

17 November 2025

Tyson Self
Assistant Director - Gas
Economic Regulation Authority
Level 4, Albert Facey House
469 Wellington Street
PERTH WA 6000



Dear Tyson,

Re: Submission on DBNGP Access Arrangement 2026 to 2030 (Further Consultation on Overrun Revenue and Demand Uncertainty)

CITIC Pacific Mining Management Pty Ltd (PM) appreciates the opportunity to provide comments on the Economic Regulation Authority's (ERA) Further Consultation for the DBNGP Access Arrangement 6 (AA6). As a part-haul shipper on the DBNGP, CPM has a strong interest in ensuring that tariffs remain efficient, transparent, and stable. We acknowledge the ERA's substantial work in reviewing the access arrangement and wish to express our support for the proposed concepts and the targeted outcome of delivering lower, more cost-reflective reference tariffs.

CPM supports the ERA's intention to align reference tariffs with prudent, forward-looking cost and demand assumptions. Lower and more stable tariffs directly reduce delivered gas costs to the Sino Iron Project, support long-term planning, and improve our competitiveness relative to alternative fuels. We note that the ERA's focus on avoiding overly conservative demand forecasts is critical to preventing unnecessary tariff inflation, particularly for part-haul shippers. Given the abundance of uncontracted capacity on the DBNGP – especially in the northern section serving part-haul users, and increasingly in the south with new Perth Basin supply – the case for ensuring tariffs reflect true utilisation is stronger than ever. AGIG's own future utilisation forecasts also demonstrate expected reductions in pipeline throughput, further reinforcing the need for tariff settings that accurately reflect efficient costs and avoid over-recovery from shippers.

CPM also supports the ERA's proposed reforms to the treatment of overrun revenue and the introduction of a formal overrun tariff within the reference tariff structure. We agree with the ERA that incorporating an overrun tariff is appropriate and we consider it important overrun tariffs are not influenced by spot-capacity bids, so that reference service users are not unfairly exposed to volatility from other shippers' spot usage. We strongly support the principle that reference service users should be compensated through reductions to the haulage reference tariff when overrun revenue exceeds the incremental costs incurred by DBP, as these users already fund the majority of pipeline services, including the provision of overrun capacity. Given the substantial and growing spare capacity on the DBNGP, particularly for part-haul shippers in the north and increasingly in the south due to additional Perth Basin supply, CPM considers this approach both reasonable and economically sound. This ensures that the benefits of overrun revenue are shared fairly and reflect the true cost of providing pipeline services.

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CPM further supports the introduction of a “revenue true-up” mechanism to address material divergence between actual and forecast demand. We agree that a true-up applied at the next access arrangement period provides a balanced and predictable means of reconciling these differences. Our preferred approach is the ERA’s proposed $\pm 5\%$ demand deviation band with a 50/50 risk-sharing arrangement for deviations outside that threshold. This structure appropriately recognises that significant demand variability is largely outside DBP’s control and that symmetric sharing of this risk is fair and efficient for both DBP and shippers. In light of the uncertainty surrounding future WA domestic gas demand – including declining offshore reserves, changing supply patterns, and evolving customer load profiles – a risk-sharing mechanism is both reasonable and necessary. We support the ERA’s decision on this matter and trust that the detailed drafting of the mechanism will be appropriately settled by the relevant regulatory and legal professionals.

More broadly, CPM supports the ERA’s objective of enhancing transparency, predictability, and regulatory certainty through the proposed AA6 reforms. We consider these changes – including the tariff framework, overrun treatment, and demand-risk sharing to be well aligned with economic principles and conducive to a more stable, efficient, and competitive gas market in Western Australia.

In conclusion, CPM supports the ERA’s proposed tariff and risk-sharing reforms for the DBNGP Access Arrangement 2026 to 2030. We believe that the package of measures will contribute to lower and more efficient tariffs, fairer treatment of shippers, and improved confidence in the regulatory framework. CPM appreciates the opportunity to provide feedback and looks forward to continued engagement as the access arrangement is finalised.

Yours sincerely



Dominic Rodwell

Manager Gas

CITIC Pacific Mining Management Pty Ltd