



Notice

10 November 2025

Dampier to Bunbury Natural Gas Pipeline access arrangement for 2026 to 2030

Further consultation

The Economic Regulation Authority is seeking additional public comment on two matters that may affect the Dampier to Bunbury Natural Gas Pipeline (DBNGP) access arrangement for 2026 to 2030.

The matters under consideration are the treatment of overrun revenue and a mechanism for demand uncertainty; the details of which are provided at the conclusion of this notice.

The ERA's consideration of these matters may result in a material change to the positions set out in our draft decision on Dampier Bunbury Pipeline's (DBP) proposed revisions to the access arrangement for the DBNGP for the sixth access arrangement period (AA6).

As we prepare our final decision, the ERA is inviting submissions from stakeholders to ensure all relevant information is being considered for these two matters.

The ERA expects to publish its final decision in December 2025.

Background

On 2 January 2025, DBP submitted its access arrangement proposal for AA6. The ERA published an issues paper on 4 March 2025 to assist interested parties in making submissions. A simplified future of gas model was subsequently published on 14 March 2025 to further assist stakeholders in understanding DBP's future of gas modelling.

The ERA received five submissions in response to DBP's proposal and the ERA's issues paper.

The ERA's draft decision was published on 7 July 2025. DBP submitted its response to the draft decision (DBP's revised proposal/plan) on 19 August 2025.

Interested parties were invited to make public submissions on the ERA's draft decision and DBP's revised proposal by 17 September 2025; the ERA received three submissions.

All public documents related to the review of the DBNGP access arrangement for AA6 are available on the [ERA website](#).

Invitation for submissions

The ERA invites interested parties to make submissions on the matters set out in the details at the end of this notice (pages 3 to 13).

Submissions close Monday, 17 November 2025.

Submissions can be lodged online using the form on our [Current Consultation webpage](#).

Further information

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Issue 1: Treatment of overrun revenue

ERA draft decision and DBP response

To determine the draft decision reference tariffs, the ERA used a revenue allocation ratio between reference and non-reference services of 95:5 (this differed from DBP's proposed ratio of 99.5 to 0.5). In determining this allocation ratio, the ERA took into account the revenue DBP had earned from overrun charges over the current access arrangement period (2021 to 2024) as the revenue earned was material. The ERA's detailed considerations were set out in paragraphs 38 to 45 in Draft Decision Attachment 3.

Overrun charges are paid by shippers when they take overrun gas, which is the volume of gas received by a shipper on a gas day that exceeds the total quantity of gas the shipper is contractually entitled to receive under all its capacity services (including reference and non-reference services).

DBP's response to the draft decision challenges the ERA's position on overrun charges. DBP does not consider overrun should be part of the cost allocation process. Reasoning to support DBP's position on overrun is set out in Attachment 7.2 (Response to Pipeline and Reference Services) of its revised proposal.

Final decision considerations

DBP's response to the treatment of overrun revenue makes a claim that the ERA has created an 'Overrun Service'. This is not the case – the ERA's draft decision did not create a new 'Overrun Service'. DBP has misinterpreted the ERA's single use of the words "overrun services". In any case, the ERA accepts that overrun is not a standalone service and agrees that overrun is provided as part of the reference services (T1/P1/B1 Services).

As set out in the draft decision considerations, the revenue DBP earned from overrun charges over the period 2021 to 2024 is material and was reported by DBP in its 2024 Regulatory Information Notice (RIN) as "non-reference service revenue". Based on DBP's RIN reporting, overrun charges were treated as part of non-reference service revenue when the ERA allocated its draft decision total revenue requirement between reference and non-reference services.

DBP's proposal to address overrun revenue

To address the magnitude of revenue earned via overrun charges, DBP's revised proposal includes material increases to the overrun charges in the reference service terms and conditions. The ERA will separately consider DBP's proposal to amend the overrun charges as part of its final decision considerations on the reference service terms and conditions.

ERA's proposed treatment of overrun revenue

Having considered information provided by DBP, and information from other stakeholders in response to the draft decision, the ERA agrees that revenue earned via overrun charges should not be treated as non-reference service revenue. Overrun gas is not a "non-reference service", rather it exists as a contractual provision that is attached to haulage services, and in the case of the access arrangement is attached to the T1, P1 and B1 reference services. Hence, the ERA's final decision will not include overrun to determine the cost allocation ratio for AA6 reference services. That is, the ERA is now proposing to treat overrun charges as reference service revenue.

In considering this treatment, the ERA sought additional information from DBP. The information provided confirms that the volume of overrun gas is likely to remain material, and hence the revenue DBP earns from overrun charges will remain material as well. For this reason, the ERA proposes to incorporate a new "overrun tariff" (charge) component into the reference tariffs for AA6.

Proposed new “overrun tariff”

The ERA is considering an amendment to the reference tariff to include a *haulage reference tariff* and *overrun tariff*. That is, the reference tariff would be amended to comprise three tariff components: a capacity reservation tariff and commodity tariff (the sum of which make the haulage reference tariff); and an overrun tariff.

The introduction of an overrun tariff component within the reference tariff will account for the revenue DBP is generating from overrun gas transport. The ERA considers this change to the reference tariff to be consistent with the national gas objective, and revenue and pricing principles, as it will enable prices (reference tariffs) to be set for regulated services (reference services) at levels that are more efficient and cost reflective.¹

The current (AA5) overrun tariff that DBP can charge is set out in the terms and conditions for reference services as the greater of 115 per cent of the T1/P1/B1 Tariff (as the case may be) and the highest price bid for spot capacity for the relevant gas day.² DBP therefore earns revenue from overrun gas that is above the reference tariff, and this additional revenue should be sufficient to cover the additional incremental costs DBP incurs to provide the overrun gas (under either reference service or other negotiated contracts). Reference service users should therefore be compensated, via a reduction to the haulage reference tariff, given that these users cover most of the costs for the provision of pipeline services (including the provision of overrun gas transport) via the haulage reference tariff that they pay.

The introduction of a new overrun tariff will result in numerous amendments to the access arrangement, including a new tariff variation mechanism for overrun. The ERA has decided to consult on the drafting of these amendments to ensure the amendments can work at an operational level should they be approved for AA6.

Questions

The ERA seeks feedback on its proposed amendments to the access arrangement for the DBNGP to treat the net revenue DBP generates from overrun gas charges as reference service revenue.

In adopting this treatment approach, the ERA proposes to introduce a new “overrun tariff” component into the reference service tariff for the T1/P1/B1 Service, which will result in numerous amendments to the access arrangement. These amendments are set out below.

Please provide feedback on the proposed amendments.

Proposed amendments to the access arrangement

Relevant defined terms

Amendments to section 16 (Definitions) of the access arrangement are proposed to amend and/or introduce new terms as follows:

Reference Tariff Components means a Capacity Reservation Tariff, ~~or~~ a Commodity Tariff, or Overrun Tariff (as the case may require).

...

¹ The national gas objective is set out in section 23, and the revenue and pricing principles are set out in section 24, of the National Gas Law (as applicable to Western Australia).

² Refer clause 20.4(a)(iii) of the T1/P1/B1 reference service terms and conditions as approved by the ERA for AA5.

[NEW terms]

Overrun Tariff means overrun gas charges, which include:

- (a) the Overrun Charge, as specified in clause 20.4(a)(iii) of the terms and conditions for the Reference Service; and
- (b) the Unavailable Overrun Charge, as specified in clause 20.4(a)(iv) of the terms and conditions for the Reference Service.

Net Overrun Revenue means the revenue generated from overrun gas charges, net of the costs to provide overrun gas.

Section 3 (Pipeline Services) of the access arrangement

Amendments to clause 3.3 (T1 Service) are proposed to introduce the overrun tariff component into the reference tariff for the T1 Service.

Note: Amendments are also proposed to be made to clause 3.4 (P1 Service) and clause 3.5 (B1 Service consistent with the amendments shown here.

3.3 T1 Service

...

- (b) The reference tariff for T1 Service (~~T1 Tariff~~) is ~~the sum~~ comprised of the following components:

- (A) the T1 Capacity Reservation Tariff; and

- (B) the T1 Commodity Tariff; and

- (C) the T1 Overrun Tariff.

- (i) The sum of the T1 Capacity Reservation Tariff and T1 Commodity Tariff make the T1 haulage reference tariff ("T1 Tariff"). The T1 Overrun Tariff is a separate charge, which when summed with the T1 Tariff makes the Reference Tariff for the T1 Service.

- (ii) The T1 Overrun Tariff comprises both the Overrun Charge and Unavailable Overrun Charge as set out in the Reference Service terms and conditions for the T1 Service (**Attachment 2** to the Access Arrangement). The T1 Overrun Tariff may be, from time to time, varied in accordance with clause 4 of this Current Access Arrangement.

- (c) As at 1 January 2026:

- (i) the T1 Capacity Reservation Tariff is \$~~xx[to be inserted from ERA Final Decision]~~/GJ (\$2026); and

- (ii) the T1 Commodity Tariff is \$~~xx[to be inserted from ERA Final Decision]~~/GJ (\$2026);

- (iii) making a T1 Tariff of \$~~xx[to be inserted from ERA Final Decision]~~/GJ (\$2026).

The T1 Tariff, the T1 Capacity Reservation Tariff and the T1 Commodity Tariff will be, from time to time, varied in accordance with clause 11 of this Current Access Arrangement.

- (d) Prospective Shippers ...

Section 11 (Reference Tariff Variation Mechanism) of the access arrangement

Amendments to clause 11.3(b) are proposed to specify the information required for the overrun adjustment as part of the tariff variation mechanism:

Annual Scheduled Variation of Reference Tariffs

...

11.3 The process for the Annual Scheduled Variation of Reference Tariffs is as follows:

- (a) Before the Reference Tariff is varied in accordance with clause 11.2, the Operator must ...
- (b) As a minimum, the Scheduled Reference Tariff Variation Notice must contain the following information:
 - (i) the proposed varied Reference Tariff and varied Reference Tariff Components;
 - (ii) the date on which the varied Reference Tariff is to come into effect; and
 - (iii) calculations showing the derivation of the varied Reference Tariff and Reference Tariff Components using the methods in Annexure A to the Access Arrangement, including:
 - A. Revenue data for Rebateable Non-Reference Services to substantiate and show the effect of the adjustments made for Rebateable Non-Reference Services in accordance with Part A5 of Annexure A.
 - B. Relevant financial and usage data for overrun gas to substantiate and show the effect of the adjustments made for overrun gas charges in accordance with Part A[x] of Annexure A.

Section 13 (Fixed Principles) of access arrangement

Amendments to clause 13 are proposed to introduce new clause 13.1(d) for an overrun mechanism fixed principle. New clause 13.5 is also proposed as a related consequential amendment to specify the time period for the new fixed principle.

13.1 The following are Fixed Principles in accordance with NGR 99:

...

- (c) The method used to adjust the Reference Tariff for Rebateable Non-Reference Service revenue ("**Rebate Mechanism**"), as described in Annexure A5. For the avoidance of doubt, the Rebate Mechanism applies across access arrangement periods to the extent necessary to allow the rebateable non-reference service revenue earned in one access arrangement period to be fully rebated.
- (d) The method used to adjust the Reference Tariff for Net Overrun Revenue collected by Operator ("**Overrun Mechanism**"), as described in Annexure A[x]. For the avoidance of doubt, the Overrun Mechanism applies across access arrangement periods to the extent necessary to allow the Net Overrun Revenue collected in one access arrangement period to be fully accounted for.

...

13.5 For the purpose of the Fixed Principle referred to in clause 13.1(d) of this Access Arrangement, the fixed period for overrun revenue collected during AA6 is until the earlier of:

- (a) 31 December 2032; and

- (b) [the date when the Net Overrun Revenue collected during the period 1 January 2026 to 31 December 2030 has been fully accounted for in accordance with the Fixed Principle in clause 13.1\(d\).](#)

Annexure A of access arrangement

Amendments to Annexure A1 are proposed to reference the new annexure part “Adjustments for overrun gas charges”:

A1 Annual Scheduled Variation of Reference Tariffs

...

- 18.5 The Service Provider has also specified Rebateable Non-Reference Services in clause 3.1, the revenue from which in any given year is to be used to alter the Reference Tariff in the following year following the approach outlined in “Adjustments for Rebateable Non-Reference Services” (**Annexure A5**).

[18.6 The Net Overrun Revenue from overrun gas charges in any given year will also be used to alter the Reference Tariff in accordance with the approach outlined in “Adjustments for overrun gas charges” \(**Annexure A\[x\]**\).](#)

- 18.~~6~~[7](#) Any annually varied Reference Tariff Component will be effective 1 January of each regulatory Year.

Likewise, amendments to Annexure A2 are also proposed to reference the change in net overrun gas revenue (additional minor administrative amendments are also shown):

A2 CPI formula variation

...

Price Path of Tariff Variation

- 18.9 At each annual update of the tariff variation mechanism, only the latest tariff that is relevant to the variation will be calculated and applied for the variation year. The remaining years ... The resulting NPV of the Tariff Revenue will be equal to the approved Total Revenue of the access arrangement period, which was set out in the ~~Access Arrangement~~ [ERA's Final Decision for this Current Access Arrangement](#), albeit updated for the change in debt risk premium contributing to the rate of return, ~~and~~ [rebated revenue, and net overrun gas revenue.](#)

A new part to Annexure A is proposed to set out the approach that will be used to alter the reference tariff for net overrun revenue collected in any given year:

[\[NEW part to Annexure A\]](#)

A[x] Adjustments for overrun gas

- 18.[x] The revenue generated from overrun gas charges, net of the costs to provide overrun gas (“**Net Overrun Revenue**”), will be applied to reduce the Reference Tariff in accordance with this clause.
- (a) For the purpose of clause 18.[x], the costs to provide overrun gas include only the additional System Use Gas operating expenditure to provide overrun gas.
- (b) The Net Overrun Revenue generated in each of the periods specified in Column A below will be applied to reduce the Reference Tariff for the adjacent period in Column B.

Period	Column A	Column B
AA6, 1	1 January 2026 until 31 December 2026	1 January 2028 until 31 December 2028
AA6, 2	1 January 2027 until 31 December 2027	1 January 2029 until 31 December 2029
AA6, 3	1 January 2028 until 31 December 2028	1 January 2030 until 31 December 2030
AA6, 4	1 January 2029 until 31 December 2029	1 January 2031 until 31 December 2031
AA6, 5	1 January 2030 until 31 December 2030	1 January 2032 until 31 December 2032

- (c) The Net Overrun Revenue is calculated as:

$$\text{Net Overrun Revenue}_{(t)} = \text{ORev}_{(t)} - \text{OExp}_{(t)}$$

where:

ORev is overrun gas revenue collected by Operator via the Overrun Tariff in year (t);

OExp is the additional System Use Gas operating expenditure for the relevant year in Column A, that is calculated by adding the additional overrun gas full haul daily throughput to the calculation in the approved Tariff Model for the relevant year (t) to calculate the System Use Gas operating expenditure inclusive of overrun gas, and then subtracting the System Use Gas operating expenditure that was approved for the Current Access Arrangement Period in year (t); and

(t) is the relevant year.

- (d) The Net Overrun Revenue to be used to reduce the Reference Tariff in clause 18.[x](e) must be adjusted:

- (i) for inflation, consistent with the method set out in Annexure A2, so that the nominal value of the revenue matches the nominal year (set out in Column B) in which the revenue is to be returned via a reduction to the Reference Tariff; and
- (ii) for interest earned on the revenue, using the rate of return in the Tariff Model.

- (e) The Net Overrun Revenue will be applied to reduce the Reference Tariff by:

- (i) calculating the Net Overrun Revenue for the relevant period on a per gigajoule (full haul equivalent) per day basis by dividing the Net Overrun Revenue for the relevant period in Column A by the number of days and gigajoules specified as the "Full Haul Equivalent Capacity and throughput forecast" in the Tariff Model for the adjacent period in Column B; and then
- (ii) subtracting, from the Reference Tariff that would have otherwise been calculated for the relevant period in Column B after applying all the other methods for the Annual Scheduled Variation of Reference Tariffs as set out in Annexure A, the amount calculated for that period under clause 18.[x](e)(i) and split between the Capacity Reservation Tariff and Commodity Tariff on the same ratio used in the Tariff Model to determine Reference Tariffs.

Issue 2: Mechanism for demand uncertainty

ERA draft decision and stakeholder responses

In response to a submission received on the ERA's issues paper, the ERA considered a trigger event mechanism to address demand uncertainty. The ERA decided against introducing such a mechanism on the basis that a trigger event for demand would bring forward the review submission date for the access arrangement and reopen the entire access arrangement for review. Hence, the regulatory costs incurred by all parties involved to undertake an earlier review of the access arrangement would likely outweigh any material benefits. The ERA's detailed considerations were set out in paragraphs 26 to 38 in Draft Decision Attachment 8.

In the draft decision, the ERA did also acknowledge that demand forecasts, like any other forecasts, are inherently uncertain and hence the focus should remain on assessing DBP's forecasting and estimating methods to ensure these methods produce demand forecasts that are arrived at on a reasonable basis. The ERA considered that DBP's demand forecasts were deficient and set out several amendments in Draft Decision Attachment 2.

DBP did not address the trigger event mechanism in its revised proposal in response to the ERA's draft decision, nor did Wesfarmers Chemicals, Energy & Fertilisers (the party who originally suggested the trigger event mechanism) in its submission in response to the draft decision and DBP's revised proposal. However, NewGen Power Kwinana's submission in response to the ERA's draft decision and DBP's revised proposal did include further comments on a mechanism for demand uncertainty.

NewGen still considered that a mechanism to address demand uncertainty was needed. It noted that the risk of a material divergence between forecast and actual demand should not be solely borne by gas users. NewGen suggested a mechanism that could apply at the end of Year 4 of the access arrangement period, with a revenue "true-up" for material divergences between actual and forecast demand to be made at the commencement of the following access arrangement period to avoid the need to bring forward the review submission date and reopen the entire access arrangement for assessment.³

Final decision considerations

The ERA considers that the mechanism suggested by NewGen is sufficiently different from the mechanism considered in the draft decision to warrant reconsideration of an alternative mechanism to address demand forecast uncertainty.

Throughout the ERA's engagement process, stakeholders have raised concerns that there is an imbalance in risk-sharing between DBP and gas users regarding gas demand uncertainty. That is, DBP can seek a review of the access arrangement when actual demand is lower than forecast, and in such cases, DBP is incentivised and able to reopen the access arrangement under the regulatory framework.⁴ Conversely, when actual gas demand exceeds forecasts, gas users have no equivalent opportunity to request a reassessment. The ERA considers that a mechanism that reduces the likelihood of excessive gains for DBP at the expense of shippers in a volatile demand environment would improve risk-sharing between DBP and gas users.

Stakeholders also noted that short and long-term demand risk has shifted to gas users and that DBP has historically under-forecast demand, mitigating downside risk while maximising potential upside

³ NewGen, *Submission in response to ERA draft decision and/or DBP revised proposal*, 22 September 2025, p. 8.

⁴ National Gas Rules, rule 52(1).

gains. Introducing a “revenue true-up” mechanism that applies when actual demand materially diverges from forecast demand would address these concerns.

If introduced, the ERA considers that NewGen’s suggested mechanism would be best implemented as a fixed principle. Fixed principles provide certainty that specific elements of an access arrangement will remain unchanged for a set period, which may extend across more than one access arrangement period. As a fixed principle the mechanism for demand uncertainty would not require the acceleration of the review submission date (unlike the occurrence of a trigger event) and will provide certainty as to the approach that will be used to adjust demand and the reference tariff.

Proposed fixed principle to address demand uncertainty

The ERA is undertaking a comprehensive analysis of demand forecasts for AA6. This analysis will be set out as part of the ERA’s considerations on demand in the final decision.

While the ERA is satisfied that its final decision demand forecast for AA6 will be arrived at on a reasonable basis and will represent the best possible forecast in the circumstances, there is still a significant element of forecasting risk that needs to be addressed, and of which will not be incorporated into the ERA’s demand forecast. Given the uncertainty on the mix of gas in the South West Interconnected System with planned retirements of coal generation and increasing entry of renewables and batteries into the power system, the demand forecasts for gas-powered generators still pose material forecasting risks.

For this reason, the ERA is considering a new fixed principle for demand to introduce a demand uncertainty mechanism to adjust the reference tariff in AA7 if there is a material variance between actual and forecast demand. Such a mechanism will provide flexibility to respond to material variances in demand without reopening the access arrangement, thereby balancing regulatory efficiency with the need to manage risk.

The mechanism under consideration is symmetrical in nature, which will automatically compensate DBP in circumstances where actual demand is materially lower than forecast demand, and avoid the need for DBP to seek a review of the access arrangement.

The ERA is also considering a 50:50 risk-sharing arrangement, to share the demand risk above or below (+/-) 5 per cent in equal portions between DBP and shippers. Under this risk-sharing arrangement, DBP will still cover the demand risk between +/- 5 per cent from the forecast. The ERA considers that a 5 per cent difference in contracted capacity from the forecast would result in a material difference in tariff revenue. The risk-sharing arrangement seeks to acknowledge that any material demand uncertainty is largely outside of DBP’s control and a sharing of this risk between DBP and shippers is appropriate.

The introduction of a new fixed principle for demand adjustments will result in numerous amendments to the access arrangement. The ERA has decided to consult on the drafting of these amendments to ensure the amendments can work at an operational level should they be approved for AA6.

Questions

The ERA seeks feedback on its proposed amendments to the access arrangement for the DBNGP to introduce a new fixed principle for demand adjustments to address demand uncertainty.

This new fixed principle will result in numerous amendments to the access arrangement. These amendments are set out below.

Please provide feedback on the proposed amendments.

Proposed amendments to the access arrangement

Section 13 Fixed principles

13.1 The following are Fixed Principles in accordance with NGR 99:

...

- (c) The method used to adjust the Reference Tariff for Rebateable Non-Reference Service revenue ("**Rebate Mechanism**"), as described in Annexure A5. For the avoidance of doubt, the Rebate Mechanism applies across access arrangement periods to the extent necessary to allow the rebateable non-reference service revenue earned in one access arrangement period to be fully rebated.

[x] The method used to adjust the Reference Tariff for material variances between forecast and actual demand ("**Demand True-up Mechanism**"), as described in clause 13.[y]. For the avoidance of doubt, the Demand True-up Mechanism applies across access arrangement periods to the extent necessary to allow surplus revenue collected from higher than forecast demand, or the deficit in revenue resulting from lower than forecast demand, in one access arrangement period to be fully accounted for.

...

[NEW fixed principles 13.[x] and 13.[y]]f

13.[x] For the purpose of the Fixed Principle referred to in clause 13.1[x] of this Access Arrangement, the fixed period for the surplus revenue collected, or deficit in revenue, during AA6 is until the earlier of:

- (a) 31 December 2032; and
- (b) the date when the surplus revenue collected, or deficit in revenue, during the period 1 January 2026 to 31 December 2030 has been fully accounted for in accordance with the Fixed Principle in clause 13.1[x].

13.[y] The following principles apply to the Demand True-up Mechanism:

- (a) The mechanism operates symmetrically, with a plus or minus materiality threshold.
- (b) The materiality threshold is 5%. That is, a threshold of +/- 5% will apply to the variance between actual and forecast total Reference Service contracted capacity full haul equivalent (FHE) demand so that:
 - (i) in years where the variance between actual and forecast total Reference Service contracted capacity FHE demand is within this threshold, no adjustment to the Reference Tariff will occur.
 - (ii) in years where the variance between actual and forecast total Reference Service contracted capacity FHE demand is outside this threshold, an adjustment to the Reference Tariff will occur in accordance with clause 13.[y](c).
- (c) The Demand True-up Mechanism will adjust the Reference Tariff as follows:

$$C_t = S \times \left[\underbrace{-\max(0, R_t^{\text{Actual}} - (1 + \tau) \times R_t^{\text{Forecast}})}_{\text{Outperformance to be returned to shippers}} + \underbrace{\max(0, (1 - \tau) \times R_t^{\text{Forecast}} - R_t^{\text{Actual}})}_{\text{Underperformance to be compensated by shippers}} \right]$$

where:

C_t is the Carryover Amount for the calendar year t (2026, 2027, 2028, 2029 and 2030);

R_t^{Actual} is the actual revenue from the Reference Tariffs for the calendar year t ; and is calculated as;

$$\sum_{i=1}^n \sum_{j=1}^m \text{Tariff}_t^{i,j} \times q_t^{i,j}$$

where:

$\text{Tariff}_t^{i,j}$ is the tariff value of Reference Service and Reference Tariff Component i and j as varied from 1 January of the Calendar Year t ;

$q_t^{i,j}$ is the actual quantity of Reference Service and Reference Tariff Component i and j for the 2026 to 2030 Access Arrangement period in Calendar Year t ;

R_t^{Forecast} is calculated as;

$$\sum_{i=1}^n \sum_{j=1}^m \text{Tariff}_t^{i,j} \times \hat{q}_t^{i,j}$$

where:

$\text{Tariff}_t^{i,j}$ is the tariff value of Reference Service and Reference Tariff Component i and j as varied from 1 January of the Calendar Year t ;

$\hat{q}_t^{i,j}$ is the forecast quantity of Reference Service and Reference Tariff Component i and j that was included in the ERA's Final decision for the 2026 to 2030 Access Arrangement period in Calendar Year t ;

i is the Reference Service with:

$i=1$ being T1 Service;

$i=2$ being P1 Service; and

$i=3$ being B1 Service

j is the Reference Tariff Component with:

$j=1$ being Capacity Reservation Tariff; and

$j=2$ being Commodity Tariff;

τ is the 5 per cent plus or minus materiality threshold (0.05);

S is the sharing ratio of 50 per cent to represent a 50:50 sharing mechanism.

- (d) The Carryover Amount used to reduce the Reference Tariff in clause 13.[y](c) must be adjusted:
- (i) for inflation, consistent with the method set out in Annexure A2, so that the nominal value of carryover amount matches the nominal year in which it is to be applied; and
 - (ii) for interest earned on the carryover amount, using the rate of return in the Tariff Model.

13.[z] The (“**Carryover Amount**”) specified in clause 13.y(c) will be applied to the Reference Tariff as follows:

- (a) The Carryover Amount for the calendar year specified in Column A below will result in an adjustment to the Reference Tariff for the adjacent year specified in Column B.

Period	Column A	Column B
AA6, 1	1 January 2026 until 31 December 2026	1 January 2031 until 31 December 2031
AA6, 2	1 January 2027 until 31 December 2027	1 January 2031 until 31 December 2031
AA6, 3	1 January 2028 until 31 December 2028	1 January 2031 until 31 December 2031
AA6, 4	1 January 2029 until 31 December 2029	1 January 2031 until 31 December 2031
AA6, 5	1 January 2030 until 31 December 2030	1 January 2032 until 31 December 2032

- (b) The Carryover Amount will be applied to reduce the Reference Tariff by:
- (i) calculating the Carryover Amount for the relevant period on a per gigajoule (full haul equivalent) per day basis by dividing the Carryover Amount for the relevant period in Column A by the number of days and gigajoules specified as the “Full Haul Equivalent Capacity and throughput forecast” in the Tariff Model for the adjacent period in Column B; and then
 - (ii) subtracting, from the Reference Tariff that would have otherwise been calculated for the relevant period in Column B after applying all the other methods for the Annual Scheduled Variation of Reference Tariffs as set out in Annexure A, the amount calculated for that period under clause 13.y(c) and split between the Capacity Reservation Tariff and Commodity Tariff on the same ratio used in the Tariff Model to determine Reference Tariffs.