



**BALLERA TO WALLUMBILLA NATURAL GAS
PIPELINE (“SWQP”)**

**PROPOSED ACCESS ARRANGEMENT
UNDER THE NATIONAL ACCESS CODE**

**Submission Version
17 August 2000**

**Epic Energy Queensland Limited
ABN 67 066 656 219
Level 7
239 Adelaide Terrace
PERTH WA 6000
CONTACT: Alistair Butcher
TELEPHONE: 08 9492 3880**

17 August 2000

1. INTRODUCTION

- 1.1 This Access Arrangement is submitted to the Regulator pursuant to the Gas Pipelines Access (Queensland) Act 1998 (“Law”). The Law is a comprehensive document which incorporates the National Third Party Access Code for Natural Gas Pipeline Systems (“Code”). Together, the Law and the Code set out the requirements for Epic Energy to grant third party access to the Ballera to Wallumbilla Natural Gas Pipeline in South-West Queensland (“SWQP”).
- 1.2 The Law requires Epic Energy to include in its Access Arrangement certain policies and information. The table below sets out the required policies and information and confirms Epic Energy’s compliance by cross reference to the Access Arrangement and Access Arrangement Information.

Law Requirements	Epic Energy Compliance
Services Policy	Access Arrangement – Page 7
Reference Tariffs	Access Arrangement – Page 9
Reference Tariff Policy	Access Arrangement – Page 8
Terms and Conditions	Access Arrangement – Page 11
Trading Policy	Access Arrangement – Page 12
Queuing Policy	Access Arrangement – Page 6
Extensions/Expansions Policy	Access Arrangement – Page 13
Revisions Submission Date	Access Arrangement – Page 14
Revisions Commencement Date	Access Arrangement – Page 14
Capacity Management Policy	Access Arrangement - Page 15

- 1.3 The Gas Transportation Agreement Terms and Conditions expand upon the Access Arrangement and set out the terms and conditions governing access on the SWQP.
- 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.

2. BACKGROUND

- 2.1 Tenneco Gas Australia entered into a competitive tender process for the construction of the SWQP in 1994. Tenneco Gas Australia's 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), formerly Tenneco Gas Australia and Tenneco Energy Australia.
- 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 set 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 is set out in the Access Principles and attached to this Access Arrangement as Annexure A.
- 2.6 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, but will not affect Gas Transportation Agreements entered into before this date.

3. THE SWQP (DESCRIPTION OF PIPELINE SYSTEM)

3.1 The SWQP is as described in the following pipeline licence, contained within the Petroleum Act 1923 (Qld):

(a) PL 24 (as amended or varied);

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 the latter of:

- (a) 17 February 2001; or
- (b) The date the Regulator approves the Access Arrangement.

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 an 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) Gas Transportation Requests for a Reference Service will rank ahead of Gas Transportation Requests for a Non Reference Service, regardless of the order in which the Gas Transportation Request was received by Epic Energy.
- (c) If a Gas Transportation Request is rejected, that Gas Transportation Request's priority is lost.
- (d) A Gas Transportation Request may be rejected at any stage prior to its acceptance by Epic Energy.

6. SERVICES POLICY

6.1 Services

Epic Energy offers the following Services on the SWQP:

(a) **Reference Service**

The Reference Service offered by Epic Energy is Full Forward Haul Service.

(b) **Non Reference Services**

(i) Epic Energy is prepared to offer (subject to operational availability) the following Non Reference Services which may be sought by a Prospective Shipper:

- (A) Back Haul Service;
- (B) Interruptible Transportation Service;
- (C) Forward Part Haul Service (Zonal);
- (D) Back Part Haul Service (Zonal);
- (E) Interruptible Part Haul Service (Zonal);

(ii) Epic Energy is prepared to negotiate to provide a Prospective Shipper with any other Non Reference Service (for example Park and Loan Service).

(iii) Revenue obtained from certain Non Reference Services may be Shared Revenue in accordance with Paragraph 9.

(iv) Non-Reference Services also include services provided by Epic Energy under contracts that are not for a Reference Service entered into prior to commencement of the Access Arrangement Period.

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) Prospective Shippers must nominate a minimum term of 5 years as the Gas Transportation Agreement Period when lodging a Gas Transportation Request for Full Forward Haul Service, unless Epic Energy in its absolute discretion agrees otherwise.

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.

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.

10. TERMS AND CONDITIONS

- 10.1 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 as amended or varied from time to time in accordance with Paragraph 10.3.
- 10.2 At the date of this Access Arrangement, 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.
- 10.3 Subject to Paragraph 10.4, Epic Energy may vary the Gas Transportation Agreement Terms and Conditions without the consent of the Shipper or the Regulator except for those terms and conditions relating to:
- (a) Reference Tariffs
 - (b) Overrun Quantities
 - (c) Imbalance
 - (d) liability
 - (e) curtailment and interruption
 - (f) Force Majeure
 - (g) assignment
 - (h) Shared Revenue
- 10.4 Epic Energy may only amend the Gas Transportation Agreement Terms and Conditions referred to in Paragraph 10.3 if that amendment (when taken with other amendments under Paragraph 10.3) does not in aggregate detract from the value of the Reference Service to the Shipper.

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.

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 Section 6.22 of the Code have been satisfied, and Epic Energy may otherwise enhance or expand the Capacity in the SWQP to meet the needs of Prospective Shippers.
- 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.

13. REVIEW DATE

- (a) The Revisions Submission Date is 30 June 2016.
- (a) The Revisions Commencement Date is 30 December 2016.

14. CAPACITY MANAGEMENT POLICY

The SWQP is a Contract Carriage Pipeline.

This page has been left blank intentionally.

