

Notice

23 May 2018

Non-Scheme Gas Pipelines - Publications

The Economic Regulation Authority (ERA) has published a <u>financial reporting guideline</u> for non-scheme gas pipeline owners or operators in Western Australia. The new information disclosure and arbitration framework applies to gas pipelines (non-scheme pipelines) which were not previously subject to regulation by the ERA.

The ERA has also established a <u>public register</u> of approved exemptions to the information disclosure, access and arbitration requirements for non-scheme gas pipelines.

The ERA has established a <u>pool of arbitrators</u> suitably qualified and experienced to determine non-scheme gas pipeline access disputes.

Financial Reporting Guideline

The National Gas Rules require non-scheme pipeline service providers to publish specific information, including financial information and weighted average price information. This is intended to assist prospective access seekers to assess the reasonableness of the service provider's standing price, as well as the terms and conditions associated with the service.

The guideline provides for the publication of financial information about each non-scheme pipeline; specifies the methods, principles and inputs used to calculate the weighted average price information; specifies the level of detail of information required; specifies applicable accounting or audit standards; and specifies the level of audit assurance required.

The transitional provisions in the National Gas Rules require this guideline to be published on or before 23 May 2018.

The ERA, in consultation with the Australian Energy Regulator and the Gas Market Reform Group, developed a draft financial reporting guideline and financial reporting template for non-scheme pipeline service providers.

The ERA has now published its guideline, having considered the feedback provided by stakeholders to the draft guideline and consultation conducted by the Australian Energy Regulator, the overarching objective of the framework and the National Gas Objective.

The ERA has also published on its <u>website</u> a reporting template and explanatory statement to accompany the guideline.

Public Register of Exemptions

The ERA has established a public register of approved exemptions from obligations under Part 23 of the National Gas Rules.

These service providers applied to the ERA for exemptions and were approved by the ERA.

The ERA is required to maintain this public register, and to publish exemptions and any exemption revocations (if made).

Further details on the available exemptions and the application form are available on the ERA's website.

Arbitration Pool

The ERA is required to establish and maintain a pool of suitably qualified and experienced commercial arbitrators who may be appointed to determine access disputes that are referred to arbitration.

The ERA can at any time change the composition of the pool of arbitrators and may include commercial arbitrators in the pool on a temporary basis.

The list of suitable arbitrators can be found on the ERA's website.

Background

A new regulatory framework became operational in Western Australia on 23 December 2017.

The regulatory framework puts in place a new commercial arbitration mechanism, pricing principles and information disclosure requirements for previously unregulated pipelines with the aim of facilitating access to services provided by non-scheme pipelines on reasonable terms.

The framework provides a staged approach to assist shippers wanting to access pipeline services. The stages consist of information disclosure by non-scheme pipelines, access negotiations, and the arbitration of access disputes.

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