

Revised Final Plan
Attachment 9.12

Turbine Exhaust Replacement

August 2025

PUBLIC



Dampier Bunbury
Pipeline

1 Turbine exhaust replacement

1.1 The ERA's position

EMCa and the ERA acknowledged the proposed scope of work included in the AA6 forecast is prudent but raised concerns over the unit rate used to develop that forecast. A 10% reduction has been applied across all compression projects on the basis that:

EMCa considers it likely that there was a tendency to round up the unit costs applied in developing DBP's AA6 forecast and proposes an across the board 10 per cent reduction in DBP's allowance for this asset class, to account for this over estimation.¹

The ERA agrees that the turbine exhausts need to be replaced but has questioned the unit rate and has reduced the forecast by 10%.

EMCa and the ERA highlight the unit rates for AA6 are around double that of the units we replaced in AA5. While they acknowledged the costs for of the four exhausts to be replaced in AA6 would likely be higher as they are the oldest on the pipeline and of a more complex design and installation, they applied a 10% reduction to the forecast consistent with other compression assets.

1.2 DBP's response to the Draft Decision

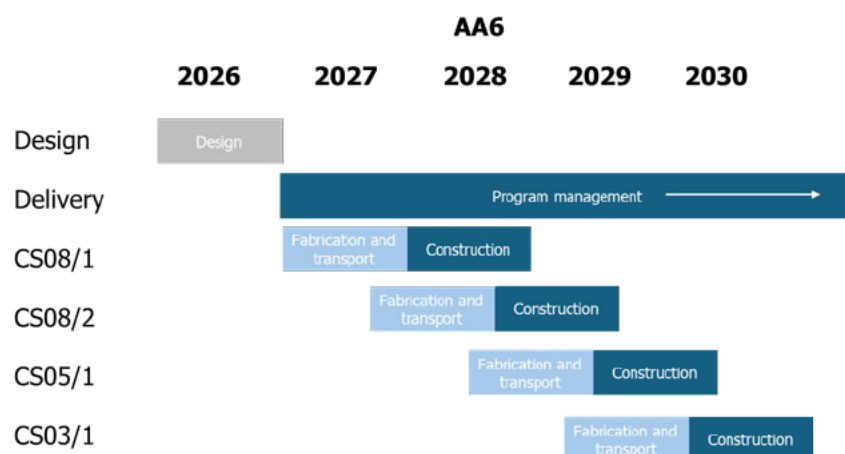
Over the AA6 period we propose to replace four of our turbine exhaust units at a cost of \$5.8 million. The ERA and its consultants consider the program of work to be prudent. They have acknowledged the cost of the four replacements will necessarily be higher than historical unit rates due to the complexity of the design and installation of the units at compressor stations 3, 5 and 8.

We acknowledge the information provided in the business case did not provide a breakdown of the forecast costs. We provide the following information to demonstrate the forecast has been arrived at on a reasonable basis and represents the best forecast or estimate possible in the circumstances (i.e. it meets the requirements of NGR 74).

Our proposed delivery approach front ends the design of the replacement exhausts (all are ACS units leveraging the same design), with the delivery of each unit staggered thereafter as shown in the following diagram.

¹ Paragraph 155, Draft decision on revisions to the access arrangement for the Dampier to Bunbury Natural Gas Pipeline (2026 to 2030) Attachment 4: Regulatory capital base, ERA, July 2025.

Figure 1.1: Program schedule



As shown in the figure above, we have not yet completed the design for the ACS unit exhaust replacements. This will be conducted during 2026. As such, we have based our estimate of the costs on the most recent unit replacement, the [REDACTED]. We consider this approach meets the requirements of NGR 74 as it has been arrived at on a reasonable basis (i.e. using the most recent similar project) and represents our best estimate in the absence of the design work being complete.

The unit cost build up of our AA6 ACS units and the assumptions we have used to scale the historical costs are shown in the following table.

Table 1.1: Basis of unit cost estimates

Component	AA5 CS6/02 actuals	Unit rate estimate	Basis of AA6 estimate
Design	\$39,169	\$19,585	17% split of design cost (\$117,500 design estimate) between 6 ACS units
Fabrication	\$1,136,333	\$659,073	Materials and fabrication costs from AA5 projects scaled by ~60% to account for difference in complexity and economies of scale and scope
Transport	\$92,379	\$65,000 - \$93,000	Based on transport to CS8 (x2), CS5 and CS3
Construction	\$718,268	\$416,595	Based on average historical labour rates provided by [REDACTED], time scaled by ~60% accounting for economies of scale and scope
Total	\$1,921,804	\$1,443,170	Four units = \$5,772,681

We highlight that consideration was given to rolling forward the actual CS6/02 costs as this unit rate reflects the most comparable scope of works to ACS units, and could potentially be used as a basis for forward estimation of AA6. However, we scaled down the unit rate based on economies of scale and leveraging our increasing experience with turbine exhaust replacement over the AA5 and AA6 periods.

Rather than using the \$1.92 million without adjustment, we have therefore forecast a unit rate of \$1.44 million per unit, resulting in a forecast saving of around \$2 million compared to the rolling forward of the most comparable actuals.

On this basis we consider our forecast meets the requirements of the NGR and maintain our original proposal that \$5.77 million for turbine exhaust replacements should be included as conforming capex for AA6.