20 July 2011

Alinta Pty Limited
ABN 38 102 848 055
12-14 The Esplanade
Perth WA 6000
PO Box 8348
Perth BC WA 6849
T 08 9486 3000
F 08 9221 9128
www.alinta.net.au

Attention: Executive Director Access
Economic Regulation Authority
PO Box 8469
Perth BC WA 6849

By email: publicsubmissions@erawa.com.au

FURTHER SUBMISSION TO THE AUTHORITY'S DRAFT DECISION ON THE DBNGP ACCESS ARANGEMENT – FURTHER DBP SUBMISSIONS

Alinta Pty Limited (Alinta) makes these comments in its own capacity and on behalf of its wholly owned subsidiary Alinta Sales Pty Ltd (Alinta Sales), a major shipper on the DBNGP. Alinta appreciates the opportunity to provide further comment upon the Dampier to Bunbury Pipeline (DBP) further submissions provided in response to the Economic Regulation Authority's (the Authority) Draft Decision for the period 2011-2015.

Alinta provided a submission to the Authority's Draft Decision on the 20 May 2011. This further submission is intended to complement Alinta's previous submission and is specific to the supporting information provided by the DBP that was not available at the time of Alinta making its submission to the Draft Decision.

In response to the further submissions provided by DBP, Alinta:

- Supports the Authority in maintaining the T1, P1 and B1 Reference Services, and does not believe that the additional information provided by DBP justifies the inclusion of the inferior R1 service as the sole Reference Service for the regulatory period;
- Believes the Authority should revisit its justification for allowing conforming capital expenditure for the 2005-10 period to be rolled into the Regulatory Asset Base (RAB). Alinta is of the view that DBP has been unable in its further submission to provide compelling evidence of positive net economic benefits relating to past capital expenditure;
- Believes that the methodology adopted by the Authority in assessing forecast operating expenditure is appropriate, and does support the arguments provided by DBP relating to moving away a from base-year methodology with step change justification;
- Does not accept that the rate of return proposed by DBP meets the requirements of the National Gas Rules (NGR), and the additional information provided by DBP does not provide further evidence to depart from past regulatory practice in calculating a rate of return; and
- Is generally supportive of the amendments required by the Authority in its Draft Decision relating to the Terms and Conditions, and believes that DBP should accept the required amendments where appropriate.

Further detailed information on the above points is provided in Attachment A. Attachment B is a table with specific comments on the Terms and Conditions for pipeline access. It is intended that this table replace Alinta's previous submission table on pipeline Terms and Conditions.

Should you have any questions in relation to this submission, please contact Corey Dykstra, Manager Regulatory Affairs on (08) 9486 3749.

Yours Sincerely

Michelle Shepherd
General Manager Regulatory Affairs
Alinta Pty Limited

Att.

ATTACHMENT A

FURTHER SUBMISSION TO THE AUTHORITY'S DRAFT DECISION ON THE DBNGP ACCESS ARANGEMENT – FURTHER DBP SUBMISSIONS

Overview

Alinta Pty Ltd (Alinta) makes these comments in its own capacity and on behalf of its wholly owned subsidiary Alinta Sales Pty Ltd (Alinta Sales), a major shipper on the DBNGP. Alinta submitted its response to Authority's Draft Decision on 20 May 2011. At the time of Alinta's submission, DBP had not yet provided additional supporting information. Subsequent to DBP's revised amended proposed Access Arrangement and amended proposed Access Arrangement Information submitted to the Authority on 18 April 2011, DBP has also provided a further ten submissions that were not available to Alinta to consider when considering the Authority's Draft Decision.

- Submission (48) Overarching
- Submission (49) Response to Specific Amendments
- Submission (50) Reference Service
- Submission (51) Terms & Conditions
- Submission (52) Opening Capital Base
- Submission (53) Capital Expenditure
- Submission (54) Operating Expenditure
- Submission (55) Rate of Return
- Submission (56) Other Tariff Matters
- Submission (57) Non Tariff Matters

Alinta has addressed a number of outstanding issues raised by DBP in these additional submissions. It is intended that the submission made below build upon those provided by Alinta in its previous submission to the Authority's Draft Decision.

Response to Specific Amendments – Appropriate use of CPI

DBP has continued to argue that the Authority should adopt as the appropriate CPI figure, the All Groups, Perth, CPI, rather than All Groups, Capital Cities, CPI (submission 49), while the Authority in its Draft Decision required that DBP amend its access arrangement to include CPI, All Groups, Eight Capital Cities.

Alinta believes that the intent of the roll-forward asset base model is to ensure that regulated asset shareholders receive an adequate return on actual efficient expenditure incurred. Or alternatively, the building block model is a tool for ensuring financial capital maintenance. The building block model ensures that the present value of the revenue of the firm equals the present value of the firm's expenditure. Alinta does not believe that arguments provided by DBP in its further submission support diverging away from previous decisions in applying a CPI factor for regulatory purposes.

Reference Services

DBP in its supporting submission has maintained that the single haul R1 Reference Service is the appropriate and only reference service likely to be required under the NGR (submission 50). As Alinta has stated in its original submission to DBP's revised access arrangement proposal, and in its submission to the Authority's Draft Determination, the removal of the existing T1, P1, and B1 Reference Service does not meet the requirements of the NGR, in that these are services likely to be sought by a significant part of the market. The information provided by the DBP in its further submission does not further DBP's argument into allocating all future reference service revenue to the R1 service.

Alinta does not propose to set out its previous comments in relation to the special circumstances of the DBNGP and reference services again in full in these submissions, but notes that its submissions in relation to the Initial Proposed Revisions apply equally to the DBP Response. DBP has maintained its proposal for revisions that are completely inconsistent with its obligations under the NGL and NGRs and to shippers who are party to a Standard Shipper Contract (or similar contracts) in particular.

Pre-existing contracts and the "market" in Rule 101

Alinta supports the Authority's finding in the Draft Decision that pre-existing contracts are an important indicator of the relevant market for pipeline services. Alinta considers that DBP's submissions that "likely to be sought" refers to services likely to be applied for by prospective shippers and which can become the subject of an executed access contract during the Access Arrangement period import an unjustified gloss on the plain meaning of the words and unnecessarily and unreasonably limit the actual wording of r. 101. DBP's approach in disregarding the services (T1, P1 and B1) for existing users that provide it with almost all of its revenue is simply not supported by the wording of r. 101.

On any assessment the T1, P1 and B1 services comprise the vast majority of the market for pipeline services on the DBNGP. Nominations for capacity under these services on a daily basis are a clear (even if not the only) indicator of the market for services on an on-going basis, including for the duration of the 2011-2015 Access Arrangement period. The similarities between the contractual T1, P1 and B1 services used each day on the DBNGP and the T1, P1 and B1 Reference Services are such that the argument to maintain the existing Reference Services (as services likely to be sought by a significant part of the market) is irrefutable. This was a key determinant in the Authority's approval of the Reference Services in 2005, which has been maintained in the Draft Decision. The requirement to have regard to the core existing services as being services which could be (and in this case are) required by a significant part of the market is particularly critical here because DBP is trying to replace the existing Reference Services with a new service that contains far less of the features and characteristics of significant value to existing and prospective shippers.

Alinta simply disagrees with DBP's submission that for a service to be "sought" for the purposes of r. 101(2) it must also be able to be provided by the service provider, over and above existing services.

Relevance of what the service provider proposes to offer

DBP states, in paragraph 2.15 of Submission 50, that "the Authority also concluded, at paragraph 57, that r. 101 is concerned with pipeline services that are likely to be sought by users of the pipeline…".

Alinta submits that the Authority reached this conclusion because that is what r. 101(2) actually says. NGR r. 101(2) provides: "*A **reference service** is a pipeline service that is likely to be sought by a significant part of the market*".

NGR r. 101(2) is not in any way limited to the services that the service provider actually proposes to offer. This interpretation of the wording would unnecessarily and unreasonably limit the fundamental test in r. 101(2) that reference services are services *likely to be sought* by a significant part of the market. The test does not mean that the service provider is required to be completely reactive, but it does mean that the reference services must be of such nature, with such characteristics, that it is likely to be sought by a significant part of the market. Purely speculative services, particularly in replacement of long accepted and widely utilised required services, do not and can not meet the test in r. 101(2).

Alinta does not agree with DBP's submissions in paragraphs 2.19 to 2.26. DBP's example of the mobile telephony market is simply incongruous with the market for natural gas pipeline services, which is underpinned by very large, long term contracts, and in relation to the DBNGP in particular, is dominated by large users with stable businesses whose requirements for pipeline services do not change from year to year or from access arrangement period to access arrangement period. To use such an example as supporting an argument that existing Reference Services, including the T1 service in particular which is essentially the full haul service required by users since third party access to the DBNGP commenced in 1995, should be replaced by the inferior and more expensive R1 service is just not tenable.

Alinta also submits that even prospective users are unlikely to seek to use a service that is inferior to the current Reference Services (and services available under the Standard Shipper Contracts), at a tariff that is proposed to be substantially higher than for the current Reference Services. Paragraphs 2.26 and 2.30 of Submission 50 makes DBP's intentions clear – it is seeking to remove features from the current Reference Services, charge a higher tariff for the R1 Reference Service and then levy additional tariffs for the features that have been removed, as ancillary services. Alinta considers this completely unacceptable and supports the Authority's rejection of the proposal. For the avoidance of doubt, Alinta rejects DBP's assertions in paragraph 2.30 of Submission 50 that if the Authority insists on the inclusion of a T1 Reference Service then the Authority will need to reflect the added risk of providing the features removed in the R1 Reference Service by a higher rate of return. The Authority has rejected DBP's proposed rate of return in the Draft Decision, and also rejected the proposed R1 Reference Service. The Authority has required a lower rate of return than proposed by DBP, and that the lower rate applies to the T1 Reference Service. Alinta supports the Authority's decision in this regard.

What services should be offered as Reference Services

In paragraphs 3.1 to 3.10 of Submission 50, DBP makes the argument that in considering the pipeline services that should be offered as reference services, it is necessary to take a broad view of "pipeline services", referring to the general characteristics of the service only (eg firm or interruptible), rather than considering the differences in precise terms and conditions (such as the key differences between the R1 and T1 services). DBP suggests, on that basis, all DBP needs to assess in proposing its reference services is whether a significant part of the market is likely to seek a pipeline service that provides for continuous capacity except in the case of extraordinary or exceptional circumstances, i.e. a firm forward haul service. By extension, DBP seems to be suggesting that any firm service (including the R1 service) will do.

Alinta disagrees with DBP's view that a very broad interpretation of pipeline services is appropriate in the context of r. 101(2). Alinta does not accept this proposition as to the meaning of r. 101(2) as at its broadest level this would require a service provider to offer only to do one basic thing a pipeline does. This defeats the clear intention that different gas market participants are likely to have different requirements for pipeline services and if there is a significant part of the market that wants one or more of those different pipeline services, it or they should be approved and priced as a reference service or reference services.

In the present circumstances, where accepted full haul, part haul and back haul services (on largely the same terms) are to be replaced with a single, full haul service without the characteristics of the existing services, Alinta considers that it is necessary and appropriate for the Authority to consider the specific differences in the services in determining which service/s should be reference services. This is particularly the case where the specific terms and conditions are likely to be the very determinants of whether the services are likely to be sought by a significant part of the market.

Alinta disagrees with DBP's view in paragraph 3.13 of Submission 50 that there is nothing to suggest that the R1 service would not likely be sought by a significant part of the market during the proposed Access Arrangement Period. As noted by the Authority several times in the Draft Decision, a very large number of shippers made submissions to the Authority that the R1 services is an inferior service and is not likely to be sought by a significant part of the market. Existing users, who are the primary stakeholders in terms of access to the DBNGP, have overwhelmingly rejected the proposed introduction of the R1 service as a Reference Service, and to the extent that DBP has (even in the DBP 20 May Submissions) still not provided any evidence whatsoever that any user or prospective user would seek to use the R1 service, the relevant test under r. 101(2) is not satisfied under the Access Arrangement in the DBP Response.

The T1 Reference Service

Alinta's Original Submissions and its 20 May Submissions set out in detail Alinta's view that there are very important historical and contractual reasons why DBP is required to offer a T1 Reference Service. The substantial expansion of the DBNGP in the period from 2005 to 2010, representing almost a doubling of the capital asset base, has only been possible due to the re-capitalisation and re-commercialisation of the pipeline approved and commercially underwritten by shippers in 2004. The arrangements in 2004, which

feature in the terms of the Standard Shipper Contracts, and which were approved and required by the ACCC and the State of Western Australia, include as a fundamental feature the existence of a T1 Reference Service, properly priced and approved under the Gas Code and now the National Gas Law. DBP, in paragraph 3.19 of Submission 50, simply dismisses the obligation to have a T1 Reference Service as irrelevant. For the reasons set out above and in the Original Submissions and Alinta's 20 May Submissions, Alinta considers the obligations on DBP are enforceable and should compel the Authority to maintain its decision to reject the R1 service and require a T1 (and P1 and B1) Reference Services.

Opening Capital Base

DBP has indicated in its Amended Access Arrangement Proposal that it has not accepted the required amendments relating to capital expenditure. DBP has presented a range of information to further support its claim that capital expenditure can be rolled into the RAB (submission 52).

In its pervious submissions to the Authority, Alinta expressed concern as to the justification of past capital expenditure:

- The justification under R 79(2)[1] presented by the DBP in regards to the material presented by its own consultant, Marsden Jacobs, in relation to the identified incremental benefits from undertaking capital expenditure throughout the 2005 – 2010 regulatory period; and
- The justification used by the Authority in relation to the existence of alternative parties entering into the Shipper Contract as being prima facie evidence of net economic benefits flowing from the vast proportion of DBP's capital expenditure, as required under r. 79 (2).

DBP has provided further information as to the justification for its nominated capital expenditure under r 79(2). Specifically;

- DBP notes that the "test" which the Authority has applied is the same as the "test" which DBP applied: demonstration of positive overall economic benefits. The Authority has not sought – because it did not need to – a reliable estimate of the economic benefits.; and
- DBP's argues that the Authority has incorrectly interpreted the obligation which is imposed on DBP under the ACCC undertakings.

[1] r 79 (2) requires that Capital expenditure is justifiable if:
(a) the overall economic value of the expenditure is positive; or
(b) the present value of the expected incremental revenue to be generated as a result of the expenditure exceeds the present value of the capital expenditure; or
(c) the capital expenditure is necessary:
(i) to maintain and improve the safety of services; or
(ii) to maintain the integrity of services; or
(iii) to comply with a regulatory obligation or requirement; or
(iv) to maintain the service provider's capacity to meet levels of demand for services existing at the time the capital expenditure is incurred (as distinct from projected demand that is dependent on an expansion of pipeline capacity); or
(d) the capital expenditure is an aggregate amount divisible into 2 parts, one referable to incremental services and the other referable to a purpose referred to in paragraph (c), and the former is justifiable under paragraph (b) and the latter under paragraph (c).

It should be noted that DBP has not argued against the Authority's findings on net economic benefits relating to the Standard Shipper Contract. On page 266 of its Draft Decision, the Authority has argued that inferences on economic benefits can be drawn from the contractual arrangements under which the expansions to capacity have occurred. The Authority chose to reject DBP's argument that the obligation imposed on DBP through the ACCC undertaking as constituting a regulatory requirement under the NGR.

It has been suggested by DBP in its further submission that both the Authority's assessment of the Standard Shipper Contract and the work undertaken by DBP's consultant Marsden and Jacobs both indicate net positive economic benefits. DBP infer that both the DBP's own consultants approach, and the Authority's approach using the Standard Shipper Contract are in fact compliant under the NGR r79(2) (positive net economic benefits). Alinta believes that both alternative methodologies do not clearly show a positive net economic benefit under the requirements of NGR 79(2). Specifically:

- The Authority's analysis of the work undertaken by Marsden Jacobs found it to be "simplistic", and given that such a large proportion of the value of expenditure is attributed to the substitution of gas, and the identified shortfall in incremental revenue, Alinta disagrees with the assertion by DBP that the net economic benefits were positive; and
- The Authority's conclusion that the shipper contract arrangements were entered into by businesses which can reasonably be assumed to be acting rationally and commercially is evidence of expected positive economic benefits from pipeline expansion.

DBP and its consultant have made assumptions about substitutability because the commercial options which might be available to market participants, and the costs and benefits of these options, are not generally known. Those "simple" assumptions do not allow the precise quantification of the overall economic value of pipeline expansion. Further, they do not by themselves allow the conclusion that the overall economic value is positive. As outlined in Alinta's previous submission to the Draft Decision, the Shipper Contract was devised to meet the requirements of financiers and purchases of the DBNGP, not the requirements of the parties that entered into the Standard Shipper Contract.

Alinta is concerned that both the analysis undertaken by DBP and the justification allowed by Authority does not fully comply with the NGL (specifically r. 79(2)). Alinta suggests that given the shortcomings of the two approaches expanded upon in DBP's further submission (as outlined in Alinta's previous submission to the Draft Decision), that the Authority reconsider the amount of conforming capital expenditure to be added to the RAB at the beginning of the upcoming Access Arrangement.

Forecast Operating Expenditure

In its further submission on operating expenditure, DBP has indicated that it considers that the reductions in forecast operating expenditure required by the Authority are not justified (submission 54). In particular, DBP has provided a substantial amount of information that defends the increase in operating expenditure between the calendar year 2008 and calendar year 2009. This information is used as the basis for arguing against the Authority's use of 2008 as a 'base year' in calculating forecast operating expenditure.

DBP state that the Authority and Halcrow Pacific Pty Ltd "appear to have adopted a pre-determined approach, being that the operating expenditure for one of the years in 2005-2010 should be a baseline for future operating expenditure". It is also noted by DBP that the Authority has focused heavily on assessing actual expenditure for 2005- 2010, and has, together with its consultant, used the expenditure from one of those years as a benchmark to assess the prudence and efficiency of forecast expenditure in any of the years from 2011 onwards. DBP adds that this "indicates that the Authority has adopted a pre-determined approach to the establishment of what a prudent and efficient operating costs for 2011 to 2015".

DBP has also provided further information in relation to aspects of its historical operating expenditure to further support what it considers to be evidence as to the prudence and efficiency of its proposed operating expenditure for the 2011 to 2015 Access Arrangement Period.

Alinta notes that past regulatory practice under the NGL relating to operating expenditure has generally utilised a roll-forward method from a base year in the previous access arrangement. The approach adopted by the Authority appears to be consistent with other regulatory decisions under the NGL (and electricity regulatory decisions under the NER for that matter) made by the AER. In fact, it appears that regulated gas pipelines in the Eastern States have generally in their access arrangement proposals adopted a base year roll forward methodology to establish their own level of operating expenditure for the then upcoming access arrangement period[2].

Given that the regulated pipelines have generally accepted a base year roll-forward methodology in their access arrangement proposals since the inception of the NGL, It is surprising that DBP has indicated that extrapolation of past efficient costs should not be relied upon the Authority in assessing the prudence and efficiency of forecast expenditure.

While the Authority selected 2008 as the appropriate base year for determining forecast operating expenditure, there was a large stepped increase in operating expenditure from the beginning of the regulatory period to the end of the regulatory period, and it would appear that the Authority's choice of base year is favourable to DBP. It's worth noting that this stepped increase was particularly large in the final two years of the regulatory period.

Alinta considers that the Authority should reject DBP's arguments relating to moving from setting a base year to assess future operating expenditure. Alinta favours the approach utilised by the Authority in its Draft Decision, and by the AER in previous regulatory decisions, in establishing a base year (a year that accurately represents an efficient level of operating expenditure, not impacted by any back-loading that has occur in later years of the access arrangement) and having the regulated entity justify increases in step changes above this level.

[2] For example see both the Envestra initial Access Arrangement submission from June 2010 and the ACTEWAGL initial Access Arrangement from June 2009;

The Carbon Pollution Reduction Scheme issues raised by DBP poses some interesting questions as to the pass-through mechanisms around the potential costs of carbon. Given that the Federal Government has announced that the carbon price will initially be set at $23, following a trajectory until 2015, this available information now provides a reasonable basis on which to calculate the expected impact of the Carbon Tax over the regulatory period. As a major user of the DBNGP, Alinta believes that costs genuinely incurred by a gas transmission pipeline as a result of the introduction of the Carbon Tax should be passed through to tariffs. Allowing efficient carbon costs as a specific line item in operating expenditure is likely to:

- Allow for the incentive properties of the regulatory regime regarding operating expenditure, with the incentive upon DBP to minimise carbon exposed costs where possible: and
- Provide certainty to users of the pipeline such as Alinta as to the forward costs that arise of the Federal Government's proposed carbon tax.

However, as DBP access arrangement proposal currently stands, it is almost certain that the exact nature of the costs will not align with the assumed information submitted by DBP in its supporting information relating to operating expenditure.

Alinta requests that the Authority, in light of the recent announcement by the Federal Government concerning the carbon tax, undertake further analysis in order to model the likely efficient costs of the proposed carbon tax on the DBNGP. The information provided by DBP in its supporting information on operating expenditure could be used as a basis from which this modelling could be undertaken, and is likely to be necessary that DBP would provide additional information in order to ensure that operating expenditure allowance for carbon costs are an accurate reflection of the upcoming carbon tax impostion on DBP.

Rate of Return

Alinta continues to support the Authority's general approach (use of Sharpe-Linter CAPM model to calculate the cost of equity, and the use of observable data for the cost of debt) adopted in its Draft Decision in calculating an appropriate rate of return under the requirements of the NGR. While DBP has submitted a substantial amount of additional information supporting its approach to calculating both the cost of equity, and the cost of debt, it still appears that these approaches are not consistent with past regulatory practice or the requirements of the NGR.

Cost of Equity

DBP has proposed a nominal post-tax cost of equity of 10.91% in its further submission, which is derived using:

- Estimates of the nominal post-tax cost of equity obtained from three asset pricing models:
    (a) Black's capital asset pricing model;
    (b) The Fama-French three factor model; and
    (c) A zero-beta version of the Fama-French three factor model
- Estimates of the nominal post-tax cost of equity that DBP have sourced from equity analysts, based upon what prospective investors in similar infrastructure businesses might reasonably expect.

DBP has further submitted updated evidence from NERA and SFG that indicate that the cost of equity obtained using the CAPM is not commensurate with prevailing conditions in the market for funds and risks in providing reference services. DBP has effectively argued that r. 87(1) requires that adjustments be made to cost of equity so as to reflect what its considers to be the current market conditions for funds.

Alinta supports the Authority in its conclusion in the Draft Decision regarding the methodology for the calculation of cost of equity. Despite additional information provided by NERA and SFG, Alinta notes that similar evidence has been presented by regulated pipelines under previous decisions made under the NGR. The AER in its Jemena decision has rejected the use of alternative cost of equity methodologies to the Sharpe-Linter CAPM, determining that the alternative methodologies do not satisfy r. 87(1) of the NGR and r. 87(2)(b), in addition to the fact that alternative methodologies such as the FFM do not produce forecasts that meet the requirements of r. 74(2)[3].

Alinta reiterates its view that the CAPM Sharpe-Linter methodology is a well accepted model for estimating the expected return of an entity, that takes into account the level of systematic risk faced by a benchmark entity, and doing so is both consistent with:

- the current provisions of the NGL relating to the rate of return (r. 87); and
- other regulatory decisions by the AER and the Authority for both gas distribution, and gas transmission decisions.

Alinta also considers that in assessing the additional information provided by DBP in relation to the cost of equity the Authority needs to carefully assess the additional information provided by DBP and its consultants in regards to r. 74(2) of the NGR.

[3] r. 74(2) of the NGR requires that a forecast or estimate:
(a) must be arrived at on a reasonable basis; and
(b) must represent the best forecast or estimate possible in the circumstances.

Cost of Debt

It was estimated by DBP that an appropriate cost of debt was 9.95%. Capital markets advisors AMPCI has updated its previous advice in providing supporting information that suggest a cost of debt of 9.52%. It appears that the DBP has adopted this revised estimate prepared by AMPCI of 9.52%.

DBP has argued that:

> *Although it uses a nominal risk free rate of return and a debt risk premium which are current in the sense that they have been calculated using current data, the AER's method otherwise ignores current market conditions. It ignores the limited financing capacity of particular markets and market segments (especially Australian debt markets), and it ignores diversification across markets as a prudent way of reducing portfolio risk.*

AMPCI's estimation of the cost of debt has been guided by its understanding of the business and financial risks of the DBNGP. It has determined that a large regulated utility would seek finance from:

(a) the Australian bank market;

(b) the Australian bond Market;

(c) the US public bond (144a) market; and

(d) the US private placement market.

Alinta considers that calculation for a debt margin above that of the risk-free rate needs to made on readily observable market information. This is consistent with both the approach adopted by the Authority in its Draft Decision, and with decisions undertaken by the AER Should the Authority adopt the approach proposed by AMPCI for DBP, then it potentially invalidates:

- The assumption that the benchmark rate of return is based upon the domestic Australian market, utilising an investor in the Australia market as the marginal investor; and
- It would set a regulatory precedent that would in effect validate the use of non-readily observable market observations for future determinations.

Alinta urges the Authority to continue to assess the cost of debt bases upon an approach that reflects the actual cost of debt financing for a BBB rated entity, using observable values that will ensure that a consistent approach is maintained for current and future regulatory decisions in WA.

Non-Tariff Matters

Required amendment 105 – executed application forms

The Authority has required DBP amend the proposed Access Arrangement to include the option for the user or prospective user to choose between lodging a non-refundable deposit for the submissions of an access request or an executed application form.

Alinta does not consider that DBP's submissions in section 2 of Submission 57 justifies its rejection of the Authority's requirement. In relation to DBP's arguments in paragraphs 2.6 and 2.7 of Submission 57, if the decision to proceed with funding an expansion (if required) takes months, and the prospective shipper has "plenty of time to withdraw its access request" then Alinta submits that DBP is in exactly the same position (if not less secure) than if the applicant had provided a non-refundable deposit rather than an executed application form. A non-refundable deposit at least provides DBP with certainty that some of its costs will have been covered in the event the application is withdrawn, and seems a preferable position for DBP. In relation to the argument that requiring a binding application form reduces the risk of spurious access requests, Alinta submits that requiring a non-refundable deposit is likely to be equally effective (if not more so) in stopping such behaviour. Alinta is therefore supportive of the Authority's required amendment 105.

Required amendment 108 – expansion requirements and gas quality

The Authority required DBP to delete cl 7.4(f) of the proposed Access Arrangement, which expressly permitted DBP to have regard to the extent to which an expansion is undertaken in order to eliminate or reduce the effect of the introduction of inert gas as facilitated under the *Gas Supply (Gas Quality Specifications) Act 2009* (WA) (Gas Supply (GQS) Act) in considering whether to treat the expansion as part of the covered pipeline.

The Authority's deletion has the result that the coverage status of any expansion undertaken under the Gas Supply (GQS) Act would be dealt with under the ordinary application of the NGL and NGR. Alinta does not consider that DBP's reasons for keeping cl 7.4(f) justify its rejection of the required amendment.

Alinta notes that while the position may be clarified by amendments to the *Gas Supply (Gas Quality Specifications) Regulations 2010* (WA) as suggested by the Authority in paragraph 1634 (which may or may not be made), it is incumbent on the Authority to ensure it does not approve any proposal by DBP to recover costs from users where those costs had been incurred by a third party. That is a fundamental obligation on the Authority under the NGL and NGRs. Alinta agrees with DBP (paragraph 3.5(a) of Submission 57) that it would never be consistent with the national gas objective for the Authority to approve a part of an Access Arrangement proposal which would have the effect of allowing DBP to recover its investment more than once.

Alinta Pty Ltd.
20 July 2011

ATTACHMENT B

ALINTA RESPONSE TO DRAFT DECISION AND DBP'S FURTHER SUBMISSIONS ON TERMS AND CONDITIONS

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
1 Interpretation Draft Decision at [995 – 1000]	The definition of **B1 Service** is inconsistent with the ranking of the B1 service in the Curtailment Plan in Schedule 6.	Required amendment 16 The Authority required that this definition be amended to be the B1 Service described as a reference service in the access arrangement (PRAA), as amended by the Draft Decision. The B1 Service included in the PRAA was to be as described in the current access arrangement (CAA).	Required amendment not incorporated. DBP has removed the B1 Service as a reference service and replaced it with a reference to any negotiated Back Haul service which, under its terms and conditions, is specified to rank equally to a R1 Service in the Curtailment Plan. DBP submits that the retention of the B1 Service as a reference service would cause inconsistency between the order of priority between the reference services and existing Standard Shipper Contracts (SSC) for the B1 Service, which provide for the B1 SSC to have priority over the B1 reference service.	Alinta supports the Authority's required amendment and reiterates its previous submissions. Alinta submits that DBP's submissions are flawed for the following reasons: (i) DBP's proposed non-reference, negotiated "B1 Service" would not clarify any inconsistency over priority between existing SSCs and the reference services. No existing SSCs will specify that the Back Haul service provided under those SSCs ranks equally to a R1 Service, as the R1 service did not previously exist; and (ii) if the R1 Service is supposed to replace the T1 Service and be a service of equivalent value, then it would not be inconsistent for an existing B1 SSC service to rank after the R1 Service as the T1 service ranked in priority to any B1 service. Separately, Alinta notes that Schedule 6 does not work as drafted by DBP due to inconsistent references to T1 (which is not a defined term) and R1 services.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
1 Interpretation Draft Decision at [1005 – 1009]		Required amendment 18 The Authority required that the definition of Contracted Firm Capacity be amended to have the same meaning as in the existing terms and conditions (ET&Cs).	Required amendment not incorporated.	Alinta supports the Authority's required amendment.
1 Interpretation Draft Decision at [1010 – 1013]	The inclusion of an Insolvency Event in relation to a third party supplier of the Operator in the definition of Force Majeure should be rejected as the Operator should be able to, and required to, take steps in those circumstances to ensure its ability to perform its obligations under the Contract is not affected.	The Authority accepted DBP's amendments.		Alinta submits that an Insolvency Event in respect of a third party supplier to DBP will not prevent DBP from sourcing supplies from another supplier and such actions are always reasonably within its control. This is an unnecessary expansion of an already broad list of events.
1 Interpretation Draft Decision at [1019 – 1022]		Required amendment 20 The Authority required that the definition of Overrun Gas be amended to have the same meaning as in the ET&Cs for the T1 service.	Required amendment not incorporated.	Alinta supports the Authority's required amendment.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
1 Interpretation Draft Decision at [1027 – 1030]	Definitions of a **Related Body Corporate** and **Related Entity** should incorporate the meanings given to those terms in the Corporations Act as apply from time to time.	Required amendment 22 The Authority required that this definition be amended so that the definitions in the Corporations Act apply as defined from time-to-time, not as limited to a point in time.	Required amendment not incorporated.	Alinta supports the Authority's required amendment and reiterates its previous submissions.
1 Interpretation Draft Decision at [1033 – 1037]	The definition of **T1 Service** should be retained as it is still a term used in the Terms and Conditions (including in the Curtailment Plan).	Required amendment 24 The Authority required that the definition of T1 Service be amended to have the same meaning as in the ET&Cs.	Required amendment not incorporated.	Alinta supports the Authority's required amendment and reiterates its previous submissions that the T1 Service should be the service the subject of the Terms and Conditions.
1 Interpretation Draft Decision at [1038 – 1041]	**Tp Service** should be amended so that it is identified by its essential characteristics, and so that it is only available to Stage 5A shippers.	Required amendment 25 The Authority required that the definition of Tp Service be amended to identify the characteristics of the service.	Required amendment not incorporated.	Alinta supports the Authority's required amendment and reiterates its previous submissions that the Tp Service should only be available to Stage 5A shippers. Further, the failure of the definition of Tp Service to identify the characteristics of the service adds ambiguity and inconsistency to the Curtailment Plan as it is unclear why the Tp Service, which is defined as an Other Reserved Service, should rank in priority to the Other Reserved Service.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
3.2(a) Capacity Service Draft Decision at [1054 – 1064]	Clause 3.2(a)(i): The R1 Service is a different type of Capacity Service and is lower in priority in the Curtailment Plan than the P1 and B1 Services. It is incorrect to say the R1 Service is "treated the same in the Curtailment Plan". Clause 3.2(a)(ii): It is incorrect to say that the R1 Service is treated the same in the Nominations Plan as all other shippers with a R1, P1 or B1 Service, as the Nominations Plan is based on the Curtailment Plan.	Required amendment 29 The Authority required that this clause be amended to be materially the same as clause 2 of the current terms and conditions for the T1 service.	Required amendment not incorporated.	Alinta supports the Authority's required amendment and reiterates its previous submissions.
3.2(b) Capacity Service – R1 Capacity Draft Decision at [1054 – 1064]	There is no support for the quantification methodology. The term "critical" should be clarified.	Required amendment 29 See above.	Required amendment not incorporated.	Alinta supports the Authority's required amendment and reiterates its previous submissions.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
3.5 Spot Capacity Draft Decision at [1065 – 1072]	The Spot Capacity service does not offend Rule 109 of the National Gas Rules and should be retained. Spot Capacity should be available on the same terms as under the ET&Cs where the Shipper only pays when it uses capacity unless the Operator would have sold the Spot Capacity to another shipper.	The Authority approved the deletion of clause 3.5 on the basis that: (i) access to a spot capacity service is provided in clause 3.6 of the PRAA; and (ii) the use of spot capacity is a separate service from reference services and the Authority did not have any evidence that access to spot capacity would be routinely required as part of the reference service or that spot capacity is a necessary or intrinsic element of the reference service.		Alinta submits that the terms governing the Spot Capacity Service should be set out in the Terms and Condition and those terms should be substantially the same as the ET&Cs. DBP's amendments to the terms of the Spot Capacity Service have substantially changed the nature of the service. DBP has provided no justification for why the shipper should have to pay for Spot Capacity that it had bid for but not used in circumstances where no other shipper has bid for Spot Capacity for that Gas Day. This undermines the nature of the service and removed the shipper's access to a true spot capacity service.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
4.1 Capacity Start Date and 4.2 Term Draft Decision at [1076 – 1086]	The term "Access Request Form" is the form in the Schedule, which does not specify dates and does not link with R1 Service contract. The date requested in the form on which the request is made may not be the date agreed by the Operator for the start of Capacity. The terminology is inconsistent between this clause and the form; the form refers to "Reference Services" and the clause refers to "Capacity".	Required amendment 30 Clause 4.1(a) in relation to the capacity start date, should be amended to include the words "as the Requested Reference Service Start Date" at the end of the sentence. The definition of Access Request Form is to be amended to read "means the access request form in the form set out in Schedule 1 entered into between the Operator and the Shipper to which these Terms and Conditions are appended". Required amendment 31 Clause 4.2(b) in relation to the term should be amended to include the words "as the Requested Reference Service End Date" at the end of the sentence.	DBP adopted the Authority's required amendment.	Alinta submits that the words ", unless otherwise agreed in writing between the operator and the shipper" should be added to the end of clauses 4.1(a) and 4.2(a). Further, Alinta submits that required amendment 31 should refer to clause 4.2(a). The addition of these words to the end of clause 4.2(b) does not make sense.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
4.3 to 4.7 Option provisions Draft Decision at [1087 – 1100]		Required amendment 32 Clause 4.5 in relation to a shipper exercising an option to renew its contract should be amended to state "not later than 12 months before the capacity end date, a shipper may give written notice to the operator that it wishes to exercise an option".	DBP deleted clauses 4.3 to 4.7. DBP submits that anything less than a 30 month notice period would expose it to an unacceptable risk regarding funding of expansions if a shipper did not wanting to take requested expansion capacity, so it will only offer an option to renew if there is a minimum 30 month notice period.	Alinta supports the Authority's required amendment. Alinta submits that DBP's deletion of the option provisions is unacceptable and they should be reinstated in substantially the same form as the ET&Cs. The option provisions are integral for the shipper's long term planning. The deletion of the option provisions undermines the shipper's ability to manage its business and its commercial stability. This will deter investment and result in inefficiencies. Further, Alinta submits that DBP has not provided any reasonable justification for a ten fold increase in the notice period. DBP is in a better position than the shipper to be able to estimate the total capacity requirements of the DBNGP when assessing the need for any expansions. The shipper should not have to bare the risks associated with having to commit to its capacity requirements 30 months out from the Capacity End Date.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
5.2 Operator must Receive and Deliver Gas Draft Decision at [1103 – 1106]		Required amendment 33 The Authority required that clause 5.2(b) be amended to require DBP to deliver gas at the nominated outlet points in the quantities required by the shipper at each point, up to a maximum across all points of the shipper's contracted capacity.	DBP amended clause 5.2(b) to provide that the Operator "must deliver to the Shipper at a Nominated Outlet Point a quantity of Gas up to the Shipper's Contracted Capacity at that Outlet Point".	Alinta supports the Authority's required amendment. Alinta submits that DBP's amendment do not implement required amendment 33. DBP's amendments do not accommodate the required concept of "Aggregated T1 Capacity". This is discussed further in relation to Required Amendment 52.
5.3 Operator may refuse to Receive Gas Draft Decision at [1107 – 1113]	Clause 5.3(e): This clause is now a basis on which the Operator can refuse to accept/deliver Gas rather than Curtail. It is now outside the 2% allowance of Curtailments. The provision should be deleted from clause 5.3 and reinstated in clause 17.2. Clause 5.3(g): The words "the following" should be deleted and the words "all of the Shipper's Contracted Capacity" moved up to replace those words.	Required amendment 34 Clause 5.3(e) should be deleted and clause 17.2(c) of the ET&Cs should be reinstated. Clause 5.3(g): Authority required that this clause be amended as recommended by Alinta.	DBP adopted the Authority's required amendment in relation to clause 5.3(g) but it has not incorporated the amendments relating to clause 5.3(e).	Alinta supports the Authority's required amendment and reiterates its previous submissions. Clause 5.3(e) should be deleted.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
5.5 No liability for refusal to Receive Gas Draft Decision at [1118 – 1124]	Clauses 5.5 and 5.9 from the T1 Contract have been deleted. These clauses provided that, in certain circumstances where the Operator could have taken steps to avoid or minimise the magnitude and duration of a refusal to Receive and/or Deliver Gas, the refusal constitutes a Curtailment. The provisions are important in protecting against the impact of an unreasonable refusal by Operator to Receive and/or Deliver Gas and should be reinstated.	Required amendment 36 Clause 5 should be amended to include terms and conditions that are materially the same as clause 5.5 and 5.9 of the ET&Cs for the T1 Service.	Required amendment not incorporated. DBP submits that the Authority is applying inconsistent reasoning by allowing changes which mean that DBP is not liable for a refusal to receive gas but also requiring that certain refusals be considered a curtailment.	Alinta supports the Authority's required amendment and reiterates its previous submissions. Further, Alinta submits that it is not in any way inconsistent to provide for some refusals to be considered Curtailments where there is also a general principle that the Operator is not liable for a permitted refusal to receive gas. There may be circumstances where the Operator has failed to act as a reasonable and prudent person in refusing to accept gas and the exclusion of liability should not apply.
5.6(b) Operator may refuse to Deliver Gas Draft Decision at [1125 – 1129]	This clause is now a basis on which the Operator can refuse to accept/deliver Gas rather than Curtail. It is now outside the 2% allowance of Curtailments. The provision should be deleted from clause 5.6, or deleted and reinstated in clause 17.2.	Required amendment 37 Clause 5.6(b) should be deleted.	Required amendment not incorporated.	Alinta supports the Authority's required amendment and reiterates its previous submissions. Alinta's comments immediately above apply to this amendment.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
5.9 No change to Contracted Capacity Draft Decision at [1134 – 1139]	This clause provides that a refusal to Deliver Gas under clause 5.6 does not affect the calculation of Charges payable by the Shipper. Clause 5.9(a) should be subject to the reinstated clause 5.9 (from the T1 Contract) where refusal to Deliver Gas is a Curtailment in certain circumstances. Clause 5.9 should also be amended to reflect situations where the Capacity Reservation Charge must be refunded under clause 17.4 for a refusal to Deliver.	Required amendment 38 Clause 5.9 should be amended to: (i) include provisions that are materially the same as those in clause 5.9 of the ET&Cs; and (ii) reflect situations where the capacity reservation charge must be refunded under clause 17.4 for a refusal to deliver gas.	Required amendment not incorporated.	Alinta supports the Authority's required amendment and reiterates its previous submissions.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
5.10 System Use Gas Draft Decision at [1140 – 1158]	The auditor should be nominated by the Shipper (& agreed by the Operator) and required to hand down his or her decision within 30 days of receiving all relevant information from the Operator under clause 5.10(g). It should be clarified that the verification process in clause 5.10 is not a dispute over a Tax Invoice and no interest is payable by the Shipper for the period prior to the auditor's decision. "Share of System Use Gas" as defined in clause 5.10(c) has no role in clause 5.10. The indemnity over and above the obligation to pay "Other Charges" and Direct Damages is contentious, unnecessary and unreasonable and should be deleted. Clause 5.10(a): It should be clarified that the Operator must supply the Shipper's share of System Use Gas for no charge, as the SUG cost is included in the R1 Reference Tariff.	Required amendment 39 Clause 5.9 should be amended by: (i) deleting sub-clauses 5.10(a) and (b) and replace these with a clause to the effect that the operator will provide such system use gas as is reasonably necessary to provide the service; and (ii) deleting clauses 5.10(c) to (h).	DBP adopted the Authority's required amendment.	Alinta supports the Authority's required amendment. Alinta submits that further amendments could be made to clarify that the Operator must supply all System Use Gas for no additional charge.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
5.11 Additional Rights to Refuse to Receive or Deliver Gas Draft Decision at [1159 – 1163]	An additional paragraph has been added referring to the *Emergency Management Act 2005* (WA) which refers to the Minister or other persons declaring a state of emergency. This paragraph should be amended by replacing the reference to "the Minister or any other person, regulatory authority or body" with "a hazard management agency", and "a state of emergency" with "an emergency event"; and by deleting "or any successor, supplementary or similar Law" which is superfluous in the light of clause 2.1(e).			Alinta reiterates its previous submissions as the Authority appear to have overlooked Alinta's submissions on this clause.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
5.12 Shipper's gas installations Draft Decision at [1164 – 1165]	The words "to which Gas is supplied directly from the DBNGP" should be added after the words "gas installations" in 3 places in clause 5.12(b). The Operator should only be interested in policing the statutory requirement where gas is supplied directly to the gas installation from the DBNGP, as provided in section 13(1) of the Gas Standards Act 1972 (WA).	Required amendment 40 The Authority required that this clause be amended from it being mandatory for a shipper, at its cost, to inspect its facilities to ensure it complies with applicable legislation to it being at the request of DBP acting reasonably.	Required amendment not incorporated.	Alinta reiterates its previous submissions as it is unclear whether the Authority has taken its submission on this clause into consideration. DBP should only be able to require the inspection of gas installations to which Gas is supplied directly from the DBNGP.
6.4(d) Allocation of Gas at Inlet Points Draft Decision at [1173 – 1177]	This provision provides that R1 Service will, in the absence of a Shipper specification, be treated as a priority to the T1 Service, which is not acceptable as a Shipper may have contracts for T1 and R1 Services.	Required amendment 41 Clause 6.4 should be amended to include provisions that are substantially the same as those in clause 6.4(c) and (d) of the ET&Cs.	Required amendment not incorporated.	Alinta supports the Authority's required amendment and reiterates its previous submissions.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
6.8 Design and installation of Outlet Stations Draft Decision at [1186 – 1189]		Required amendment 43 Clause 6.8(a) should be amended by: (i) inserting the words "Subject to clause 6.13" at the commencement of the second sentence; and (ii) 6.8(a)(i) reading "to pay the costs reasonably incurred by the Operator in accordance with good industry practice…".	DBP adopted the first but not the second limb of the Authority's required amendment 43.	Alinta supports the Authority's required amendment. Further, Alinta submits that there is no reason why a reasonableness requirement should not be incorporated. If (as DBP submits) there is an increase in costs due to aspects of the design and installation that have been requested by the shipper, then these costs would be reasonably incurred and recoverable by the Operator.
6.11 Design and installation of Gate Stations	DBP has deleted clause 6.11 in its amended terms and conditions.	Clause 6.11 was not addressed by the Authority in the Draft Decision.		Alinta does not understand how shippers with capacity at a Sub network will be able to obtain necessary physical connection to the Sub network if it became necessary to accommodate additional loads on the Sub network in the absence of clause 6.11. Alinta submits that it should be reinstated.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
6.12(a) (now 6.11(a)) Maintenance Charge for Inlet Stations and Outlet Stations Draft Decision at [1194 – 1199]	"…across all shippers who pay a charge for substantially the same purpose" should be replaced with "…across all shippers who use the Inlet Station, Outlet Station or Gate Station associated with a Sub-network…"	Required amendment 45 Clause 6.12(a) should be amended to: (i) include a mechanism to enable a shipper to ensure that only necessary refurbishments and upgrades are carried out; (ii) include a provision allowing a shipper to obtain a breakdown of the maintenance charge; (iii) replace the words "pay a charge for substantially the same purpose" with "use the inlet station, outlet station or gate station associated with a sub-network"; and (iv) delete sub-clauses (iii) and (iv).	DBP has only partially incorporated the required amendment.	Alinta supports the Authority's required amendment and reiterates its previous submissions. Further, Alinta submits that the Shipper should not have to pay a maintenance charge for refurbishments or upgrades required by the Operator to meet contractual obligations with a third party.
8.9 Scheduling of Daily Nominations Draft Decision at [1231 – 1235]	The clause refers to "Capacity Services for" and "Capacity Services in respect of the Shipper's Daily Nomination for". As the only Capacity Service being scheduled under clause 8.9 is the R1 Services, these references are confusing, redundant and should be deleted.	Required amendment 49 Clause 8.9 should be amended to replace references to a R1 Service with references to a T1 Service.	Required amendment not incorporated.	Alinta supports the Authority's required amendment and reiterates its previous submissions.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
8.10 Scheduling where there is insufficient available Capacity Draft Decision at [1236 – 1239]	A new clause 8.10(c) should be inserted where the Operator must endeavour as a Reasonable and Prudent Person to ensure that, where the scheduled Capacity Services in respect of Daily Nominations are less than the Initial Nomination (calculated across all of the Shipper's R1 Contracts), the difference is kept to the smallest amount possible.	Required amendment 50 Clause 8.10 should be amended by inserting a new clause 8.10(c) to read "the Operator shall use its best endeavours to minimise the extent of any Curtailment required under clause 8.10(b)".	Required amendment not incorporated.	Alinta supports the Authority's required amendment. Alinta further submits that this obligation is necessary and does not already exist in clause 17 as the obligation in that clause for the Operator to use its best endeavours to minimise the magnitude and expected duration of any Curtailment only applies to the R1 Service.
8.15 and 8.16 (ET&Cs) Draft Decision at [1240 – 1248]	There is no "Aggregated R1 Service" for Services above Contracted Capacity at specific Inlet Points and Outlet Points, or provisions which govern the nomination, scheduling and curtailment of the R1 Service at Outlet Points where the Shipper does not have Contracted Capacity. The value of the R1 Service is, on this characteristic alone, significantly less than the T1 Service, which must be reflected in the R1 tariff being lower than the T1 tariff.	Required amendments 51 and 52 Clause 8 should be amended to include provisions that are substantially the same as: (i) clauses 8.15 and 8.16 in the ET&Cs in relation to an aggregated T1 service; and nominations at inlet points and outlet points where a shipper does not have sufficient contracted capacity; and (ii) clause 8.16 in the ET&Cs in relation to full haul capacity upstream of CS9.	Required amendment not incorporated.	Alinta supports the Authority's required amendment and reiterates its previous submissions.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
9.5 Accumulated Imbalance Limit Draft Decision at [1255 – 1262]	The threshold requirement for a material adverse impact on the integrity or operation of the DBNGP, or an adverse impact (or likely adverse impact) on any shipper's entitlement to its Daily Nomination for Capacity, before the shipper may incur an excess imbalance charge or the operator may refuse to accept or deliver gas should be reinstated. There should be a qualification on the operator's discretion in clause 9.5(c). The obligation to cooperate to ameliorate the impact of exceeding the Accumulated Imbalance Limit, and the concept of the Outer Accumulated Imbalance Limit of 20% should be reinstated. Curtailment must remain an exception to the imposition of the Excess Imbalance Charge, and the Daily and Accumulated Imbalances must be calculated.	Required amendment 53 Clause 9 should be amended to include provisions that are substantially the same as those in clause 9.5 of the ET&Cs.	Required amendment not incorporated.	Alinta supports the Authority's required amendment and reiterates its previous submissions. Alinta further submits that the required amendment does not prevent the Operator taking necessary steps to protect the integrity of the pipeline. The threshold requirements, the discretion qualification, the obligation to cooperate, the Outer Accumulated Imbalance Limit and the Curtailment exception are all vital concepts to protect the shipper from refusals to accept or deliver gas or unreasonable charges that are not connected with any material adverse impact on the provision of services to T1 Shippers or the operation or integrity of the DBNGP.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
9.6 Balancing in particular circumstances Draft Decision at [1263 – 1267]		Required amendment 54 Clause 9.6(c) should be amended to remove the requirement that the agreement be in writing.	Required amendment not incorporated.	Alinta supports the Authority's required amendment. Alinta further submits that any requirement that such be in writing should be limited to where it reasonably practicable to do so. If this qualification is not incorporated the shipper may be prevented from taking mitigating actions where a failure of the shipper's gas supply is imminent.
9.9 Cashing out imbalances at the end of each Gas Month Draft Decision at [1268 – 1275]	Cashing out imbalances on a monthly basis penalises the Shipper by mandating a sale of gas to the Operator at a hugely discounted price, unless the Shipper takes a Storage Service. On the other hand, the price at which the Shipper must buy the imbalance quantity is a commercial price, and the Shipper may have no capability (within the physical constraints of the DBNGP) to deliver Gas to the Operator at a sufficient rate to restore the imbalance to zero.	Required amendment 55 Clause [9.9] in relation to cashing out imbalances at the end of each gas month should be amended to be substantially consistent with the ET&Cs. It appears that the Authority's required amendment refers to clause 9.6 instead of clause 9.9.	Required amendment not incorporated.	Alinta supports the Authority's required amendment and reiterates its previous submissions. Alinta also notes that DBP has provided no reasonable justification for its proposed change.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
10.3 Consequences of exceeding Hourly Peaking Limit Draft Decision at [1284 – 1287]	The provisions governing Hourly Peaking Limits and Hourly Peaking Charges have been amended in much the same way as the Imbalance provisions in relation to clause 9 above. The provisions requiring adverse impacts on the integrity and operation of the DBNGP before Hourly Peaking Charges can be levied should be reinstated. A charge for breaching the Hourly Peaking Limit should not be imposed if it does not in any way impact on the integrity nor operation of the DBNGP, nor on any Capacity Services provided to any other Shipper. Such a charge cannot be a genuine pre-estimate of the loss or damage resulting from breaching the relevant threshold and should not be approved.	Required amendment 56 Clause 10.3 should be amended to be substantially consistent with clause 10.3 of the ET&Cs, and the words "Shipper must use best endeavours to comply with a notice issued under clause 10.3" should be reinstated.	Required amendment not incorporated.	Alinta supports the Authority's required amendment and reiterates its previous submissions on clauses 9 and 10. Alinta also notes that DBP has provided no reasonable justification for not incorporating the required amendment.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
10.4 (ET&Cs) Outer hourly peaking limit Draft Decision at [1288 – 1291]	The Outer Hourly Peaking Limit should be reinstated as its removal result in the Hourly Peaking regime being penal in nature.	Required amendment 57 A provision should be inserted that is substantially consistent with clause 10.4 of the ET&Cs.	Required amendment not incorporated.	Alinta supports the Authority's required amendment and reiterates its previous submissions on clauses 9 and 10.
10.7 (ET&Cs) Permissible peaking excursion Draft Decision at [1292 – 1295]		Required amendment 58 A provision should be inserted that is substantially consistent with clause 10.7 of the ET&Cs.	Required amendment not incorporated.	Alinta supports the Authority's required amendment and reiterates its previous submissions on clauses 9 and 10. Further, Alinta submits that it is inconsistent with the national gas objective to allow a situation where the Operator may discriminate between shippers and impose penal charges for peaking excursions that do not affect the integrity or operation of the DBNGP. Contracts between the Operator and other shippers or third parties do not operate to protect the Shipper from discrimination and are not enforceable by the Shipper. The Shipper should not be reliant on the enforcement of undertakings to stop discrimination, the potential for which is against the national gas objective and should not be allowed to exist. These rights are a vital protection for the Shipper and DBP has provided no reasonable justification for their removal.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
11.1(b) Overrun Charge Draft Decision at [1298 – 1303]	There has been a dramatic, unjustified increase in the percentage in clause 11.1(b)(i). The Overrun Rate is twice the Unavailable Overrun Charge, which purports to deal with behaviour more detrimental to the pipeline. Without any justification, a more than four-fold increase in the Overrun Rate is completely unacceptable. Paying 750% of the reference tariff on the same quantity of Gas must be considered a penalty.	Required amendment 59 Clause 11.1 should be replaced by provisions that are substantially consistent with clause 11.1 of the ET&Cs.	Required amendment not incorporated.	Alinta supports the Authority's required amendment and reiterates its previous submissions. Alinta also notes that DBP has provided no substantiation for how the increase, which makes the rate 750% of the reference tariff on the same quantity of gas, reflects the current market price for gas.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
11.2(a) Unavailability Notice Draft Decision at [1304 – 1309]	The Operator's ability to give an Unavailability Notice to the Shipper should be limited to the extent that the Shipper's overrun will impact or is likely to impact on any other shipper's entitlement to its Daily Nomination for T1 Capacity, Firm Service, any Other Reserved Service or scheduled Spot Capacity. Where penalties for breaching certain thresholds are not related at all to the actual impact on the DBNGP or other shippers' capacity, they cannot be accepted as a genuine pre-estimate of damage or loss suffered by Operator due to the relevant Gas usage.	Required amendment 60 Clause 11.2 should be replaced by provisions that are substantially consistent with clause 11.2 of the ET&Cs.	Required amendment not incorporated.	Alinta supports the Authority's required amendment and reiterates its previous submissions. DBP has provided no reasonable justification for removing the qualification in clause 11.2.
11.7(c) Saving and damages Draft Decision at [1314 – 1318]		Required amendment 61 Clause 11.7(c) should be amended to reinstate the word "not".	Required amendment not incorporated.	Alinta supports the Authority's required amendment and reiterates its submission in relation to clause 11.1(b).

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
12.4 Delivery of Gas Draft Decision at [1325 – 1329]	The requirement that the Operator may use any means other than the DBNGP for Delivery only where there is no extra cost or risk to the Shipper in doing so should be reinstated.	Required amendment 62 Clause 12.4 should be amended to include a provision that is substantially the same as clause 12.4(b) of the ET&Cs. Clause 12 should provide that the Operator may satisfy its obligation to enable gas to be delivered to the Shipper by using any means other than the DBNGP provided that it otherwise meets its obligations under the contract and only where there is no extra cost or risk to the Shipper in doing so.	Required amendment not incorporated.	Alinta supports the Authority's required amendment. Alinta notes that DBP's justification for removing the qualification that a substitution can only be made where "there is no extra cosk or risk to the Shipper" appears to relate solely to the issue of being able to ascertain with certainty that there will be no additional risk. This issue could be addressed by the insertion of the words "reasonably foreseeable" before the word "risk" in clause 12.4(b) of the ET&Cs. The Operator should not be able to impose substituted means on the Shipper where there will be material additional costs or where there is additional risk that a reasonable and prudent operator would have identified.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
14.2(d)(i) Assessment of Requested Relocation Draft Decision at [1332 – 1344]	A New Outlet Point should be an Authorised Relocation if the New Outlet Point is upstream of the Existing Outlet Point or no greater than 2kms downstream of the Existing Outlet Point.	Required amendment 63 Clause 14.2 should be amended to include provisions that are substantially consistent with clause 14.2(d)(i) of the ET&Cs.	Required amendment not incorporated.	Alinta supports the Authority's required amendment. Alinta also notes that DBP has not provided sufficient justification for removing the 2km downstream threshold. DBP's submitted justifications relate to the configuration of the pipeline and the capacity of the pipeline and related facilities (such as metering facilities) to accommodate the proposed load. These issues are already addressed by clause 14.2(b) which provides that a Requested Relocation is not an Authorised Relocation if it would cause the New Outlet Point to exceed its Total Current Physical Capacity (which means the total physical Gas throughput Capacity having regard to all associated facilities), or the Operator reasonably believes that it would not be Operationally Feasible (which includes a consideration of the configuration and status of the DBNGP at the relevant time).
15.3(a)(i)(A) Metering uncertainty Draft Decision at [1355 – 1360]	The previous maximum uncertainty of 1% should be retained.	Required amendment 64 Clause 15.3 should be amended to be substantially the same as the ET&Cs.	Required amendment not incorporated.	Alinta supports the Authority's required amendment.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
15.5(e) & 15.5(f) Provision of information to Shipper Draft Decision at [1366 – 1370]	The provisions which relate to the availability of information for Distribution Network Shippers should be reinstated.	Required amendment 66 Clause 15.5 should be amended to reinstate sub-clauses (e), (f) and (g).	Required amendment not incorporated.	Alinta supports the Authority's required amendment.
15.13(b) & 15.13(c) Inaccurate equipment Draft Decision at [1373 – 1374]	Clause 15.13(a)(i) is referred to twice in clauses 15.13(b) and (c) – one of the references in each clause should be deleted.		DBP agreed that this should be amended but has not done so.	DBP should make the agreed change.
17.2(c) Curtailment Generally Draft Decision at [1380 – 1384]	The existing approach should be retained otherwise the R1 Service is devalued, which must be reflected in a lower tariff than the T1 tariff.	Required amendment 67 Clause 17.2 should be amended to reinstate sub-clauses (c) and (d) of the ET&Cs.	Required amendment not incorporated.	Alinta supports the Authority's required amendment.
17.3(b)(ii) Curtailment without liability Draft Decision at [1385 – 1388]	Planned Maintenance should not be included in Major Works for the purposes of Curtailments without liability.	Required amendment 68 Clause 17.3(b) should be amended to be substantially the same as clause 17.3(b) of the ET&Cs.	Required amendment not incorporated.	Alinta supports the Authority's required amendment.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
17.5 Operator's rights to refuse to Receive or Deliver Gas Draft Decision at [1389 – 1390]		Required amendment 69 Clause 17.5 should be amended so that the words "Subject to clauses 5.5 and 5.9," are reinstated at the beginning of clause 17.5.	Required amendment not incorporated.	Alinta supports the Authority's required amendment. Alinta supports the reinstatement of clauses 5.5 and 5.9 as set out above. Clause 17.5 should also remain subject to these important clauses.
17.7(b) Content of a Curtailment Notice and Initial Notice Draft Decision at [1395 – 1400]	An Initial Notice should include the reasons for the Curtailment.	Required amendment 71 Clause 17.7(b) should be amended to require an Initial Notice to specify the Operator's reasons for, and a description of, the Major Works that has initiated the need for an initial notice to be issued under clause 17.6(b)(i)(A).	DBP has incorporated a requirement for reasons for the Curtailment. This does not implement the required amendment.	Alinta supports the Authority's required amendment. DBP's amendment does not reflect the required amendment as a reason for the Curtailment may be as uninformative as "Major Works". The Operator should be required to provide reasons for, and a description of, any Major Works giving rise to an Initial Notice.
17.9 Priority of Curtailment Draft Decision at [1406 – 1409]		Required amendment 73 Clause 17.9 should be amended to be substantially the same as clause 17.9 of the ET&Cs.	Required amendment not incorporated.	Alinta supports the Authority's required amendment.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
17.10 Appointment of Shipper's Curtailments Draft Decision at [1410 – 1415]	17.10(a): apportionments should be made as determined by the Shipper, unless standing requirements under clause 17.10(b) have been proposed by the Shipper. Amendments to 17.10(a) suggested above make 17.10(e) redundant and it should be deleted.	Required amendment 74 Clause 17.10 should be amended to be substantially consistent with clause 17.10 of the ET&Cs. An additional requirement should also be included requiring the Operator to notify the Shipper of apportionment as soon as practicable after the end of the relevant Gas Day.	Required amendment not incorporated.	Alinta supports the Authority's required amendment but reiterates its previous submissions.
18 Maintenance and Major Works Draft Decision at [1416 – 1419]	Any information provided by the Operator following a request under clause 18(d) should not limit the Operator's obligation to give an Initial Notice within the timeframes required by clause 17.6(b)(i)(A).	Required amendment 75 Clause 18 should be amended by: (i) inserting "17.6(b)(i)(A)" after "clauses" in (g) (not (d) as referred to by the Authority); and (ii) including terms that are substantially the same as clause 18(e) of the ET&Cs.	DBP has only incorporated the first limb of required amendment 75.	Alinta supports the Authority's required amendment.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
20.4(b) Other Charges Draft Decision at [1423 – 1430]	See above in relation Excess Imbalance Charge, Hourly Peaking Charge and Overrun Rate. Clause 20.4(b) should be deleted unless the imbalance, peaking and overrun regimes are returned to the position under the ET&Cs.	Required amendment 76 Clause 20.4 should be amended to: (i) be substantially consistent with clause 17.10 of the ET&Cs; and (ii) include a provision for all of the other charges to be rebateable to shippers.	Required amendment not incorporated.	It is unclear why the amendment refers to 17.10. Should this be a reference to clause 20.4 of the ET&Cs? If so, Alinta supports the Authority's required amendment and reiterates its previous submissions. Further, Alinta submits that the requirement for the Other Charges to be rebateable is designed to ensure that any amount that DBP receives as an Other Charge, which is in excess of the actual costs incurred by the Operator as a result of the relevant conduct, should be rebateable as any excess would properly be considered revenue. If the Other Charges are a true reflection of DBP's actual costs then no amount will be rebateable. DBP should not be allowed to artificially inflate the Other Charges so that they act as a source of profit. A provision for the rebate of charges in excess of actual costs will ensure that the Operator is not profiting over and above the regulated return, contrary to the National Gas objective.
20.5 Adjustment to R1 Tariff Draft Decision at [1431 – 1436]		Required amendment 77 Clause 20.5 should be amended to be consistent with the structure of the reference tariff and reference tariff variation mechanism of the PRAA as required to be amended under the Draft Decision.	Required amendment not incorporated.	Alinta supports the Authority's required amendment.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
20.7 (ET&Cs) Other taxes Draft Decision at [1437 – 1439]		Required amendment 78 Clause 20.7 of the ET&Cs should be reinstated.	Required amendment not incorporated.	Alinta supports the Authority's required amendment.
21.4(a) Default in Payment and 21.6(a) Correction of payment errors Draft Decision at [1445 – 1448]	Interest should not be compounded.	Required amendment 79 Clauses 21.4 and 21.6 should be amended to remove the words "and compounded".	Required amendment not incorporated.	Alinta supports the Authority's required amendment.
22.2 Notice of Shipper's default and 22.6 Notice of Operator's default Draft Decision at [1453 – 1456]	Given their importance, the requirement to give Default Notices by certified mail should be reinstated.	The Authority has not required DBP to reinstate this requirement.		Alinta submits that it is important that Default Notices are required to be given by certified mail (delivery by courier where confirmation of receipt is given would also be acceptable). Given that time periods for remedying defaults and commencing disputes are dependent on the giving of a Default Notice, it is extremely important that Default Notices are not able to be sent by facsimile or email as these may not be brought to the attention of the Shipper.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
22.3 When Operator may exercise remedy Draft Decision at [1457]		Required amendment 80 Clause 22.3 should be amended by replacing the reference to "20 Working Days" with a reference to "40 Working Days".	Required amendment not incorporated. DBP has accepted but not incorporated the required amendment.	The Authority's required amendment should be incorporated.
22.9 No Indirect Damages Draft Decision at [1458 – 1462]	The blanket exclusion of liability for Indirect Damage is unreasonable and should be deleted.	Required amendment 81 Clause 22.9 should be deleted.	Required amendment not incorporated.	Alinta supports the Authority's required amendment and reiterates its previous submissions.
23.6 Shipper responsible for contractors' personnel and property and 23.7 Operator responsible for contractors' personnel and property Draft Decision at [1463 – 1466]	The exception for liability for acts or omissions of the other Party is an appropriate allocation of liability and should be reinstated.	Required amendment 82 Clauses 23.6 and 23.7 should be amended to reinstate the liability for death or injury to a party's personnel or damage to a party's property.	Required amendment not incorporated.	Alinta supports the Authority's required amendment but reiterates its previous submissions.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
25.3(a) Assignment Draft Decision at [1476 – 1480]	There is no reason for the treatment of liability following assignment to be different between the Shipper and the Operator. If the Operator, as assignor, is to be released from liability, then it must be by way of a formal deed of assumption or novation which the Shipper has approved or is a party to.	Required amendment 85 Clause 25.3 should be amended to be substantially the same as the ET&Cs.	Required amendment not incorporated.	Alinta supports the Authority's required amendment. Alinta submits that DBP's amendments to clause 25.3(a) are not necessary to protect against risks associated with an assignment to a non-creditworthy Related Body Corporate as the assignor is not released from liability. The Operator continues to have the security of the assignor's creditworthiness. Alinta reiterates its submissions that DBP has not provided any reasonable justification for its changes which unilaterally affect the treatment of liability following assignment in favour of the Operator.
25.4 Assignment: deed of assumption Draft Decision at [1481 – 1484]		Required amendment 86 Clause 25.4 should be amended to be substantially consistent with the ET&Cs.	Required amendment not incorporated.	Alinta supports the Authority's required amendment.
25.5 Pipeline Trustee's Acknowledgements and undertakings Draft Decision at [1485 – 1488]		Required amendment 87 Clause 25 should be amended to include terms and conditions that are substantially the same as clauses 25.5 and 25.6 of the ET&Cs.	Required amendment not incorporated.	Alinta supports the Authority's required amendment.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
25.6 Utilising other shipper's Daily Nominations Draft Decision at [1491 – 1495]	The provision should be reinstated as previously drafted, or this is a further devaluation of the R1 Service from the T1 Services which must be reflected in a lower R1 tariff.	Required amendment 88 Clause 25.6 should be amended to include terms and conditions that are substantially the same as clause 25.6 of the ET&Cs.	Required amendment not incorporated.	Alinta supports the Authority's required amendment. Alinta submits that the Shipper should be entitled to utilise other shipper's daily nomination and the form of any such agreement should be determined by the shippers. There is no reasonable justification for the Operator to be able to dictate this and to allow it to do so is likely to reduce competition. Further, it is for the Shipper to determine how it can best manage its risk of imbalances.
26 (ET&Cs) General Right of Relinquishment Draft Decision at [1496 – 1499]	The provision enabling the Shipper to offer to relinquish Contracted Capacity should be reinstated.	Required amendment 89 Clause 26 should be amended to be substantially the same as clause 26 of the ET&Cs.	Required amendment not incorporated.	Alinta supports the Authority's required amendment. Alinta submits that allowing relinquishments can only serve to better utilise capacity by freeing unutilised capacity to be utilised. DBP's desire for increased certainty does not justify the inefficiencies that will result.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
27.1(b) No transfer of Contracted Capacity other than by this clause Draft Decision at [1501 – 1503]	The reference to clause 25.6 should be deleted.	The Authority is of the view that clause 27 is consistent with the capacity trading requirements of the rules and provisions of the PRAA.		Alinta submits that: • clause 25.6 should be amended to delete the requirement for an Inlet Sales Agreement; • clause 27.1(b) and 25.6 are then practically in identical form. There is no need to make clause 27.1(b) subject to clause 25.6 and it is confusing and unhelpful to do so.
27.4(a) Transfer of Capacity by Shipper – Approval of transfer terms Draft Decision at [1504 – 1507]	Under the ET&Cs, the Shipper can request that a transfer be for a duration less than, or equal to, the remaining duration of the Period of Supply. This should be reinstated.	Required amendment 90 Clause 27.4 should be amended to be substantially consistent with the ET&Cs.	Required amendment not incorporated.	Alinta supports the Authority's required amendment.
28.3 Permitted Disclosure Draft Decision at [1523 – 1526]		Required amendment 92 Clause 28.3 should be amended to expressly incorporate the Operator's obligations to comply with ring fencing provisions under the NGL and NGR.	Required amendment not incorporated.	Alinta supports the Authority's required amendment.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
30.1(a)(i) Operator's Representations and Warranties Draft Decision at [1532 – 1536]	The Operator's warranty that it has complied with Environmental and Safety laws should be reinstated.	Required amendment 93 Clause 30.1 should be amended to be substantially consistent with the ET&Cs.	Required amendment not incorporated.	Alinta supports the Authority's required amendment.
30.2 Shipper's Representations and Warranties Draft Decision at [1537 – 1538]		Required amendment 94 Clause 30.2 should be amended to be substantially consistent with the ET&Cs.	Required amendment not incorporated.	Alinta supports the Authority's required amendment.
30.4 (ET&Cs) Draft Decision at [1541 – 1544]	The representations and warranties given by the DBNGP Trustee should be reinstated.	Required amendment 95 Clause 30 should be amended to be substantially the same as the ET&Cs.	Required amendment not incorporated.	Alinta supports the Authority's required amendment.
31(b) (ET&Cs) Draft Decision at [1545 – 1548]	The shipper's right to request information on planned expansions should be reinstated.	Required amendment 96 Clause 31 should be amended to be substantially the same as the ET&Cs.	Required amendment not incorporated.	Alinta supports the Authority's required amendment.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
38 Revocation, Substitution and Amendment Draft Decision at [1552 – 1555]		Required amendment 97 Clause 38 should be amended to be substantially the same as the ET&Cs.	Required amendment not incorporated.	Alinta supports the Authority's required amendment.
45 (ET&Cs) Arm's length dealings Draft Decision at [1556 – 1561]		Required amendment 98 Clause 45 should be amended to be substantially the same as clause 45 of the ET&Cs, which establish terms for non-discrimination.	Required amendment not incorporated.	Alinta supports the Authority's required amendment.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
Schedule 2 Charges Draft Decision at [1570 – 1574]		Required amendment 99 Schedule 2 should be amended to detail the: (i) "T1 Capacity Reservation Tariff" and "T1 Commodity Tariff", as determined under this Draft Decision; and (ii) rates at which other charges are determined under the proposed terms and conditions, being the: a) "Excess Imbalance Charge" at 200% of the T1 Reference Tariff; b) "Hourly Peaking Charge" at 200% of the T1 Reference Tariff; c) "Overrun Charge" at the rate specified in clause 11.1(b); and d) "Unavailable Overrun Charge" at the greater of: 1. 250% of the T1 Reference Tariff; and 2. the highest price bid for spot capacity that was accepted for that gas day, other than when the highest price bid was not a bona fide bid, in which case the highest bona fide bid.	Required amendment not incorporated.	Alinta supports the Authority's required amendment.

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
Schedule 3 Operating Specifications Draft Decision at [1575 – 1578]		Required amendment 100 Schedule 3 should be amended to: (i) delete the table at Item 1 – Gas Specifications, and instead provide that the Operating Specifications are those as specified in the Gas Supply (Gas Quality Specifications) Regulations 2010; and (ii) amend Item 2 – Gas Temperature and Pressure so that it is the one measurement applying to all Inlet Points.	DBP has amended item 1 but not item 2 in accordance with required amendment 100.	Alinta has no objection to the Gas temperature at Inlet Point I1-O1 being at 60 degrees Celsius, higher than other Inlet Points.
Schedule 4 Pipeline Description Draft Decision at [1579 – 1581]		Required amendment 101 Schedule 4 should be amended to include the pipeline description that is referenced in, and appended to, the PRAA.	Required amendment not incorporated.	Alinta supports the Authority's required amendment.
Schedule 6 Curtailment Plan Draft Decision at [1589 – 1591]		Required amendment 102 Schedule 6 should be amended to be substantially consistent with Schedule 8 of the ET&Cs.	Required amendment not incorporated.	Alinta supports the Authority's required amendment. See further submissions on B1 Service and Tp Service in Alinta's submissions on clause 1 (Definitions).

Clause and Draft Decision paragraph #	Issue	Authority's Draft Decision	DBP Amendments	Alinta's Further Submissions
Draft Decision at [1594 – 1595]		Required amendment 104 The PRAA should be amended to include terms and conditions for the part haul service (i.e. the P1 Service) and back haul service (i.e. the B1 Service), as reference services, that are substantially the same as the terms and conditions established under existing contracts for part haul and back haul pipeline services negotiated with shippers.	Required amendment not incorporated.	Alinta supports the Authority's required amendment.