

22 January 2018

Mr Warwick Anderson
General Manager Network Finance and Reporting
Australian Energy Regulator
23 Marcus Clarke Street
Canberra ACT 2602

Central Ranges Pipeline and Network Access Arrangements

Dear Mr Anderson

I refer to our recent discussions and work with the AER staff in relation to the Central Ranges Pipeline (CRP) and Network (CRP Network) access arrangements. We would like to take this opportunity to thank the AER staff for their engagement on this matter.

The purpose of this letter is outline our understanding of the regulatory status of the CRP and CRP Network from 1 July 2019, and to seek the AER's confirmation.

Our understanding of the *National Gas Rules* (Rules) and *National Gas Law* (NGL) is that the CRP pipeline and network will cease to be covered pipelines from expiry of the access arrangements on 1 July 2019, and therefore CRPPL will not be required to lodge proposed revisions to the pipeline and network access arrangements by the 30 June 2018 Revisions Submission Date.

We set out further details below.

The CRP and CRP Network are both covered pipelines under the NGL. Both currently have access arrangements in place which were approved by the ACCC and IPART respectively under the Competitive Tender Process (CTP) provisions (notably s3.34) of the *National Third Party Access Code for Natural Gas Pipeline Systems* (the Gas Code).

Among other things, both of the CTP access arrangements include a Revisions Commencement Date (specified as a Tender outcome in the current access arrangements) as 1 July 2019 and an access arrangement revisions proposal date of 30 June 2018.

To facilitate transition from the Gas Code to the Rules, transitional Schedule 1 of the Rules states:

3(15) A transitional access arrangement approved or made in accordance with section 3.34 of the Gas Code will, from the date of transition, be taken to be CTP access arrangement for the purposes of the rules and a date designated in such an access arrangement as a revisions commencement date will be taken to be an expiry date for the purposes of the rules.

According to transitional provision 3(15), the Revisions Commencement Date in both the CRP and CRP Network access arrangements is to be taken as an expiry date, rather than a Revision Commencement Date. (For completeness, the application of this transitional provision would then make the "Code CTP AA" consistent with Rule 22(4)(f), which requires a "Rules CTP AA" to include an expiry date.)

NGL s126(2)(a) provides that a pipeline covered by a CTP access arrangement ceases to be a covered pipeline on the expiry of the CTP access arrangement:

Part 3—Coverage of pipelines the subject of tender process

126—Tender approval pipelines deemed to be covered pipelines

(1) A pipeline to which a tender approval decision relates is deemed to be a covered pipeline on and from the date the tender approval decision becomes irrevocable by operation of the Rules.

(2) The pipeline ceases to be a covered pipeline—

(a) if there is an applicable access arrangement that applies to the pipeline services provided, or that are to be provided by means of that pipeline—when that arrangement expires; or

(b) when a coverage revocation determination made in respect of that pipeline takes effect.

CRPPL's reading of the combined effect of the transitional Rule provisions and s126 of the NGL is that the CRP and CRP Network access arrangements will both expire on 1 July 2019, and from that time, the CRP and CRP Network will cease to be covered pipelines for the purposes of the NGL and Rules.

On this basis, CRPPL will not be required to lodge proposed revisions to the access arrangements for the CRP and CRP Network.

CRPPL seeks the AER's confirmation of this application of the NGL and Rules, and confirmation that CRPPL will not be required to lodge access arrangement revisions proposals on 30 June 2018 as specified in the current access arrangements.

To discuss this matter further, please contact me in the first instance on (02) 9275 0031 or at scott.young@apa.com.au.

Yours sincerely



Scott Young
Regulatory Manager