

# Final Plan Attachment 8.10

Letter Regarding Sale Minimum Connection  
Pressure

A Letter From the Australian Energy Market Operator

21 November 2016

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Dear Andrew

### **Sale Minimum Connection Pressure**

As you are aware, in 1999 VENCORP wrote to Australian Gas Networks (AGN), which was then Stratus Networks, advising that the original minimum pressure at Sale and other location were being reduced for winter 1999. Through our discussions with Keith Lenghaus, we have determined that there is apparent disagreement about subsequent correspondence in that it was VENCORP's intention that the pressure reduction at Sale would be a permanent reduction from 5,000 kPa to 4,800 kPa.

This decision to reduce the pressure to 4,800 kPa was based on comprehensive modelling in 1999. The reduced pressure allowed for more hourly variation in system demand, which impacts the range of operating pressures on the Longford to Melbourne Pipeline (LMP).

AEMO has reviewed the current and future operating requirements of the LMP against the current connection pressure for Sale. Through this analysis, AEMO has concluded that the minimum connection pressure for Sale needs to be reduced to 4,500 kPa based on:

- Changing hourly demand profiles due to reduced Tariff D demand and increased Tariff V demand; and
- Anticipated increases in gas powered generation (GPG) demand following the closure of the Hazelwood Power Station

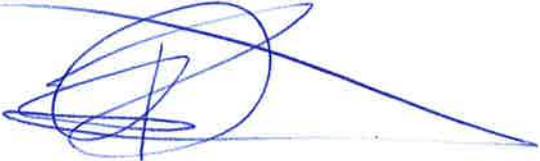
Reducing the Sale pressure to 4,500 kPa will bring it into line with the minimum pressure at the Longford Gas Plant (which is also 4,500 kPa). This reduced pressure will allow AEMO to increase the utilisation of the LMP linepack to support peakier Tariff V and GPG demand.

AEMO understands that a minimum connection pressure at Sale of 4,500 kPa may not be possible for AGN to manage with its current infrastructure. If this pressure is not sufficient to supply the AGN network downstream of the Sale city gate, AEMO can provide supporting information to AGN in a submission to the Australian Energy Regulator.

AEMO believes that investment in the AGN network would cost much less than investment required to provide additional linepack on the LMP, which is the main pipeline supply for Victoria.

Please utilise Bruce Crawford, Principal Transmission Engineer on (03) 9609 8380 as the AEMO contact person to progress this matter.

Yours sincerely,



**Matthew Clemow**  
**(Acting) Group Manager, Gas Real Time Operations**

cc:

Keith Lenghaus – APA Networks  
Kristin Raman – AGN