arrangement.

T1 Tariff has the meaning provided for in clause 3.3(b) of this Current Access Arrangement.

Tax means a tax, levy, charge, impost, fee, deduction, withholding or duty of any nature (other than income tax, capital gains tax, fines or penalties).

Tax Change means:

- (a) ~~(a)~~ any Tax which was not in force as at the commencement of the Current Access Arrangement Period is validly imposed on the Operator or any of its Related Bodies Corporate;
- ~~(b)~~ ~~(b)~~ any Tax which was in force and validly imposed on the Operator or any of its Related Bodies Corporate as at the commencement of the Current Access Arrangement Period is repealed;
- ~~(b)~~(c) any Carbon Cost is incurred in relation to the DBNGP by the Operator or any of its Related Bodies Corporate;
- ~~(c)~~(d) ~~(c)~~ the rate at which a Tax is levied is validly varied from the rate prevailing as at the commencement of the Current Access Arrangement Period; or
- ~~(d)~~(e) ~~(d)~~ the basis on which a Tax is levied or calculated is validly varied from the basis on which it is levied or calculated as at the Execution Date,

Tax Change Notice has the meaning given to it in clause 11.3(c) of this Current Access Arrangement.

Tax Changes Variation has the meaning given to it in clause 11.3 of this Current Access Arrangement.

Third Party has the meaning given to it in clause 6.1(b).

Total Revenue means revenue calculated in the manner described in the Access Arrangement Information.

~~**WestNet** means WestNet Infrastructure Group Ltd ACN 087 857 001.~~

~~15.2.~~ Trailing Average Cost of Debt Annual Update has the meaning given to it in clause 11.7 of this Current Access Arrangement.

15.2 Unless the context otherwise requires, terms used in capitals in this Current Access Arrangement have:

- (a) ~~(a)~~ the meaning given above in this section 15;
- (b) ~~(b)~~ if no meaning is given above in this section 15, the meaning given in the Access Contract Terms and Conditions; and
- (c) ~~(c)~~ if no meaning is given above in this section 15 or in the Access Contract Terms and Conditions, the meaning given in the NGA, NGL, or the NGR.

15.3 ~~15.3.~~ Terms used in capitals in the Access Arrangement Information have the same meaning as if they were included in the Current Access Arrangement, unless the context otherwise requires.