

IN THE WESTERN AUSTRALIAN ELECTRICITY REVIEW BOARD

Application No. 1 of 2010

Re Application for review of the decision by the Western Australian Economic Regulation Authority published on 5 August 2010 to approve its own revised Access Arrangement for the Goldfields Gas Pipeline

Applicant BHP Billiton Nickel West Pty Ltd (ABN 76 004 184 598)

First Respondent Southern Cross Pipelines Australia Pty Ltd (ABN 64 084 521 997)
Southern Cross Pipelines (NPL) Australia Pty Ltd (ABN 99 085 991 948)
Alinta DEWAP Pty Ltd (ABN 78 058 070 689)
Goldfields Gas Transmission Pty Ltd (ABN 87 004 273 241)

Second Respondent Economic Regulation Authority of Western Australia

Application No. 2 of 2010

Re Application under section 39(1) of Schedule 1 of the *Gas Pipelines Access (Western Australia) Act 1998* (which provision continues to apply by reason of section 28(4) of Schedule 3 of the *National Gas Access (WA) Act 2009*) for a review of the decision of the Economic Regulation Authority to draft and approve revisions of the access arrangement to apply to the Goldfields Gas Pipeline in place of the access arrangement revisions submitted for approval by Goldfields Gas Transmission Pty Ltd on behalf of the Goldfields Gas Transmission Joint Venture

Applicant Southern Cross Pipelines Australia Pty Ltd (ABN 64 084 521 997)
Southern Cross Pipelines (NPL) Australia Pty Ltd (ABN 99 085 991 948)

First Respondent Alinta DEWAP Pty Ltd (ABN 78 058 070 689)
Goldfields Gas Transmission Pty Ltd (ABN 87 004 273 241)
BHP Billiton Nickel West Pty Ltd (ABN 76 004 184 598)

Second Respondent Economic Regulation Authority of Western Australia

ORDERS

Made by: DS Ellis
Date of Order: 30 March 2012
Where made Perth

For the reasons given in the Decision of the Board dated 22 November 2011 and in the Supplementary Decision of the Board dated 30 March 2012, the Board makes the following orders:

- 1 The Access Arrangement approved by the Economic Regulation Authority by its Further Final Decision dated 5 August 2010 be amended by deleting clause 10 and substituting the version of clause 10 annexed to these orders as Annexure 1;
- 2 The Reference Tariff Elements to apply from 1 April 2012 are as follows:
 - (a) Toll Charge of \$0.237193/GJ;
 - (b) Reservation Charge of \$0.001462/GJ-km; and
 - (c) Throughput Charge of \$0.000401/GJ-km.
- 3 The parties do confer in relation to, and provide to the Board for its approval, a form of amended Access Arrangement and Access Arrangement Information reflecting these orders, and incorporating any necessary consequential amendments.
- 4 Application 1 of 2010 and Application 2 of 2010 are otherwise dismissed.
- 5 There be liberty to apply in respect of:
 - (a) issues relating to the implementation of these orders; and
 - (b) costs.

Any application in relation to costs is to be made within 14 days of the date of these orders.



DS Ellis
Presiding Member

Annexure 1

Clause 10 of the Access Arrangement as determined by the Board

10 Extensions/Expansions Policy

10.1 Extensions/Expansions

Other than as required under the Code or the GGP Agreement, GGT will not incur capital to expand the Capacity of the Covered Pipeline unless a User:

- (a) satisfies GGT of the existence of reserves and demand for the economic life of the expansion;
- (b) demonstrates to GGT that the User has the financial capability to pay the costs of the provision of Services provided through expanded Capacity; and
- (c) commits to a Negotiated Service Agreement sufficient to ensure the payment to GGT of all costs incurred by GGT in expanding the capacity and providing of Services through that expanded capacity.

10.2 Application of Arrangement to Pipeline Extensions/Expansions

- (a) GGT must, with the Authority's consent, elect at some point in time whether or not a proposed extension to, or expansion of the capacity of, the Pipeline should be treated as part of the Covered Pipeline for all purposes under the Code or should not be treated as part of the Covered Pipeline for any purpose under the Code.
- (b) To avoid doubt, in the event that the Authority refuses consent to GGT's election, the Authority must make an express determination whether or not the proposed extension to, or expansion of the Capacity of, the Pipeline should be treated as part of the Covered Pipeline for all purposes under the Code or should not be treated as part of the Covered Pipeline for any purpose under the Code.

10.3 Pipeline Extensions/Expansions and Tariffs

- (a) Pipeline extensions or expansions which GGT elects to cover under clause 10.2 will result in no change to the Reference Tariff applied to a User when those extensions or expansions have been fully funded by that User's capital contributions except to contribute to GGT's non-capital costs in connection with those extensions and expansions. Any change to Reference Tariffs may occur only pursuant to the process in Section 2 of the Code for revisions to Reference Tariffs.
- (b) Incremental Users as defined in the Code which have not made capital contributions towards Incremental Capacity as defined in the Code which they use and which has been funded by others will be liable to pay for surcharges as allowed for in Section 8 of the Code.
- (c) Pipeline extensions or expansions funded by GGT and which GGT elects to cover under clause 10.2 may result in the application of surcharges as allowed for in Section 8 of the Code subject to GGT providing written notice to the Regulator, and the Regulator approving the same, in accordance with Section 8.25 of the Code.