

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

WRITTEN QUESTION

Mr Guyula to the Treasurer:

Government exemption

Please provide the details of the Government exemption that Jemena have been granted in terms of meeting the new gas market transparency rules, and the projected costs of this exemption to the NT Government?

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- A derogation to exempt the Northern Gas Pipeline from the operation of Chapter 6A of the National Gas Law (Access Disputes – non-scheme pipelines) for a period of 15 years from when the pipeline is commissioned is provided under Schedule 4, Part 2 of the National Gas Rules (Transitional Provisions and derogations for Pipeline Access – Arbitration Framework).
 - The derogation was approved by Commonwealth, State and Territory Energy Ministers out of session in late July 2017 pursuant to the Australian Energy Market Agreement.
 - Rather than being subject to Chapter 6A of the National Gas Law, the Northern Gas Pipeline is subject to contractual Access Principles established under the Project Development Agreement between the Northern Territory and Jemena for the construction and commissioning of the Northern Gas Pipeline and Nitrogen Removal Skid.
 - The Access Principles are legally binding obligations that address access and pricing requirements for the Northern Gas Pipeline, including a dispute resolution procedure and a requirement for Jemena to publish on its website at all times the Access Principles as well as its standard terms and conditions on which it will provide access (<http://jemena.com.au/getattachment/industry/pipelines/Northern-Gas-Pipeline/Services/NGP-Access-Principles.pdf.aspx>).
 - The Access Principles were developed and agreed as part of the Project Development Agreement in November 2015, prior to Dr Michael Vertigan's examination of the regulatory test for the regulation of gas pipelines and subsequent recommendation and development of the Information Disclosure and Arbitration Framework, which came into effect in August 2017.
 - There are no costs of the exemption to the Northern Territory Government.