



Economic Regulation Authority

Final decision on access arrangement for the Goldfields Gas Pipeline (2025 to 2029)

Attachment 8: Other access arrangement provisions

18 December 2024

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Note

This attachment forms part of the ERA's final decision on the access arrangement for the Goldfields Gas Pipeline. It should be read in conjunction with all other parts of the final decision, which is comprised of the following document and attachments:

- Final decision on access arrangement for the Goldfields Gas Pipeline (2025 to 2029) – Overview, 18 December 2024:
 - Attachment 1: Access arrangement and services
 - Attachment 2: Demand
 - Attachment 3: Revenue and tariffs
 - Attachment 4: Regulatory capital base
 - Attachment 5: Operating expenditure
 - Attachment 6: Depreciation
 - Attachment 7: Return on capital, taxation, incentives
 - Attachment 8: Other access arrangement provisions (this document)
 - Attachment 9: Service terms and conditions

Attachment 8. Summary

GGT must include requirements for queuing, extensions and expansions, and capacity trading in the access arrangement for the Goldfields Gas Pipeline. Principles for changing receipt and delivery points must also be included.

Queuing requirements

For AA5, GGT proposed extensive drafting changes to the queuing requirements to simplify them and to ensure that the requirements are commercially workable.

The ERA's draft decision conditionally approved GGT's proposed changes, subject to GGT making some additional amendments to clarify certain provisions and/or correct drafting errors. The ERA set out nine specific required amendments.

GGT's revised proposal accepts the ERA's draft decision required amendments.

The ERA is satisfied that GGT's revised proposed access arrangement incorporates the required amendments. The ERA's final decision is to approve GGT's revised queuing requirements for AA5.

Other access arrangement requirements

The extension and expansion requirements, capacity trading requirements, and principles for changing receipt and delivery points remain unchanged from the current (AA4) provisions.

Given these provisions remain consistent with the requirements of the National Gas Rules, and that there were no submissions raising any concerns, the ERA maintains its draft decision position that there is no reason to require any amendments to these provisions for AA5.

Regulatory requirements

1. The *National Gas Access (WA) Act 2009* implements a modified version of the National Gas Law (NGL) and National Gas Rules (NGR) in Western Australia. The rules referenced in this decision are those that apply in Western Australia.¹
2. Rules 103 to 106 of the NGR set specific provisions for the other required content of an access arrangement:
 - Queuing requirements (rule 103)
 - Queuing requirements, which are required for a transmission pipeline, must establish a process or mechanism (or both) for establishing an order of priority between prospective users of spare or developable capacity (or both) in which all prospective users are treated on a fair and equal basis.
 - Queuing requirement must also be sufficiently detailed to enable prospective users to understand the basis on which an order of priority has been or will be determined; and where an order of priority has been determined, to determine their position in the queue.
 - Extension and expansion requirements (rule 104):
 - The access arrangement must set out the pipeline extension and expansion requirements that will apply and meet the following criteria:
 - The requirements may state whether the access arrangement will apply to incremental services to be provided as a result of a particular extension to the pipeline made during the access arrangement period or may allow for a later resolution of that question on a basis stated in the requirements.
 - If the service provider agrees, the requirements may state that the access arrangement will apply to incremental services to be provided as a result of a particular extension to the pipeline made before the revision commencement date for the access arrangement.
 - The requirements must state that the access arrangement will apply to incremental services to be provided as a result of any expansion to the capacity of the pipeline during the access arrangement period and deal with the effect of the expansion on tariffs.
 - The requirements cannot require the service provider to provide funds for work involved in making an extension or expansion unless the service provider agrees.
 - Capacity trading requirements (rule 105):
 - The access arrangement must set out the capacity trading requirements that will apply. Where the service provider is a registered participant in a gas market, the transfer of contracted capacity must be in accordance with the rules and procedures governing that gas market. If not a registered participant, or the market rules/procedures do not cover capacity trading, the capacity trading requirements must meet the criteria set out in the NGR.

¹ The current rules that apply in Western Australia are available from the Australian Energy Market Commission: AEMC, 'National Gas Rules (Western Australia)' ([online](#)) (accessed December 2024). At the time of this decision, *National Gas Rules – Western Australia version 12 (1 February 2024)* was in effect.

- Under the NGR, capacity trading requirements must allow a user to transfer all or any of the user’s contracted capacity to a third party, with or without the user seeking the service provider’s consent for the transfer. Where consent to transfer capacity is sought, the service provider must not withhold its consent unless it has reasonable grounds, based on technical or commercial considerations.
 - Principles for changing receipt or delivery points (rule 106):
 - The access arrangement must set out the terms and conditions for changing receipt and delivery points in accordance with the following principles:
 - A user may change its receipt or delivery point with the service provider’s consent, and the service provider must not withhold its consent unless it has reasonable technical or commercial grounds to do so.
 - Conditions under which consent will or will not be given, and the conditions to be complied with if consent is given, may be specified in advance in the access arrangement.
3. Further to the above requirements, an access arrangement may include fixed principles for a stated period that can extend over two or more access arrangement periods.² Once fixed, the principle is binding on the regulator and service provider for the stated period, however:
- The regulator may vary or revoke a fixed principle at any time with the service provider’s consent.
 - If a rule is found to be inconsistent with a fixed principle, the rule operates to the exclusion of the fixed principle.

² NGR, rule 99.

ERA draft decision

4. As it is a transmission pipeline, the access arrangement for the Goldfields Gas Pipeline (GGP) must contain queuing requirements. It must also contain extension and expansion requirements, capacity trading requirements and principles for changing receipt and delivery points.
5. For AA5, GGT proposed extensive drafting changes to the queuing requirements to simplify them and to ensure that they are commercially workable.
6. Overall, the ERA considered that GGT's amended queuing requirements were an improvement – the amendments made the requirements easier to read; and clarified the requirements for access to services and the requirements for queuing when services cannot be provided. The amended queuing requirements were also better aligned with the queuing requirements set out in the NGR.
7. The ERA's draft decision was to conditionally approve GGT's amended queuing requirements, subject to GGT making some additional amendments to further clarify certain provisions and/or correct drafting errors.
8. GGT did not propose any changes to the other required access arrangement provisions. That is, the extension and expansion requirements, capacity trading requirements and principles for changing receipt or delivery points remained unchanged from the current (AA4) provisions. Given the provisions were consistent with the requirements of the NGR, and that there were no submissions raising any concerns with the provisions, the ERA decided that there was no reason to require any amendments to these provisions for AA5.
9. The ERA set out the following draft decision required amendments:
 - 8.1 GGT must amend Section 5.2 of the access and queuing requirements to add a new provision to confirm that if the existing user responds to the service provider's request for continuation of service information to confirm that it does not intend to extend its gas transportation agreement, the service provider may treat the user's capacity as spare capacity at the expiry of the user's agreement.
 - 8.2 GGT must amend Section 5.5.1(b) of the access and queuing requirements so that the requirement to meet any prudential requirements is limited to those that are reasonably necessary to lodge a registration of interest. To assist with clarity, GGT should provide examples of the types of prudential requirements that may be specified.
 - 8.3 GGT must include a provision in Section 5.5 of the access and queuing requirements to confirm what happens to a registration of interest after 12 months from receipt of the registration of interest by the service provider.
 - 8.4 GGT must amend Section 5.6 of the access and queuing requirements to change the heading from "Service Provider can provide service with Spare Capacity" to "Spare Capacity", which better reflects the provisions of this section.
 - 8.5 GGT must correct the drafting error in Section 5.7(a) of the access and queuing requirements so that the drafting reads "... 30 Business Days after the date specified in the Spare Capacity Notice (access request date)".
 - 8.6 GGT must amend the access and queuing requirements to confirm the information required when notifying prospective users (under Section 5.8.3(d)) as to whether they were allocated any spare capacity in an auction,

and the regulator (under Section 5.8.3(e)) of the outcomes of a Spare Capacity Notice and Auction for Spare Capacity. As a minimum, the information required must be such as to enable a prospective user to determine the prospective user's position in the queue, the order of which was determined by prioritising the auction bids based on the criteria set out in Section 5.8.3(b).

- 8.7 GGT must correct the drafting error in Section 5.8.1(d)(iii) of the access and queuing requirements to remove the words "For example, terms that ... compared to standard Terms & Conditions" (these words should form part of the new drafting in Section 5.8.1(e)). GGT must also correct the drafting error in Section 5.8.3(e) to refer to the "Spare Capacity Notice" (not "Notice of Spare Capacity").
- 8.8 GGT must correct the drafting error in Section 5.9(b) of the access and queuing requirements to change the reference to "Capacity Queue" to "Capacity Deposit".
- 8.9 GGT must delete proposed Section 5.10 of the access and queuing requirements, unless GGT can confirm that this section is only relevant in relation to an access request made under Section 5.1 and access offer made under Section 5.3.2.

GGT response to draft decision

10. GGT accepted the ERA's draft decision required amendments and has amended the access and queuing requirements in Section 5 of the proposed access arrangement as required.³
11. GGT made no further changes to the proposed access arrangement.

³ GGT, *Goldfields Gas Pipeline AA5 - Revised proposal*, September 2024, pp. 71-72.

Final decision

12. The ERA received no submissions from interested parties that addressed matters relating to the requirements for queuing, extensions and expansions, and capacity trading in the access arrangement for the GGP.

Queuing requirements

13. GGT submitted that it accepted the ERA's draft decision required amendments to further clarify certain provisions and/or correct drafting errors and had made the necessary amendments in Section 5 of the revised proposed access arrangement. GGT did not make any further revisions to the queuing requirements.
14. The ERA is satisfied that GGT's revised proposed access arrangement incorporates the draft decision required amendments. For this reason, the ERA's final decision is to approve GGT's revised queuing requirements for AA5.

Other access arrangement requirements

15. GGT has not proposed any changes to the other required access arrangement provisions. That is, the extension and expansion requirements, capacity trading requirements and principles for changing receipt or delivery points remained unchanged from the current (AA4) provisions.
16. Given the provisions are consistent with the requirements of the NGR, and that there were no submissions raising any concerns with the provisions, the ERA maintains its draft decision position that there is no reason to require any amendments to these provisions for AA5. That is, the ERA's final decision is to approve the current (AA4) provisions to remain in effect for AA5.