3 December 2018

Mr Jamie Coombs
Regulatory Compliance Coordinator
SEA Gas
Level 4, 70 Hindmarsh Square Adelaide SA 5000
Email: jamie.coombs@seagas.com.au

Dear Mr Coombs

Re: Part 24 and Part 25 Conditional exemption– Mortlake Pipeline

On 22 November 2018, the Part 24 and Part 25 of the National Gas Rules (NGR) relating to capacity trading and the day-ahead auction came into effect.

We are writing to inform you of an exemption that applies to the Mortlake Pipeline in relation to the new obligations under Parts 24 and 25. This has been granted for facilities that are subject to certain exemptions under Part 23 of the NGR.

Under Rule 611(2), the AER has determined to initiate and grant conditional exemptions from Part 24 and 25 requirements on the basis that the Mortlake Pipeline holds an existing Part 23 Category 2 exemption and is a single user facility. This takes account that the same criteria supporting a Category 2 Part 23 exemption equally apply for a conditional exemption under Part 24 of the NGR

The Part 24 exemption will expire on 28 February 2023, unless the Part 23 Category 2 exemption continues to apply to the Mortlake Pipeline, including any period during which the AER is considering whether to extend or reapply such an exemption, in which case the exemption will continue in force until the Part 23 exemption ceases.

This exemption is subject to the conditions set out in rule 611(6) and is conditional on it.

As required by Rule 611(10), please notify the AER if circumstances change such that the Mortlake Pipeline no longer qualifies for this conditional exemption.

Rule 611(9) requires the AER to maintain a public register for Part 24 exemptions. The details will be the same as those published on the Part 23 Register.

If you wish to discuss the content of this letter or have any questions, please contact Jeremy Llewellyn on (07) 3835 4610.

Yours sincerely

Peter Adams
General Manager
Market Performance