

OFFICE OF GAS ACCESS REGULATION

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Our Ref: 5030/01

18 May 2001

NOTICE

WAIVER OF RING FENCING ARRANGEMENTS

TUBRIDGI PIPELINE SYSTEM

This Notice grants a waiver of certain ring fencing obligations to the Tubridgi Joint Venture Parties (Tubridgi Parties) in respect of the Tubridgi Pipeline System [Pipeline Licence No's: WA: PL 16 and WA: PL 19]. A Final Decision on the waiver of ring fencing obligations was issued on 21 November 2000 following an application by Origin Energy Resources Ltd (Origin Energy) on behalf of the Tubridgi Parties. The application by Origin Energy was lodged on 31 March 2000.

This notice is issued under section 4.15 of the *National Third Party Access Code for Natural Gas Pipeline Systems* (the Code) granting a waiver of the ring fencing obligations required by sections 4.1(b), 4.1(h) and 4.1(i) of the Code in respect of the Tubridgi Pipeline System. The waiver is issued such that it could be revoked if any of the following arise.

- Where an excess of realised gas throughput occurs over forecast gas throughput, as provided for in the Access Arrangement when approved.
- A request is made by a Prospective User to the Regulator for the waiver to be revoked because the Prospective User is seeking access to the Tubridgi Pipeline System for the transport of natural gas.
- The Access Arrangement currently being assessed by the Regulator and after it is approved, becomes subject to review in accordance with the provisions of the Code.

Management Agreement

Prior to the issue of the Final Decision, Origin Energy proposed a Management Agreement that would place the pipeline business with Origin Energy Asset Management Ltd (OEAM), which is a separate division of Origin Energy Ltd.

It was a requirement in the Final Decision that the proposed Management Agreement between the Tubridgi Parties and OEAM be concluded and submitted to me for review before the notice under section 4.15 granting the waiver would be issued.



The Management Agreement is a service agreement between the Tubridgi Parties and OEAM for the latter to take administrative responsibility for the Tubridgi Pipeline System with other non-regulated activities to continue to be performed by Origin Energy. The purpose of this Agreement is to ensure that confidential information provided to the Tubridgi Parties by a Prospective User, regarding access to the Tubridgi Pipeline System, remained confidential to the pipeline service provider and would not be available to gas marketing staff employed by Origin Energy. Accordingly, any enquiries by prospective users of the Tubridgi Pipeline System should be directed to the Business Development Manager Mr Paul Frederick at OEAM.

To provide the necessary time for the proposed Management Agreement to be concluded and reviewed, I granted extensions of time to 30 April 2001 under section 7.19 of the Code for Origin Energy to comply with the requirements of sections 4.1(b), 4.1(h) and 4.1(i) of the Code.

The final version of the Management Agreement was submitted on 30 April 2001, which has now been assessed to comply with the requirements of the Final Decision on the waiver allowing this notice to be issued.

Further Information

Inquiries may be directed to Mr Mike Jansen at mike_jansen@offgar.wa.gov.au or +61 8 9213 1925

KEN MICHAEL
GAS ACCESS REGULATOR

