

6 June 2019

Sebastian Roberts  
General Manager  
Transmission and Gas  
Australian Energy Regulator  
GPO Box 520  
Melbourne VIC 3001

Dear Sebastian

### **Amadeus Gas Pipeline reference service proposal**

APT Pipelines (NT) Pty Limited (APT NT) is the service provider for the fully-regulated Amadeus Gas Pipeline (AGP).

Submission of proposed revisions to the Access Arrangement for the AGP, to the Australian Energy Regulator (AER), is required by 1 July 2020.

NGR Rule 47A(1) requires that the APT NT submit to the AER a reference service proposal in respect of the forthcoming full access arrangement proposal 12 months prior to the review submission date for the access arrangement proposal. APT NT should, then, submit a reference service proposal for the AGP to the AER by 1 July 2019.

Currently, APT NT is preparing its reference service proposal. APT NT will be undertaking engagement and consultation with users and end-users. It is APT NT's strong preference that the outcomes of that engagement and consultation be included in the reference service proposal. However, the process of engagement is unlikely to be completed before 1 July 2019.

APT NT is, therefore, seeking to extend the time for submission of the reference service proposal for the AGP, by one month, to 1 August 2019. If the AER were to extend the time for submission of the reference service proposal, APT NT would proceed with the revision proposal anticipating that the AER might also use its powers under rule 12 to extend the time for its making of a decision on the reference service proposal. There would be no consequential impact on APT NT fulfilling its obligation to submit its proposed revisions to the Access Arrangement by 1 July 2020.

### **Background to the AGP reference service proposal**

Although the AGP was originally constructed (construction was completed in 1986) to transport gas from Amadeus Basin fields to Darwin, the pipeline is now bi-directional. Gas can flow north to an interconnection with the Northern Gas Pipeline, and to Darwin. Gas can flow south, from Darwin, and from an interconnection with the Bonaparte gas Pipeline, to the interconnection with the Northern Gas Pipeline.

Current users of the pipeline, and the services they use, are listed in the following table.

User	Service
[REDACTED]	Firm transportation service
	Interruptible transportation service
	As available transportation service
	Firm transportation service
	Interruptible transportation service
	Firm transportation service
	Firm parking service
	Firm loan service
	Interruptible transportation service
	Firm parking service
	Firm loan service
	Firm transportation service
	Interruptible parking service

A reference service proposal must set out, among other things, a list of all the pipeline services that the service provider can reasonably provide on the pipeline, and a description of those services having regard to the characteristics listed in subrule 47A(2).

Technically, the AGP can provide most of the pipeline services which can be provided using a gas transmission pipeline. The AGP can provide:

- Firm transportation service
- Interruptible transportation service
- Firm parking service
- Firm loan service
- Interruptible parking service
- Interruptible loan service
- In-pipe trade service
- Operational capacity transfer service

Although each of these is a service which APT NT can provide using the AGP, the current gas transportation agreements do not necessarily provide a clear indication of user service preferences.

The services currently available to users (and to prospective users) are physically constrained. The firm transportation capacity available in the AGP is fully contracted, and users have contracted for interruptible service, and for parking and loan services to provide operational flexibility.

The services currently available to users (and to prospective users) are also contractually constrained. APT NT's gas transportation agreement with [REDACTED] gives [REDACTED] priority over all other users in respect of the day to day scheduling of nominations, and gives [REDACTED] priority over all other users in the event of a need to curtail receipts or deliveries. ATP Pipelines (NT) is required, under the gas transportation agreement, to ensure that any future transportation agreement with another user includes provisions which recognise [REDACTED] priorities in respect of scheduling and in the event of curtailment.

At present, APT NT has no approved plan to expand the capacity of the AGP.

Although there is no queue for capacity, there is currently interest from users and prospective users in capacity in the AGP. That interest is principally in respect of capacity for the transportation of gas to the interconnection between the AGP and the Northern Gas Pipeline.

APT NT has planned to engage and consult with pipeline users and prospective users, and with end users, when developing the reference service proposal for the AGP. This process of engagement commences with discussions with [REDACTED]. Any wider engagement on reference services is likely to quickly turn to the issue of the constraint imposed by APT NT's gas transportation agreement with [REDACTED]. Discussions with [REDACTED] are expected to be held, in Perth, next week.

Meetings will then need to be arranged with other users and prospective users, and with end users and their representatives. The parties with whom APT NT expects to engage are located in Darwin, in Sydney, in Melbourne, and in Perth.

APT NT will have commenced, but does not expect to have completed, a process of engagement with users and end-users before 1 July 2019. Consideration of user and end-user views could be deferred to submissions made in response to the AER's invitation for written submissions issued in accordance with rule 47(A)(6)(e).

However, APT NT is of the view that, given the physical and contractual constraints on AGP capacity, earlier engagement will deliver a better outcome from the reference service proposal process, and should reduce the amount of work undertaken by the AER to reach a decision on the AGP proposal. APT NT therefore requests that the AER use its powers under NGR rule 12 to extend the time for submission of the reference service proposal for the AGP, by one month, to 1 August 2019.

APT NT would appreciate a favourable response to this request for an extension of time to submit a reference service proposal for the AGP. Should we be able to further assist the AER's consideration of our request, please contact Mark Allen (in Sydney, on 02 9275 0010, or at [mark.allen@apa.com.au](mailto:mark.allen@apa.com.au)) or John Williams (in Perth, on 08 6189 4594, or at [john.williams@apa.com.au](mailto:john.williams@apa.com.au)).

Yours sincerely

[REDACTED]

Peter Bolding  
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