SEA Gas	User Access Guide NGR Parts 6 & 11	Doc Ref: CORP-MAN-001
This is a Controlled Document		Published: Dec 2023 Current Until <sup>1</sup> : Dec 2025

# **User Access Guide**

SEA Gas	User Access Guide NGR Parts 6 & 11	Doc Ref: CORP-MAN-001
This is a Controlled Document		Published: Dec 2023 Current Until <sup>1</sup> : Dec 2025

# Contents

1	Back	ground	3
	1.1	NGR Information Requirements	3
	1.2	Service providers	3
	1.3	Contact details	3
2	Pipe	line description – SEA Gas Pipeline	4
	2.1	Overview	4
3	Pipe	line description - Mortlake Pipeline	4
4	Acce	ess requests and negotiations	5
	4.1	Overview	5
	4.2	When this Guide does not apply	5
	4.3	Confidentiality	5
	4.4	Parties to negotiate in good faith	6
	4.5	How to make a preliminary enquiry	6
	4.6	How to make an Access Request	6
	4.7	Incomplete Access Requests	7
	4.8	If further investigations are required	7
	4.9	How to amend an Access Request	7
	4.10	When we will make an Access Offer	7
	4.11	What is included in our Access Offer	8
	4.12	When we are not required to make an Access Offer	8
	4.13	How you may request negotiations	8
	4.14	How we will exchange information during negotiations	8
	4.15	Arbitration	9
5	Inte	rconnection Policy	10
Δ	ТТАСНИ	<i>Ι</i> ΕΝΤ Δ	. 11

# 1 Background

# 1.1 NGR Information Requirements

Under the NGR, a service provider for a non-scheme pipeline must publish certain information and documents about that pipeline, including:

- pursuant to Part 10, service and access information, standing terms, financial and pricing information and actual prices payable information; and
- pursuant to Part 11, a user access guide, which must fulfil the requirements of rule 105C(6), including an interconnection policy under Part 6.

This Guide is the user access guide required under Part 11 of the NGR for the SEA Gas Pipeline system, and Mortlake Pipeline (as described in more detail below). Each of these pipelines is a non-scheme pipeline.

The purpose of this Guide is to assist prospective users to obtain services on these pipelines.

Prospective users are also referred to the AER's Pipeline Access Review Guide at:

https://www.aer.gov.au/about/aer/dispute-resolution/gas-pipeline-access-disputes#access-disputeguide

# **1.2** Service providers

South East Australia Gas Pty Ltd as agent for and on behalf of the SEA Gas Partnership is the service provider for the SEA Gas Pipelines.

SEA Gas (Mortlake) Pty Ltd as agent for and on behalf of the SEA Gas (Mortlake) Partnership is the service provider for the Mortlake Pipeline.

A reference in this Guide to "SEA Gas" is a reference to the relevant SEA Gas entity that is the service provider for the relevant pipeline.

# 1.3 Contact details

Please send all enquiries relating to this Guide or access to either of these pipelines to:

Address	SEA Gas Commercial Team	
	Level 5, 57 Wyatt Street, Adelaide, 5000	
Telephone	08 8236 6800	
Email	commercial@seagas.com.au	
Website	www.seagas.com.au	
Attention	Head of Commercial / Principal Commercial Advisor	



# 2 <u>Pipeline description – SEA Gas Pipeline</u>

# 2.1 Overview

The SEA Gas Pipeline is a high pressure natural gas transmission pipeline system that transports natural gas from Port Campbell to various offtakes and interconnected pipeline systems in South Australia and Victoria. It incorporates a number of laterals owned and operated by SEA Gas (including the WUGS Lateral) together with associated facilities such as connection point infrastructure and all equipment required to operate the pipeline system.

The SEA Gas Pipeline system consists of the:

- Port Campbell to Adelaide system (including WUGS Lateral) (PCA); and
- Pt Campbell to Iona system (PCI).

The SEA Gas Pipeline became operational on 1 January 2004.

Further details on the SEA Gas Pipeline system can be found on our website.

# 3 <u>Pipeline description - Mortlake Pipeline</u>

The Mortlake Pipeline is an 83 km pipeline connecting Origin's Mortlake Power Station to the SEA Gas pipeline owned by SEA Gas. There are currently no other loads or gas sources on its route.

SEA Gas acquired the Mortlake Pipeline in 2016.

# 4 Access requests and negotiations

#### 4.1 Overview

This section 4 applies to both the SEA Gas Pipeline system and Mortlake Pipeline.

#### 4.2 When this Guide does not apply

Requests for variations to an existing contracted service for any part of the current service term are not covered by Part 11 of the NGR or this Guide. Such variations will be negotiated in accordance with the terms of the relevant contract.

Similarly, neither Part 11 nor this Guide apply to disputes about a pipeline service provided under an existing contract. Such disputes are governed by the terms of that contract.

#### 4.3 Confidentiality

Rules 105F(8) and (9) provide that SEA Gas and prospective users must keep confidential any non-public information provided by one party to the other during negotiations.

Rule 105F(8) provides that SEA Gas and prospective users must only use or reproduce confidential information of another party for the purpose for which it was disclosed except in certain limited exceptions where a party may disclose confidential information:

- to the AER or to an arbitrator in the course of an arbitration, or to the mediator in the case of a mediated dispute;
- with the consent of the other party;
- to a professional or other adviser of the party who agrees with the party to maintain the confidentiality of the confidential information;
- if it is required by, or necessary for the purposes of, the NGR or NGL;
- if the disclosure is in accordance with an order made or a subpoena issued by a court of competent jurisdiction; or
- if the disclosure is authorised or required by a law of a participating jurisdiction or required by a competent regulatory body, and the person making the disclosure gives written details of the disclosure (including an explanation of the reasons for the disclosure) to the other party.

SEA Gas is an independent pipeline operating entity and conducts negotiations with its customers on a strictly confidential basis. Any information provided by one party to another during negotiations will be subject to the terms of the Confidentiality Agreement that accompanies the Pipeline Access Request form.

Confidential information does not include any public information provided by one party to the other during negotiations.

# 4.4 Parties to negotiate in good faith

Pursuant to s 148D of the NGL, SEA Gas and prospective users are obliged to negotiate in good faith.

SEA Gas reserves the right to terminate negotiations if a prospective user is not negotiating in good faith.

#### 4.5 How to make a preliminary enquiry

Prospective users may, at any time, make preliminary enquiries about access to pipeline services.

SEA Gas encourages prospective users to discuss their requirements before considering lodging a formal Access Request. These preliminary discussions are likely to facilitate the parties achieving a sound mutual understanding of requirements that may obviate the need for a formal Access Request.

Where further investigations are required in order to address a preliminary enquiry, SEA Gas will advise the prospective user, accordingly. It will seek to agree arrangements in good faith, including the indicative scope, timelines and, if appropriate, costs for such further investigations.

All preliminary enquiries should be addressed to the contact specified in section 1.3. of this guide.

#### 4.6 How to make an Access Request

Although SEA Gas encourages prospective users to initiate discussion through a preliminary enquiry, a prospective user may, at any time, request SEA Gas to provide access to a pipeline service, by making a formal Access Request under rule 105D(4).

A formal Access Request must:

- be in writing;
- addressed to the contact specified in section 1.3;
- specify that it is a formal Access Request under rule 105D(4); and
- must include information reasonably required for SEA Gas to prepare an Access Offer, or to determine whether SEA Gas needs to undertake further investigations in relation to the Access Request, including the information specified below.

If a request does not specify that it is a formal Access Request under rule 105D, SEA Gas may treat the request as a preliminary enquiry. As a formal Access Request triggers formal statutory processes, prospective users are encouraged to specify whether their request is a preliminary enquiry or a formal Access Request.

An Access Request should be accompanied by the completion of our <u>Pipeline Access Request</u> form and the completion of a <u>Confidentiality Agreement</u>, and should include at least the following information:

- the details of the entity (including ABN or other incorporation details) seeking the pipeline services and who will be the contracting entity;
- each of the pipeline services required (and whether a request for one service is conditional on provision of another);

- the receipt and delivery points where each service is required and what quantities are required at those points;
- the start date and end date for each service;
- the proposed form of credit support and information as to the creditworthiness of the contracting entity; and
- if relevant, any technical details or other information relating to a new interconnection to the pipeline.

# 4.7 Incomplete Access Requests

If an Access Request is incomplete and we require further information, we will inform you of this and the information required within 5 Business Days after receiving the access request.

# 4.8 If further investigations are required

If we need to undertake further investigations, we will inform you within 10 Business Days.

SEA Gas will only undertake further investigations in relation to an Access Request when and to the extent reasonably necessary.

We will negotiate with you in good faith about the terms and conditions on which further investigations will be carried out, including the following matters:

- if required, the basis for determining reasonable costs of the further investigations to be paid by you;
- any reasonable extension to the 60 Business Day time period allowed under the Rules to enable the further investigations to be completed before an Access Offer is required to be made.

# 4.9 How to amend an Access Request

You may amend the details of your Access Request with our consent, which will not be unreasonably withheld. We may give consent to your request for amendment subject to reaching an agreement on a reasonable extension to the period for making an Access Offer.

# 4.10 When we will make an Access Offer

Subject to section 4.12, we will make an Access Offer within 20 Business Days after receiving the Access Request unless one of the following apply;

- if the Access Request is incomplete, within 20 Business Days of the provision of the further information requested of you; or
- if we need to undertake further investigations, within 60 Business Days after receiving the Access Request (or in the case of an incomplete request after receiving the further information requested), unless we have agreed a different timing with you.

# 4.11 What is included in our Access Offer

The Access Offer will:

- set out the price and other terms and conditions on which we offer to make the requested pipeline services available to you;
- detail any works to be undertaken by you and us, and any applicable technical and performance specifications; and
- be in a form capable of acceptance by you so as to constitute a new access contract or form part of an existing access contract.

Our Access Offer may include appropriate conditions precedent and be subject to a reasonable time limit for acceptance.

# 4.12 When we are not required to make an Access Offer

There may be circumstances under which we are not required to make an Access Offer, namely:

- if the Access Request has been withdrawn;
- we have concluded, after having used all reasonable efforts to accommodate your reasonable requirements, that it is not technically feasible or consistent with the safe and reliable operation of the pipeline to provide the requested pipeline service; or
- the provision of the pipeline service requested would require the extension of the pipeline.

If we are unable to make an Access Offer due to technical infeasibility, we will give you:

- written reason explaining why the requested service cannot be provided; and
- if there is some prospect that the requested service will become possible to provide at some time in the future, details of when the service would likely become available.

# 4.13 How you may request negotiations

If you have made a valid Access Request for a pipeline service, you may, by notice to the contact identified in section 1.3 above, request negotiation under Part 10 of NGR in relation to any aspect of access to a pipeline service including:

- whether access can be granted; and
- the price and other terms and conditions of an access offer.

Prospective users are encouraged to be clear whether they are requesting commencement of a formal negotiation process (as opposed for example, to seeking clarity in relation to aspects of an Access Offer).

# 4.14 How we will exchange information during negotiations

Each party to the negotiation must, in requesting or providing information, do so in a manner and at a time consistent with the duty to negotiate in good faith.

A prospective user who is party to negotiations may from time to time by notice request a service provider who is party to the negotiations to provide access offer information in relation to any aspect of the matters being negotiated.

Requests to either party for information during a negotiation must be requested by notice

- for requests to SEA Gas, to the contact identified in section 1.3
- for requests by SEA Gas, to the person initiating negotiations.

Information that may be exchanged under the NGR must be provided within 15 Business Days of the notice, or any longer period agreed by the requester (unless provision of the information would breach legal professional privilege or third party confidentiality).

Information that is provided must:

- comply with the information obligations under Part 10 of NGR;
- be relevant to the subject matter of the request; and
- be provided in a readily readable form including where requested in electronic file format with all underlying data files and inputs.

A party to negotiations:

- may from time to time by notice request another party to the negotiations to provide access negotiation information of the other party that the other party is seeking to rely on in relation to a specific matter arising in the negotiations; and
- may during the course of the negotiations by notice (an Access Negotiation Information Notice) request another party to the negotiations to provide all access negotiation information of the other party.

A party to negotiations:

- must give an Access Negotiation Information Notice before the party issues an access dispute notice in relation to the subject matter of the negotiations; and
- must not issue an access dispute notice earlier than 15 business days after this Access Negotiation Information Notice is given.

# 4.15 Arbitration

Pursuant to chapter 5 of the NGL, prospective users have the right to refer an access dispute to arbitration.

This Guide does not cover the arbitration process. Prospective users are referred to chapter 5 of the AER's Pipeline Access Dispute Guide at <u>https://www.aer.gov.au/about/aer/dispute-resolution/gas-pipeline-access-disputes#access-dispute-guide-</u>.

SEA Gas	User Access Guide NGR Parts 6 & 11	Doc Ref: CORP-MAN-001
This is a Controlled Document		Published: Dec 2023

#### This is a Controlled Document

Published: Dec 2023 Current Until<sup>1</sup>: Dec 2025

# 5 Interconnection Policy

Rule 105C(6)(i) requires the service provider for a non-scheme pipeline to set out its interconnection policy that meets the requirements of rule 39(2) as part of its user access guide. SEA Gas' Interconnection Policy is included as Attachment A to this Guide.



# ATTACHMENT A

#### **Interconnection Policy**

This policy sets out SEA Gas' approach to the proposed establishment of new interconnections between its pipelines and third-party pipelines or other facilities.

#### 1. Scope

This policy applies to the Port Campbell to Adelaide (**PCA**), Port Campbell to Iona (**PCI**) and Mortlake pipelines, as described <u>here</u>.

#### 2. Undertaking to Interconnect

SEA Gas will connect to another pipeline or other facility, where:

- (a) it is technically feasible and consistent with the safe<sup>1</sup> and reliable operation of SEA Gas' pipelines; and
- (b) the interconnecting party agrees to fund the costs associated with making the interconnection,

in accordance with this Interconnection Policy.

#### 3. Options to Effect Interconnection

Subject to clause 2, the interconnection party has the right to:

- (a) design, construct, operate and maintain the interconnection facility at its own cost;
- (b) procure that SEA Gas does so; or
- (c) a combination of the above, whereby each of the interconnection party and SEA Gas undertake the design, construction, operation and maintenance of their respective parts of the interconnection facility.
- Where the interconnecting party undertakes the design, construction, operation and maintenance of any part of the interconnection facilities, it must do so in accordance with:
- (d) good industry practice, including compliance with all relevant standards, legislation and regulations; and
- (e) all technical, safety and reliability requirements reasonably stipulated SEA Gas.

# 4. Interconnection Point Capacity

SEA Gas will ensure that relevant information is available to the interconnection party to enable it to assess the availability of capacity for gas to flow through the interconnection point.

In the case of:

(a) that part of the interconnection to be undertaken by SEA Gas, such information will be defined in the relevant design documentation agreed between the parties; and

<sup>&</sup>lt;sup>1</sup> Assessment of the safety of a connection must include an assessment of the implications on pipeline Fracture Control of any new gas composition entering a pipeline.

<sup>&</sup>lt;sup>1</sup> Subject to earlier revision by Service Provider

- (b) the available capacity of the SEA Gas pipeline to which the interconnection is made, such information will be made available:
- (i). where the interconnection party enters into a gas transportation agreement with SEA Gas, pursuant to that gas transportation agreement; or
- (ii). otherwise, via the <u>Uncontracted Capacity Outlook</u> published on SEA Gas' website.

#### 5. Information Requirements

- SEA Gas' Pipeline Interconnection Request Form (available <u>here</u>) sets out the relevant information requirements to initiate interconnection by means of new:
- (a) **Receipt Point(s)** (where the proposed direction of gas flow at the interconnection is from the interconnection party's facility to the relevant SEA Gas pipeline); and
- (b) **Delivery Point(s)** (where the proposed direction of gas flow at the interconnection is from the relevant SEA Gas pipeline to the interconnection party's facility).

#### 6. Interconnection Process

It is expected that the interconnection process will be initiated by the interconnecting party.

To progress the process, SEA Gas will seek a completed Interconnection Request Form and accompanying Confidentiality Agreement (available <u>here</u> from the interconnecting party. These items should be emailed to <u>commercial@seagas.com.au</u>.

Following receipt of the documents described above, SEA Gas will seek any further information that may be required from the interconnecting party and may seek to clarify information provided in the Interconnection Request Form.

Subject to the interconnecting party's requirements, SEA Gas will typically undertake a high-level assessment of the proposed interconnection to identify any foreseeable technical limitations, prepare budget cost estimates and determine the estimated timeframe for connection. The basis for recovery of any costs associated with this initial assessment and payment arrangements for the same will be agreed with the interconnecting party up front.

SEA Gas will then provide a preliminary response to the interconnection party that will relay the outcomes from SEA Gas' initial assessment along with other relevant information, which may include matters such as any working assumptions, qualifications or details of recommended technical studies.

Should the interconnecting party wish to proceed further, the parties will then need to liaise to agree the path forward, which may include (without limitation) how to progress, and fund:

- (a) stakeholder management
- (b) relevant studies, such as environmental, geotechnical and noise assessments;
- (c) land access negotiations and related matters such as survey plans and development approvals;
- (d) access to utilities such as power, water and telecommunications;
- (e) obtaining all other approvals, permits and licences required; and
- (f) appropriate arrangements to effect the interconnection, including with regard to engineering, procurement, construction, commissioning, operation and maintenance on the interconnection facilities.

SEA	Gas

Ultimately, the agreed position on the matters above and other considerations relevant to the particular circumstances will be reflected in a works agreement, or similar, between the parties and inform the detail to be included in the Interface Agreement for the interconnection.

The process to effect the interconnection will then proceed as set out in those agreements to complete design, construction and commissioning and, ultimately, to bring the interconnecting facility into operation.

# 7. SEA Gas Policies

SEA Gas policies relevant to the establishment of an interconnection include:

- (a) this Interconnection Policy;
- (b) the Gas Measurement policy, as set out in Annexure 3 to SEA Gas' published terms for the PCA pipeline available <u>here</u>; and
- (c) counterparty requirements, as set out in clause 16 of SEA Gas' published terms for the PCA pipeline available <u>here</u>, where references to Shipper are taken to be references to the interconnect party.

#### 8. Technical, Safety and Reliability Requirements

The design, construction, testing and operation of the interconnecting facilities must comply with:

- (a) applicable Commonwealth and State legislation and associated regulations;
- (b) SEA Gas' pipeline licence conditions, including any requirement for SEA Gas land tenure to exercise its rights and fulfil its obligations;
- (c) National Gas Rules; and
- (d) Australian Standard AS 2885.

In addition, the design, construction, testing and operation of the interconnecting facilities must be carried out in accordance with:

- (e) the agreed Basis of Design;
- (f) the agreed battery limits;
- (g) any agreed plans for design, construction, commissioning and operation; and
- (h) good industry practice.

At a Receipt Point the gas quality must be monitored in accordance with:

- (i) AS 4564 Specification for General Purpose Natural Gas;
- (j) AEMO Gas Quality Guidelines;
- (k) any additional requirements necessary to ensure that the gas composition is consistent with the requirements of the pipeline Fracture Control Plan; and
- (I) any agreed specification for odorant injection to ensure pipeline or downstream network safety.

Operation of the interconnecting facilities shall be in accordance with:

(m) any interface agreement or specific operational protocols (whether in relation to site access, or otherwise); and

(n) if the interconnection is to be used by multiple parties, agreed allocation rules to account for all gas flowing through the interconnection in each hour.

To ensure the safety and operational integrity of its pipelines, SEA Gas will as a minimum undertake the design, construction, operation and maintenance of, and own:

- (o) in the case of a Receipt Point, the connecting piping up to the first remotely actuated isolation valve; and
- (p) in the case of a Delivery Point, the connecting piping up to the first remotely actuated isolation valve, the inlet filter, the interconnecting facility up to the first isolation valve downstream of the meter and, where required, the gas chromatograph.

# 9. Basis for Determining Interconnection Charges

Charges payable by the interconnection party will be based on the estimated and/or actual lifecycle costs that are directly attributable to that part of the interconnection to be undertaken by SEA Gas. Such costs include (without limitation) design, approvals and licencing, legal, land tenure, insurance, construction, operation and maintenance, plus any decommissioning and remediation costs.

Charges will include a return of, and on, any capital deployed by SEA Gas in effecting the interconnection. The latter will be designed to achieve a commercial rate of return that is commensurate with the prevailing conditions in the market for funds and reflects the risks that SEA Gas faces in relation to the development, ongoing operation and ultimate decommissioning of the connection.

#### **10.** Interface Agreement

SEA Gas' standard terms and conditions for connections to its pipelines are set out in the pro forma Interconnection Agreement available <u>here</u>.