

## NOTICE

### DAMPIER TO BUNBURY NATURAL GAS PIPELINE (DBNGP) TARIFF VARIATION FOR 2006

On 27 December 2005, DBNGP (WA) Transmission Pty Limited (**DBP**) submitted a notice to the Economic Regulation Authority (**Authority**) regarding the escalation of the reference tariffs for reference services on the Dampier to Bunbury Natural Gas Pipeline (**DBNGP**). A copy of this notice is attached.

The DBP notice advised that the reference tariffs will be varied in 2006 in line with the terms set out under the revised Access Arrangement which came into effect on 30 December 2005.

The Authority does not propose to disallow the tariff variation submitted by DBP. Consequently, under section 8.3D of the National Third Party Access Code for Natural Gas Pipeline Systems, the variation in reference tariffs will come into effect on 1 February 2006, 35 days after the date of DBP's notice.

The tariff variation submitted by DBP increases the reference tariffs by the Consumer Price Index (All Groups – Perth) consistent with the tariff variation procedure set out in the revised Access Arrangement.

The reference tariffs for part haul (**P1**) and back haul (**B1**) services are distance based and determined as a proportion of the reference tariff for the full haul **T1** service. This proportion is based on the distance the shipper is transporting the gas along the pipeline (from the inlet point to the outlet point) compared with the total length of the pipeline, as set out under section 3.2 of the Access Arrangement Information.

The table below shows the 2005 reference tariffs and the increased reference tariffs applicable for 2006 for the DBNGP consistent with DBP's notice to the Authority:

<b>Reference Tariffs</b>		
<b>Service and Charge</b>	<b>Tariff Charges 2005</b>	<b>Tariff Charges 2006</b>
<b>Full Haul (T1)</b>		
Capacity reservation charge (\$/GJ MDQ)	0.899899	0.936655
Commodity charge (\$/GJ)	0.103122	0.107334
Indicative total at 100% load factor (\$/GJ)	1.003021	1.043989
<b>Part Haul and Back Haul (P1 and B1)</b>		
Capacity reservation charge (\$/GJ MDQ/km)	0.000643	0.000670
Commodity charge (\$/GJ/km)	0.000074	0.000077
Indicative total at 100% load factor (\$/GJ/km)	0.000717	0.000747

Copies of the revised Access Arrangement and Access Arrangement Information documents are available on the Authority's website ([www.era.wa.gov.au](http://www.era.wa.gov.au)).

For information contact:

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LYNDON ROWE  
**CHAIRMAN**

4 January 2006



## **NOTICE OF VARIATION OF REFERENCE TARIFFS IN ACCESS ARRANGEMENT FOR THE DAMPIER TO BUNBURY NATURAL GAS PIPELINE (DBNGP)**

On 15 December 2005, the Economic Regulation Authority (Regulator) drafted and approved its own revisions to the Access Arrangement for the Dampier to Bunbury Natural Gas Pipeline ("DBNGP"). The proposed revisions commence to have effect on 30 December 2005.

The revised Access Arrangement contains terms and conditions for Reference Services which provide for the Reference Tariff for each Reference Service to be adjusted in accordance with a Price Path Approach (see clause 20.5 of the terms and conditions for each Reference Service).

Clause 7.11 of the revised Access Arrangement outlines the same Price Path Approach but it does not operate to affect the provisions of any Access Contract that might be entered into for any of the Reference Services.

On 23 December 2005, DBNGP (WA) Transmission Pty Ltd ("Operator") was advised by the Regulator that should Operator wish to avail itself of the annual variations of Reference Tariffs, it is required to submit a notice to the Regulator in accordance with section 8.3 of the Code before Reference Tariffs may be increased.

For the above reasons, Operator does not agree that a notice needs to be given to the Regulator in order for the Reference Tariff payable by a User to be varied.

Notwithstanding the above and to avoid any confusion in the future as to whether a Reference Tariff has been validly varied, Operator, in its own capacity and on behalf of the other Service Provider of the DBNGP (DBNGP (WA) Nominees Pty Ltd), notifies the Regulator that, pursuant to section 8.3B(ii) of the Code, the Reference Tariffs in the revised Access Arrangement for:

- the Full Haul T1 Service;
- the Back Haul T1 Service; and
- the Part Haul T1 Service,

will be varied in accordance with the Approved Reference Tariff Variation Method in paragraph 7.11 of the revised Access Arrangement.

The proposed variation to each of the Reference Tariffs in the revised Access Arrangement is outlined in the attached Schedule. The Schedule demonstrates that the variation is consistent with the Approved Reference Tariff Variation Method contained in paragraph 7.11 of the Reference Tariff Policy of the revised Access Arrangement that is to commence to have effect on 30 December 2005.

Operator advises that the Reference Tariffs in the revised Access Arrangement be varied automatically on and from the later of 1 January 2006 or 35 days after the date of this notice.

**Date of Notice:** 27 December 2005

## Schedule

### Dampier to Bubury Natural Gas Pipeline

Reference Tariff Variation: varied Reference Tariff effective from 1 January 2006

<b>T1 Reference Tariff adjustment</b>		
Paragraph 7.11, Revised Access Arrangement		
CPI <sub>b</sub> = CPI for quarter ending 30 September 2004		142.0
CPI <sub>n</sub> = CPI for quarter ending 30 September 2005		147.8
<b>T1 Capacity Reservation Tariff</b>		
Tariff <sub>b</sub> = Capacity Reservation Tariff	\$/GJ	0.899899
Tariff <sub>n</sub> = adjusted T1 Capacity Reservation Tariff	\$/GJ	<b>0.936655</b>
<b>T1 Commodity Tariff</b>		
Tariff <sub>b</sub> = Commodity Tariff	\$/GJ	0.103122
Tariff <sub>n</sub> = adjusted T1 Capacity Reservation Tariff	\$/GJ	<b>0.107334</b>

<b>P1 Reference Tariff adjustment</b>		
Paragraph 7.11, Revised Access Arrangement		
CPI <sub>b</sub> = CPI for quarter ending 30 September 2004		142.0
CPI <sub>n</sub> = CPI for quarter ending 30 September 2005		147.8
<b>P1 Capacity Reservation Tariff</b>		
Tariff <sub>b</sub> = Capacity Reservation Tariff	\$/GJ	0.899899
Tariff <sub>n</sub> = adjusted P1 Capacity Reservation Tariff	\$/GJ	<b>0.936655</b>
<b>P1 Commodity Tariff</b>		
Tariff <sub>b</sub> = Commodity Tariff	\$/GJ	0.103122
Tariff <sub>n</sub> = adjusted P1 Capacity Reservation Tariff	\$/GJ	<b>0.107334</b>

<b>B1 Reference Tariff adjustment</b>		
Paragraph 7.11, Revised Access Arrangement		
CPI <sub>b</sub> = CPI for quarter ending 30 September 2004		142.0
CPI <sub>n</sub> = CPI for quarter ending 30 September 2005		147.8
<b>B1 Capacity Reservation Tariff</b>		
Tariff <sub>b</sub> = Capacity Reservation Tariff	\$/GJ	0.899899
Tariff <sub>n</sub> = adjusted B1 Capacity Reservation Tariff	\$/GJ	<b>0.936655</b>
<b>B1 Commodity Tariff</b>		
Tariff <sub>b</sub> = Commodity Tariff	\$/GJ	0.103122
Tariff <sub>n</sub> = adjusted B1 Capacity Reservation Tariff	\$/GJ	<b>0.107334</b>