



**BALLERA TO WALLUMBILLA NATURAL GAS
PIPELINE**

**ACCESS ARRANGEMENT INFORMATION
UNDER THE NATIONAL ACCESS CODE**

**Submission Version
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1. INTRODUCTION

- 1.1 This Access Arrangement Information is submitted by Epic Energy in support of its Access Arrangement lodged with the Regulator on the same date.
- 1.2 Except where expressly provided, terms used in this Access Arrangement Information have the same meaning as in the Access Arrangement.
- 1.3 Tenneco Energy Australia (now Epic Energy) won a competitive tender process in 1994 for the construction of the Ballera to Wallumbilla Natural Gas Pipeline in South-West Queensland ("SWQP").
- 1.4 The bid included prospective tariffs. These tariffs were scrutinised by the Queensland Government under the Petroleum Act, 1923, which set up a regime of third party access.
- 1.5 The tariffs to be charged for both the Reference Service and certain specified Non Reference Services (see paragraph 2.2 of this Access Arrangement Information and Paragraph 6.1 (b) of the Access Arrangement) were set by the Queensland Government after scrutiny to ensure they satisfied the Petroleum Act requirements.
- 1.6 The Reference Service, Reference Tariff and other elements put in place by the Queensland Government are contained within the Access Principles, annexed to the Access Arrangement at Annexure A.
- 1.7 Section 58 of the Gas Pipelines Access (Queensland) Act ("Law") allowed the Queensland Government to gazette the Access Principles (which include the tariffs) for the SWQP within 30 days of the Law coming into force.
- 1.8 The Queensland Government gazetted Epic Energy's Access Principles on 9 June 2000.
- 1.9 This action effectively derogated the tariffs charged by Epic Energy for access to Services on the SWQP from the National Access Code.
- 1.10 While the Reference Tariff for the SWQP was not determined by virtue of the Section 8 of the National Access Code, the tariffs were made under the Law and complied with the Petroleum Act.
- 1.11 As such, this Access Arrangement Information does not address any element concerning the derivation of the Reference Tariff, as the tariffs were not formed under the National Access Code regime.
- 1.12 As the tariffs were formed outside of the National Access Code regime, it is therefore not necessary for users or prospective users to seek to determine Epic Energy's compliance with the National Access Code.
- 1.13 Attachment A of the National Access Code lists six categories of information that must be included in an Access Arrangement Information to allow users and prospective users to assess the Service Provider's compliance with the law. As the Reference Tariff is derogated from the National Access Code, substantive information is required for category 5 only.

2. CATEGORY 1 – INFORMATION REGARDING ACCESS AND PRICING PRINCIPLES

2.1 Reference Services

Section 3.3 of the Code requires Epic Energy's Access Arrangement to offer a reference tariff for at least one service sought by a significant part of the market.

The Reference Tariff for Full Forward Haul Service offered by Epic Energy in its Access Arrangement is such a reference tariff.

Full Forward Haul Service represents gas haulage from Ballera in South-West Queensland to Wallumbilla. This Service and the Tariff was subject to the competitive bid process.

Full Forward Haul Service represents the only service on the SWQP that is sought by a significant part of the market.

The structure and level of the Reference Tariff for Full Forward Haul Service were set by gazettal notice by the Queensland Minister for Mines and Energy pursuant to section 58 of the Law. The Reference Tariff is a derogation from the National Access Code.

2.2 Non Reference Services

In addition to the Reference Service, Epic Energy is prepared to offer Non-Reference Services. The Non Reference Services which Epic Energy may offer are: Back Haul Service, Interruptible Transportation Service, Forward Part Haul Service (Zonal), Back Part Haul Service (Zonal) and Interruptible Part Haul Service (Zonal).

Epic Energy is also prepared to negotiate with prospective users any other Services that may be sought (for example, Park and Loan Service).

2.3 Reference Tariff

The Access Arrangement Information is formulated specifically to allow users and potential users of the SWQP the ability to determine Epic Energy's compliance with the National Access Code.

Epic Energy's Reference Tariff was not determined subject to Section 8 of the National Access Code. Epic Energy is not required to provide Access Arrangement Information for any item that goes to the derivation of the Reference Tariff, as the Reference Tariff was derived by operation of the Law, not through the application of the Code.

3. CATEGORY 2 – INFORMATION REGARDING CAPITAL COSTS

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4. CATEGORY 3 – INFORMATION REGARDING OPERATIONS AND MAINTENANCE

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5. CATEGORY 4 – INFORMATION REGARDING OVERHEADS AND MARKETING

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6. CATEGORY 5 – INFORMATION REGARDING SYSTEM CAPACITY AND VOLUME ASSUMPTIONS

6.1 System Description

A comprehensive description of the SWQP is set out in Appendix 1 to this Access Arrangement Information.

Maps depicting the location of the SWQP in Queensland are set out in Appendix 2 to this Access Arrangement Information.

6.2 Description of Pipeline Capabilities

The SWQP is currently an uncompressed pipeline. The capacity of the pipeline on any day varies with the quality and the pressure of the gas received into the pipeline, delivered from the pipeline, and the ambient operating conditions.

Based on an inlet pressure of 14.92MPa at Ballera and an outlet pressure of 7.6MPa, the current firm capacity available in the SWQP is calculated at 130TJ/d. Different inlet and outlet pressure will result in different firm capacity.

Fully compressed, the firm capacity of the SWQP will be 301 TJ/d.

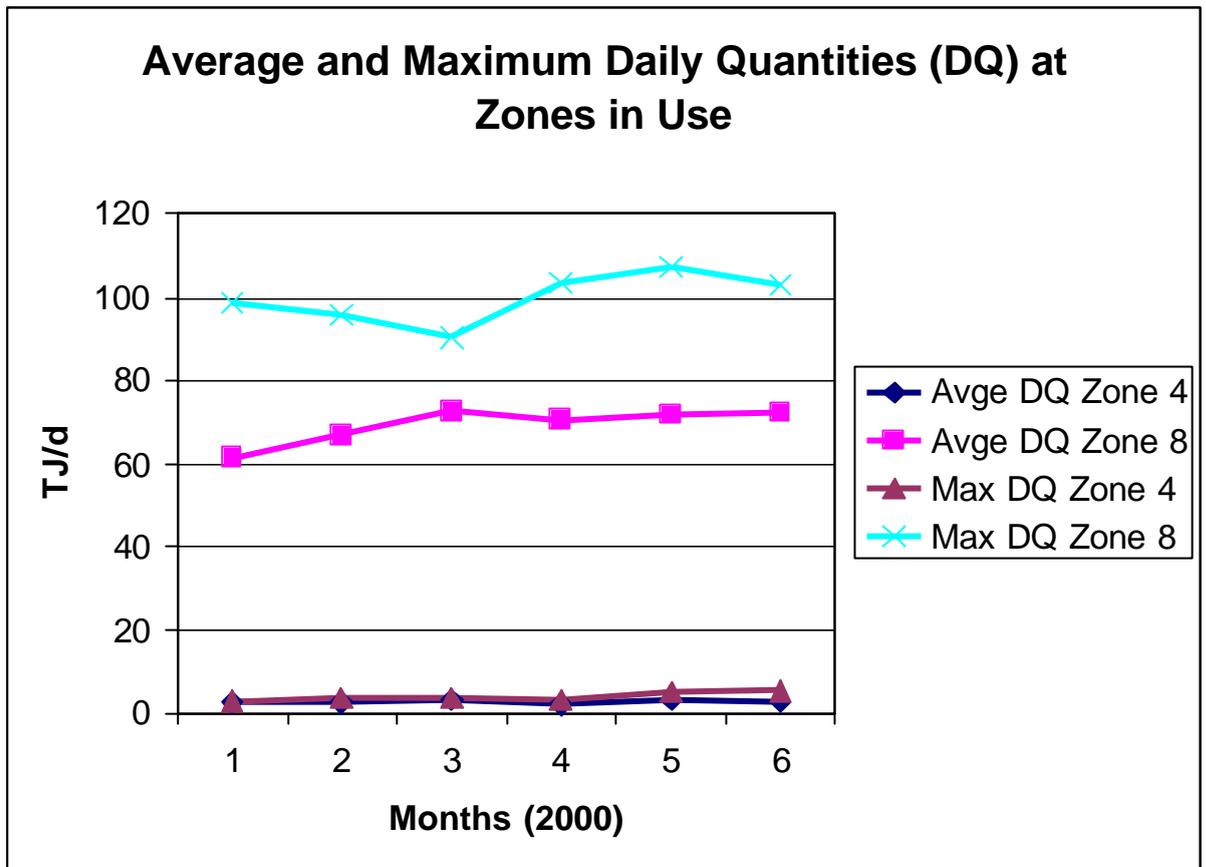
6.3 Average Daily and Peak Demands

Average and peak daily quantities of gas delivered for the six months ending 30 June 2000 are set out in Table 6.1 and Figure 6.1. They are based on the zonal approach consistent with the Access Arrangement. At this stage only two zones (4 and 8) are being used.

Table 6.1

Zone	Jan		Feb		Mar		Apr		May		June	
	Avg	Max	Avg	Max	Avg	Max	Avg	Max	Avg	Max	Avg	Max
1												
2												
3												
4	2.31	2.81	2.68	3.80	3.10	3.80	1.91	3.30	3.27	5.00	2.89	5.20
5												
6												
7												
8	61.58	98.40	66.75	95.50	72.77	90.11	70.42	103.71	71.58	107.31	72.30	103.21

Figure 6.1



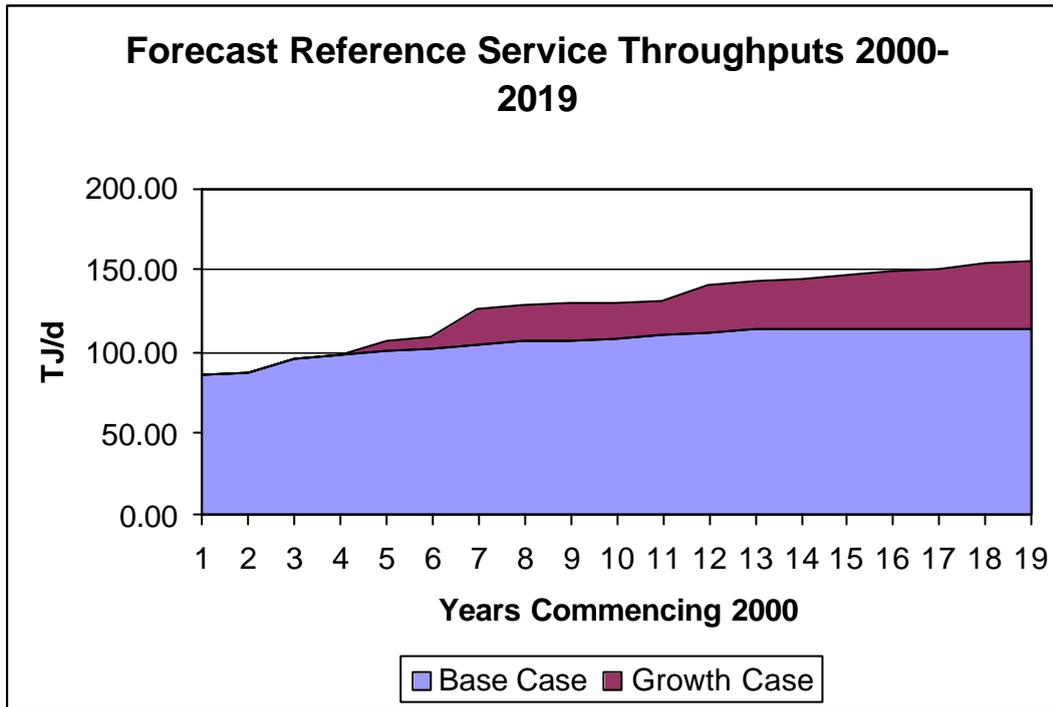
6.4 Capacity and Annual Volume Forecasts by Zone

The current delivery capacities, including redundancy, for each utilised zone are:

Zone 4	9TJ/d
Zone 8	260TJ/d

An annual volume forecast for the Reference Service is represented in Figure 6.2. This forecast is based on existing contracts together with estimates for potential markets. The potential markets may be optimistic, as there is considerable downside eg if a pipeline is built from PNG or from Timor Sea.

Figure 6.2



6.5 Number of Customers

The delivery points and the number of shippers at each point, are shown in Table 6.2.

Table 6.2

Delivery point	Zone	Number of shippers
North West Queensland (NWQ) Interconnection (under construction)	1	0
Cheepie	4	1
Roma	8	1
Wallumbilla	8	7

7. CATEGORY 6 – INFORMATION REGARDING KEY PERFORMANCE INDICATORS

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