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Mr Sebastian Roberts
General Manager
Australian Energy Regulator
GPO Box 520
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By email: Amadeus2021@aer.gov.au

Dear Mr Roberts

Amadeus Gas Pipeline (AGP) - Access arrangement 2021-26

Power and Water Corporation (PWC) appreciates the opportunity to write to the AER regarding the APT Pipelines (NT) (APA) gas access arrangement proposal for its Amadeus transmission gas pipeline (AGP) covering the period 1 July 2021 to 30 June 2026.

As a foundation customer of the AGP, Power and Water provides wholesale gas supply and transportation to large business customers, predominantly in the Northern Territory. We also offer competitively priced gas into the east coast with increased availability in its peak winter period when Northern Australia is in its dry season and demand is low.

Our submission focusses on the issue of possible expansion of the AGP. APA's Submission notes that capacity for firm transportation service is fully contracted to existing pipeline users including Power and Water Corporation (PWC), and that only capacity under the interruptible service would be available under the revised proposal set down by the Australian Energy Regulator's reference service proposal decision made in December 2019. Further, APA point out that until there is greater clarity around the future demand for pipeline services in the Northern Territory, APA cannot develop a well-defined expansion plan for the AGP.

On this basis APA have not provided an expansion plan for incorporation in the access arrangement proposal 2021-2026 for the AGP.

The AER should be aware however that PWC average daily usage of the AGP has increased substantially over the past two years and is expected to increase further over time. On this basis PWC expects that demand for gas, and concomitantly AGP pipeline capacity will need to be expanded to meet future requirements.

Following recent discussions with APA on alternative expansion options for the AGP, we are now committing funds to investigate compression and methods to fast track delivery. PWC ideally want the negotiation of contractual terms and conditions with APA to be completed by the end of this year followed by commencement of construction.

We expect that all parties, including APA, are likely to be considering expansion opportunities for this pipeline now or in the near future. Should consideration be given to regulatory solutions, PWC would support arrangements which place all parties on an equal playing field.

I hope this assists the deliberations of the AER. If there are any questions please feel free to contact

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Yours sincerely

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Djuna Pollard
Chief Executive
24 August 2020