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**Access arrangement**

**BALLERA TO WALLUMBILLA  
NATURAL GAS PIPELINE  
(South West Queensland Pipeline)**

**Drafted and approved by the  
Australian Competition and Consumer Commission  
under section 2.20(a) of the  
National Third Party Access Code for Natural Gas Pipeline Systems**

# SWQP ACCESS ARRANGEMENT

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## 1. INTRODUCTION

- 1.1 This Access Arrangement was prepared by the Australian Competition and Consumer Commission for the Ballera to Wallumbilla Pipeline System (also known as the South-west Queensland Pipeline ("SWQP")) pursuant to section 2.20(a) of the National Third Party Access Code for Natural Gas Pipeline Systems ("the Code").
- 1.2 This access arrangement sets out the policies and basic terms and conditions applying to third party access to services provided by Epic Energy in relation to the SWQP.
- 1.3 The terms and conditions upon which Epic Energy will grant parties access to Full Forward Haul Service in the SWQP are those terms and conditions contained in the Gas Transportation Agreement Terms and Conditions.
- 1.4 The Gas Transportation Agreement Terms and Conditions are made up of the Access Principles (Annexure A) read with the Additional Terms and Conditions (Annexure B) and the Definitions (Annexure C).
- 1.5 The Definitions at Annexure C contain the definitions of all terms defined in this Access Arrangement and the Additional Terms and Conditions.

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### 2. BACKGROUND

- 2.1 Tenneco Gas Australia (now Epic Energy Queensland Pty Ltd) and Tenneco Energy Australia (now Epic Energy Australia Pty Ltd) entered into a competitive tender process for the construction of the SWQP in 1994. Their tender offer was successful.
- 2.2 The SWQP was constructed between Ballera and Wallumbilla in South-West Queensland in 1996 by Epic Energy Queensland Pty Ltd (ABN 67 066 656 219).
- 2.3 From 1996 to 19 May 2000 the SWQP operated under third party access rules as set out in the Petroleum Act 1923 (Qld). The Petroleum Act continues to govern the SWQP until the date the Access Arrangement is approved by the Regulator. The Petroleum Act sets out an access regime including reference tariffs to apply to facilitate competition and access to gas pipelines. The regime was flexible in nature and allowed Shippers and pipeline owners to negotiate terms and conditions of service.
- 2.4 The Law came into force on 19 May 2000. Section 58 of the Law allowed the Queensland Minister for Mines and Energy to approve, by gazettal notice, the Access Principles containing the Reference Tariff and Reference Tariff Policy within 30 days of the Law coming into effect.
- 2.5 The Minister made the derogations from the Code pursuant to Section 58 of the Law for the SWQP on 9 June 2000. The derogations were gazetted on 16 June 2000. The Reference Tariff and Reference Tariff Policy are set out in the Access Principles and attached to this Access Arrangement as Annexure A.
- 2.6 Part 8 of the Petroleum Act will cease to be of force and effect to the SWQP when the Access Arrangement for the SWQP is approved by the Regulator. The Law will be the governing regime for the SWQP from this date (in respect of the matters contained in the Law), but will not affect Gas Transportation Agreements entered into before this date.

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### **3. THE SWQP (DESCRIPTION OF PIPELINE SYSTEM)**

- 3.1 The SWQP is as described in the pipeline licence PL24 (as it was at the time of lodgement of this access arrangement), contained within the Petroleum Act 1923 (Qld), together with any extensions or modifications to the SWQP which are included pursuant to Paragraph 12.
- 3.2 A detailed description of the SWQP is contained in the Access Arrangement Information.

### **4. COMMENCEMENT**

The Access Arrangement commences on 18 June 2002.

### 5. APPLICATIONS FOR ACCESS

#### 5.1 The Application Form

- (a) Prospective Shippers must apply for access in the form specified by Epic Energy from time to time in the Gas Transportation Guide (as amended) ("**Gas Transportation Guide**") the current version of which forms part of the Information Package required by Section 5.1 of the Code.
- (b) The procedures applying to applications are detailed in the Gas Transportation Guide.
- (c) A Gas Transportation Request must be accompanied by the Prescribed Fee.

#### 5.2 Criteria for Assessment of Applications

- (a) Epic Energy will assess a Gas Transportation Request as a reasonable and prudent pipeline operator based on the information provided to Epic Energy with the Gas Transportation Request in the form specified in the Gas Transportation Guide.
- (b) In addition to the matters set out in the Gas Transportation Guide, Epic Energy may request such further detail and information from a Prospective Shipper as Epic Energy reasonably considers necessary to assess the Prospective Shipper's Gas Transportation Request.
- (c) If a Prospective Shipper fails to comply with a reasonable request by Epic Energy for further information within 20 Days of receipt of such request, then the Prospective Shipper's Gas Transportation Request is (subject to any extension of time granted by Epic Energy) rejected. A new Gas Transportation Request by that Prospective Shipper will rank behind all other current Gas Transportation Requests.
- (d) If a Prospective Shipper has submitted a Gas Transportation Request and that Gas Transportation Request is accepted by Epic Energy in the manner set out in the Gas Transportation Guide, then a Gas Transportation Agreement between Epic Energy and the Prospective Shipper is formed which is binding on both parties.

#### 5.3 Queuing Policy

- (a) Gas Transportation Requests are to have priority determined by the order in which they are received by Epic Energy. However, Epic Energy may deal with Gas Transportation Requests out of order provided that the Gas Transportation Requests which were first in time are not ultimately disadvantaged.
- (b) If a Gas Transportation Request is rejected, that Gas Transportation Request's priority is lost.
- (c) A Gas Transportation Request may be rejected at any stage prior to its acceptance by Epic Energy.

### 6. SERVICES POLICY

#### 6.1 Services

- (a) Epic Energy's services policy consists of the following reference services, in accordance with the Tariff Arrangement approved by the Minister pursuant to section 58 of the *Gas Pipelines Access (Queensland) Act 1998*:
- (i) Forward Haul Service (Class FH1)
  - (ii) Back Haul Service (Class BH1)
  - (iii) Interruptible Transportation Service (Class IT1)
  - (iv) Forward Part Haul Service (Zonal) (Class FZ1)
  - (v) Back Part Haul Service (Zonal) (Class BZ1)
  - (vi) Interruptible Part Haul Service (Zonal) (Class IZ1)
- (b) These services are described in detail in section 3 of Annexure A "Access Principles" of this access arrangement.
- (c) Epic Energy is prepared to negotiate to provide a Prospective Shipper with any other (Non Reference) Service (for example Park and Loan Service).

#### 6.2 Full Forward Haul Service

- (a) Full Forward Haul Service means the service described in paragraph 3.1 of the Access Principles and described therein as "Forward Haul Service".
- (b) The minimum period for a Gas Transportation Agreement for Full Forward Haul Service is two years. Prospective shippers must nominate the Gas Transportation Agreement Period when lodging a Gas Transportation Request for Full Forward Haul Service.

#### 6.3 Limitation on Upstream Delivery Points

If the Shipper's Delivery Point is upstream of the Shipper's Receipt Point ("**Upstream Deliveries**") and on a Day, the total quantity of gas transported for all shippers with a Delivery Point downstream of their Receipt Point is insufficient to maintain Upstream Deliveries without the need to change the normal direction of gas flow in the SWQP, Epic Energy may restrict Upstream Deliveries in its absolute discretion without liability to the Shipper provided that Epic Energy provides the Shipper with prior notice at a time and in a manner that is reasonable under the existing conditions, and should that notice be verbal, it will be confirmed in writing as soon as is reasonably practicable.

**7. REFERENCE TARIFF POLICY**

The Access Principles set out the Reference Tariff Policy.



### **8. REFERENCE TARIFF STRUCTURE AND CHARGES**

The Access Principles set out the reference tariff structure and charges.

### **9. SHARED REVENUE**

The Access Principles make provision for Shared Revenue.

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### **10. TERMS AND CONDITIONS**

- 10.1 The terms and conditions upon which Epic Energy will grant parties access to the SWQP are those terms and conditions contained in the Gas Transportation Agreement Terms and Conditions.
- 10.2 The Gas Transportation Agreement Terms and Conditions are set out in the Access Principles at Annexure A read with the Additional Terms and Conditions in Annexure B and the Definitions in Annexure C.

**11. TRADING POLICY**

**11.1 Transfer**

Epic Energy will permit:

- (a) a Bare Transfer of a Gas Transportation Agreement in accordance with Section 3.10(a) of the Code; and
- (b) an assignment of a Gas Transportation Agreement in accordance with clause 22 of the Additional Terms and Conditions.

**11.2 Conditional Transfer**

Epic Energy will permit the Shipper to transfer or assign its Contracted Capacity under a Gas Transportation Agreement in accordance with Section 3.10(b) of the Code.

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### 12. EXTENSIONS/EXPANSIONS POLICY

- 12.1 Epic Energy will enhance or expand the Capacity of the SWQP to meet the gas transportation needs of Prospective Shippers where Epic Energy believes the tests in Sections 6.22(b) and (c) of the Code have been met. However, nothing in this Access Arrangement compels Epic Energy to:
- (i) fund all or part of the expansion of or extension to the SWQP;
  - (ii) extend the geographical range of the SWQP; or
  - (iii) make a Prospective Shipper become the owner of the SWQP or a part of the SWQP, or any extension to or expansion of it.
- 12.2 If Epic Energy proposes to extend or enhance the SWQP the extension or expansion is to become part of the Covered Pipeline unless Epic Energy elects otherwise.
- 12.3 If an extension or expansion of the SWQP becomes part of the Covered Pipeline, the extension or expansion will not affect the Reference Tariff before the next Revisions Commencement Date.
- 12.4 Epic Energy may from time to time seek Surcharges or Capital Contributions from Prospective Shippers in respect of New Facilities Investment.
- 12.5 Except where Epic Energy imposes a Surcharge or seeks a Capital Contribution, Shipper's using incremental capacity will pay the Reference Tariff.

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### 13. REVIEW DATES

- (a) The revisions submissions date is:
  - (i) 11 June 2004 for revisions relating to AFT Services; and
  - (ii) 30 June 2016 for all other revisions to the Access Arrangement.
  
- (b) The Revisions Commencement Date is:
  - (i) 11 December 2004 for revisions relating to AFT services; and
  - (i) 30 December 2016 for all other revisions to the Access Arrangement.
  
- (c) Epic Energy is required to submit revisions to this access arrangement within one month of receiving written notification by the Commission that one of the following major events has occurred:
  - (i) the interconnection of another pipeline with the SWQP; or
  - (ii) the introduction of a significant new source of gas supply to one of the SWQP's markets;

that substantially changes the types of Services that are likely to be sought by the market or has a substantial effect on the direction of the flow of natural gas through all or part of the pipeline.<sup>1</sup>

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<sup>1</sup> Pursuant to section 58 of the Gas Pipelines Access (Queensland) Act 1998, and for so long as that section remains in effect, a review of this access arrangement as a result of one of these major events occurring cannot result in revisions to those parts of the access arrangement that are taken to be approved under that section.

**14. CAPACITY MANAGEMENT POLICY**

The SWQP is a Contract Carriage Pipeline.