

**Victorian Third Party Access Code
for Natural Gas Pipeline Systems:
Access Arrangement Information by
EastCoast Gas Pty Ltd
for its Gas Distribution Network**

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for its Gas Distribution Network**

1. Introduction

1.1 Purpose of this document

This Access Arrangement information ("**Access Arrangement Information**") is submitted by EastCoast Gas Pty Ltd ("**EastCoast Gas**") to the Office of the Regulator General (the "**Regulator**") in accordance with Section 2.1 of the Victorian Third Party Access Code for Natural Gas Pipelines (the "**Access Code**").

This Access Arrangement Information forms Part 2 of the proposed Access Arrangement by EastCoast Gas for the gas distribution system described in Section 3 of this Access Arrangement Information.

The following sections in the Access Code set out the requirements for this Access Arrangement Information.

Section 2.6	<p><i>Access Arrangement Information must contain such information as is the opinion of the Relevant Regulator would enable Users and Perspective Users to:</i></p> <ul style="list-style-type: none"><i>(a) understand the derivation of the elements in the proposed Access Arrangement; and</i><i>(b) form an opinion as the compliance of the Access Arrangement with the provisions of the Code.</i>
Section 2.7	<p><i>The Access Arrangement Information may include any relevant information but must include at least the information described in Attachment A.</i></p>
Section 2.8	<p><i>Information included in the Access Arrangement Information, including information of a type described in Attachment A, may be categorised or aggregated to the extent necessary to ensure the disclosure of the information is, in the opinion of the Relevant Regulator, not unduly harmful to legitimate business interests of the Service Provider or a User or Prospective User. However, nothing in this section 2.8 limits the Relevant Regulator's power under Section 48ZT of the Gas Industry Act to obtain information, including information in an uncategorised or unaggregated form.</i></p>
Section 3.37	<p><i>If the Relevant Regulator makes a decision under Section 3.34 approving a Final Approval Request, then, the Access Arrangement Information need not contain the information required by Sections 2.6 and 2.7, or any other information, in respect of Reference Tariffs determined pursuant to Section 3.36(a).</i></p>

Section 3.39

*Where before 11 December 1997 a person conducted a tender in accordance with guidelines for the purposes of section 40 of the **Gas Industry Act 1994** in relation to a Pipeline that had not been built, the Relevant Regulator must approve the tender process for the purpose of this section 3.39 and then the proposed pipeline shall be a covered pipeline from the time of that decision. In any Access Arrangement for that covered pipeline:*

- (a) for each Reference Service for which a Reference Tariff was determined by the tender process, the Reference Tariff shall be the Reference Tariff that was determined in accordance with the tender process; and*
- (b) each other item required to be included in an Access Arrangement which the tender documents specified would be determined by the tender process shall be as determined by the tender process.*

Nothing in this section limits the Reference Services for which the Relevant Regulator can require a Reference Tariff to be established.

Section 3.37 applies to a decision under this section 3.39 approving a tender process and section 3.38 applies to this section 3.39 as if the reference to section 3.36 in section 3.38 were a reference to this section 3.39.

The Glossary and Access Arrangement is applicable to terms used in this Access Arrangement Information.

1.2 **Background**

In mid 1997, the East Gippsland Shire Council (the "**Council**") invited tenders for the supply of gas to the region of East Gippsland including the major urban centres of Bairnsdale, Lakes Entrance, Paynsville and Orbost.

The tender was conducted in accordance with the guidelines for the purposes of section 40 of the GIA in relation to a Pipeline (as defined in the Access Code) that had not been built.

The Regulator approved the tender process for the purpose of section 3.39 of the Access Code and the EastCoast Gas distribution system became a Covered Pipeline in accordance with section 3.39 of the Access Code.

Reference Tariffs for the Reference Services were changed from the terms of the tender. The changes were minor changes and the Reference Tariffs for the Reference Services were determined in accordance with the tender process for the purpose of sections 3.39 and 3.40 of the Access Code.

The process of review and revision for the Reference Tariffs for the Reference Services was specified in the tender documents to be determined by the tender

process. The process of review and revision for the Reference Tariffs was changed from the terms of the tender. The changes were minor changes and the process of review and revision for the Reference Tariffs (those elements contained in Sections 3.1 - 3.7 of Schedule 1 of the Access Arrangement) were determined in accordance with the tender process for the purpose of Sections 3.39 and 3.40 of the Access Code.

1.3 **Exclusions from Access Arrangement Information**

As the Regulator approved the tender process under section 3.39 of the Access Code EastCoast Gas is not required to include any information described in Attachment A of the Access Code other than the information in Category 5: Information Regarding System Capacity and Volume Assumptions.

2. **Overview of Access Arrangement**

The Access Arrangement by EastCoast Gas for its gas distribution system (the "**Access Arrangement**") includes at least the elements described in sections 3.1 to 3.22 of the Access Code as required by section 2.5 of the Access Code.

As the Regulator approved the tender process under section 3.39 of the Access Code, the Access Arrangement does not contain information on the calculation of Reference Tariffs or indicate compliance with the Reference Tariff Principles described in section 8 of the Access Code.

The process of review and revision for the Reference Tariffs for the Reference Services was specified in the tender documents to be determined by the tender process. If the process of review and revision for the Reference Tariffs for the Reference Services was changed from the terms of the tender, the changes were minor changes and the process for review and revision of Reference Tariffs for Reference Services was determined in accordance with the tender process for the purpose of sections 3.39 and 3.40 of the Access Code.

3. **Information Regarding System Capacity And Volume Assumptions**

3.1 **Description**

The piping system does not yet exist. A preliminary design of the piping system prepared by EastCoast formed the basis for the tender and Access Arrangement. The precise layout, final material selection, etc. will be completed during the detailed design stages immediately preceding construction.

In general, the communities of Bairnsdale, Paynesville, and Lakes Entrance will be supplied from a single connection to the Eastern Gas Pipeline ("EGP"). EastCoast will then distribute gas from the EGP sales tap to the boundary limit of these communities with a 3.45 MPa buried steel main ranging in diameter from 150 mm to 100 mm nominal.

Orbost will be served by a separate connection to the EGP.

The pressure of the gas will then be further reduced via pressure reducing stations to a maximum pressure of 0.5 Mpa for distribution within the community to service points using a buried poly-ethylene and/or nylon piping system.

The gas required at an individual supply points will be further reduced in pressure and metered for distribution within the customers premises (by the customer) to appliances.

3.2 **Map of Piping System**

The preliminary design of the gas distribution system is set out in the following engineering drawings (as at 23 July 1997) and are available upon request from EastCoast:-

Drawing Description	Drawing Number
INDEX (2 Sheets)	ECG/INDEX/01-1
	ECG/INDEX/01-2
BAIRNSDALE (5 Sheets)	ECG/BDL/01-1
	ECG/BDL/01-2
	ECG/BDL/01-3
	ECG/BDL/01-4
	ECG/BDL/01-5
EAGLEPOINT	ECG/EPT/01-1
PAYNSEVILLE(3 Sheets)	ECG/PNV/01-1
	ECG/PNV/01-2
	ECG/PNV/01-3
JOHNSONVILLE	ECG/JNV/01-1
NICHOLSON	ECG/NLN/01-1
SWAN REACH	ECG/SWR/01-1
METUNG	ECG/MTG/01-1
LAKES ENTRANCE (2 Sheets)	ECG/LKE/01-1
	ECG/LKE/01-2
ORBOST	ECG/ORB/01-1

3.3 Price Zones

Zonal price differentiation is not proposed.

3.4 Pipe Sizes and Distances

Features of the piping system envisaged for each community is set out in the table below:-

Pipe Size	Bairnsdale		Paynesville		Lakes Entrance		Orbost	
	Trunk Main	Dist. Sys.	Trunk Main	Dist. Sys.	Trunk Main	Dist. Sys.	Trunk Main	Dist. Sys.
	(m)	(m)	(m)	(m)	(m)	(m)	(m)	(m)
150mm stl	3,400							
100mm stl	5,100		13,000		33,400		3,000	
160PE								
110PE		3,010		2,698		2,420		228
63PE		23,128		5,748		13,825		2,609
40PE		55,837		12,616		34,590		22,243
Total	8,500	81,975	13,000	21,062	33,400	50,835	3,000	25,080

Table 1

3.5 Volume Profiles

The forecast annual utilisation of the EastCoast Gas distribution system is as set out below:-

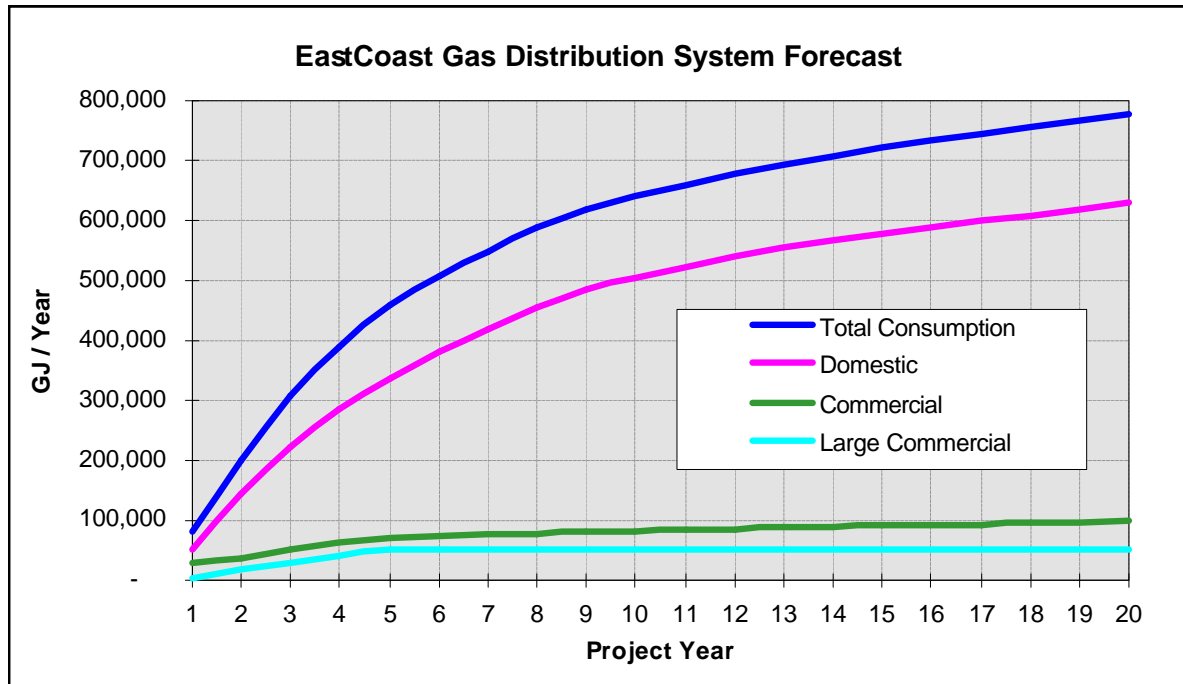


Figure 1

3.6 System Load Profiles

Monthly, daily, and hourly load profiles are not available at this time.

3.7 System Capacity

The peak hourly demand has been assumed to be approximately 12,500 m³/hour.

APPENDIX 1

Description of the Distribution System

The EastCoast Gas distribution system is described by reference to the series of maps held by the Regulator to show every proposed pipeline in the EastCoast Gas distribution system.