

1 April 2025

Economic Regulation Authority

Submitted online via: <https://www.erawa.com.au/consultation>

Alinta Energy's Response to the proposed Access arrangement for the Dampier to Bunbury Natural Gas Pipeline (2026 to 2030)

Alinta Energy appreciates the opportunity to provide feedback on the proposal for the next (sixth) access arrangement period from 1 January 2026 to 31 December 2030 (AA6).

Alinta Energy provides the following feedback for the ERA's consideration.

- We support the proposal to classify the Pilbara Service as a rebateable non-reference service, considering that use of this interruptible service is difficult to forecast¹ and making 70% of this revenue rebateable reduces the risk of forecast error causing over-recovery.
- We support the demand forecasts continuing to be based on contracted capacity, considering that this is the best source compared with alternatives:
 - Shippers have strong incentives to right-size their contracted capacity as this minimises their transport cost. In this way, contracted capacity incorporates key factors driving gas demand outcomes, including potential changes in demand from gas-fired generators as the electricity system transitions.
 - Where a shipper exceeds their contracted demand and must use a rebateable non-reference service, 70% of the revenue is returned, mitigating the cost of forecast error.
 - Attempting to incorporate uncontracted demand is fraught: as highlighted by the issues paper, forecast throughput is lower than contracted demand and so relying on uncontracted demand forecasts alone could overstate prices compared with using contracted demand. Alternatively, if uncontracted demand is incorporated in addition to contracted demand it is likely that demand will be overstated, with contracted demand already exceeding forecast throughput.
 - Forecast throughput can be more prone to error given that changes in production can be driven by the commercial decisions of a small number of

¹ In its final rule change determination on the reference service and rebateable service definitions in the NGR, the AEMC notes that the purpose of making services rebateable is to address difficulties in forecasting revenues and demand for certain services by rebating revenue generated from these to reference service users. AEMC, [Information Paper - Reference service and rebateable service definitions](#), November 2012.

large producers, and AEMO's GSOO demand forecasts attempt to incorporate a larger number of variables and are not limited to the DBNGP.

- We oppose changes to the depreciation glide path, considering that agreeing the path in the past period was intended to provide long term certainty, and making substantial changes could undermine the basis on which commercial decisions have been made.
- The rate of return calculation appears consistent with the guideline and other recent access arrangement decisions.

Thank you for considering our submission. If you would like to discuss this further, please get in touch with me at [REDACTED]

Yours sincerely,

Oscar Carlberg
Regulatory Affairs Manager