2026 – 2030 Access Arrangement Period

Changes to the Access Arrangement

Supporting Submission in response to Draft decision dated 7 July 2025, Required Amendments 3.4, 3.6, 7.4, 7.5, 7.6, 8.1, 8.2 and 8.3

1. INTRODUCTION

These Submissions respond to the comments and required amendments made by the ERA in relation to the provisions of the Access Arrangement.

The mark-up in this document shows only the changes that DBP requests, shown in mark-up as against the text of the proposed Access Arrangement submitted by DBP to the ERA in January 2025.

We have provided, together with these Submissions, a marked up version of the Access Arrangement showing all changes, (including the changes already in the version submitted by DBP in January 2025 (other than when overridden by the changes described herein)).

Defined terms used in these Submissions:

- "**Draft Decision 7**" means the "Draft Decision – Attachment 7: Return on capital, taxation, incentives" published by the ERA dated 7 July 2025.
- "**Draft Decision 8**" means the "Draft Decision - Attachment 8: Other access arrangement provisions" published by the ERA dated 7 July 2025.
- "**ERA**" means the Economic Regulation Authority.
- "**Negotiated Contracts**" means existing contracts with shippers for T1 Service, P1 Service or B1 Service which are not on the Reference Service Terms and Conditions under the current or any previous Access Arrangement.
- "**Reference Contract**" means the proposed Terms and Conditions for Reference Services in respect of any one of the T1 Service, P1 Service and B1 Service (and "**Reference Contracts**" means any two or all three of them as the case requires).

1. *Required Amendments to Clause 15 – Operating Cost Efficiency Incentive Mechanism*

Clause 15.2(c)

the E factor benchmark is, subject to any adjustment from time to time pursuant to clause 15.11, the total operating forecast approved by the ERA, less the E Factor exclusions listed in clause 15.~~11~~9 below;

Explanation/Submission

1.1 The cross referencing change was noted in Draft Decision 7 (paragraph 123).

1.2 The other change makes it clearer to the reader that the E factor benchmarks may, pursuant to clause 15.11 of AA6, change from those set at the start of the access arrangement period. The drafting changes assist the clarity and readability of AA6.

Clause 15.5

Because the revenue determination for the ~~Current~~subsequent Access Arrangement Period will occur prior to the completion of the ~~Prior~~Current Access Arrangement Period, operating expenditure for the final, fifth year of the Current Access Arrangement Period will be estimated as follows:

$A_5 = B_5 – (B_4 – A_4)$

where:

A_5 is the estimate of operating expenditure (less ~~E Factor exclusions~~excluded costs) for the fifth year of the Current Access Arrangement Period;

B_5 is the E Factor benchmark (less excluded costs) for the fifth year of the Current Access Arrangement Period;

B_4 is the E Factor benchmark (less excluded costs) for the fourth year of the Current Access Arrangement Period; and

A_4 is the actual operating expenditure (less ~~E Factor exclusions~~excluded costs) for the fourth year of the Current Access Arrangement Period.

Explanation/Submission

1.3 With respect to clauses 15.5 and 15.6, we note that it appears that ERA has accepted the drafting changes proposed by the Operator in the document published in January 2025, as "*they improve the clarity of existing provisions*".[1]

1.4 Nevertheless, we suggest that changes to DBP's requested drafting in clause 15.5 need to be made because:

(a) As explained by the ERA, increments or decrements resulting from the operation of an incentive mechanism in one Access Arrangement period are included as a "building block" component in the determination of total revenue for the next Access Arrangement period.[2]

[1] Paragraph 123 of Draft Decision 7.
[2] Paragraph 111 of Draft Decision 7.

(b) Clause 15.5 is meant to be forward looking. In the case of the AA6 period, clause 15.5 is not intended to state how the Operating Cost Efficiency Mechanism is applied in respect to the building blocks in the determination of total revenue for AA6. That issue was already dealt with when it was set out in clause 15.7 of the document for AA5.

(c) For the foregoing reason we have made changes to the opening paragraph of clause 15.5.

(d) We have also made changes to:

(i) the definition of B_4 and B_5, so that they use the defined term "excluded costs" from clause 15.9 (as amended in accordance with Required Amendment 7.5); and

(ii) the definition of A_4 and A_5, so that they apply clause 15.10 (as amended in accordance with Required Amendment 7.5).

Clauses 15.9 to 15.12

~~15.9 The annual E Factor benchmark is the total annual operating expenditure forecast approved by the ERA, less the following E Factor exclusions:~~

~~(a) movement in provisions;~~

~~(b) any operating expenditure sub-category not forecast using a top-down, revealed cost approach. These costs:~~

~~(i) may include, but are not limited to, operating costs incurred by the Operator relating to:~~

~~A. system use gas;~~

~~B. non-recurrent operating expenditure; and~~

~~C. inspections and other asset management expenditure.~~

~~(ii) must not include operating expenditure previously classified as capital expenditure that was forecast on a bottom-up basis.~~

~~(c) any operating expenditure amount not included in the ERA approved operating expenditure forecast, but that meets the requirements of Rule 91(1) and was incurred for the purpose of reducing capital expenditure;~~

~~(d) the Operator will adjust the E Factor benchmark to include the forecast operating expenditure arising from the cost pass through event or ERA approved expenditure arising from cost pass through events which apply in respect of that year; and~~

~~(e) any other operating expenditure amount that the ERA agrees or requires the Operator to exclude from the E Factor benchmark.~~

~~15.10 Where the Operator changes its approach to classifying costs as either capital expenditure or operating expenditure during the Current Access Arrangement Period, the Operator will adjust the E Factor benchmark to be consistent with the capitalisation policy changes to the effect that outcomes under the efficiency mechanism are not affected by the change in capitalisation policy.~~

15.9 The annual E Factor benchmark is the total annual operating expenditure forecast approved by the ERA, minus any approved cost categories ("excluded costs").

(a) Excluded costs are limited to the following approved costs:

(i) system use gas; and

(ii) turbine / GEA overhauls.

15.10 The actual/estimated operating expenditure that is applicable to the E Factor calculation must apply the same excluded costs listed in clause 15.9(a).

15.11 The annual E Factor benchmark may be adjusted for:

(a) movement in provisions (for example, employee leave provisions);

(b) any operating expenditure amount not included in the ERA approved operating expenditure forecast, but that meets the requirements of Rule 91(1) and was incurred for the purpose of reducing capital expenditure;

(c) operating expenditure arising from an approved cost pass through event which applies in respect of that year;

(d) capitalisation policy changes that result when the Operator changes its approach to classifying costs as either capital or operating expenditure during the access arrangement period;

(e) any operating expenditure amount that the ERA agrees or requires the Operator to exclude from the E Factor benchmark.

15.12 The E Factor benchmarks, determined in accordance with clause 15.9, as at the commencement of the Current Access Arrangement Period, are set out in the following table.

E Factor benchmark amounts for the access arrangement period commencing 1 January 2026 ($'000 real at 31 December 2024, including labour cost)[3]

	2026	2027	2028	2029	2030
Total forecast opex	118,099	129,620	127,481	122,060	125,020
Less excluded cost categories					
System use gas	18,074	18,715	20,261	18,244	19,166
GEA/turbine overhauls	4,856	8,806	4,506	6,860	7,756
E Factor benchmark note 1	**95,169**	**102,099**	**102,714**	**96,956**	**98,098**

Note 1: the E factor benchmark may be adjusted from time to time pursuant to clause 15.11 of this Access Arrangement

Explanation/Submission

1.1 In accordance with Required Amendment 7.5, we have replaced clauses 15.9 and 15.10 of the Operator's proposed access arrangement with clauses 15.9 to 15.12. The inserted clauses are on the terms suggested by ERA in paragraph 135 of Draft Decision 7 save that, when we inserted new clause 15.12, we amended the wording as showing below so that the clause makes it clear that the table only speaks to the

[3] Figures may need to be amended in the Access Arrangement once determined by ERA's Final Decision.

E factor benchmarks as at the start of the access arrangement period. This is because those benchmarks may change from time to time pursuant to clause 15.11. The changes assist the clarity and readability of the access arrangement.

> "The E Factor benchmarks, determined in accordance with clause 15.9, ~~for the access arrangement period~~ as at the commencement of the Current Access Arrangement Period, are set out in the following table."

1.2 In accordance with Required Amendment 7.4 and Required Amendment 7.6, we have inserted a table which sets out E factor benchmarks as at the start of the access arrangement period. The inserted table and accompanying text are on the terms suggested by ERA in paragraph 138 of Draft Decision 7 save that:

(a) the heading to the table has been changed; and

(b) the position of "Note 1" has been moved and amended so that it is clearer that the table only speaks to the relevant benchmarks as at the commencement of the access arrangement - as those benchmarks may change from time to time pursuant to clause 15.11; and

(c) the numbers in the table have not been copied from Draft Decision 7, as AGIG is separately providing submissions in relation to the relevant amounts. The numbers may need to be replaced using the figures ultimately determined by the ERA in its Final Decision.

1.3 The changes assist the clarity and readability of the access arrangement.

Clause 16 – Definitions

Deletion of the following defined term

~~**Inspections and Other Asset Management** means:~~

~~(a) inspection of the pipeline and mainline valve (MLV) assets in accordance with Australian Standard (AS) 2885 and AS 3788 and aligned with the Operator's risk management framework;~~

~~(b) inspection of pressure vessels (including water bath heaters) and pressure relief valves, inspection and re-preservation of compressor rotor bundles in long term storage in accordance with Australian Standard 3788 (AS 3788) and the asset management requirements under AS 2885 and aligned with the Operator's risk management framework, along with inspections of other assets located at compressor stations such as exhausts, vent attenuators and site buildings, as well as the land itself;~~

~~(c) Decommissioning or mothballing (where the asset may again be required in the provision of services) of non-operational assets and facilities to minimise risk to the environment, public and employee safety and to safeguard cost effective future operations;~~

~~(d) asset preservation works and asset management through the Operator's change management and emergency management processes; and~~

~~(e) health, safety and environment (HSE) implementation and improvement projects including those necessary from a regulatory perspective to meet Operator's workplace health and safety obligations.~~

Explanation/Submission

1.4 This term was used in clause 15.9 of the proposed access arrangement published in January 2025, which has been replaced with ERA suggested drafting which no longer uses this term. The defined term is thus no longer used in the access arrangement.

2. Required Amendment 8.1 – clause 5.3(d)

Clause 5.3(d)

If the requested service is a Reference Service and the Prospective Shipper has stated in the Access Request that the Prospective Shipper accepts the Access Contract Terms and Conditions, the Operator is deemed to have accepted an offer from the Prospective Shipper to acquire the Reference Service on the Access Contract Terms and Conditions (such that any variations or amendments to the Access Contract Terms and Conditions (as described in clause 4.3) made from time to time after such acceptance, shall be automatically incorporated into the accepted contract from the time such approval or variation takes effect unless, with respect to a particular change, either the ERA provides otherwise in its published determination with respect to such change or such change is inapplicable to the terms and conditions of accepted contract) on the date the Operator notifies the Prospective Shipper, in accordance with clause 5.3(c)(i), that it is able to provide the requested service.

Explanation/Submission

2.1 We appreciate that the ERA "*understands the importance of maintaining consistency across contracts*".[4] DBP is concerned that the phrase "*subject to the parties acknowledging that the changed provisions are applicable and appropriate in the circumstances*" may be fatal to that end, as it would require the shipper and Operator to reach a specific agreement in respect of each future change in order for such change to apply. This would undermine the administrative efficiencies driving DBP's requested change (and, if a shipper did not provide its agreement, would result in inconsistencies across Reference Contracts without, necessarily, good reason therefor).

2.2 We understand that the ERA is concerned that there may be instances where changes to the terms and conditions are inapplicable or inappropriate to specific shippers. DBP does not share the view that this is risk, for the following reasons.

2.3 As noted on page 1 of the "Draft Decision - Attachment 9: service terms and conditions" published by the ERA dated 7 July 2025: "*The terms and conditions approved under an access arrangement establish standard terms and conditions that users can either accept or use as a point of reference to negotiate their own terms and conditions to meet specific operational needs*." If a shipper had specific needs because of circumstances not generally applicable to other shippers, it is expected that the shipper and Operator would negotiate a contract on different terms to the Access Contract Terms and Conditions - in which case clause 5.3(d) would not apply.

2.4 To use some of the AA6 changes to the Reference Contracts by way of illustration:

(a) in the case of the changes to clause 3.2(a)(i), it is for the benefit of all shippers that the definition of service type – given its impact on

[4] Paragraph 15 of the Draft Decision 8.

priorities and the curtailment plan – should be clear and consistent across all Reference Contracts, lowering the probability of disputes;

(b) in the case of the change to insert a new clause 9.8(a), it is important that this apply to all shippers, as the intent of the change is to ensure that no single shipper under a Reference Contract is less constrained than other shippers to take up imbalance capacity of the pipeline, thereby limiting the probability that imbalance capacity (and capacity for other services) will be available for those shippers in real operational need at the relevant time. It is not appropriate for any Reference Contract to contain a different position on this issue given its potential effect on the availability of capacity services for all shippers;

(c) in the case of the changes to clause 28.2, the relevant disclosure is needed with respect to all shippers to allow for shared use of the pipeline by all shippers and to assist with appropriate allocations among all shippers.

All of the changes to Reference Service terms and conditions proposed for AA6 are of general application, and best achieve their stated aims if applied to all shippers – there are no specific shippers with Reference Contracts to whom they would not be applicable or appropriate.

2.5 Further, any future changes to provisions are subject to the ERA's future approval. If the ERA requires changes to provisions of the Reference Contract in the future which are not generally applicable to all Reference Contracts then the ERA could provide in its determination that such changes only apply to Reference Contracts entered into after the date of the determination (and we have provided for such outcome on the drafting proposed above).

2.6 Alternatively, the ERA would always have the option to reverse the changes to clause 5.3(d) in a future access arrangement approval if it determined that it was not appropriate for its effect to continue as drafted.

2.7 We have made an alternative suggestion as shown in mark-up above to address the issue raised in paragraph 15 of the Draft Decision 8.

2.8 We have also made a change for consistency with the above concept in clause 4.3, as follows.

Clause 4.3

…

If the Regulator varies or approves any Access Contract Terms and Conditions (whether during or after the term of this Access Arrangement) in accordance with:

(a) Part 8, Division 10 of the NGR;

(b) Part 8, Division 8 of the NGR;

(c) Part 8, Division 9 of the NGR;

(d) Part 8, Division 11 of the NGR; or

(e) in the case of the Reference Tariff, the Reference Tariff Variation Mechanism in this Access Arrangement,

then the Access Contract Terms and Conditions, and the relevant terms and conditions of any Reference Service from time to time granted on the Access Contract Terms and Conditions, will be amended so as to be the same as the varied or approved Access

Contract Terms and Conditions, from the time such variation or approval takes effect (unless, with respect to a particular variation or approval and a particular Reference Service granted on the Access Contract Terms and Conditions, either the ERA provides otherwise in its published determination with respect to such variation or approval, or such variation or approval is inapplicable to the terms and conditions of that particular Reference Service).

3. Required Amendment 8.2 - clause 5.4(h)

Clause 5.4(h)

Access Requests received by mail (including electronic mail (email)) 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.

Explanation/Submission

3.1 DBP is comfortable with and has incorporated the change required by the ERA in Required Amendment 8.2, as shown above.

4. Required Amendment 8.3 – Section 13

4.1 DBP is comfortable with and has incorporated the changes required by the ERA in Required Amendment 8.3.

5. Required Amendment 3.4 – Annexure A (administrative errors)

5.1 DBP is comfortable with and has incorporated the changes required by the ERA in Required Amendment 3.4.

6. Required Amendment 3.6 – Annexure A (Safeguard Mechanism)

A6 Adjustments for Safeguard Mechanism

18.21 The Safeguard Mechanism is legislated as part of the National Greenhouse and Energy Reporting Act 2007 and Safeguard Mechanism Rules made under that Act. It requires facilities in Australia which are responsible for more than 100,000 tonnes of carbon dioxide equivalent per annum to keep their net emissions below an emissions limit ('baseline'). Reforms which commenced on 1 July 2023 apply a declining rate to facilities' baselines so that they are reduced predictably and gradually over time, consistent with the national emission reduction targets.

18.22 The DBNGP is a Safeguard facility that is subject to a designated baseline declining over time. The Operator may therefore incur costs in complying with the Safeguard Mechanism (as set out in the National Greenhouse and Energy Reporting Act 2007 (Cth)); either to reduce emissions or to purchase and surrender emissions credits to ensure that net emissions numbers from the DBNGP remain within the baseline ~~(**Safeguard Mechanism Amount**)~~.

18.23 Any ~~Safeguard Mechanism Amount~~incremental ~~incurred~~ actual costs that are incurred by the Operator that are directly attributable to the Operator's ~~to meet~~ compliance ~~requirements under~~with the Safeguard Mechanism in relation to the DBNGP (**Safeguard Mechanism Costs**) will be applied to increase the Reference Tariff, and any incremental actual revenue that is received by the Operator from selling Safeguard Mechanism Credits generated by the Operator in relation to the DBNGP (net of costs incurred to generate and sell such Safeguard Mechanism Credits) (Safeguard Mechanism Profit) will be applied to decrease the Reference Tariff, as follows:

(a) any determined Safeguard Mechanism ~~Amount~~Costs or Safeguard Mechanism Profit ~~under clause 18.22~~ incurred or accruing during the time period specified in Column A will result in an adjustment to the Reference Tariff for the adjacent period in Column B below.

Period	Column A	Column B
1	1 January 2026 until 30 September 2026	1 January 2027 until 31 December 2027
2	1 October 2026 until 30 September 2027	1 January 2028 until 31 December 2028
3	1 October 2027 until 30 September 2028	1 January 2029 until 31 December 2029
4	1 October 2028 until 30 September 2029	1 January 2030 until 31 December 2030
5	1 October 2029 to 30 September 2030	1 January 2031 until 31 December 2031
6	1 October 2030 to 30 September 2031	1 January 2032 until 31 December 2032

(b) the allocation ratio applicable to shared costs between reference and non-reference services (*[ratio to be inserted from ERA Final Decision]*) shall be applied to the relevant Safeguard Mechanism Cost or Safeguard Mechanism Profit and only that amount referable to reference services shall result in an adjustment to the Reference Tariff under clause 18.23;

(c) in each case, the amount of the adjustment must be expressed in dollars of the day and account for the time value of money.

18.24 The Safeguard Mechanism ~~Amount~~ Cost in clause 18.23 excludes any costs already recovered in Reference Tariffs or otherwise ~~as~~ by way of a New Cost Pass Through ~~Event~~Variation under clause 11.5, and the Safeguard Mechanism Profit in clause 18.23 excludes any revenue already used to reduce Reference Tariffs or otherwise paid to Shippers pursuant to a New Cost Pass Through Variation under clause 11.5. ~~The amount is expressed in dollars of the day and accounts for the time value of money.~~For the avoidance of doubt, the Operator must not recover the same cost under each of clause 11.5 and clause 18.23 and must not make a payment or provide a reduction in Reference Tariff for the same amount of revenue under each of clause 11.5 and clause 18.23.

6.1 DBP is comfortable with and has incorporated the changes required by the ERA in Required Amendment 3.6, together with some tidy up changes, as shown above.

7. Change to Pipeline Description – clause 2.1

7.1 We have added a reference to a new pipeline licence, being PL 139, issued on 30 May 2025 (in clause 2.1(a)(xi)).