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25 June 2008

Mr Lyndon Rowe
Chairman
Economic Regulation Authority
Gas Division
Level 6
197 St Georges Terrace
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Dear Lyndon

PROPOSED REVISION TO DBNGP ACCESS ARRANGEMENT

As a consequence of the recent gas outage at the Varanus Island plant, DBP has been developing non reference services to offer to the market in attempt to maximise the usage of remaining gas supplies.

Given the current supply constraints, DBP considers that prospective shippers may include participants in the market who are not existing shippers on the DBNGP but who need access to gas transportation capacity on an urgent basis in order to transport newly acquired gas supplies.

DBP is conscious that in offering these non reference services, DBP must comply with section 3.15 of the Gas Code which requires DBP to comply with the queuing policy of the DBNGP Access Arrangement.

Clause 5.2(b)(ii) of the DBNGP Access Arrangement (which is part of the queuing policy) provides that an Access Request must specify a commencement date for the service, which must be a date at least 30 days after the Access Request is submitted.

DBP considers that prospective shippers who may be interested in the newly developed non reference services are likely to require commencement of a non reference service within 30 days of the Access Request being submitted.

Given the above, it would appear that clause 5.2(b)(ii) of the queuing policy of the Access Arrangement could inadvertently prevent prospective shippers from gaining access to these newly developed non reference services. While there was merit in the imposition of this 30 day time limit in the approved Access Arrangement (given the administrative arrangements required to establish a new shipper on DBP's systems), in the current circumstances, DBP

considers that there is a need for the Service Provider to have discretion to relax this 30 day time limit.

In accordance with section 2.28 of the Code, DBP submits to the ERA the proposed revision to the DBNGP Access Arrangement set out in Schedule 1 to this letter. If approved, the revision would have the effect of amending the Queuing Policy to allow for non reference services to commence within 30 days of the prospective shipper submitting the access request, if the Service Provider agrees.

The revision proposed is of limited scope. The revision is also not required by the DBNGP Access Arrangement. Furthermore, the revision does not result in changes to the Reference Tariff, or in changes to the Services that are Reference Services. DBP believes the revision is such that the ERA can treat it as a revision which is not material under section 2.33 of the Code.

Accordingly, DBP requests that the ERA treat this proposal as a non material amendment under section 2.33 of the Code and make a decision without public consultation with, or receiving submissions from, persons other than DBP.

Should the ERA approve the proposed revision, DBP also requests that the ERA dispenses with the requirement to produce an Access Arrangement Information in respect of the proposed revision.

DBP looks forward to your early advice that the ERA has approved the proposed revision. I would be pleased to provide further information on the revision should this be of assistance to the ERA in giving its approval.

DBP does not object to this letter being made available on the ERA's public register.

Yours sincerely

Anthony Cribb
General Manager Legal & Regulatory
Company Secretary

Schedule 1

Proposed Revision to DBNGP Access Arrangement, June 2008

1. Amend clause 1.2 of the Revised Access Arrangement as follows:

It comprises:

- (a) revisions to the access arrangement drafted and approved on 15 December 2005 by the Regulator ("First Revised Access Arrangement");
and
- (b) revisions to the access arrangement submitted by the Service Provider and approved on 21 November 2006 by the Regulator which amend the Reference Tariff Policy to provide for a Speculative Investment Fund in accordance with section 8.19 of the Code; and
- (c) revisions to the access arrangement submitted by the Service Provider and approved on 26 June 2008 by the Regulator. This amended the Commencement Date for an Access Request to allow the Service Provider to provide Services earlier than 30 days after the Access Request was submitted.

2. Amend clause 4 of the Revised Access Arrangement as follows:

The revisions referred to in clause 1.2(a) commence on 30 December 2005, ~~and the revisions referred to in clause 1.2(b) commence on 6 December 2006, and the~~ revisions referred to in clause 1.2(c) commence on the date specified by the Regulator in accordance with section 2.48 of the Code (11 July 2008).

3. Clause 5.2(b)(ii) is amended to read as follows:

"a Commencement Date for the Service, which must be a date at least 30 days after the date the Access Request is submitted or such earlier date as the Service Provider agrees."