





1 March 2018

Exemption Application Form for Non-Scheme Pipelines

The Economic Regulation Authority has published a new <u>application form</u> that non-scheme gas pipeline owners or operators must complete if they wish to be exempt from aspects of the information disclosure and arbitration framework in the National Gas Rules. The application form also allows for exemptions to be varied or revoked in future.

Under the National Gas Rules, a non-scheme pipeline owner/operator may apply to the ERA for an exemption from aspects of the information disclosure and arbitration framework where the pipeline satisfies the relevant exemption criteria. Affected service providers will need to assess their new regulatory obligations and, if appropriate, apply for an exemption. The exemptions do not apply automatically.

All applications will be assessed by the ERA in accordance with the National Gas Rules. An exemption that is subject to conditions may be varied either by the ERA or on application of the owner or operator of the non-scheme pipeline. The ERA may also revoke an exemption where, in the ERA's reasonable opinion, the relevant exemption criteria are no longer satisfied. The service provider for a non-scheme pipeline must notify the ERA without delay if circumstances change such that the pipeline no longer qualifies for the exemption. Any person may also apply to the ERA to have an exemption revoked.

Further information on the information disclosure and arbitration framework, exemption criteria and a copy of the application form are available on the ERA's <u>website</u>.

Background

A new regulatory framework became operational in Western Australia on 23 December 2017. This framework applies to gas pipelines (non-scheme pipelines) which were not previously subject to regulation by the Economic Regulation Authority.

The regulatory framework puts in place a new commercial arbitration mechanism, pricing principles and information disclosure requirements for previously unregulated pipelines. 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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