

15 October 2019

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

By email: [dale.johansen@aer.gov.au](mailto:dale.johansen@aer.gov.au)

Dear Mr Roberts

### **Response to Reference Service Proposal for the Amadeus Gas Pipeline**

Central Petroleum Limited ("Central" or "Company") is small cap Australian gas exploration and production company operating in both the Northern Territory and Queensland. Central's access arrangements on the Amadeus Gas Pipeline (AGP) are a critical factor in our ability to find and bring new gas supply to a critically short east coast gas market.

As a pipeline user, Central is providing the response set out below to the proposed Access Arrangement submitted by APT Pipelines (NT) Pty Limited (APTNT) on 31 July 2019 ("Submission").

The Submission proposes a firm transportation service as the only reference service on the AGP. This will result in a very misleading indication of revenue and return for the AGP and provide little regulatory protection for pipeline users given the significance of other non-firm services utilised. Central strongly suggests that that the many other essential services currently required by users of the AGP be provided as reference services including the following:

- 1) As-available transportation service
- 2) Interruptible transportation service
- 3) Firm park and loan services
- 4) Interruptible park and loan services
- 5) In-pipe trade service
- 6) Pipeline expansion services (since the pipeline is currently described as fully contracted and expansion is the only option if the development of the Northern Territory gas market, and increased Northern Territory gas production, are to be realised).

Central understands that all of the AGP's firm capacity (including transportation and park & loan) is currently contracted (as opposed to being utilised) under a legacy priority access provided to Power and Water Corporation (PWC) for firm services on the AGP and its rights to inlet point capacity which are not being utilised. Therefore, if the only reference service is a firm transportation service, the AER will not have visibility of a significant portion of revenue generated by the AGP and Central's will have little benefit of regulation for one of its key service requirements. In addition, should Central agree to expand the capacity of the AGP, there is no clear regulation covering how expanded capacity would be priced under current regulations. APTNT currently provides services 2 and 4 as firm capacity of the AGP appears to be fully contracted. Central notes that, given the services are interruptible, there should not be an operational issue with including these in the reference service as the services will only be offered if the pipeline capacity allows it.

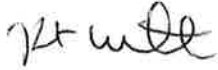
Whilst Central discusses transport and operational matters with APTNT regularly, Central was not invited to participate during APTNT's consultation period to provide any input into the Submission.

Although specific details of service arrangements on the AGP are subject to confidentiality provisions in agreements with pipeline users, Central has prepared the reference service response as a public document which can be made available to relevant stakeholders via the Australian Energy Regulator's website.

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Central looks forward to engaging with the Australian Energy Regulator to consider the Company's feedback in their approval of the Access Arrangement revisions for the AGP. Please contact me on 07 3181 3849 or at [katherinewilliams@centralpetroleum.com.au](mailto:katherinewilliams@centralpetroleum.com.au) for any further information which might be required on the response.

Yours sincerely

A handwritten signature in black ink, appearing to read 'K Williams', written in a cursive style.

Kate Williams  
Commercial & Business Analysis Manager