



Economic Regulation Authority

Access Arrangement Information for the Dampier to Bunbury Natural Gas Pipeline (2026 to 2030)

ERA Approved

18 December 2025

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Access Arrangement Information

Overview

This document comprises the Access Arrangement Information (AAI) for the revised access arrangement for the Dampier to Bunbury Natural Gas Pipeline (DBNGP) that was proposed by the ERA and given effect on 1 January 2026, pursuant to rule 64(4) of the National Gas Rules (NGR).

The purpose of this document is to set out the information necessary to enable users and prospective users to understand the derivation of the elements of the access arrangement for the DBNGP for the sixth access arrangement period (AA6), which covers the period from 1 January 2026 to 31 December 2030. The provision of AAI is also necessary for compliance with the NGR.

The DBNGP is one of the largest natural gas transmission pipelines in Australia, spanning 1,600 kilometres from Dampier in the north-west, running down the coast to Bunbury, south of Perth. The pipeline links the gas fields located in the Carnarvon and Perth basins to mining, industrial and commercial customers, as well as customers on the Mid-West and South-West Gas Distribution Network.

DBNGP (WA) Transmission Pty Ltd (DBP) is the owner and operator of the pipeline and is part of the Australian Gas Infrastructure Group.

Interpretation

Unless the contrary intention is expressed, words or phrases in this document have the same meaning as those defined in Section 16 (Definitions) of the revised access arrangement for the DBNGP.

A reference in this document to:

- “access arrangement period” means the sixth access arrangement period or AA6 (1 January 2026 to 31 December 2030); and
- “earlier access arrangement period” or “previous access arrangement period” means the fifth access arrangement period or AA5 (1 January 2021 to 31 December 2025) which preceded the access arrangement period.

Where a word or phrase has not been defined in this document then, unless the contrary intention is expressed, the word or phrase is to be given the meaning prescribed in the National Gas Law, Rules or Regulations (as relevant and applicable in Western Australia).^{1, 2}

¹ The NGL as implemented in Western Australia is set out as a note in the *National Gas Access (WA) Act 2009*. At the time of this decision, *National Gas Access (WA) Act 2009*, 25 January 2024 was in effect.

² The current rules that apply in Western Australia are available from the Australian Energy Market Commission. At the time of this decision, *National Gas Rules – Western Australia version 12* (1 February 2024) was in effect.

Structure and compliance

This document follows the structure of rule 72 of the NGR, which sets out specific requirements for AAI relevant to revenue and price regulation (Table 1).

Table 1: Requirements for access arrangement information relevant to price and revenue regulation

National Gas Rule	Requirement for Access Arrangement Information (AAI)	AAI Table Reference
72(1)(a)	<p>[Expenditure and pipeline usage]</p> <p>If the access arrangement period commences at the end of an earlier access arrangement, AAI must include:</p> <ul style="list-style-type: none"> Capital expenditure (by asset class) and operating expenditure (by category) over the earlier access arrangement period. Usage of the pipeline over the earlier access arrangement period showing: <ul style="list-style-type: none"> For a distribution pipeline: minimum, maximum and average demand and customer numbers in total and by tariff class. For a transmission pipeline: minimum, maximum and average demand for each receipt or delivery point and user numbers for each receipt or delivery point. 	<p>Table 3</p> <p>Table 4</p> <p>Table 5</p> <p>Table 6</p> <p>Table 7</p> <p>Table 8</p>
72(1)(b)	<p>[Opening capital base]</p> <p>AAI must include information on how the capital base is arrived at, and if the access arrangement period commences at the end of an earlier access arrangement period, a demonstration of how the capital base increased or diminished over the previous access arrangement period.</p>	Table 9
72(1)(c)	<p>[Projected capital base]</p> <p>AAI must include the projected capital base over the access arrangement period, including:</p> <ul style="list-style-type: none"> A forecast of conforming capital expenditure for the period and the basis for the forecast. A forecast of depreciation for the period, including a demonstration of how the forecast is derived on the basis of the proposed depreciation method. 	<p>Table 10</p> <p>Table 11</p> <p>Table 12</p> <p>Table 13</p>
72(1)(d)	<p>[Forecast demand]</p> <p>To the extent it is practicable to forecast capacity and utilisation over the access arrangement period, AAI must include a forecast of pipeline capacity and utilisation of pipeline capacity over the period and the basis on which the forecast has been derived.</p>	<p>Table 14</p> <p>Table 15</p>
72(1)(e)	<p>[Forecast operating expenditure]</p> <p>AAI must include a forecast of operating expenditure over the access arrangement period and the basis on which the forecast has been derived.</p>	<p>Table 16</p> <p>Table 17</p>
72(1)(f)	<p>[Deleted]</p> <p><i>Note: Rule 72(1)(f) was deleted from the NGR in 2019.</i></p>	NA
72(1)(g)	<p>[Rate of return]</p>	Table 18

National Gas Rule	Requirement for Access Arrangement Information (AAI)	AAI Table Reference
	AAI must include the allowed rate of return for each regulatory year of the access arrangement period.	
72(1)(h)	<p>[Estimated cost of income tax]</p> <p>AAI must include the estimated cost of corporate income tax, calculated in accordance with rule 87A, including the allowed imputation credits referred to in that rule.</p>	Table 19 Table 20 Table 21
72(1)(i)	<p>[Efficiency gains and/or losses]</p> <p>If an incentive mechanism operated in the previous access arrangement period, the AAI must include the proposed carry over of increments or decrements for efficiency gains or losses, and a demonstration of how an allowance is to be made for any such increments or decrements.</p>	Table 22
72(1)(j)	<p>[Approach to setting tariffs]</p> <p>AAI must include the proposed approach to setting tariffs including:</p> <ul style="list-style-type: none"> • The suggested basis of reference tariffs, including the method used to allocate costs and a demonstration of the relationship between costs and tariffs. • A description of any pricing principles employed, but not otherwise disclosed. 	(refer p.22) Table 23
72(1)(k)	<p>[Reference tariff variation mechanism]</p> <p>AAI must include the service provider's rationale for any proposed reference tariff variation mechanism.</p>	(refer p.24)
72(1)(l)	<p>[Proposed incentive mechanism]</p> <p>AAI must include the service provider's rational for any proposed incentive mechanism.</p>	(refer p.26)
72(1)(m)	<p>[Total revenue]</p> <p>AAI must include the total revenue to be derived from pipeline services for each regulatory year of the access arrangement period.</p>	Table 25 Table 26

Financial information

Rule 73 of the NGR specifies the basis on which financial information is to be provided:

- (1) Financial information must be provided on:
 - (a) a nominal basis; or
 - (b) a real basis; or
 - (c) some other recognised basis for dealing with the effects of inflation.
- (2) The basis on which financial information is provided must be stated in the access arrangement information.
- (3) All financial information must be provided, and all calculations made, consistently on the same basis.

Financial information in this document is provided on both a nominal and real basis. All real financial information is expressed in constant prices as at 31 December 2024.

Where necessary, to express financial values in dollar values of 31 December 2024, financial values prior to this date were escalated at the rate of inflation as measured by the *Consumer Price Index (All Groups, Weighted Average of Eight Capital Cities)* as published by the Australian Bureau of Statistics.

Financial values after 31 December 2024 are de-escalated using the rate of inflation from the weighted average cost of capital (WACC) parameter estimates.

Table 2 sets out the actual consumer price index and forecast inflation values used to provide financial information in this document.

Table 2: Actual and forecast consumer price index and inflation rates

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Actual					Forecast				
December CPI	121.3	130.8	136.1	139.4	142.5	145.6	148.8	152.1	155.5	158.9
Inflation (%)	3.50	7.83	4.05	2.42	2.21	2.21	2.21	2.21	2.21	2.21

Forecasts and estimates

Rule 74 of the NGR contains specific requirements for the provision of forecasts and estimates:

- (1) Information in the nature of a forecast or estimate must be supported by a statement of the basis of the forecast or estimate.
- (2) 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.

Expenditure and Pipeline Usage – NGR 72(1)(a)

The sixth access arrangement period (AA6) commences at the end of the fifth access arrangement (AA5), and hence the following information must be provided:

- Capital expenditure (by asset class) and operating expenditure (by category) over AA5.
- Usage of the pipeline over AA5 showing, for the DBNGP (a transmission pipeline): minimum, maximum and average demand for each receipt or delivery point and user numbers for each receipt or delivery point.

Table 3: AA5 capital expenditure by asset class (\$ million, real 31 December 2024)

Asset class	2021 actual	2022 actual	2023 actual	2024 actual	2025 forecast	Total
Pipeline	0.0	2.5	1.1	0.0	0.0	3.6
Compression	3.2	4.1	5.1	1.6	1.3	15.4
Metering	4.7	2.9	3.6	3.3	2.5	17.0
Other depreciable	2.9	2.7	0.5	1.8	1.8	9.7
Computers and motor vehicles	14.8	6.5	14.9	5.2	9.2	50.6
Cathodic/Corrosion Protection	4.8	6.1	6.9	3.9	3.0	24.8
SCADA, ECI and Comms	9.2	16.5	16.7	20.9	15.1	78.5
Buildings	0.6	1.2	-0.2	1.0	3.3	5.9
Total	40.1	42.5	48.6	37.8	36.3	205.3

Source: ERA Revenue Model, December 2025.

Table 4: AA5 operating expenditure by category (\$ million, real 31 December 2024)

Category	2021 actual	2022 actual	2023 actual	2024 actual	2025 forecast	Total
Wages & Salaries	27.9	28.0	28.0	28.1	28.1	325.4
Field expenses	22.0	20.0	20.3	14.3	15.0	183.7
Non-field expenses	11.8	11.8	11.8	11.8	11.8	129.2
Government Charges	8.4	8.4	8.4	8.4	8.4	89.3
System Use Gas	1.7	1.7	1.7	1.7	1.7	13.9
Reactive maintenance	0.0	0.0	0.0	0.0	0.0	32.8
GEA & Turbine overhauls	0.0	0.0	0.0	0.0	0.0	30.1
Inspections & Other Asset Management	24.0	21.6	19.7	14.5	13.7	238.0
Total	95.8	91.5	90.0	78.9	78.8	1,042.4

Source: ERA Revenue Model, December 2025.

Table 5: AA5 minimum, maximum and average demand for reference services (TJ/day)

	2021 actual	2022 actual	2023 actual	2024 actual	2025 forecast
Full Haul T1					
Maximum	610.1	600.6	601.4	532.5	454.2
Average	562.8	550.2	536.8	486.6	454.2
Minimum	494.6	480.8	459.2	399.5	454.2
Part Haul P1					
Maximum	204.7	173.5	210.2	138.9	129.7
Average	107.8	124.8	140.8	124.3	129.7
Minimum	64.3	77.9	81.4	64.6	129.7
Average Full Haul Equivalent	18.4	17.4	26.0	25.8	n/a
Back Haul B1					
Maximum	313.5	316.3	363.0	336.4	268.7
Average	268.0	271.8	282.0	276.6	268.7
Minimum	161.2	165.1	172.0	243.6	268.7
Average Full Haul Equivalent	19.5	20.2	20.4	25.9	n/a

Source: 2024 Regulatory Information Notice.

Table 6: AA5 demand for non-reference services (average TJ/day)

Service	2021 actual	2022 actual	2023 actual	2024 actual	2025 forecast
Rebateable non-reference services					
Spot capacity service	24.6	34.2	22.7	57.2	4.2
Other reserved service	42.6	25.8	22.2	29.9	39.0
Peaker service	Note 1	Note 1	Note 1	Note 1	Note 1
Ullage service	Note 1	Note 1	Note 1	Note 1	Note 1
Other non-reference services					
Storage service	-	-	-	-	-
Pilbara service	32.8	34.1	46.7	31.9	30.0

Note 1: Not published due to confidentiality constraints.

Source: DBP, Final Plan 2026-2030, January 2025, p.126.
2024 numbers are taken from the 2024 Regulatory Information Notice.

Table 7: AA5 shippers by inlet point (as at November 2024)

Inlet point	Number of shippers
DDR	24
Pluto	19
MLV7 Interconnect	6
Devil Creek	22
Gorgon	26
Macedon	24
Wheatstone	23
Varanus Island	25
Waitsia	7
Mondarra	9

Source: DBP, Final Plan 2026-2030, January 2025, p.126.

Table 8: AA5 shippers by tariff class (as at November 2024)

	Number of shippers
Full Haul	14
Part Haul	20
Back Haul	21

Source: DBP, Final Plan 2026-2030, January 2025, p.126.

Opening Capital Base – NGR 72(1)(b)

The opening capital base for the access arrangement period (that is, the capital base at 1 January 2026) is determined in accordance with the formula in rule 77(2) of the NGR.

The NGR define *conforming capital expenditure* as “capital expenditure that complies with the new capital expenditure criteria”, which is set out in rule 79 of the NGR.

Conforming capital expenditure

Conforming capital expenditure was assessed using the following framework:

- Determine whether the expenditure satisfies the prudent service provider criteria set out in rule 79(1) of the NGR. That is, the expenditure would be incurred by a prudent service provider acting efficiently, in accordance with accepted good industry practice, to achieve the lowest sustainable cost of providing services.
- Determine whether the expenditure is justifiable on one or more of the grounds set out in rule 79(2) of the NGR.
- Assess whether forecasts or estimates comply with rule 74(2) of the NGR, which requires a forecast or estimate to be arrived at on a reasonable basis and represent the best forecast or estimate possible in the circumstances.

Conforming capital expenditure made during the earlier access arrangement period is shown in Table 9 (below) as part of the roll forward presentation to derive the opening capital base for AA6 (which is the closing capital base for AA5).

Amounts added under rule 82, 84 and 86

Rules 82, 84 and 86 of the NGR cover provisions for capital contributions by users to new capital expenditure, the speculative capital expenditure account and the re-use of redundant assets.

There were no amounts added to the opening capital base under rules 82, 84 or 86.

Depreciation

The depreciation method used for calculating the depreciation on the regulatory asset base over the earlier access arrangement period was the straight-line depreciation method (or otherwise a current cost accounting approach). This approach is consistent with the depreciation criteria set out in rule 89 of the NGR.

Redundant and disposed assets

There were no redundant assets identified during the earlier access arrangement period.

There were no asset disposals during the earlier access arrangement period.

Opening capital base

The opening capital base at 1 January 2026, which is equivalent to the closing capital base for 2025, is \$3,438.0 million (Table 9).

Table 9: Opening capital base at 1 January 2026 (\$ million, real 31 December 2024)

	2021	2022	2023	2024	2025
Opening capital base (AA5)	3,994.4	3,822.0	3,729.5	3,640.8	3,541.0
<i>PLUS:</i> Conforming capital expenditure	40.1	42.5	48.7	37.7	36.2
<i>PLUS:</i> Equity raising costs	2.4	1.8	1.6	1.8	1.7
<i>LESS:</i> Disposals and redundant assets	-	-	-	-	-
<i>LESS:</i> Depreciation	214.9	136.8	139.0	139.3	140.9
Closing capital base	3,822.0	3,729.5	3,640.8	3,541.0	3,438.0

Source: ERA, Final Decision Attachment 4 and Tariff Model, December 2025.

Projected Capital Base – NGR 72(1)(c)

The projected capital base for the access arrangement period is determined in accordance with the formula in rule 78 of the NGR.

The return on the projected capital base for each year of the access arrangement period is determined in accordance with the formula in rule 87 of the NGR.

No pipeline assets are expected to be disposed of during the access arrangement period.

The projected capital base for the access arrangement period is shown in Table 10.

Table 10: Projected capital base for AA6 (\$ million, real 31 December 2024)

	2026	2027	2028	2029	2030
Opening capital base	3,438.0	3,334.0	3,237.0	3,130.5	3,018.3
<i>PLUS:</i> Conforming capital expenditure	51.9	63.0	54.6	48.0	33.3
<i>PLUS:</i> Equity raising costs	1.5	1.7	1.6	1.4	1.3
<i>LESS:</i> Disposals and redundant assets	-	-	-	-	-
<i>LESS:</i> Depreciation	157.4	161.7	162.7	161.5	164.0
Closing capital base	3,334.0	3,237.0	3,130.5	3,018.4	2,888.9

Source: ERA, Final Decision Attachment 4 and Tariff Model, December 2025.

Forecast conforming capital expenditure (NGR72(1)(c)(i))

The NGR define conforming capital expenditure as “capital expenditure that complies with the new capital expenditure criteria”, which is set out in rule 79.

Forecast conforming capital expenditure for the access arrangement period was assessed using the following framework.

- Determine whether the expenditure satisfies the prudent service provider criteria set out in rule 79(1) of the NGR. That is, the expenditure would be incurred by a prudent service provider acting efficiently, in accordance with accepted good industry practice, to achieve the lowest sustainable cost of providing services.
- Determine whether the expenditure is justifiable on one or more of the grounds set out in rule 79(2) of the NGR.
- Assess whether forecasts or estimates comply with rule 74(2) of the NGR, which requires a forecast or estimate to be arrived at on a reasonable basis and represent the best forecast or estimate possible in the circumstances.

Table 11 shows the forecast conforming capital expenditure for the access arrangement period by asset class.

Table 11: AA6 forecast conforming capital expenditure Asset Class (\$ million, real 31 December 2024)

Asset class	2026	2027	2028	2029	2030	Total
Pipeline	0.2	0.2	0.2	0.3	0.2	1.1
Compression	6.6	5.7	6.6	4.5	4.0	27.4
Metering	3.6	3.4	4.5	3.8	3.7	19.0
Other depreciable	1.4	1.6	1.1	1.3	1.1	6.5
Computers and motor vehicles	17.1	11.1	7.5	10.9	6.6	53.2
Cathodic/Corrosion Protection	4.8	4.3	3.9	3.8	3.7	20.5
SCADA, ECI and Comms	17.0	16.0	15.7	16.9	12.9	78.5
Buildings	1.2	20.7	15.1	6.6	1.2	44.8
Total	51.9	63.0	54.6	48.1	33.4	251.0

Source: ERA, Final Decision Attachment 4 and Tariff Model, December 2025.

Forecast of depreciation (NGR 72(1)(c)(ii))

Rule 88 of the NGR sets out the requirements for the depreciation schedule.

Rules 89 and 90 of the NGR set out the depreciation criteria and requirements for the calculation of depreciation for establishing the opening capital base for the next access arrangement period.

A current cost accounting approach (that is, a straight-line depreciation method) is used to calculate the depreciation on the regulatory asset base for the access arrangement period. The approach is consistent with the criteria under rule 89(1) of the NGR.

Table 12 shows the forecast of depreciation for the access arrangement period by asset category. The assets lives used to calculate the forecast are shown in Table 13.

Table 12: AA6 total forecast depreciation (\$ million, real 31 December 2024)

	2026	2027	2028	2029	2030	Total
Pipeline	84.8	84.8	84.8	84.8	84.8	424.0
Compression	24.8	25.0	25.2	25.5	25.6	126.1
Metering	2.4	2.5	2.6	2.8	2.9	13.2
Other depreciable	3.2	3.1	2.6	2.5	2.3	13.7
Computers and motor vehicles	9.2	13.0	13.1	10.0	11.2	56.5
Cathodic/Corrosion protection	5.5	4.4	4.2	4.3	4.4	22.8
SCADA , ECI and comms	10.5	11.6	12.4	13.6	14.5	62.6
Building	0.0	0.3	0.7	1.0	1.1	3.1
Cost of raising equity	0.2	0.3	0.3	0.4	0.4	1.6
BEP Lease	0.5	0.5	0.5	0.5	0.5	2.5
Out of service asset in AA5 (deferred depreciation)	16.2	16.2	16.2	16.2	16.2	81.0
Forecast depreciation	157.3	161.7	162.6	161.6	163.9	807.1

Source: ERA, Final Decision Attachment 6 and Tariff Model, December 2025.

Table 13: AA6 economic lives (years)

Asset categories	AA6 ERA final decision
Pipeline	Capped at 2063
Compression	30
Metering	30
Other depreciable	10
Computers and motor vehicles	5
Cathodic/Corrosion protection	15
SCADA, ECI and comms	10
Building	50
Cost of raising equity	32.6
Out of Service Asset in AA5	5

Source: ERA, Final Decision Attachment 6 and Tariff Model, December 2025.

Forecast Demand – NGR 72(1)(d)

To the extent it is practicable, a forecast of pipeline capacity and utilisation of pipeline capacity over the access arrangement period, and the basis on which the forecast has been derived, must be shown.

Table 14 sets out the AA6 forecast demand for reference services, while Table 15 shows the AA6 full haul equivalent (FHE) demand for reference services.

The forecast for AA6 has been derived using information submitted by DBP, actual gas demand during AA5, stakeholder submissions and feedback, as well as information from the Australian Energy Market Operator (AEMO).

Table 14: AA6 reference service gas demand forecast (TJ/day)

	2026	2027	2028	2029	2030
Capacity					
Full haul	523.7	532.5	558.7	556.6	571.1
Part haul	402.9	400.0	378.8	381.7	413.0
Back haul	339.9	343.9	348.1	352.3	342.9
Total	1,266.5	1,276.4	1,285.7	1,290.5	1,327.0
Throughput					
Full haul	451.3	485.3	516.5	519.0	533.1
Part haul	259.1	262.5	239.9	241.3	270.0
Back haul	241.0	243.1	245.2	247.3	242.6
Total	951.3	990.8	1,001.6	1,007.6	1,045.7

Source: ERA, Final Decision Attachment 2 and Revenue Model, December 2025.

Table 15: AA6 reference service FHE demand forecast (TJ/day)

	2026	2027	2028	2029	2030
Capacity (FHE)					
Full haul	523.7	532.5	558.7	556.6	571.1
Part haul	44.7	57.7	37.7	35.5	52.1
Back haul	32.6	32.8	33.0	33.1	32.8
Total	601.0	623.0	629.4	625.3	656.0
Throughput (FHE)					
Full haul	451.3	485.3	516.5	519.0	533.1
Part haul	34.3	48.0	28.1	25.9	42.3
Back haul	23.3	23.5	23.6	23.6	23.5
Total	509.0	556.7	568.1	568.5	598.9

Source: ERA, Final Decision Attachment 2 and Revenue Model, December 2025.

Forecast Operating Expenditure – NGR 72(1)(e)

Rule 91 of the NGR sets out criteria governing operating expenditure.

Table 16 shows the forecast operating expenditure over the access arrangement period. The forecast was derived on the following basis.

- For most operating expenditure categories – a “base year roll-forward” forecasting approach (or otherwise known as the “base-step-trend” approach). An efficient base year amount of operating expenditure was based on 2024 actual expenditure. Step increases were determined, and an amount for labour cost escalation in addition to inflation (real labour cost escalation) was added.
- For three operating expenditure categories – SUG, turbine and GEA overhauls, and inspections and other asset management works – a “bottom-up” forecasting approach.

Table 17 shows the forecast operating expenditure by category for AA6.

Table 16: AA6 forecast operating expenditure (\$ million, real 31 December 2024)

Category	2025	2026	2027	2028	2029	2030	Total
Efficient base year	78.1	78.1	78.1	78.1	78.1	78.1	390.7
Bottom-up		30.8	45.3	45.5	41.4	44.4	207.3
Step changes		0.9	1.0	0.2	0.8	1.4	4.2
Labour cost escalation		0.5	0.8	1.0	1.3	1.6	5.2
Total		110.3	125.2	124.8	121.6	125.5	607.4

Source: ERA, Final Decision Attachment 5 and Operating Expenditure Model, December 2025.

Table 17: AA6 operating expenditure by category (\$ million, real 31 December 2024)

Category	2026	2027	2028	2029	2030	Total
Wages & Salaries	36.6	36.8	37.0	37.3	37.5	185.2
Field expenses	14.0	14.0	14.0	14.0	14.0	70.2
Non-field expenses	17.2	18.1	18.3	19.0	19.6	92.2
Government Charges	10.7	10.0	8.9	8.9	8.9	47.4
System Use Gas	21.7	26.6	31.2	31.5	33.5	144.5
Reactive maintenance	1.0	1.0	1.0	1.0	1.0	5.2
GEA & Turbine overhauls	4.9	8.8	4.5	6.9	7.8	32.8
Inspections & Other Asset Management	4.3	9.9	9.8	3.1	3.1	30.1
Total	110.3	125.2	124.8	121.6	125.5	607.4

Source: ERA, Final Decision Attachment 5 and Operating Expenditure Model, December 2025.

Rate of Return – NGR 72(1)(g)

The rate of return, based on the Weighted Average Cost of Capital (WACC), provides for a return on the regulatory asset base.

The allowed rate of return is determined in accordance with the gas rate of return instrument, which became a binding instrument in Western Australia in December 2022.³

Table 18 shows the rate of return parameters for the access arrangement period.

Table 18: Rate of return for AA6

Parameter	Value
Return on debt (%)	
5-year interest rate swap (effective yield)	3.778
Debt risk premium (10 year average)	1.830
Debt issuing cost	0.165
Debt hedging cost	0.123
<i>Nominal return on debt</i>	5.896
Return on equity	
Nominal risk free rate (%)	4.34
Market risk premium (%)	6.1
Equity beta	0.7
<i>Nominal return on equity (%)</i>	8.61
Other parameters	
Debt proportion (%)	55
Inflation rate (%)	2.21
Corporate tax rate (%)	30
Franking credits	0.5
Nominal after-tax WACC (%)	7.12
Real after-tax WACC (%)	4.80

Source: ERA, Final Decision Attachment 7 and Tariff Model, December 2025.

³ ERA, 2022 Final Gas Rate of Return Instrument, 16 December 2022 (Amended 12 September 2023).

Estimated Cost of Income Tax – NGR 72(1)(h)

AAI must include the estimated cost of corporate income tax, calculated in accordance with rule 87A of the NGR, including the allowed imputation credits referred to in that rule.

Table 19 shows the estimated cost of corporate income tax for the access arrangement period.

Table 19: AA6 estimated cost of corporate income tax (\$ million, nominal)

	2026	2027	2028	2029	2030
Unsmoothed revenue	468.9	497.8	504.4	510.3	522.9
Tax expenses					
Operating expenditure	(115.3)	(133.7)	(136.2)	(135.7)	(143.0)
Debt servicing cost	(114.0)	(112.9)	(112.1)	(110.8)	(109.2)
Tax depreciation	(128.0)	(114.7)	(116.2)	(85.3)	(86.9)
Total tax expenses	(357.3)	(361.3)	(364.5)	(331.7)	(339.1)
Tax					
Estimated taxable income	111.6	136.5	139.9	178.6	183.7
Carried forward tax loss	-	-	-	-	-
Estimated taxable income (net of tax loss)	111.6	136.5	139.9	178.6	183.7
Estimated cost of corporate income tax	33.5	40.9	42.0	53.6	55.1
Value of imputation credits	(16.7)	(20.5)	(21.0)	(26.8)	(27.6)
Estimated cost of corporate income tax	16.7	20.5	21.0	26.8	27.6

Source: ERA, Final Decision Attachment 7 and Tariff Model, December 2025.

Taxable income

Taxable income is estimated using the following method:

Unsmoothed tariff revenue:

minus: approved forecast operating expenditure;

minus: depreciation of the tax asset base, calculated using the straight-line method for assets purchased before 1 January 2021 and the diminishing value method for assets purchased on or after 1 January 2021 (excluding building tax assets, which use the straight-line method);

minus: debt servicing costs;

add: tax losses carried forward;

equals: estimated taxable income.

Tax asset lives

The tax asset categories and respective tax lives for the access arrangement period are shown in Table 20.

Table 20: AA6 tax asset lives (years)

Asset classes	Tax life
Pipeline	20
Compression	20
Metering	15
Other depreciable	10
Computers and motor vehicles	5
Cathodic/corrosion protection	15
SCADA, electrical, control & instrumentation and communications	10
Building	40
Cost of raising equity	5
BEP lease	20

Source: ERA, Final Decision Attachment 7 and Tariff Model, December 2025.

Tax depreciation method

Depreciation of the tax asset base is calculated using the diminishing value method for assets purchased on or after 1 January 2021 (excluding building tax assets, which use the straight-line method).

Tax asset base

The forecast tax asset base for the access arrangement period is shown in Table 21 and is determined using the following (roll forward) method:

Opening value (equal to the closing value for the previous regulatory year):

plus: forecast capital expenditure (net of capital contributions) incurred in the regulatory year;

less: depreciation based on forecast capital expenditure incurred in using the diminishing value method for assets purchased on or after 1 January 2021;

less: forecast asset disposals during AA6.

No asset disposals are forecast for the access arrangement period.

Table 21: AA6 forecast tax asset base for AA6 (\$ million, nominal)

	2026	2027	2028	2029	2030
Opening tax asset base	546.2	473.9	428.3	373.5	343.3
Capital expenditure	55.8	69.0	61.3	55.1	39.4
Asset disposals	0.0	0.0	0.0	0.0	0.0
Tax depreciation	128.0	114.7	116.2	85.3	86.9
Closing value	474.0	428.2	373.4	343.3	295.8

Source: ERA, *Final Decision Attachment 7 and Tariff Model*, December 2025.

Statutory income tax rate

The expected statutory income tax (rt) for each regulatory year of the access arrangement period is 30 per cent.

Imputation credits

As required by the gas rate of return instrument, a value of 0.5 is used for the value of imputation credits (γ).⁴

⁴ ERA, *2022 Final Gas Rate of Return Instrument*, 16 December 2022 (Amended 12 September 2023).

Efficiency Gain and/or Losses – NGR 72(1)(i)

An incentive mechanism was introduced into the access arrangement for the AA5.

The E Factor scheme is detailed in clause 15 of the of the access arrangement for the DBNGP.

Table 22 sets out the application of the E Factor scheme and demonstrates the calculation of a negative \$36.9 million carryover to AA6.

Table 22: AA6 E Factor carryover calculation (\$ million, real 31 December 2024)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
E Factor benchmark (A)	82.2	76.0	76.7	83.6	77.1					
Actual opex (B)	74.7	66.6	71.0	87.2	80.6					
Annual saving (C = A – B)	7.5	9.4	5.7	(3.6)	-					
Incremental saving ($C_n = C_n - C_{n-1}$)	7.5	1.9	(3.7)	(9.2)	-					
E Factor carryover amounts										
Year 1		7.5	7.5	7.5	7.5	7.5				
Year 2			1.9	1.9	1.9	1.9	1.9			
Year 3				(3.7)	(3.7)	(3.7)	(3.7)	(3.7)		
Year 4					(9.2)	(9.2)	(9.2)	(9.2)	(9.2)	
Year 5						-	-	-	-	-
Total carryover amount (E Factor “building block”)						(3.6)	(11.1)	(13.0)	(9.2)	-
										Total: (36.9)

Source: ERA, Final Decision Attachment 7 and Revenue Model, December 2025.

Approach to setting tariffs – NGR 72(1)(j)

Rule 95 of the NGR sets out the requirements for determining reference tariffs for transmission pipelines.

Once total revenue and the allocation of total revenue between reference and non-reference services have been determined, reference tariffs can be calculated. The haulage reference tariff components are calculated by dividing the amount of total revenue to be generated from haulage reference services by the forecast demand for those services.

Total revenue and the allocation of total revenue, and forecast demand, is covered in other sections of this document.

For AA6, the reference tariff will comprise three tariff components: capacity reservation tariff; commodity tariff; and overrun tariff.

The new overrun tariff component will account for the revenue DBP is deriving from overrun gas charges, which is material and part of the contractual provisions for the T1, P1 and B1 Services.

The existing capacity reservation tariff and commodity tariff, the sum of which make the haulage component of the reference tariff (being the T1, P1 or B1 Tariff, as the case requires), remain unchanged in structure:

- The capacity reservation tariff will recover the fixed costs of delivering reference services; calculated as the sum of the fixed cost elements of unsmoothed total revenue (determined as building block total revenue minus the cost of system use gas and GEA & turbine overhauls) divided by forecast capacity demand.
- The commodity tariff will recover the variable costs of delivering reference services; calculated as the sum of the variable cost elements of unsmoothed total revenue (determined as the cost of system use gas and GEA & turbine overhauls) divided by forecast throughput.

Tariffs for 2026

In accordance with the existing (AA5) reference tariff variation mechanism, in setting the haulage reference tariffs to apply from 1 January 2026 to 31 December 2026, the ERA must make an adjustment to rebate 70 per cent of the rebateable services revenue earned by DBP during the period 1 October 2024 to 30 September 2025.

Table 24 shows the rebated reference tariffs to apply from 1 January 2026 to 31 December 2026.

Table 23: AA6 reference tariffs to commence 1 January 2026 (\$, nominal)

Tariff component	Tariff on 1 January 2026
Full Haul T1 Service	
Capacity (reservation) charge (\$/GJ/day)	1.677725
Commodity (throughput) charge (\$/GJ/day)	0.141103
T1 Tariff	1.818828
Part Haul P1 Service	
Capacity (reservation) charge (\$/GJ/km/day)	0.001199
Commodity (throughput) charge (\$/GJ/km/day)	0.000101
P1 Tariff	0.001300
Back Haul B1 Service	
Capacity (reservation) charge (\$/GJ/km/day)	0.001199
Commodity (throughput) charge (\$/GJ/km/day)	0.000101
B1 Tariff	0.001300

Source: ERA, Final Decision Attachment 3 and Revenue Model, December 2025.

Tariffs for 2027 to 2030

Tariffs for the years 2027 to 2030 will be determined in accordance with the tariff variation mechanism set out in Annexure A of the access arrangement that is approved for AA6.

The inflation values used for the purpose of determining these tariffs will be consistent with the inflation values set out in Annexure A2 (CPI formula variation) of the access arrangement.

Reference Tariff Variation Mechanism – NGR 72(1)(k)

Rule 92 of the NGR requires the access arrangement for the DBNGP to include a reference tariff variation mechanism, which must be designed to equalise (in terms of present values) the forecast revenue from reference services over the access arrangement period and the portion of total revenue allocated to reference services for the access arrangement period.

The reference tariff variation mechanism to apply for AA6 is set out in clause 11 of the access arrangement and comprises an annual scheduled tariff variation, and variations for tax changes and cost pass throughs.

Annual scheduled tariff variation

Clauses 11.2 and 11.3 of the access arrangement details the operation of the scheduled reference tariff variation mechanism. This mechanism varies the haulage component of the reference tariff annually, so it more closely reflects variations in the costs that the tariff is to recover. It is intended to maintain efficient cost recovery during the access arrangement period.

At the commencement of each year during the access arrangement period (that is, each 1 January) the scheduled reference tariff variation mechanism:

- Adjusts the reference tariff for inflation.
- Effects a change in the reference tariff following the annual adjustment of the return of debt.
- Adjusts the reference tariff to rebate a portion of the revenue generated from the sale of rebateable services.
- Adjusts the reference tariff for revenue derived from overrun gas charges (net of costs).
- Adjusts the reference tariff for any incremental actual costs/revenue that are incurred/generated by compliance with the Safeguard Mechanism.
- Adjusts the reference tariff for any material variations between actual and forecast demand.

Tax change tariff variation

Clause 11.4 of the access arrangement details the operation of the tax change tariff variation mechanism. This mechanism ensures that costs resulting from tax changes that affect the provision of a reference service can be recovered through the haulage component of the reference tariff. It is intended to maintain efficient cost recovery during the access arrangement period.

If a tax change occurs, or is expected to occur, during the access arrangement period, the tax change reference tariff variation mechanism allows the DBP to vary the reference tariff to recover the financial costs of the tax change, to the extent that the costs have not already been accounted for in the reference tariff.

Cost pass through tariff variation

Clause 11.5 of the access arrangement details the operation of the cost pass through tariff variation mechanism. This mechanism ensures that costs resulting from cost pass through events that affect the provision of a reference service can be recovered through the haulage component of the reference tariff. It is intended to maintain efficient cost recovery during the access arrangement period.

If one or more cost pass through events occur, or are expected to occur, during the access arrangement period, the cost pass through reference tariff variation allows the DBP to vary the reference tariff to recover the financial costs of the cost pass through event(s), to the extent that the costs have not already been accounted for in the reference tariff.

The cost pass through events which can be recovered are set out in clause 11.5 of the access arrangement; and cover carbon costs (not covered by the Safeguard Mechanism), costs associated with a change in law and additional costs related to the fees payable to the Land Access Minister.

Proposed Incentive mechanism – NGR 72(1)(I)

The E Factor scheme will continue to operate in AA6 in accordance with the provisions set out in Section 15 of the approved access arrangement.

E Factor benchmarks for AA6

E factor benchmarks are required to be established for the incentive scheme to operate.

Under the provisions for the scheme, the E Factor benchmark for the relevant regulatory year is the annual operating expenditure forecast minus E Factor “excluded costs”.

The E Factor benchmarks for AA6 are set out in Table 24.

Table 24: AA6 E Factor benchmarks (\$ million, real 31 December 2024)

	2026	2027	2028	2029	2030
Total forecast opex^{Note1}	110.3	125.2	124.8	121.6	125.5
<i>Less excluded cost categories:</i>					
System use gas	21.7	26.6	31.2	31.5	33.5
GEA/turbine overhauls	4.9	8.8	4.5	6.9	7.8
E Factor benchmark	83.7	89.8	89.1	83.2	84.2

Note1: Adjustments to total forecast opex are provided for under clause 15.11 of the access arrangement approved by the ERA.

Source: ERA, Final Decision Attachment 7 and Revenue Model, December 2025.

Total Revenue – NGR 72(1)(m)

Total revenue has been determined using the “building block approach” in accordance with rule 76 of the NGR.

The building blocks of total revenue (unsmoothed) for each year of the access arrangement period are set out in Table 25.

The E Factor incentive mechanism that operated in the earlier access arrangement period, is included in the total revenue building block calculation as an adjustment for the operation of the scheme as per rule 76(d) of the NGR.

Table 25: AA6 total revenue building blocks (\$ million, real 31 December 2024)

Building block	2026	2027	2028	2029	2030	Total
Return on capital base	165.1	160.1	155.4	150.3	144.9	775.8
Depreciation	157.4	161.7	162.7	161.5	164.0	807.4
Operating expenditure	110.3	125.2	124.8	121.6	125.5	607.4
Regulatory corporate income tax						
Corporate income tax	32.1	38.3	38.5	48.0	48.3	205.2
Imputation credits	(16.0)	(19.2)	(19.2)	(24.0)	(24.2)	(102.6)
Incentive mechanism adjustment (E factor)	(3.6)	(11.1)	(13.0)	(9.2)	-	(36.9)
Total revenue (unsmoothed)	445.3	455.1	449.2	448.2	458.6	2,256.4

Source: *Final Decision Attachment 3 and Revenue Model, July 2025.*

Allocation of total revenue

Rule 93(2) of the NGR requires total revenue to be allocated between reference services and other services on an allocation of cost basis.

The NGR further allow some services, other than reference services, to be classified as rebateable services, with part of the revenue from the sale of these services to be rebated or refunded to users of reference services. Rule 93(4) of the NGR states that “a pipeline service is a rebateable service if the service is not a reference service; and substantial uncertainty exists concerning the extent of the demand for the service or of the revenue to be generated from the service”.

Rule 93(3) of the NGR permits the allocation of the costs of rebateable services, in whole or part, to reference services if the regulator is satisfied that the service provider will apply an appropriate portion of the revenue generated from the sale of rebateable services to reduce the reference tariff in accordance with rule 97 of the NGR.

Clause 3 of the access arrangement for the DBNGP details the pipeline services that are offered by means of the pipeline and include some non-reference services that have been classified as rebateable services.

A ratio of 98:2 has been used to allocate total revenue between reference and non-reference services that are not rebateable services.

Table 26 shows the allocated total revenue between reference and non-reference services.

Table 26: Allocation of total revenue between reference and other (non-reference) services for AA6 (\$ million, real 31 December 2024)

	2026	2027	2028	2029	2030	Total
Total revenue	445.3	455.1	449.2	448.2	458.6	2,256.4
Allocation to reference services	436.8	446.5	440.8	439.9	450.1	2,214.1
Allocation to other (non-reference) services	8.5	8.6	8.4	8.3	8.5	42.2

Source: ERA, *Final Decision Attachment 3 and Revenue Model, December 2025*.

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Appendix 2 Abbreviations

AA5	fifth access arrangement period
AA6	sixth access arrangement period
AAI	Access Arrangement Information
AEMO	Australian Energy Market Operator
AGIG	Australian Gas Infrastructure Group
capex	capital expenditure
CPI	Consumer Price Index
DBP	Dampier Bunbury Pipeline
DBNGP	Dampier to Bunbury Natural Gas Pipeline
ERA	Economic Regulation Authority
NGL	National Gas Law
NGR	National Gas Rules
opex	operating expenditure
WACC	weighted average cost of capital
SUG	system use gas
SWIS	South West Interconnected System
TJ	terajoule/s