Economic Regulation Authority

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NOTICE

CALL FOR SUBMISSIONS ON AN ALTERNATE PART HAUL AND BACK HAUL TARIFF METHODOLOGY FOR THE DAMPIER TO BUNBURY NATURAL GAS PIPELINE REVISED ACCESS ARRANGEMENT

The Economic Regulation Authority (Authority) is seeking public comment on Dampier to Bunbury's (DBP) suggested methodology for calculating Reference Tariffs for Part Haul and Back Haul Services under proposed revisions to the Dampier to Bunbury Natural Gas Pipeline (DBNGP) Access Arrangement.

DBP has suggested an alternative method of calculating these tariffs in a submission (Submission 48) in response to the Authority's Draft Decision. Under Amendment 9 of its Draft Decision, the Authority determined these tariffs using a pro-rata distance based formula. DBP has indicated that it does not agree with Amendment 9 but has suggested the alternative calculation method in the event that the Authority maintains its requirement for Amendment 9.

DBP's submission sets out an alternative cost allocation for Part Haul and Back Haul Services in which a greater proportion of costs for the DBNGP are allocated to Part Haul and Back Haul Services than would be implied by applying the distance-based tariff formula outlined in the Draft Decision.

The Authority notes that if it were to accept the cost-allocation proposed by DBP in its submission, there may still be some differences between the Reference Tariffs indicated by DBP in its submission and the Reference Tariffs ultimately approved by the Authority, due to determinations by the Authority on the costs submitted by DBP. The relative differences between tariffs determined on a proportional distance basis and tariffs determined according to DBP's proposed cost allocation set out in its submission would, however, remain similar.

DBP's Submission 48 was provided to the Authority as a confidential submission pursuant to section 7.11 of the *National Third Party Access Code for Natural Gas Pipeline Systems* (Code). DBP was asked by the Authority to allow disclosure of the information in this submission for the purpose of public consultation. DBP provided a version for public release, however, the Authority determined it did not contain sufficient information to assist parties to fully understand and comment on the DBP alternative. Accordingly, the Authority has made a determination under section 7.12 of the Code to disclose additional information to the public from DBP's confidential Submission 48. This confidential information being disclosed is section 3.12 of DBP's confidential submission.

The Authority's Draft Decision, DBP's public version of Submission 48 on tariff methodology for Part Haul and Back Haul Services and section 3.12 of DBP's confidential Submission 48 are available on the Authority's website (<u>Draft Decision</u>, <u>DBP Public version of Submission</u> 48, <u>Section 3.12 of DBP's Confidential Submission 48</u>).</u>

Interested parties are invited to comment on DBP's alternative cost allocation proposal, as outlined in Submission 48, for calculating Reference Tariffs for Part Haul and Back Haul Services. The closing date for submissions is Friday 14 October 2005. Submissions should be in both printed and electronic form and should be directed to:

Mr Russell Dumas Director, Gas and Rail Access Economic Regulation Authority Level 6, Governor Stirling Tower 197 St Georges Terrace PERTH WA 6000

Email:russell.dumas@era.wa.gov.auFax:(08) 9213 1999

Confidentiality

In general submissions made to the Authority will be treated as in the public domain and placed on the Authority's website unless confidentiality is claimed in respect of the submission or part of the submission and the issues or parts of the submission in relation to which confidential treatment is sought are clearly marked. Any claim of confidentiality will be considered in accordance with the provisions of sections 7.11 to 7.14 of the Code.

The publication of a submission on the Authority's website shall not be taken as indicating that the Authority has knowledge either actual or constructive of the contents of a particular submission and, in particular, whether the submission in whole or part contains information of a confidential nature and no duty of confidence will arise for the Authority.

For further information contact:

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LYNDON ROWE CHAIRMAN

3 October 2005