



SUBMISSION 6: Explanation of Queuing Requirements

PUBLIC SUBMISSION

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DBNGP (WA) Transmission Pty Limited
ABN 69 081 609 190
Level 6, 12-14 The Esplanade
Perth WA 6000

Contact: Trent Leach, Manager Regulatory and Government Policy
Telephone: 08 9223 4357
Email: trent.leach@dbp.net.au

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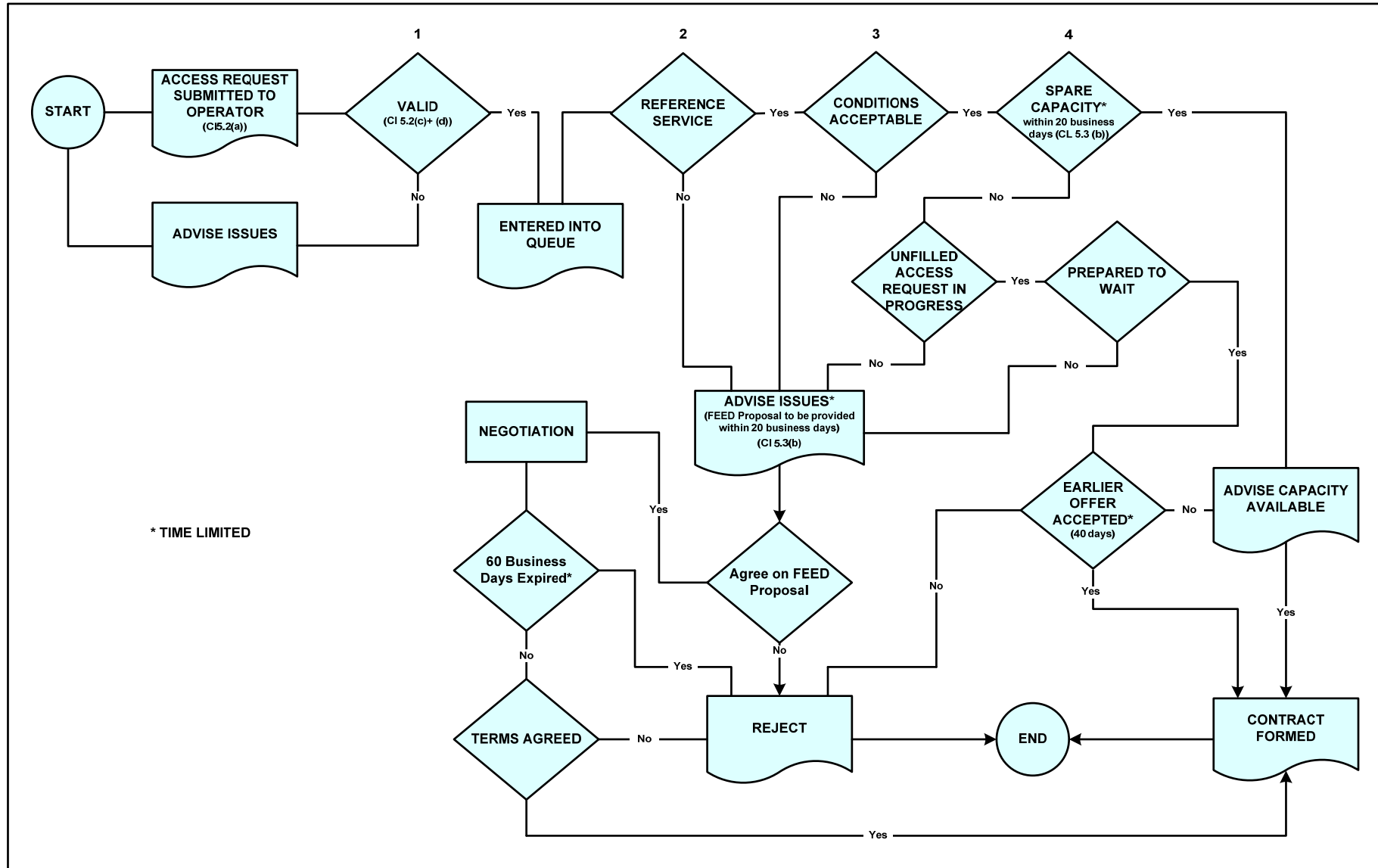
1. INTRODUCTION

- 1.1. On 1 April 2010, DBNGP (WA) Transmission Pty Ltd (DBP) filed the following documents with the Economic Regulation Authority (**ERA**):
 - (a) proposed revised Access Arrangement (**Proposed Revised AA**); and
 - (b) proposed revised Access Arrangement Information (**Proposed Revised AAI**).
- 1.2. These documents contain the information that the National Gas Access (WA) Act 2009 (**NGA**) (which includes the Western Australian National Gas Access Law text (**NGL**) and the National Gas Rules (**NGR**)) requires to be included in order to enable them to be approved by the ERA.
- 1.3. The ERA also issued a Regulatory Information Notice on 2 March 2010 (**RIN**).
- 1.4. In addition to the Proposed Revised AA and Proposed Revised AAI, a number of additional submissions on key issues will be or are to be filed to assist the Regulator to assess the Proposed Revised AA and to address the categories of information requested in the RIN. These included the following:
 1. Background Information
 2. AA & AAI Compliance Checklist
 3. Pipeline Services
 4. Basis for Total Revenue
 5. Terms and Conditions Justification
 6. Explanation of Queuing Requirements (being this submission)
 7. Capacity and Throughput Forecast
 8. Rate of Return
 9. Justification of Actual expansion Capital Expenditure (2005 – 2010)
 10. Actual Stay-in-Business Capital Expenditure (2005 – 2010)
 11. Forecast Capital Expenditure (2005 – 2010)
 12. Actual Operational Expenditure and Forecast Operational Expenditure
- 1.5. Accordingly, this submission is aimed at supplementing the information in the Proposed Revised AA and Proposed Revised AAI in order to:
 - (a) address the information requested by the ERA in the RIN in relation to the queuing requirements of the NGL and NGR; and
 - (b) enable the aspects of the Proposed Revised AA relating to the queuing requirements to be approved by the ERA.

2. QUEUING POLICY

- 2.1. Operator has proposed changes to the queuing policy of the current Access Arrangement.
- 2.2. These changes are aimed at:
 - (a) Incorporating changes required as a result of the introduction of the NGA;
 - (b) Outlining the entire process for obtaining access to a pipeline service - from applying for a pipeline service to determining the order of priority amongst prospective shippers for access requests;
 - (c) obliging Operator to deal with access requests on a timely basis;
 - (d) imposing a discipline on shippers and prospective shippers to negotiate on a timely basis so as to not be able to act as a bottleneck to other users;
 - (e) preserving the contractual rights and obligations of parties under pre-existing contracts; and
 - (f) affording the Operator with the flexibility to deal with access requests out of order following a certain period, provided that all prospective shippers are dealt with on a fair and equal basis.
- 2.3. The flowchart in attachment 1 of this submission identifies schematically the process to be followed for the lodgment and processing of access requests.
- 2.4. The forms to be utilised by prospective shippers seeking access to capacity are provided in Attachment 2 of this submission.
- 2.5. As a final point about the proposed queuing requirement, it should be noted that it is not the case that a prospective shipper is excluded from gaining access to the Spot Capacity Service via the queuing requirement or that a prospective shipper for Spot Capacity must have an access contract for another haulage service than the Spot Capacity Service before it can be granted access to Spot Capacity. To the contrary, if a prospective shipper wants to access the Spot market, it must submit an access request, at which time it will be assessed on the basis of the queuing requirement.
- 2.6. If the access request is accepted and all documentation is executed, then the shipper will be given access to the Spot market in which case it will not need to make an access request each time it needs Spot Capacity.
- 2.7. Operator is proposing this approach to minimise the paperwork involved and to reflect the realities of accessing Spot Capacity.

ATTACHMENT 1 - QUEUING REQUIREMENTS FLOWCHART



ATTACHMENT 2 - ACCESS REQUEST FORMS