



Notice

14 November 2022

Dampier to Bunbury Natural Gas Pipeline

Reference Tariff Variation – 1 January 2023

The Economic Regulation Authority has approved an annual reference tariff variation for the Dampier to Bunbury Natural Gas Pipeline (DBNGP) to apply from 1 January 2023. The approved reference tariffs are higher than the current tariffs by around 2.3 per cent.

The DBNGP access arrangement provides for an annual tariff variation to adjust for differences in the forecast and actual inflation, cost pass-through events, rebateable non-reference service revenue and to update the rate of return. The operator, DBNGP (WA) Transmission Pty Limited (DBP), proposed to vary the reference tariffs for actual inflation, an updated estimate of the rate of return and the amount of rebateable non-reference service revenue, but proposed no cost pass-through events.

The ERA has accepted DBP's proposal to increase reference tariffs as a result of actual inflation being higher than forecast inflation. The actual inflation rate of 7.3 per cent for the September quarter 2022 exceeded the forecast inflation rate of 1.15 per cent at the time of the last access arrangement. However, the overall increase in tariffs is lower than this inflation rate difference due to a lower debt risk premium used to calculate DBP's rate of return and deducting rebateable non-reference service revenue. The ten-year trailing average used to estimate the debt risk premium is lower than the value determined last year, as a lower 2023 value replaces the 2013 value. The effect of the rebateable non-reference service revenue on the total varied full haul T1 reference tariff is a reduction of \$0.1178/GJ.

The ERA has verified that the proposed variation is in accordance with the current DBNGP access arrangement.

The new reference tariffs are effective from 1 January 2023 and are shown in the table below. DBP's proposal and the approved reference tariffs are available on the ERA [website](#).

Reference Tariff Variation Effective From 1 January 2023	Capacity Reservation Tariff	Commodity Tariff	Total Reference Tariff
Full Haul T1 Reference Tariff (\$/GJ/day)	1.294254	0.080367	1.374621
Part Haul P1 Reference Tariff (\$/GJ/day/km)	0.000925	0.000057	0.000982
Back Haul B1 Reference Tariff (\$/GJ/day/km)	0.000925	0.000057	0.000982

Further information

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