

From: [REDACTED]
To: [REDACTED]
Cc: [REDACTED]
Subject: Re: Request for input from AEMO – AER's classification of Kurri Kurri Lateral Pipeline (KKLP) [SEC=OFFICIAL]
Date: Tuesday, 4 February 2025 11:07:41 AM
Attachments: [image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)

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Hi [REDACTED]

Hope you are well.

Please see AEMO's response to your questions below:

Whether, in your opinion, the AER should classify the KKLP (or any part(s) thereof) as a transmission or distribution pipeline? Please provide reasons.

AEMO have been working on the basis that the KKLP is a transmission pipeline and hence will be registered on the Gas Bulletin Board (GGB) which applies to transmission and not distribution pipelines. The KKLP is more characteristic of a transmission pipeline due to the following factors:

- The KKLP operates at transmission-level pressures and will also have the ability store reasonable volumes of gas that can be injected back into the distribution network, making it functionally different from distribution pipelines which operate at lower pressures to serve end-users; and
- The KKLP is a point-to-point pipeline that connects the Sydney to Newcastle pipeline to the Hunter Power Project, a large industrial facility, rather than supplying multiple small customers as a distribution pipeline would.

Are there any factors that you are aware of, that are not raised in APA's application, that would impact the AER's classification decision? Page 2

N/A

Do you see any potential immediate or longer-term flow-on effects of classifying the KKLP (or any part(s) thereof) as a transmission or distribution pipeline?

AER classification of the KKLP as a transmission pipeline will ensure immediate alignment with the existing gas market frameworks which include its interaction with the gas wholesale markets and its registration on the GGB. A transmission pipeline classification will also add to the transparency in the gas market given the requirements in the National Gas Rules to report information to the STTM and GGB.

Longer term effects of a transmission classification include greater flexibility for KKLP's future expansion/development should additional capacity be required, and facilitation of additional transportation arrangements such as third-party access if required.

Do you have any other comments that you would like the AER to have regard to when making its classification decision?

N/A

Feel free to reach out if you would like to discuss.

Kind regards,

[REDACTED]

[REDACTED]

Senior Analyst, Gas Reform Implementation

[REDACTED]

Australian Energy Market Operator

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