

GAS DAY HARMONISATION TRANSITION PLAN

McArthur River Pipeline

June 2019



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1. BACKGROUND

1.1 About this transition plan

This Transition Plan is published by Power and Water Corporation (**PWC**) in respect of the McArthur River Pipeline (**MRM pipeline**) under rule 4(2) of Part 6 of Schedule 5 of the National Gas Rules (**NGR**).

In accordance with Part 26 of the NGR, in respect of the MRM pipeline PWC is required to:

- (a) use the standard gas day for the nomination, scheduling and provision of services provided by means of the MRM pipeline; and
- (b) ensure that the equipment used for the measurement and recording of quantities of natural gas injected into, or withdrawn from, the MRM pipeline does so for each period corresponding to the standard gas day.

The MRM pipeline is a conditionally exempt facility for the purposes of Part 24 of the NGR. PWC is therefore not required to use the standard nomination cut-off time for day-ahead nominations for services provided by means of the MRM pipeline.

This Transition Plan sets out the following arrangements for transitioning to the standard gas day in respect of the MRM pipeline:

- (a) proposed transition date;
- (b) amending existing agreements for services provided by means of the MRM pipeline to reflect the standard gas day;
- (c) operational issues including nominations, scheduling and capacity allocations;
- (d) metering changes; and
- (e) Bulletin Board reporting arrangements.

1.2 Background on MRM pipeline

The MRM pipeline is a transmission pipeline located in the north region of the Northern Territory. The MRM pipeline is owned and operated by PWC (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.

The MRM pipeline is a “single user facility”, within the meaning of Part 24 of the NGR, because transportation services are provided to a single transportation facility user (other than PWC).

2. PROPOSED TRANSITION DATE

- The standard gas day will be in effect for the MRM pipeline no later than 6 am AEST on 1 October 2019.
- The current gas day for the MRM pipeline is a 24 hour period commencing at 8 am CST. The last gas day before the standard gas day is in effect will be a shorter gas day of 21.5 hours commencing at 8 am CST.

3. AMENDING EXISTING AGREEMENTS

- PWC will be commencing discussions with the third party user of the MRM pipeline (**MRM Customer**), to agree and effect amendments to relevant contracts to reflect the standard gas day.
- PWC anticipates this will be a relatively simple process.

4. OPERATIONAL ISSUES

- The contractual arrangements between PWC and the MRM Customer for services provided by means of the MRM pipeline involve the sale of capacity in the MRM pipeline.
- These arrangements do not require nominations or scheduling of receipts or deliveries of gas on a day.
- There are also no relevant quantities or capacity entitlements that will be impacted by the transition to the standard gas day.

5. METERING CHANGES

- PWC has conducted an audit of the meters relevant to the operation of the MRM pipeline to establish ownership and ensure that appropriate communications are made regarding transition of the meters to the standard gas day.
- The only relevant meter is owned and operated by PWC, at the Daly Waters Receipt Point. The meter currently measures and records quantities of gas in the CST time-zone and reflects the current gas day commencing at 8 am CST.
- PWC has been in discussions with APA regarding arrangements for transitioning this and other meters to record data for the standard gas day. These arrangements include:
 - converting the meter to record data in the AEST time-zone;
 - aligning the meter to record data for the standard gas day from 1 October 2019; and
 - ensuring the meter can record data for the shorter gas day on 30 September 2019.
- PWC will update this plan to report scheduling and completion of meter conversion, when more detailed arrangements have been made.
- Meter conversion will be scheduled as close as possible to 1 October 2019, and will be completed either by remote access or locally by on-site personnel.

6. BULLETIN BOARD REPORTING REQUIREMENTS

- PWC will update the gas day start time for the MRM pipeline on the Bulletin Board a reasonable time before the transition takes effect.
- The transition to the standard gas day will not impact any of PWC's other reporting obligations on the Bulletin Board for the MRM pipeline (noting that PWC has applied for an exemption under Part 18 of the NGR from the requirement to provide nominated and forecast delivery information and daily flow data for each receipt point and delivery point).