



# Bass Pakenham Pipeline – User Access Guide

## 1. Introduction

### 1.1 Objective

The objective of this policy is to provide the information required under Part 11 of the National Gas Rules (**NGR**) and Chapter 4 of the National Gas Law (**NGL**) in relation to the access of prospective users to the Bass Pakenham Pipeline.

The Bass Pakenham Pipeline, including all associated infrastructure, facilities and equipment (the **Pipeline**) is owned and operated by Beach Energy (Operations) Limited as the relevant service provider under the NGR.

In this User Access Guide, **Beach** means Beach Energy Limited (ACN 007 617 969) and its subsidiaries, including Beach Energy (Operations) Limited. A **prospective user** may include existing or new Pipeline users and customers.

### 1.2 Purpose

This User Access Guide sets out Beach's approach to prospective users' rights to access to the Pipeline and is published by Beach on behalf of Beach Energy (Operations) Limited, the service provider pursuant to rule 105C of the NGR. The most recent version of the NGR is available on the Australian Energy Market Commission's website.

Under rule 105C(6) of the NGR this User Access Guide must:

- identify the service provider for the pipeline;
- identify the contact details of the person responsible for receiving preliminary enquiries and access requests;
- describe the process for making an access request and the information required to be included in the access request, as well as response times;
- describe the arrangements for undertaking further investigations;
- describe how confidential information will be treated;
- describe the process for preparing an access offer and for requesting negotiations and information in regard to an access offer;
- include a statement of the obligation to negotiate in good faith and the right to refer an access dispute to arbitration under Chapter 5 of the NGL;
- describe the arrangements for the exchange of information during negotiations; and
- set out the service provider's interconnection policy.

### **1.3 Definitions**

In this User Access Guide, where a word or phrase begins with a capital letter it has the meaning given to it in this document or the BassGas Pipeline Gas Transportation Agreement.

If a word or phrase is not defined in this document, it has the meaning given to it in the NGR and the NGL.

### **1.4 Good Faith**

There is an obligation on prospective users seeking access to pipeline service and on Beach to negotiate in good faith with each other about:

- a) whether access can be granted to the prospective user; and
- b) if access is to be granted—the terms and conditions for the provision of access to the prospective user.

Beach will act in good faith in respect of its engagement and negotiation with prospective users as set out in this User Access Guide.

## **2. Beach Bass Pakenham Pipeline**

### **2.1 Overview**

The Bass Pakenham Pipeline is a high-pressure natural gas pipeline connecting the Lang Lang Gas Plant to the Victorian market at Pakenham, approximately 53 kilometres south-east of Melbourne, Victoria.

The Pipeline is buried at a minimum depth of 900 mm, and is a 35.1 km long, 250 mm diameter welded-steel wall pipeline.

### **2.2 Regulatory Scheme**

The Pipeline is a non-scheme pipeline, and as such is subject to the NGR's requirements relevant to negotiating access to services provided by Beach's Pipeline, such as:

- The objective of facilitating access to pipeline services on reasonable terms that, as far as practicable, reflect the outcomes of a workably competitive market.
- A focus on information disclosure to support timely and effective commercial negotiations.
- the inclusion of rights to binding commercial arbitration if commercial negotiations fail.

The Pipeline has been granted AER exemption for publication of Weighted Average Pricing (WAP) information for pipeline services

### **2.3 Services**

Subject to available capacity, Beach offers the following standard pipeline services on the Pipeline:

- Interruptible forward haul transport; and
- Interruptible back haul transport.

A detailed description of these services can be found in Beach's standard terms and conditions as provide in the BassGas Pipeline Gas Transportation Agreement (**GTA**). The GTA is available on Beach's website, at <https://beachenergy.com.au/bass-pakenham-pipeline/>

Explanations of standard Beach pipeline services, standing tariffs, and terms are published on Beach’s website and in the GTA. Potential users are encouraged to review these services, tariffs, and terms to understand the key considerations relevant to gaining access to services on the Pipeline.

For example:

- Beach requires the Gas Specification or any other quality to comply with the relevant Australian Standard (AS 4564), and Beach will measure and/or monitor gas quality in accordance with relevant obligations under contract. Quality obligations are outlined in the GTA.
- Beach has minimum credit support requirements that are a pre-condition to gaining access to pipeline services. Beach’s credit support requirements are further detailed in clause 22.2 of the GTA.

## **2.4 Priority of Services**

If there is insufficient capacity to satisfy all nominations by Pipeline Users for a Day, then Beach will schedule Gas deliveries and receipts in the order described in clause 5 of the GTA.

## **3. Access Requests**

Prospective users interested in acquiring gas transportation services from Beach on the Pipeline can do so either through an informal process via a preliminary enquiry or through a formal process called an access request.

### **3.1 Preliminary Enquiries**

Prospective users may make a preliminary enquiry concerning Pipeline access and transportation services prior to making an access request.

A preliminary enquiry may include queries about access to and availability of services on the Pipeline and can be made at any time. A preliminary enquiry can be made by contacting Beach:

- by telephone (08) 8338 2833; or
- by email at [commercial@beachenergy.com.au](mailto:commercial@beachenergy.com.au).

Beach may require additional information to properly respond to a preliminary enquiry, and prospective users are encouraged to provide as much information as possible about their service needs and objectives at an early stage.

Beach will provide a response to each enquiry within ten business days of receiving the preliminary enquiry, and will include:

- whether Beach can provide access to the pipeline services referred to in the enquiry or whether it needs to carry out further investigations; and
- when Beach will provide an offer.

If needed, Beach may request to arrange a time to discuss the prospective user’s needs and gather any further information that may be needed to make an access offer. In addition, a prospective user may request Beach carry out further investigations on the basis of the preliminary enquiry and before the prospective user makes an access request.

If Beach makes an offer in response to a preliminary enquiry, the prospective user is not required to submit an access request and the parties may proceed to negotiation.

A prospective user is not required to make a preliminary enquiry before making an Access Request.

### **3.2 Access requests**

Prospective users may make an access request under the NGR, which triggers the formal process of an access offer and information exchange. An access request must:

- be in writing; and
- include information reasonably required to be provided for Beach to prepare an access offer in relation to the access sought or to determine whether Beach needs to undertake further investigations in relation to the access request.

The required information may include (but is not limited to):

- the prospective user and pipeline access details;
- the services required, including the date(s) of service, term of contract and receipt/delivery points;
- the gas specification and flow rates; and
- the prospective user's credit support.

Beach will provide an acknowledgement of receipt of the access request within five business days following receipt of the access request. Beach will, if necessary, provide notice to the prospective user if the information provided in the access request is incomplete and specify the information required to complete the access request.

A prospective user may withdraw an access request at any time prior to final agreement by the parties.

### **3.3 Access request amendments**

A prospective user may amend the details of the access sought in an access request with Beach's consent (which will not be unreasonably withheld and may be given subject to reaching agreement on a reasonable extension to the period for making an access offer).

### **3.4 Further investigations**

If Beach considers it needs to undertake further investigations reasonably necessary in relation to the prospective user's access request Beach will provide notice, within ten business days of receipt of the access request or further information (if so requested), of those further investigations to the prospective user.

Beach will endeavour to undertake any further investigations expeditiously, and will in good faith negotiate the terms and conditions on which the further investigations will be carried out, including:

- the basis for determining reasonable costs of further investigations to be paid by the prospective user; and
- the timeframe for conducting further investigations.

### **3.5 Access offers**

Beach will prepare and make an access offer to a prospective user after receiving a valid access request and after completing any further necessary investigations.

The access offer may comprise a copy of Beach's GTA for the Pipeline, either in standard form or amended to reflect the nature of the services required as described in the access request. If any works are required to be undertaken by Beach or the prospective user, the access offer will specify the relevant details of such works and any applicable technical and performance specifications.

Beach will make access offer to the prospective user in writing and at the contact details provided:

- if no further investigations are required, within 20 business days of receipt of the access request or requested further information, or such other time as agreed with the prospective user; or
- if further investigations are required in relation to the access request, within 60 business days of receipt of the access request or requested further information, or such other time as agreed with the prospective user.

Beach is not required to make an access offer if:

- (a) the access request has been withdrawn by the prospective user;
- (b) Beach concludes that it is not technically feasible or consistent with the safe and reliable operation of the pipeline to provide the pipeline service requested by the user or prospective user, having used all reasonable efforts to accommodate the reasonable requirements of the user or prospective user; or
- (c) the provision of the pipeline service requested by the user or prospective user would require the extension of the service provider's pipeline.

If Beach does not make an access offer for the reason specified in (b) above, it will provide the prospective user with written reasons explaining why the requested pipeline service cannot be provided and details of when the requested pipeline service is likely to become available, but only if there is some prospect that it will become possible to provide the requested pipeline service at some time in the future.

### **3.6 Accepting an access offer**

If the prospective user wishes to accept Beach's access offer, the prospective user must execute and return a copy of the access offer to Beach within 15 business days of receipt. Beach may request additional signed copies of the access offer in its discretion.

## **4. Negotiations**

### **4.1 Commencement**

A prospective user who has made an access request for the Pipeline or who has received an offer following a preliminary enquiry may, by written notice to Beach, request the parties negotiate 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.

Before commencing negotiations, the parties must agree to the following:

- the parties to the negotiations (including using reasonable endeavours to identify any other person who may become a party to an access dispute relating to the pipeline service);
- what services are to be in the subject of the negotiations; and
- the confidentiality arrangements for the negotiations

The parties to the negotiation must take all reasonable steps to agree a timetable for the negotiations and seek to accommodate all reasonable requirements of the other parties to the negotiation.

A prospective user may at any time by written notice to Beach bring negotiations to an end, whether or not the prospective user also provides notice of an access dispute.

### **4.2 Duty to negotiate in good faith**

Section 148D of the NGL imposes a duty on both Beach and the prospective user to undertake all negotiations in respect of access to a pipeline service in good faith.

### **4.3 Access to negotiation information**

A prospective user who is party to negotiations may, by written notice, request Beach to provide access offer information (as defined in rule 105G(4) of the NGR) in relation to any aspect of the matters being negotiated. Beach will provide the requested information within 15 business days of the notice (or any longer period as agreed by the parties).

Further requests for information will be administered separately and follow the same process.

Any party to negotiations (including Beach) may also:

- by written notice request another party to provide access negotiation information (as defined in rule 3 of the NGR) that the other party is seeking to rely on in relation to a specific matter arising in the negotiations; and
- during the course of the negotiations by written notice request another party to provide all access negotiation information of that party.

However, a party to negotiations is not required to provide information requested by another party where:

- to do so would breach a confidentiality obligation owed in respect of that information to an unrelated third party and the third party has not given consent to the disclosure despite reasonable efforts having been made to obtain that consent; and
- the information is subject to, or would disclose other information subject to, legal professional privilege.

### **4.4 Excluded matters from negotiation**

The following matters are excluded by the NGR and NGL from being matters subject to negotiation:

- a dispute about a pipeline service provided under an existing access contract;
- 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 pipeline service;
- an access request that would require the extension of a pipeline; and
- a dispute about standard terms and conditions for secondary trading of capacity excluded from the operation of the NGR by the NGL.

### **4.5 Referral to arbitration**

In this section, an Access Dispute means a dispute between a prospective user and Beach about one or more aspects of access to a pipeline service provided by means of a pipeline and includes a matter that is deemed to be an access dispute under the NGR.

A prospective user or Beach may refer an Access Dispute to arbitration under Chapter 5 of the NGL. A party may initiate the referral by providing an Access Dispute notice to the Australian Energy Regulator (AER) under section 152(2) of the NGL and rule 113A of the NGR.

An Access Dispute notice may be given in relation to:

- a request for access to a pipeline service under a new access contract;
- a request to add a new pipeline service to an existing access contract;
- a request for a new access contract to take effect on the expiry of an existing access contract; and

- a request for a pipeline service commencing after the expiry of the service term for the same service under an existing access contract.

An arbitration between the parties is governed by the applicable provisions in Chapter 5 of the NGL and Part 12 of the NGR.

#### **4.6 End of negotiations**

Negotiations may be ended due to any one of the following:

- the prospective user has withdrawn the access request;
- the prospective user and Beach have agreed terms and conditions for access to services on the Pipeline; or
- one of the parties has submitted an Access Dispute notice and referred the matter to arbitration.

### **5. Confidentiality**

#### **5.1 Confidential Information**

Confidential Information of a party means all information of that party provided to another party to the negotiations other than information in the public domain at the time it was provided or information that subsequently comes into the public domain (either in a manner permitted by rule 105F(8) or in any other way).

#### **5.2 Restriction on disclosure of confidential information**

The parties to the negotiation must only use or reproduce the Confidential Information of another party for the purpose of which it was disclosed and must not disclose the Confidential Information except:

- to the AER or to an arbitrator in the course of an arbitration;
- if the dispute is mediated, to the mediator;
- 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 the NGL; or
- 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.

### **6. Interconnection Policy**

Beach's Interconnection Policy for the Bass Pakenham Pipeline can be found on Beach's website, at <https://beachenergy.com.au/bass-pakenham-pipeline/>

## **7. General**

### **7.1 Amendment**

Beach may amend this User Access Guide from time to time.

### **7.2 Concerns and queries**

If a person has any concern or query about the content of this User Access Guide or would like further information about Beach's policies or practices, they may contact Beach Commercial at (08) 8338 2833 or at [commercial@beachenergy.com.au](mailto:commercial@beachenergy.com.au).

### **7.3 Application**

This policy applies to Beach and to all prospective users wishing to engage with Beach for services on the Pipeline.