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Record number: D2025/370044

Container number: F2025/2640

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Network Regulation Branch  
Australian Energy Regulator GPO Box 3131  
Canberra ACT 2601  
Email: [REDACTED] [AERGasResets2026-31@accc.gov.au](mailto:AERGasResets2026-31@accc.gov.au),

Dear Ms. Zerafa,

**Power and Water Corporation's submission on the Amadeus Gas Pipeline 2026–31 Access Arrangement Proposal**

Power and Water Corporation (Power and Water) appreciates the opportunity to provide a submission to the Australian Energy Regulator (AER) regarding the access arrangement proposal from APT Pipelines' (NT) (APA) Amadeus Gas Pipeline (AGP) for its transmission network for the period 1 July 2026 to 30 June 2031 (the Proposal).

As the foundation customer of the AGP, Power and Water provides wholesale gas supply and transportation to large business customers, predominantly in the Northern Territory (NT). When sufficient gas is available, Power and Water also supplies competitively priced gas into the East Coast of Australia through the Northern Gas Pipeline and associated Nitrogen Removal Unit. Gas supplied by Power and Water to customers is used for electricity generation, domestic reticulation and feedstock for manufacturing.

APA has proposed changes to the gas specification in the AGP access arrangement that alter the allowable quality parameters for gas transported along the AGP. The proposed changes partly align the gas specification qualities with AS 4564, as used on the East Coast of Australia.

**Power and Water Comment**

Power and Water is supportive in principle of adopting Australian standard gas specifications for gas transported and supplied to end users in the NT. However, such a change must be carried out in a way that addresses the significant legal, operational and safety implications for the whole gas supply chain.

To fully understand the scale of these implications, Power and Water requires the opportunity to thoroughly consult its suppliers and customers. Power and Water queries whether recognising a change in gas specifications in the current access arrangement approval process will allow sufficient time for all implications to be understood and for the best approach to implementing the change to be identified. Such consultation will assist to ensure the AER's determination is consistent with its obligations under the National Gas Law and National Gas Rules to make decisions that promote the national gas objective.

Potential impacts of the proposed changes to the gas specification include:

(a) Downstream contracts

- (i) Many existing gas contracts across the NT contain fixed gas specification provisions, which do not include an ability to automatically vary the contractual gas specification to accommodate the varied AGP gas specification proposed by APA. Changes to the AGP gas specifications will result in the gas specifications specified in some downstream contracts becoming misaligned. This could lead to impacted parties breaching their contractual obligations.
- (ii) Reconciling any misalignment of gas specifications in downstream contracts may require negotiated contractual variations to individual gas contracts, or for government to introduce a legislative instrument to mandate amendments to contracts (see an example of the legislative intervention that was required in Western Australia's Macedon gas field below). Either approach will take time to implement.

Based on the Macedon gas field example, some form of compensation scheme may need to be established in the event any gas appliances require replacement. In this regard, Power and Water notes that gas transported on the AGP feeds into the Alice Springs Distribution Network for residential and small commercial gas users.

The AER may consider requesting APA to outline how relief will be provided for any parties that may incur financial, contractual or operational exposure because of the changes to the gas specification.

(b) Operation and safety

- (i) All parties should ensure that the gas specification changes will not have adverse operating or safety risks for gas users, and that any such risks are addressed.
- (ii) The proposed changes to the gas specification are also capable of causing interruptions or adverse impacts for downstream electricity generation and industrial gas users. Any changes to gas quality should be rolled out in a way that ensures their interests are protected.
- (iii) The AER may consider requesting APA to provide further information on how it will address operational and safety impacts across the gas supply chain that may arise in connection with the proposed change to the AGP gas specification.

(c) Legislative example – Macedon gas field

- (i) A legislative intervention to facilitate changes in the gas specification across a major supply chain was implemented in Western Australia through the Gas Supply (Gas Quality Specifications) Act 2009 (WA). The relevant legislative instrument facilitated the introduction of broad specification gas in Western Australia from the Macedon gas field that did not meet previous gas specifications.
- (ii) The regime provided legislative authority to vary gas specifications in individual contracts and override inconsistent contractual provisions and included a framework for Pipeline Impact Agreements between pipeline operators and affected parties, including compensation mechanisms.
- (iii) The above example/precedent demonstrates the scale of issues that may need to be addressed when considering gas specification changes and shows that, historically, such changes have required government intervention rather than being dealt with solely by operators or market participants.

In summary, given the current and foreseeable circumstances as outlined above, the question of when and how changes in the gas specification should be made, is raised.

Notwithstanding these considerations and as mentioned above, Power and Water is supportive of the principle that it would be appropriate to move to an Australian Gas Specification in the NT. Given the likely gas supply outlook for the proposed access arrangement, it appears that there is no reason that changes to the access arrangement are required in the short term as any gas produced is likely to remain in the NT.

Power and Water would welcome the opportunity to participate in any further engagement activities relating to the Proposal.

Should you have any questions about this submission, please contact me on [REDACTED] or [REDACTED]

Yours sincerely

[REDACTED]

Matthew George  
**Manager Gas Assurance and Regulation  
Gas Services**

8 October 2025