

Attachment 6.1

# Pipeline Service and Reference Services Supporting Information

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January 2020

# 1. Introduction

This document provides more detail to underpin our proposed reference services.

The reference services we propose for AA5 are consistent with those currently applied in AA4; full haul, part haul and back haul services. We assessed all pipeline services available on the DBNGP and, having regard to the reference service factors in the NGR and feedback from our customers and stakeholders, determined our reference services to apply over AA5.<sup>1</sup> All other services have been specified as non-reference services.

We received feedback from customers during our consultations to develop our Draft Plan, as outlined in Chapters 5 and 6. Shippers valued the current reference services as the key services offered on the DBNGP and as supporting for negotiations.

Our assessment of each of the pipeline services against the reference service factors is provided in Table 1.

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<sup>1</sup> Under transitional provisions, Rule 47A does not currently apply to the DBNGP. However under the transitional provisions (NGR Schedule 1 rule 60), replacement rule 48 ("48) (b), (c) and (d) provide that a full access arrangement must describe all of the pipeline services that can reasonably be provided on the pipeline, and specify the reference services, having regard to the reference service factors contained in Rule 47A(15).

Table 1: Summary of findings

NGR 47A Reference Service Factors					
	<i>Actual and forecast demand and number of prospective customers (15)(a)</i>	<i>Substitutability (15)(b)</i>	<i>Feasibility of allocating costs (15)(c)</i>	<i>Usefulness in supporting negotiations and dispute resolution for other pipeline services (15)(d)</i>	<i>Likely regulatory costs (15)(e)</i>
<b>Reference Services</b>					
<b>T1 Full Haul</b>	See Chapter 11 of the DBNGP Final Plan	There are no substitutes for this service, which is our core service offering	See Chapters 7, 8, 10 and 13 of the DBNGP Final Plan	Key benchmark for negotiations for access to the DBNGP, including for other transportation services.	Low cost relative to potential benefit
<b>P1 Part Haul</b>	See Chapter 11 of the DBNGP Final Plan	There are no substitutes for this service, which is our core service offering	See Chapters 7, 8, 10 and 13 of the DBNGP Final Plan	Key benchmark for negotiations for access to the DBNGP, including for other transportation services.	Low cost relative to potential benefit
<b>B1 Back Haul</b>	See Chapter 11 of the DBNGP Final Plan	There are no substitutes for this service, which is our core service offering	See Chapters 7, 8, 10 and 13 of the DBNGP Final Plan	Key benchmark for negotiations for access to the DBNGP, including for other transportation services.	Low cost relative to potential benefit
<b>Metering and temperature service</b>	Not a stand-alone service, only offered as part of a reference service				
<b>Odourisation service</b>	Not a stand-alone service, only offered as part of a reference service				
<b>Seasonal service</b>	Not a stand-alone service, only offered as part of a reference service				
<b>Non-reference services</b>					
<b>Pilbara service</b>	Can be forecast Low customer numbers (8 in the current period)	Part Haul/Back Haul Reference Service is a suitable and close substitute.	Difficult to allocate costs because it can be Part Haul one day and Back Haul the next.	Limited use in its own right to support negotiations due to readily available substitutes (part haul and back haul).	High regulatory cost to specify a regulatory version of service which is substitutable with other reference services
<b>Peaking service</b>	Low demand - Unused to date	Reference services can be considered substitutes and have been used in AA4	Service not in use	T&Cs close to reference service therefore little additional basis to support broader negotiations.	High cost relative to revenue and additional customer benefit, given demand uncertainty and that service is not currently used.

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	<i>Actual and forecast demand and number of prospective customers (15)(a)</i>	<i>Substitutability (15)(b)</i>	<i>Feasibility of allocating costs (15)(c)</i>	<i>Usefulness in supporting negotiations and dispute resolution for other pipeline services (15)(d)</i>	<i>Likely regulatory costs (15)(e)</i>
<b>Spot capacity service</b>	Can be forecast but has high variability Low demand and revenue in the current period	No reference service substitutes, but capacity swaps between shippers are a direct substitute	Difficult to allocate costs due to variability	An adjunct to other services, so limited use in its own right to support negotiations.	High regulatory cost to specify a regulatory version of service which is consistent with what shippers want and other regulatory services
<b>Pipeline Impact Agreement (Gas Specification Services)</b>	Not a stand-alone gas transport service but designed solely to compensate DBP for the impacts of out of spec gas.				
<b>Inlet Sales Agreement</b>	Demand can be forecast Low demand and revenue to date	No direct regulatory substitute	Costs are directly allocated to this service	Specific service with no ability to provide a basis for broader negotiations	High regulatory cost relative to low revenue
<b>Data Services</b>	Bespoke service Low demand (4 customers in the current period) and low revenue	No direct regulatory substitute, but part of competitive market	Easily identified once particular service identified, impossible beforehand	Reference service not necessary as competitive market supports negotiations	High costs relative to revenue and additional customer benefit
<b>Storage service (in pipeline)</b>	Demand can be forecast	No regulatory substitute, but part of competitive market	Easily identified once particular service identified, impossible beforehand	Specific service with no ability to provide a basis for broader negotiations	High regulatory cost which would diminish the flexibility currently available and would interfere with a competitive market
<b>Other reserved service</b>	Not available – depends on project availability	Firm services	Costs allocated on same basis as reference service	No basis for broader negotiations above that of firm service from which it is derived	Low regulatory cost if derived directly from firm service analogue