User access guide McArthur River Pipeline/Daly Waters Pipeline

December 2023



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1 Background

1.1 About this guide

This User Access Guide is published in accordance with rule 105C of the National Gas Rules (NGR) for the McArthur River Pipeline (MRM pipeline), owned and operated by Power and Water Corporation (Power and Water, or 'us'). The MRM pipeline is a non-scheme pipeline for the purposes of the National Gas Law (NGL) and NGR.

This User Access Guide sets out information for prospective users (referred to as 'you') about the process for applying for access to pipeline services provided by means of the MRM pipeline (or by part of the MRM pipeline, or by an extension to, or expansion of the capacity of, the MRM pipeline). It is intended to be read together with the requirements under Part 11 of the NGR, but Part 11 will prevail to the extent of any inconsistency.

This User Access Guide is structured as follows:

- (a) Section 1 Background information about this guide and about the MRM pipeline
- (b) Section 2 Information about Power and Water and contact details
- (c) Section 3 Overview of access request and negotiation process covered in this guide
- (d) Section 4 Access requests and further investigations
- (e) Section 5 Access offers
- (f) Section 6 Negotiations
- (g) Section 7 Access disputes and referral to arbitration
- (h) Section 8 Confidential information

This guide may be updated or amended by Power and Water from time to time. Any questions about the access process or this User Access Guide should be directed to the contact person at Power and Water set out in Section 2.

Terms that are defined in the NGL and NGR will have the same meaning when used in this User Access Guide, unless specified otherwise.

1.2 What this guide applies to

This User Access Guide applies in relation to requests for access to pipeline services provided by means of the MRM pipeline. It does not apply in relation to:

- (a) arrangements for existing pipeline services provided under an existing access contract; or
- (b) a request to vary the terms and conditions of access applicable to a pipeline service provided under an existing access contract for any part of the current service term for that service.

However, any request to extend the service term of a current arrangement or add a new pipeline service to the arrangement will be covered by Part 11 of the NGR and this User Access Guide.



1.3 Background on MRM pipeline

The MRM pipeline (also known as the Daly Waters Pipeline) is a transmission pipeline located in the north region of the Northern Territory. The MRM is owned and operated by Power and Water (with operation and maintenance services provided by a subcontractor, OSD Asset Services).

The MRM pipeline is 330 km in length and 168 mm in width and has a maximum capacity of 15 TJ/day. Its connection points are:

- (a) Receipt point Daly Waters Scraper Station on the Amadeus Gas Pipeline (operated by the APA Group); and
- (b) Delivery Point McArthur River Mine.

A map showing the location of the MRM pipeline is set out below:



2 Service provider

The service provider for the MRM pipeline is Power and Water Corporation. Please send all preliminary enquiries and access requests to:

Antoni Murphy
Executive General Manager - Gas Services
Level 7, Mitchell Centre
55 – 59 Mitchell Street
Darwin NT 0801

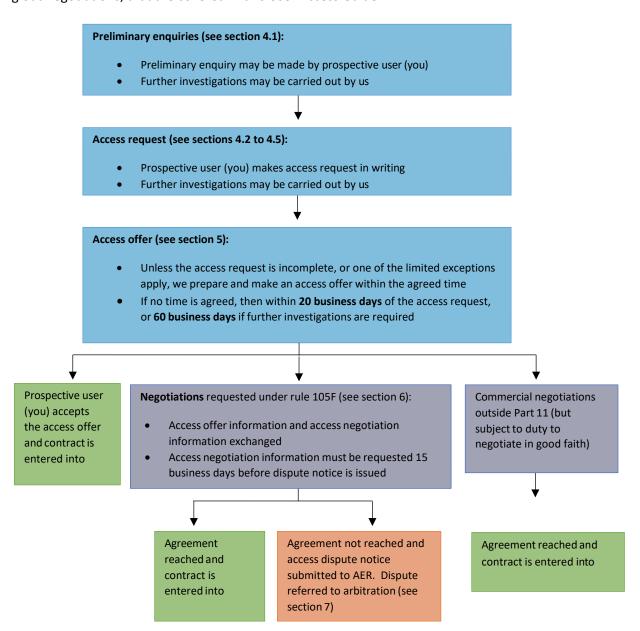
Contact number: 08 8985 7124

Email: <u>Antoni.Murphy@powerwater.com.au</u> Attention: MRM pipeline access enquiry



3 Overview of process

The following diagram shows the stages for seeking an access request, providing an access offer, and carrying out negotiations, that are covered in this User Access Guide.



4 Access requests and further investigations

4.1 Preliminary enquiries

Before making an access request, you may make a preliminary enquiry about access to a pipeline service provided by means of the MRM pipeline. A preliminary enquiry can be made by contacting the person set out in Section 2 above.

Preliminary enquiries are not required, but are encouraged, to allow discussions or further investigations to take place before a formal access request is made.

We will carry out further investigations on the basis of the preliminary enquiry if requested, or on our recommendation if we consider that additional information is required. We will provide a timeframe for carrying out the further investigations and an estimate of the likely costs of the investigations. In some circumstances, we may require you to bear the cost of further investigations.

4.2 Access request

You may request us to provide access to a pipeline service provided by means of the MRM pipeline (or by part of the MRM pipeline, or by an extension to, or expansion of the capacity of, the MRM pipeline).

An access request must be made in writing and sent by email, hand delivery or post, to the person set out in Section 2 above. It must include the following information:

- (a) Access request that the request is an access request under rule 105D of the NGR.
- (b) User information the following information about the entity seeking access and who will be the contracting entity in any resulting access agreement:
 - (i) Company name and ABN/ACN
 - (ii) Organisational chart showing relevant parent company (if applicable)
 - (iii) Contact details for an officer or representative of the entity
 - (iv) Supporting information demonstrating credit worthiness of the entity
 - (v) Reason the entity is seeking access to the pipeline service
- (c) Service information the following information about the pipeline service that is requested:
 - (i) Description of the pipeline service requested
 - (ii) Start date and end date for the pipeline service
 - (iii) Capacity intended to be utilised
 - (iv) Receipt point and delivery point, and quantities required at each connection point
 - (v) Gas quality specification of gas to be delivered into the MRM pipeline
 - (vi) If a new interconnection is required, relevant technical details relating to that new interconnection, including location and delivery pressure



(d) Other information – any other information reasonably required for us to prepare an access offer, or to determine whether we need to undertake further investigations

4.3 Incomplete access request

If the access request is incomplete, we will notify you within 5 business days after the request is received and specify the additional information required. An incomplete access request may delay the provision of an access offer, as a request for additional information will stop the time period for us to provide an offer until the information has been provided.

4.4 Further investigations

If we require further investigations in relation to the access request, we will notify you within 10 business days of receipt of the access request (or in the case of an incomplete access request, receipt of the additional information required), setting out the scope of the investigations.

We will only carry out further investigations where reasonably necessary – for example, if we reasonably require additional information or studies to prepare an access offer. We will carry out these investigations expeditiously, and will negotiate with you in good faith about the terms and conditions on which they will be carried out. These include:

- (a) the basis for determining reasonable costs of the further investigations that are to be paid by you; and
- (b) any reasonable extension to the time period allowed for providing an access offer.

4.5 How to amend an access request

You may only amend the details in an access request with our consent. We will not unreasonably withhold our consent, but may provide it subject to agreeing a reasonable extension to the period for making an access offer.

5 Access offers

5.1 Making an access offer

After receiving an access request, we will prepare and make an access offer within the time agreed with you. If no time is agreed, then we will make the access offer within the following time periods:

- (a) if no further investigations are required 20 business days after receiving the access request (or in the case of an incomplete request, receiving the additional information required); or
- (b) if further investigations are required 60 business days after receiving the access request (or in the case of an incomplete request, receiving the additional information required).

The access offer will set out:

- (a) the price and other terms and conditions on which we offer to make the requested pipeline service available; and
- (b) the details of any works to be undertaken by us or by you, and any applicable technical and performance specifications.



It will 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.

5.2 When we may not make an access offer

We are not required to make an access offer in the following three circumstances:

- (a) Where the access request has been withdrawn by you.
- (b) Where we conclude that it is not technically feasible or consistent with the safe and reliable operation of the MRM pipeline to provide the pipeline service requested, having used all reasonable efforts to accommodate your reasonable requirements. If this circumstance applies, we will give you written reasons explaining why the requested service cannot be provided, and if there is some prospect that it will become possible to provide the service in the future, details of when the service is likely to become available.
- (c) Where the provision of the requested pipeline service would require the extension of the MRM pipeline.

6 Negotiations

6.1 Requesting negotiations

A prospective user who has made an access request for a pipeline service may request negotiations under rule 105F of the NGR, by notice to the person set out in Section 2.

Rule 105F is not an exclusive framework for negotiations, and we may negotiate outside this regime if we agree with you. We request you to be clear about whether you are seeking negotiations under rule 105F of the NGR, or outside of rule 105F of the NGR.

Negotiations may be requested 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. However, negotiations may not be requested in relation to:

- (a) arrangements for existing pipeline services provided under an existing access contract; or
- (b) a request to vary the terms and conditions of access applicable to a pipeline service provided under an existing access contract for any part of the current service term for that service.

If the access request is for more than one pipeline service, you may also require negotiations in relation to those pipeline services to take place as part of the same negotiation process. If this is the case, you must notify the person set out in Section 2.

6.2 Process for negotiations

The process and timetable for negotiations will be agreed, and each party must seek to accommodate all reasonable requirements of the other regarding this timetable.

Both parties must also use reasonable endeavours to identify any other person who may become a party to an access dispute relating to the pipeline service the subject of the negotiations. If we both agree, then that party will be included as a party to the negotiations.



You may bring negotiations to an end at any time by notice to the person set out in Section 2. You may do so whether or not you also refer, or have referred, a related access dispute to arbitration under rule 105F of the NGR.

6.3 Obligation to negotiate in good faith

Both you and we must negotiate in good faith with each other about whether access can be granted and, if so, the terms and conditions for provision of access (pursuant to section 148D of the NGL). This duty applies to all negotiations (whether or not under Part 11 of the NGR).

6.4 Exchange of information during negotiations

Certain information may be exchanged between us during the negotiations. Part 11 of the NGR provides for two types of information to be exchanged:

- (a) Access offer information to be provided by us on request this is information relevant to the matters an arbitrator may take into account during an arbitration of an access dispute, including:
 - (i) information about the method used to determine the price in an access offer and the inputs used in the calculation of the price; and
 - (ii) information regarding the costs associated with the provision of the pipeline service.

You may request us to provide access offer information in relation to any aspect of the matters being negotiated, by notice to the person set out in Section 2. We must then provide that information within 15 business days (or a longer period if agreed). The information we provide must be relevant, comply with the 'access information standard' and be provided in a readily readable form (including in electronic file format, if requested, with all underlying data files and inputs).

The 'access information standard' means that the information:

- (i) is not false or misleading;
- (ii) if it is technical information, is prepared, published and maintained in accordance with the practices, methods and acts that would reasonably be expected from an experienced and competent person engaged in the ownership, operation or control of a pipeline in Australia acting with due skill, diligence, prudence and foresight; and
- (iii) if it is a forecast or estimate, is supported by a statement of the basis of the forecast or estimate and is arrived at on a reasonable basis and represents the best forecast or estimate possible in the circumstances.

- (b) Access negotiation information to be provided by either party on request this is, in relation to a party to negotiations, the following information:
 - (i) access offer information of that party; and
 - (ii) any other information that party may seek to rely on for the determination of an access dispute in relation to the subject matter of the negotiations, including information prepared for the party such as expert reports and consultant reports, data sets, models and other documents or materials.

Either you or we may request, by notice, the other party to the negotiations to:

- (i) provide access negotiation information of that other party in relation to a specific matter arising in the negotiations; or
- (ii) provide all access negotiation information of that other party.

The access negotiation information requested must be provided within 15 business days (or a longer period if agreed) and it must comply with the 'access information standard'.

The duty to negotiate in good faith applies to a request for, and the provision of, access negotiation information.

6.5 Exceptions to information disclosure

You and we are not required to provide information where:

- (a) disclosure of that information would breach third party confidentiality and the third party has not given consent to the disclosure despite reasonable efforts having been made to obtain that consent; or
- (b) the information is subject to legal professional privilege, or requires disclosure of documents that would disclose information subject to legal professional privilege.



7 Access disputes and referral to arbitration

7.1 Access dispute notice

If we cannot agree about one or more aspects of access to a pipeline service, either you or we may notify the AER in writing that an access dispute exists, in accordance with Chapter 5 of the NGL. We encourage you to raise the dispute with us (by notice to the person set out in Section 2) before formally notifying the AER. This will give us the opportunity to seek to resolve the dispute without referral to arbitration under Part 12 of the NGR.

Before an access dispute notice is issued, the party seeking to issue it must give notice to the other party to provide all access negotiation information of that other party. The access dispute notice may then only be issued 15 business days after this information notice is given.

7.2 Referral to arbitration

Pursuant to section 159 of the NGL, the AER must take reasonable steps to refer an access dispute to arbitration, within 15 business days after receiving the access dispute notice. The AER will give notice to all parties to the negotiations of the referral of the dispute to arbitration.

This User Access Guide does not cover the arbitration process. For further information on the arbitration process, please refer to Division 6 of Part 12 of the NGR, and the AER's non-scheme pipeline arbitration guide, available at https://www.aer.gov.au/networks-pipelines/non-scheme-pipelines/arbitration-of-access-disputes.

8 Confidential information

All information provided by each of us during negotiations (other than that in the public domain) is confidential. We may only use or reproduce this information for the purpose for which it was disclosed. We may not disclose such information to any third party except:

- (a) to the AER in an access dispute notice;
- (b) to the arbitrator in the course of an arbitration;
- (c) with the other party's consent;
- (d) to a professional or other adviser of the disclosing party who agrees to maintain its confidentiality;
- (e) if disclosure is required by, or is necessary for the purposes of, the NGR or NGL;
- (f) if disclosure is in accordance with a court order or subpoena; or
- (g) if disclosure is authorised or required by law or a regulatory body, and the disclosing party gives written details of the disclosure (including reasons for the disclosure) to the other party.

We may also require a confidentiality agreement to be entered into with us (including for the purposes of preliminary discussions or negotiations outside of Parts 11 and 12 of the NGR).



Annexure 1. Pipeline Interconnection Policy MRM Pipeline

December 2023



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1 Background

1.1 Purpose

This interconnection policy is published in accordance with rule 39 of the National Gas Rules (**NGR**) for the McArthur River Pipeline (**MRM pipeline**), owned and operated by Power and Water Corporation (**Power and Water**, or **'us'**). The MRM pipeline is a non-scheme pipeline for the purposes of the National Gas Law (**NGL**) and NGR.

This interconnection policy provides information for prospective users (referred to as 'you') about the process for interconnecting to the MRM pipeline. It is intended to be read together with the applicable User Access Guide as well as Part 6 of the NGR, but Part 6 will prevail to the extent of any inconsistency.

Power and Water may amend, edit or change this interconnection policy at any time.

Depending on the circumstances, Power and Water may depart from the processes outlined in this interconnection policy and the interconnection policy remains subject to an legislative requirements or restrictions.

Any questions about the interconnection policy should be directed to the contact person at Power and Water set out in Section 2.

Terms that are defined in the NGL and NGR will have the same meaning when used in this User Access Guide, unless specified otherwise.

1.2 What this interconnection policy applies to

This interconnection policy applies in relation to requests to interconnect to the MRM pipeline. It does not apply in relation to:

- (a) Interconnections that have been completed as at the date of this interconnection policy being published; or
- (b) a request to vary the terms and conditions of existing interconnection agreement for any part of the existing interconnection.

1.3 Background on MRM pipeline

The MRM pipeline (also known as the Daly Waters Pipeline) is a transmission pipeline located in the north region of the Northern Territory. The MRM is owned and operated by Power and Water (with operation and maintenance services provided by a subcontractor, OSD Asset Services).

The MRM pipeline is 330 km in length and 168 mm in width and has a maximum capacity of 15 TJ/day. Its connection points are:

- (a) Receipt point Daly Waters Scraper Station on the Amadeus Gas Pipeline (operated by the APA Group); and
- (b) **Delivery point** McArthur River Mine.



A map showing the location of the MRM pipeline is set out below.



2 Service provider

The service provider for the MRM pipeline is Power and Water Corporation. Please send all enquiries to:

Antoni Murphy

Executive General Manager – Gas Services Level 7, Mitchell Centre 55-59 Mitchell Street Darwin NT 0801

Contact number: 08 8985 7124

Email: <u>Antinoi.murphy@powerwater.com.au</u>
Attention: MRM pipeline interconnection enquiry

3 Right to interconnect

In accordance with rule 37 of the NGR, a person has the right to connect a pipeline or other facility to a pipeline where:

- (a) it is technically feasible and consistent with the same and reliable operation of the pipeline; and
- (b) the person agrees to fund the costs associated with making the interconnection.

In accordance with rule 38(1) of the NGR, the interconnecting party has the option to:

- (a) construct, operate and maintain the interconnection at its own cost (option A); or
- (b) have Power and Water do so (option B); or
- (c) proceed with a combination of option A and option B if both the interconnecting party and Power and Water:
 - i. will own equipment or infrastructure associated with the interconnection; or
 - ii. agree to share the costs and responsibilities associated with the interconnection.

4 Interconnection process

The high level interconnection process that Power and Water follows is:

- 1. Preliminary enquiry
- 2. Technical review
- 3. Approvals
- 4. Interconnection offer
- 5. Construction and commissioning
- 6. Commencement of operations

Depending on whether the interconnecting party chooses option A, option B or a combination of both options, not all steps may be necessary. Further, depending on the complexity of the request not all steps may be necessary and certain steps may be carried out in parallel or out of order.

Please see below for further detail in respect of the interconnection process.



4.1 Primary enquiry

Before making request for interconnection, you may make a preliminary enquiry about interconnecting to the MRM pipeline. A preliminary enquiry can be made by contacting the person set out in Section 2 above.

To allow Power and Water to adequately respond to your preliminary enquiry, a preliminary enquiry should at a minimum include the following information:

- (a) the interconnecting party's details (including the nominated contact person, and their details);
- (b) the location that the interconnecting party proposes for the interconnection;
- (c) the type of interconnection (for more information in respect of the types of interconnection that Power and Water may approve, please contact the person set out in Section 2 above);
- (d) the maximum daily quantity (MDQ), maximum hourly quantity (MHQ) and maximum and minimum operating pressures that the interconnecting party requires at the interconnection point;
- (e) any regulatory approvals that the interconnecting party has received;
- (f) the desired completion date, i.e., the date that the interconnection should be operational; and
- (g) any other information that may be relevant for the specific enquiry.

Preliminary enquiries are not required, but are encouraged, to allow discussions or further investigations to take place before a formal request is made.

We will carry out further investigations on the basis of the preliminary enquiry if requested, or on our recommendation if we consider that additional information is required. We will provide a timeframe for carrying out the further investigations and an estimate of the likely costs of the investigations. In some circumstances, we may require you to bear the cost of further investigations.

We estimate that where relevant information supports an interconnecting party's preliminary enquiry, we will be able to respond to such enquiry within **15 business days**.

4.2 Technical review

If an interconnecting party wishes to proceed with an interconnection, whether a preliminary enquiry was made or not, Power and Water expects that it will need to undertake a technical review. Power and Water will advise the interconnecting party of the estimated costs associated with the technical review and may require the interconnecting party to pay such costs.

A technical review will provide the interconnecting party with the following information (where relevant):

- (a) connection options;
- (b) pipeline capacity and constraints;
- (c) an indication of costs to carry out construction and connection works;
- (d) indication of costs to procure and install any equipment;
- (e) details of the proposed side and pipeline route;
- (f) any gas quality requirements;
- (g) required injection parameters; and



(h) an estimate of the total costs of the interconnection.

If you have not yet done so, you must at this stage advise Power and Water whether you wish to move forward with option A, option B or a combination of the two. If you wish to proceed with a combination of option A and B, you must advise Power and Water of the details of that combination.

If the interconnecting party proposes to either option B or a combination of option A and option B, then Power and Water may need to complete a detailed front end engineering design for the works to be completed by it. Please note, that the interconnecting party will also need to complete a front end engineering design for the works they are contemplating to complete.

In addition to any other activities associated to the technical review of the interconnecting party's request, the interconnecting party must involve Power and Water (through consultation or actively engaged in the development of) a formal safety assessment (including the preparation of a safety case) for the interconnection.

We estimate that this step in the process may take between **3 and 18 months**, depending on the complexity of the interconnection request.

4.3 Approvals

If, following a technical review, the interconnecting party wishes to proceed with the interconnection, the interconnecting party must obtain any necessary approvals or consents required under the National Gas Law, National Gas Rules and any other applicable laws or otherwise, and provide evidence of such approvals being sought to Power and Water.

Power and Water may also require approvals or consents in relation to the proposed interconnection and Power and Water will obtain these approvals during this stage. Any interconnection offer made by Power and Water will be subject to it successfully obtaining any necessary approvals or consents.

The interconnecting party may be required to procure any required land access needed by Power and Water in order to facilitate the interconnection and undertake any ongoing operation and maintenance of the interconnection.

No time estimate is provided for obtaining approvals. However, where possible approvals may be sought in parallel with other stages of the process.

4.4 Interconnection offer

If you (the interconnecting party) wish to proceed with the interconnection please provide us with written confirmation of your intentions. Where it is feasible and consistent with any safety requirements, Power and Water will provide you with a Connection Agreement that is substantially the same as that in Section 8 along with any other relevant documentation that may be required on a case by case basis.

During this stage, Power and Water will engage constructively with the interconnecting party to resolve any questions or concerns that may arise in respect of the offer so that the parties can proceed to execution of that offer.

An interconnection offer may contain information pertaining to each parties roles and responsibilities, notice of any further design work that is required, options for Power and Water led and interconnecting party led construction, installation, testing and commissioning processes as the case requires. Please note



that not all of the aforementioned information or any of the information will always be present in an interconnection offer, depending on the complexity of the interconnection request.

4.5 Network connection and isolation

Once the connection offer has been executed by both parties, construction and commissioning will be undertaken by the responsible party in accordance with the executed connection offer.

4.6 Commencement of operations

Prior to any gas entering the pipeline, a formal acceptance from Power and Water is required. This process will involve Power and Water reviewing all the relevant commercial and technical matters to ensure that the interconnection has been constructed in accordance with the requirements and that there are no outstanding issues to be resolved. Once Power and Water is satisfied that the interconnection is capable of entering into operations, it will provide an approval to the interconnecting party.

During this stage, the interconnecting party is required to assist and cooperate with Power and Water, including by providing any information reasonably requested by Power and Water for the purposes of assessing whether the interconnection is fit for operations.

Power and Water will advise the interconnecting party of any sign-offs or approvals that are required to be obtained prior to the commencement of operations.

5 Relevant policies

At all times, you are required to comply with the requirements of the Interconnection Agreement and any policies and procedures that we make you aware of during the interconnection process.

6 Testing and commissioning

Interconnection requests will be assessed by Power and Water on a case by case basis.

The primary assessment criteria is whether the interconnection is technically feasible and consistent with safe and reliable operation of the pipeline and the safe and reliable supply of gas to end users.

All interconnecting parties must also satisfy Power and Water that they will comply with good industry practice and the relevant standards and legislation relating to the establishment and ongoing operation of the interconnection and any reasonable technical, safety and reliability requirements as requested by us.

Power and Water estimates that the time to complete this assessment can range between 3 and 18 months, depending on the complexity of the proposal, the completeness of any application and the responsiveness of the interconnecting party to Power and Water's queries.

7 Interconnection fees

Interconnection fees, fees for connection works and any ongoing connection fees will be calculated on a case by case basis.

In accordance with rule 38(3) of the NGR, where Power and Water develops the interconnection (or part of the interconnection), the interconnection fee that it charges to the interconnecting party must be based on the directly attributable cost of constructing, operating and maintaining the interconnection to the extent



that this is undertaken by the service provider, including so as to achieve a rate of return calculated in accordance with a commercial rate of return that reflects the pricing principles set out in rule 113Z(4) of the NGR.

8 Template interconnection agreement

To be finalised.



Contact

Power and Water Corporation Phone 1800 245 092 powerwater.com.au

