

NOTICE

CORRIGENDA FOR THE FINAL DECISION – DAMPIER TO BUNBURY NATURAL GAS PIPELINE

On 2 November 2005, the Economic Regulation Authority (**Authority**) issued its Final Decision on the revisions proposed by DBNGP (WA) Transmission Pty Ltd (**DBP**) to the Access Arrangement for the Dampier to Bunbury Natural Gas Pipeline (**DBNGP**).

The Authority has become aware of discrepancies and modelling matters that require correction. These collectively result in small changes to various values published in the Final Decision. The most significant matters are:

- The allocation of Total Revenue between the Capacity Reservation Charge and the Commodity Charge. Due to the correction made to non capital costs not being carried through to the tariff determination, the present value of Total Revenue to be recovered from the Commodity Charge is \$118.72 million, rather than \$132.45 million. Refer to paragraph 300 and page 1 of Appendix 2 (Reference Tariff Financial Model).
- The correction made to the Capital Base due to the removal of the costs for Stage 3A expansion. The application of the correct adjustment for inflation to the values deducted from DBP's claimed actual capital expenditure for the last access arrangement period results in \$23.004 million rather than \$21.776 million being removed from the 2005 capital base (December 2004 dollars). Refer paragraph 177.
- An entry error in paragraph 165 which also affected the Reference Tariff Financial Model (Appendix 2) where \$18.885 million is to be replaced with 18.855 million.

The corrected present value of Total Revenue derived by the Authority over the six years 2005 to 2010 is \$ 1,199.53 million, not \$1,200.08 million (real discount rate of 7.24%). Refer to paragraph 334.

The corrected Full Haul Reference Tariffs are:

Capacity Reservation Charge (\$/GJ MDQ)	0.899748	not 0.888782
Commodity Charge (\$/GJ)	0.103106	not 0.115028
Total at 100% load factor (\$GJ)	1.002854	not 1.003810

Accordingly, the Final Decision is hereby corrected in terms of the attached corrigenda.

The revisions apply as at 11 November 2005 and all copies of the Final Decision and Appendix 2 (Reference Tariff Financial Model), of the Final Decision issued or downloaded from the Authority's web site prior to 11 November 2005 should be corrected accordingly.

Copies of the corrected Final Decision (marked up and clear), and Appendix 2 (Reference Tariff Financial Model), of the Final Decision can be obtained from the Authority and are also available from the Authority's web site at www.era.wa.gov.au.

The Authority considers these corrections are not of a nature to warrant extending the time by which DBP is required to submit amended revisions to the Access Arrangement to the Authority. Accordingly, the submission date remains no later than **4:00 pm (WST) on Wednesday, 30 November 2005**.

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LYNDON ROWE
CHAIRMAN

11 November 2005

CORRIGENDA FOR FINAL DECISION DAMPIER TO BUNBURY NATURAL GAS PIPELINE

1. Paragraph 165 delete \$18.885 million and replace with 18.855 million.
2. Paragraph 177 delete \$21.776 million and replace with 23.004 million.
3. Paragraph 198, 333 and 679, delete \$1,619.60 million and replace with \$1,618.37 million.
4. Replace the table in paragraph 198 with the following:

**Roll Forward of the Capital Base (corrected by the Authority)
(Real \$million, dollar values at 1 January 2005)**

Year ending 31 December	2000	2001	2002	2003	2004
Opening Capital Base					
Pipeline	1,491.15	1,465.34	1,438.00	1,410.70	1,383.32
Compressors	249.79	234.23	222.28	208.82	194.98
Meters	20.48	20.58	20.63	20.46	19.89
Other depreciable assets	56.26	58.61	56.55	53.61	50.59
Non depreciable assets	12.09	12.09	12.09	12.09	12.09
Total	1,829.77	1,790.84	1,749.55	1,705.67	1,660.86
New Facilities Investment					
Pipeline	1.55	0.03	0.07	0.00	0.62
Compression	-2.23	1.44	0.09	-0.12	0.18
Metering	0.64	0.58	0.38	-0.03	1.67
Other depreciable assets	5.69	1.48	0.79	0.94	0.90
Non depreciable assets	0.00	0.00	0.00	0.00	0.00
Total	5.65	3.54	1.32	0.79	3.38
Depreciation					
Pipelines	27.36	27.37	27.37	27.38	27.38
Compression	13.34	13.38	13.55	13.72	13.80
Metering	0.54	0.54	0.54	0.54	0.54
Other depreciable assets	3.34	3.54	3.74	3.96	4.15
Non depreciable assets	0.00	0.00	0.00	0.00	0.00
Total	44.58	44.82	45.20	45.60	45.87
Closing Capital Base					
Pipeline	1,465.34	1,438.00	1,410.70	1,383.32	1,356.56
Compressors	234.23	222.28	208.82	194.98	181.36
Meters	20.58	20.63	20.46	19.89	21.02
Other depreciable assets	58.61	56.55	53.61	50.59	47.34
Non depreciable assets	12.09	12.09	12.09	12.09	12.09
Total	1,790.84	1,749.55	1,705.67	1,660.86	1,618.37

5. Paragraph 248, replace the tables in paragraph 248 with the following:

Depreciation Schedule Revised by the Authority

Year ending 31 December	2005	2006	2007	2008	2009	2010
Real \$million, dollar values at 1 January 2005						
Pipeline assets	27.39	27.46	27.54	31.17	35.08	36.28
Compression assets	12.54	12.61	14.90	18.81	20.16	20.17
Metering assets	0.60	0.62	0.64	0.65	0.65	0.65
Other depreciable assets	3.67	3.80	3.91	3.96	4.14	4.36
Total	44.19	44.48	46.99	54.58	60.03	61.45

Projected Roll-Forward of the Capital Base Revised by the Authority

Year ending 31 December	2005	2006	2007	2008	2009	2010
Real \$million, dollar values at 1 January 2005						
Capital Base at beginning of year	1,618.37	1,587.51	1,621.97	1,948.26	2,213.52	2,243.99
New Facilities Investment	13.33	78.94	373.28	319.84	90.50	151.25
Depreciation	44.19	44.48	46.99	54.58	60.03	61.45
Capital Base at end of year	1,587.51	1,621.97	1,948.26	2,213.52	2,243.99	2,333.79

6. Paragraph 333 replace the table in paragraph 333 with the following:

**Parameter values in the Authority's determination of Total Revenue
(Real \$million at 1 January 2005)**

Capital Base (at 31 December 2004)	\$1,618.37 million					
New Facilities Investment	2005	2006	2007	2008	2009	2010
	13.33	78.94	373.28	319.84	90.50	151.25
Rate of Return	7.24% real pre-tax					
Depreciation	2005	2006	2007	2008	2009	2010
	44.19	44.48	46.99	54.58	60.03	61.45
Non Capital Costs	2005	2006	2007	2008	2009	2010
	59.45	57.22	77.46	76.31	73.87	74.57

7. Paragraph 334 replace the table in paragraph 334 with the following:

**Value of Total Revenue derived by the Authority
(Real \$million at 1 January 2005)**

Year ending 31 December	2005	2006	2007	2008	2009	2010
Return on Assets	117.13	114.90	117.39	4141.01	160.21	162.41
Depreciation	44.19	44.48	46.99	54.58	60.03	61.45
Non Capital Costs	59.45	57.22	77.46	76.31	73.87	74.57
Total	220.78	216.60	241.84	271.90	294.10	298.43
Present Value (Real discount rate of 7.24 per cent)	1,199.53					

8. Paragraph 362 replace the table in paragraph 362 with the following:

Tariffs Determined by the Authority for 2005 with alternative cost allocation methodologies

Service and Charge	Tariffs determined from DBP's proposed cost allocation	Comparative tariffs with proportional distance-based Part Haul and Back Haul tariffs
Full Haul		
Capacity reservation charge (\$/GJ MDQ)	0.896796	0.899748
Commodity charge (\$/GJ)	0.103118	0.103106
Total at 100% load factor (\$/GJ)	0.999914	1.002854
Part Haul		
Capacity reservation charge (\$/GJ MDQ/km)	0.000684	0.000643
Commodity charge (\$/GJ/km)	0.000073	0.000074
Total at 100% load factor (\$/GJ/km)	0.000757	0.000717
Back Haul		
Capacity reservation charge (\$/GJ MDQ/km)	0.000738	0.000643
Commodity charge (\$/GJ/km)	0.000075	0.000074
Total at 100% load factor (\$/GJ/km)	0.000814	0.000717

9. Paragraph 363 replace (10 to 16 per cent) with (6 to 14 per cent).

10. Paragraph 392 replace the table in paragraph 392 with the following:

Tariffs Determined by the Authority for 2005 with Reference Tariffs for Part Haul and Back Haul Services determined by a pro rata distance-based calculation from Full Haul Tariff

Service and Charge	Tariff Charges Determined by the Authority
Full Haul	
Capacity reservation charge (\$/GJ MDQ)	0.899748
Commodity charge (\$/GJ)	0.103106
Total at 100% load factor (\$/GJ)	1.002854
Part Haul and Back Haul	
Capacity reservation charge (\$/GJ MDQ/km)	0.000643
Commodity charge (\$/GJ/km)	0.000074
Total at 100% load factor (\$/GJ/km)	0.000717

11. Paragraph 393, which contains Final Decision Amendment 7:

- a. replace \$0.888782/GJ MDQ with \$0.899748/GJ MDQ
- b. replace \$0.115028/GJ with 0.103106/GJ
- c. replace \$1,619.60 million with \$1,618.37 million
- d. replace

with	<table border="1"> <thead> <tr> <th>Depreciation</th> <th>2005</th> <th>2006</th> <th>2007</th> <th>2008</th> <th>2009</th> <th>2010</th> </tr> </thead> <tbody> <tr> <td></td> <td>44.19</td> <td>44.52</td> <td>47.03</td> <td>54.62</td> <td>60.07</td> <td>61.49</td> </tr> </tbody> </table>	Depreciation	2005	2006	2007	2008	2009	2010		44.19	44.52	47.03	54.62	60.07	61.49
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	44.19	44.52	47.03	54.62	60.07	61.49									
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Depreciation	2005	2006	2007	2008	2009	2010									
	44.19	44.48	46.99	54.58	60.03	61.45									

12. Paragraph 679 , which contains Final Decision Amendment 7:

- a. replace \$0.888782/GJ MDQ with \$0.899748/GJ MDQ
- b. replace \$0.115028/GJ with 0.103106/GJ
- c. replace \$1,619.60 million with \$1,618.37 million
- d. replace

	Depreciation	2005	2006	2007	2008	2009	2010
	44.19	45.22	47.71	55.30	60.74	62.17	
with							
	Depreciation	2005	2006	2007	2008	2009	2010
	44.19	44.48	46.99	54.58	60.03	61.45	