

apa

# Wallumbilla Hub Services Book



# Contents

<b>Introduction</b>	<b>1</b>
<b>Wallumbilla Hub</b> (simplified schematic)	<b>2</b>
<b>Summary of Key Acronyms &amp; Terms</b>	<b>3</b>
<b>Services</b>	<b>4</b>
Compression Service	4
Compression Service MDQ Trading	6
AEMO Day-Ahead Capacity Auction – Wallumbilla Compression	6
Wallumbilla Fuel Gas	7
Redirection Service	7
In Pipe Trade Service	9
Locational Park & Loan Service	10
<b>Example Use Case</b>	<b>11</b>

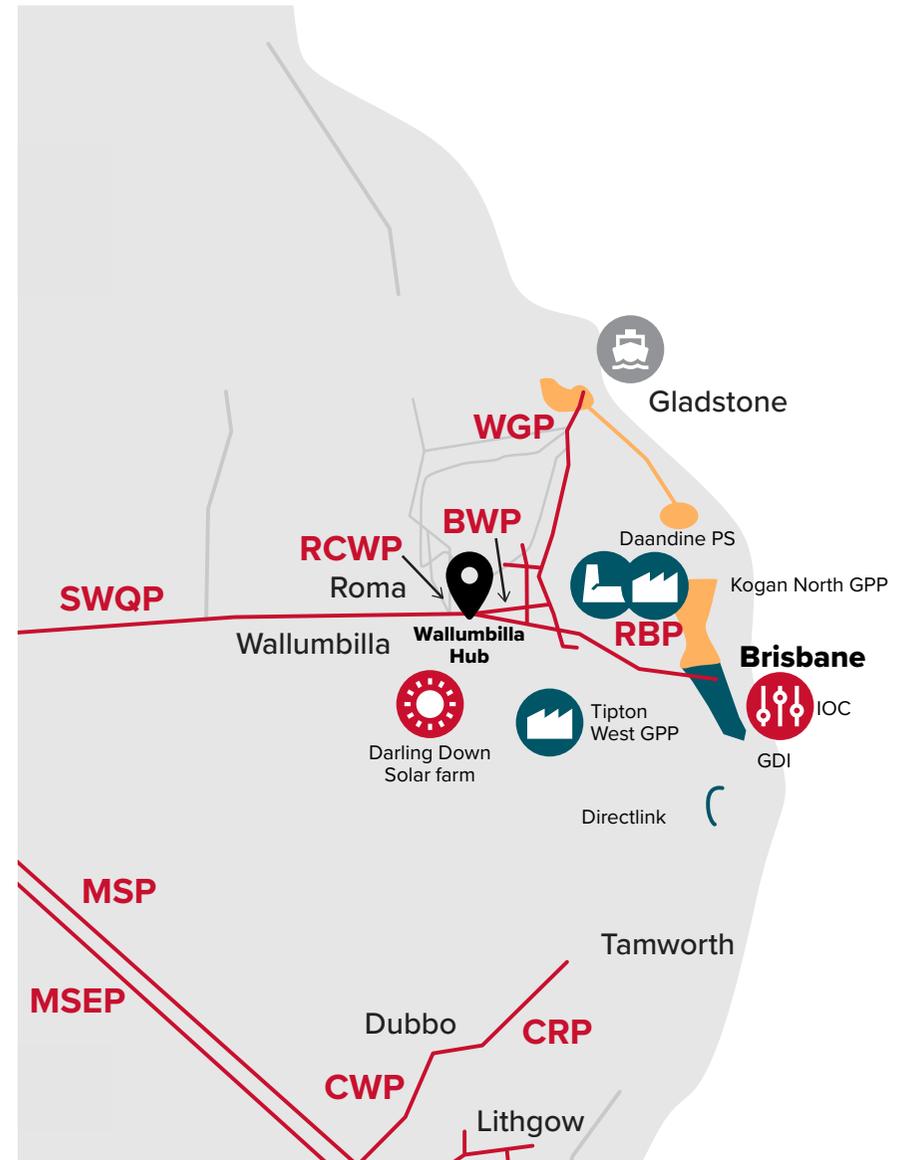


# Introduction

Wallumbilla Hub is the interconnection point for 9 key APA and non-APA owned pipelines in QLD. These pipelines connect gas from the Surat and Bowen supply regions to various demand centres in Greater Brisbane, Gladstone, as well as southern markets via the South West Queensland Pipeline (SWQP).

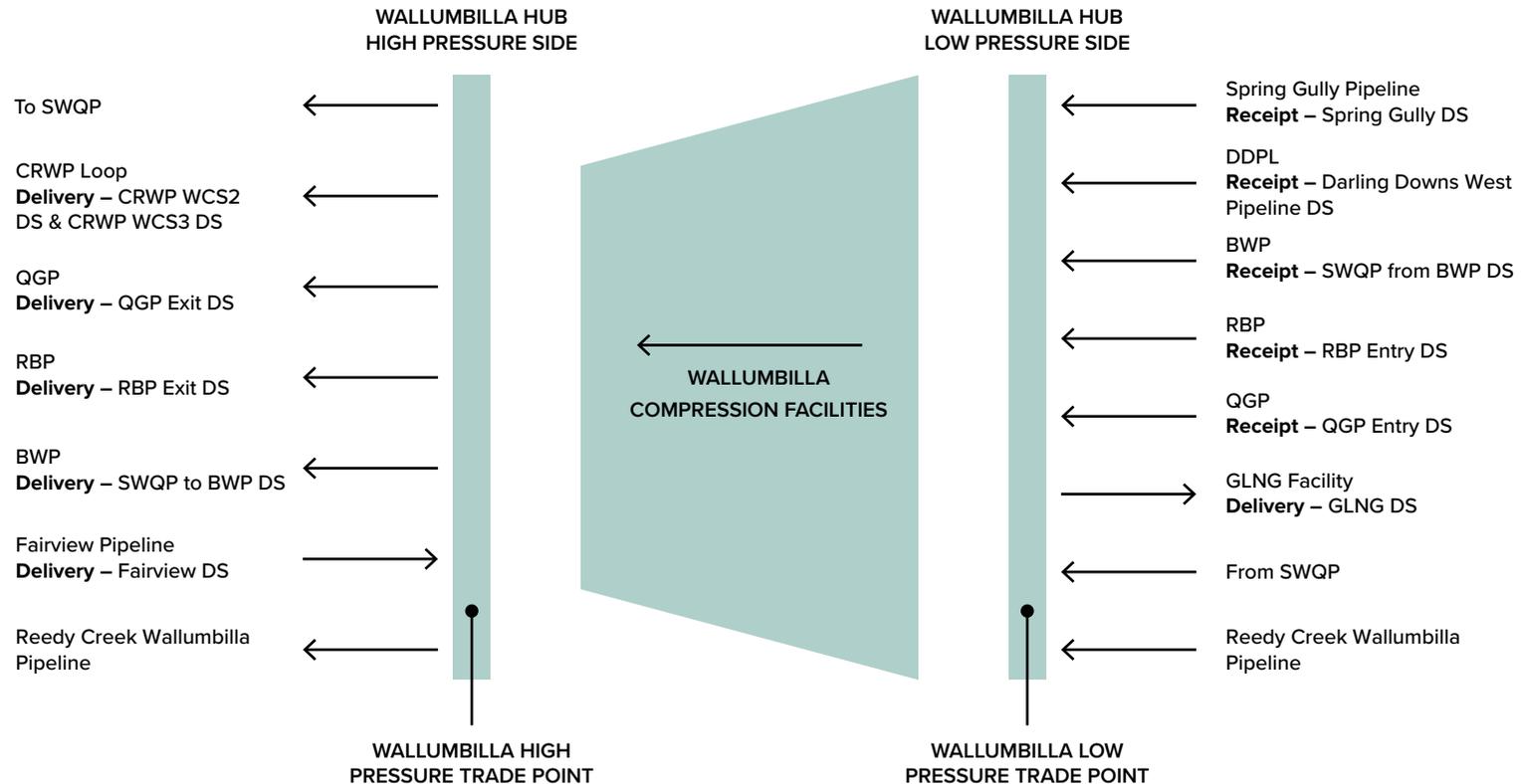
Pipelines at Wallumbilla operate at different pressures. To facilitate gas being moved between these interconnected pipelines, APA provides compression services (to pressurise the gas for entry into a pipeline) and redirection services (to transport the gas from one pipeline delivery point to another pipeline receipt point) at Wallumbilla.

There is a substantial amount of gas that flows through the Wallumbilla Hub from a diverse set of gas market participants. Gas trading at Wallumbilla is supported by APA's in pipe trading service at two trading points in the Hub – the Wallumbilla Low Pressure Trade Point and the Wallumbilla High Pressure Trade Point. These trading points allow customers to leverage the benefits of the physical interconnection of multiple pipelines at Wallumbilla Hub, and the resulting access to multiple supply and demand centres. Gas trading at Wallumbilla is further enabled through the Wallumbilla Gas Supply Hub (GSH) operated by AEMO. Through an electronic platform, GSH participants can trade standardised, short-term physical gas products at Wallumbilla. AEMO centrally settles transactions, manages prudential requirements and provides reports to assist participants in managing their portfolio and gas delivery obligations. Gas is delivered from one GSH trade counterparty to the other at the WHPTP using APA's in pipe trade service.



# Wallumbilla Hub

## Simplified Schematic



Customers can also use the WLPTP and WHPTP to notionally store (park) gas to transport or sell at a subsequent time, or alternatively borrow (loan) gas on a day and subsequently return to APA. These park and loan products give APA customers flexibility in managing their gas supply over time to address changes in demand.

In this services book you will find information about each of the services APA offers at Wallumbilla Hub and how they may be useful for you. Pricing information is published on the APA website at: [Up-to-date tariffs and terms](#)

# Summary of Key Acronyms & Terms

Acronym	Description
BWP	Berwyndale Wallumbilla Pipeline
CRWP	Comet Ridge Wallumbilla Pipeline
GJ	Gigajoule
IPT	In Pipe Trade
LPL	Locational Park & Loan
MDQ	Maximum daily quantity
QGP	Queensland Gas Pipeline
RBP	Roma Brisbane Pipeline
RCWP	Reedy Creek Wallumbilla Pipeline
SWQP	South West Queensland Pipeline
TJ	Terajoule
WCS	Wallumbilla Compressor Station
WGP	Wallumbilla Gas Pipeline
WHPTP	Wallumbilla high pressure trade point
WLPTP	Wallumbilla low pressure trade point

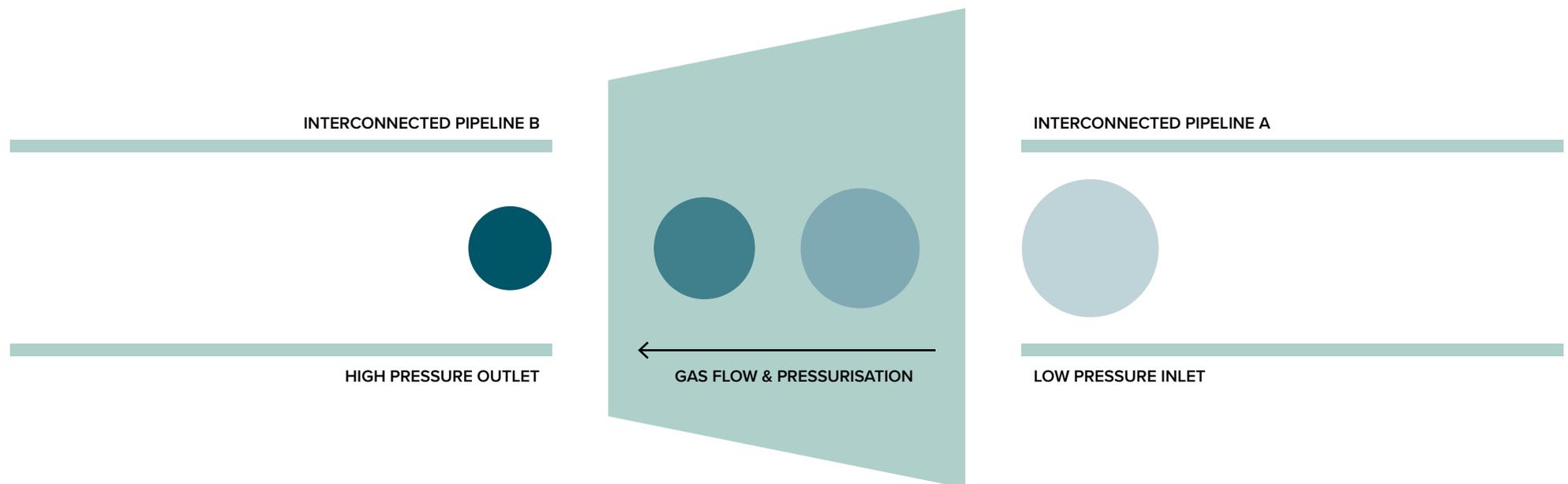
Term	Description
Firm	The highest priority of service available to APA customers. The firm service is provided up to the customers reserved service maximum daily quantity (MDQ) which is charged on a take-or-pay basis. Customers can increase their reserved MDQ for a service by purchasing it from another APA customer with MDQ using APA's capacity trading platform or directly from APA using APA's Supplementary MDQ product.
Auction	A priority of service that is lower than Firm and applicable only when a customer wins auction capacity for a day via the AEMO-operated Day Ahead Auction (DAA) refer to this <a href="#">link</a> for further details.
Interruptible	A priority of service that is lower than both Auction and Firm. Interruptible services do not have any reserved MDQ and are charged on a throughput basis.

# Services

## Compression Service

At the Wallumbilla Hub, APA owns and operates compression for customers to move gas from the low pressure outlet of interconnected pipelines to the high pressure inlet of others.

For example, if a customer has access to gas supply at the RBP entry point in the Wallumbilla Hub and they wish to move this gas to the WHPTP to sell it or notionally store it, a compression service at Wallumbilla is required to compress the gas. In this example, the pressure service would be coupled with a redirection service which serves as transportation around the Wallumbilla Hub facilities – information in respect of redirection services is provided later in this services book.



Compression services are provided on a Firm, Auction and Interruptible priority basis.

Usage of the compression service is calculated daily as the difference between high pressure deliveries (less any high pressure receipt) and low pressure receipts (less any low pressure deliveries) for each customer. The receipt and delivery points that are included in this calculation are reflected in the table below. A worked example of the compression service charge is provided in the Example Use Case section.

High Pressure	
Receipt	Delivery
Fairview	QGP
WHPTP	RBP Exit
	BWP Exit
	Reedy Creek Wallumbilla Pipeline
	WHPTP

Low Pressure	
Receipt	Delivery
Spring Gully	GLNG Facility
Darling Downs West Pipeline	WLPTP
	BWP Entry
	RBP Entry
	QGP
	Reedy Creek Wallumbilla Pipeline
	WLPTP

## Compression Service MDQ Trading

Firm compression service MDQ can be traded between APA customers using the APA Capacity Trading product or the AEMO exchange trade platform.

### Pressure Service Pricing (Wallumbilla)

Prices for the Pressure service can be found here:

[Up-to-date tariffs and terms](#)

## AEMO Day-Ahead Capacity Auction – Wallumbilla Compression

The AEMO day-ahead auction (DAA) is the daily auction of contracted but un-nominated (CBU) firm pipeline or compression capacity (see this [link](#) for further information). CBU capacity for Wallumbilla Compression can be won in the DAA.

For the purposes of the DAA, Wallumbilla compression is split into two separate facilities – ‘WCFA’ and ‘WCFB’. This split is due to a certain amount of compression capacity at Wallumbilla being reserved for restricted gas specification while the remaining capacity is able to compress Australian Standard gas specification. DAA participants that are able to provide gas at the restricted specification are able to win DAA capacity at WCFB (or WCFA) whereas customers that are providing gas to the Australian Standard must exclusively use WCFA.



## Wallumbilla Fuel Gas

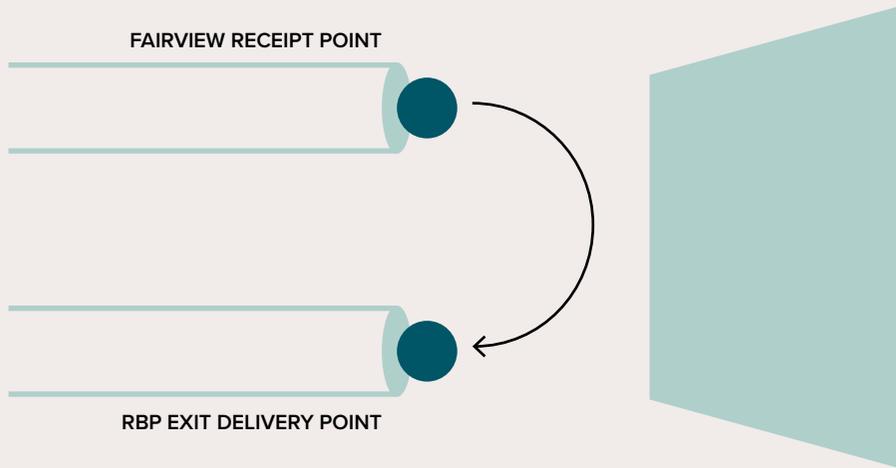
The compressors at Wallumbilla require fuel gas (FG) for their operation. Customers are required to contribute FG when they use the compression service at Wallumbilla. A customer's FG contribution for a day is calculated on an equitable basis with other users of the Wallumbilla compressors on that day.

## Redirection Service

The redirection service is a short haul transportation service that enables customers to transport gas between certain receipt and delivery points within the Wallumbilla Hub. Typically, a Redirection service will be coupled with a compression service – the Redirection service facilitates transportation of gas between the relevant Hub receipt and delivery points, while the compression service enables the gas to be compressed to the appropriate level to be delivered at the delivery point.



## Redirection Not Requiring Compression Service



In some instances, a redirection service is not required for receipts and deliveries at the Hub.

In summary, these instances are:

- When a customer is receipting gas from a Hub receipt point and using a full-haul transportation service on an APA pipeline, effectively transporting the gas to a location beyond the Hub
- Gas is being receipted at the WLPTP and delivered exclusively to the WHPTP

**Note:** Under each of these scenarios, a compression service is still required in order to appropriately pressurise the gas.

A matrix that indicates when Redirection, Compression and In Pipe Trade services are required can be viewed [here](#).

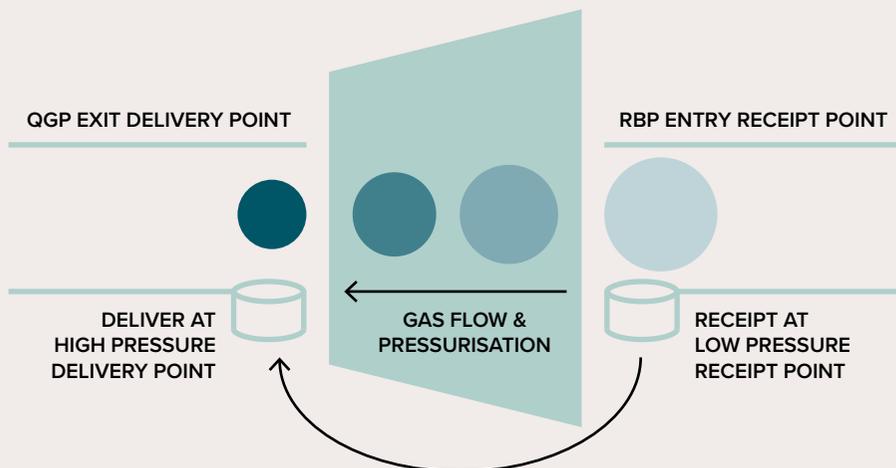
Redirection services are provided on an interruptible priority.

## Redirection Service Pricing (Wallumbilla)

Prices for the Redirection service can be found here:

[Up-to-date tariffs and terms](#)

## Redirection Requiring Compression Service



## In Pipe Trade Service

In Pipe Trading (IPT) enables APA customers to transfer gas receipted or stored on pipelines or at the Hub to other customers. The customer buying gas can nominate to receive quantities from a notional receipt point. The customer selling gas then nominates to deliver gas to the buyer's account at that notional delivery point.

At the Wallumbilla Hub, IPT is available at both the WLPTP and the WHPTP. Buyers of gas at either of these notional locations are then able to:

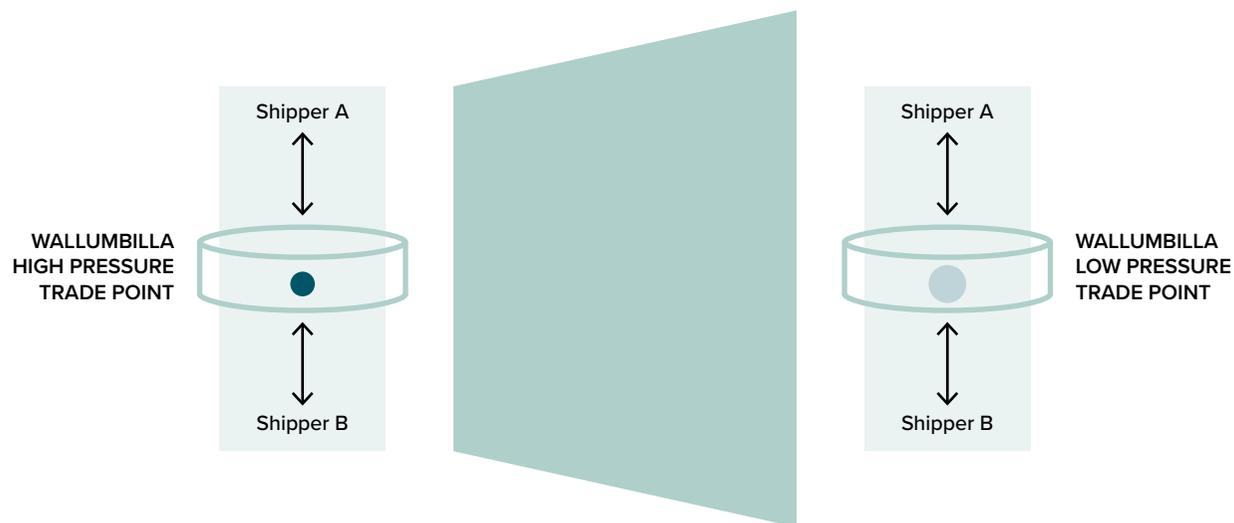
- On-sell to another customer using the IPT service
- Receipt gas to move to another notional or physical delivery point using Transport, Redirection and/or Pressure services
- Store the gas using the Locational park & loan service

A key benefit of IPT is that customers do not need to align supply and demand to a physical receipt or delivery point, rather they can transact with greater certainty. IPT is designed this way, in conjunction with pipeline park and loan services, to create confidence in our customer's ability to trade by keeping trades whole despite physical point-level variances. However if there is a trade quantity mismatch, allocations will be based on the lower of the buyer and seller nominations and any resulting pipeline imbalance will be applied to the respective counterparty. IPT charges are only payable on sold quantities (there is no charge for the buyers).

### In Pipe Trade Service Pricing

Prices for the In Pipe Trade service can be found here:

[Up-to-date tariffs and terms](#)



## Locational Park & Loan Service

The Locational Park & Loan (LPL) service enables customers to store (park) or borrow (loan) gas from a notional location. At Wallumbilla Hub, these locations are the WLPTP and WHPTP.

LPL has two key benefits for customers:

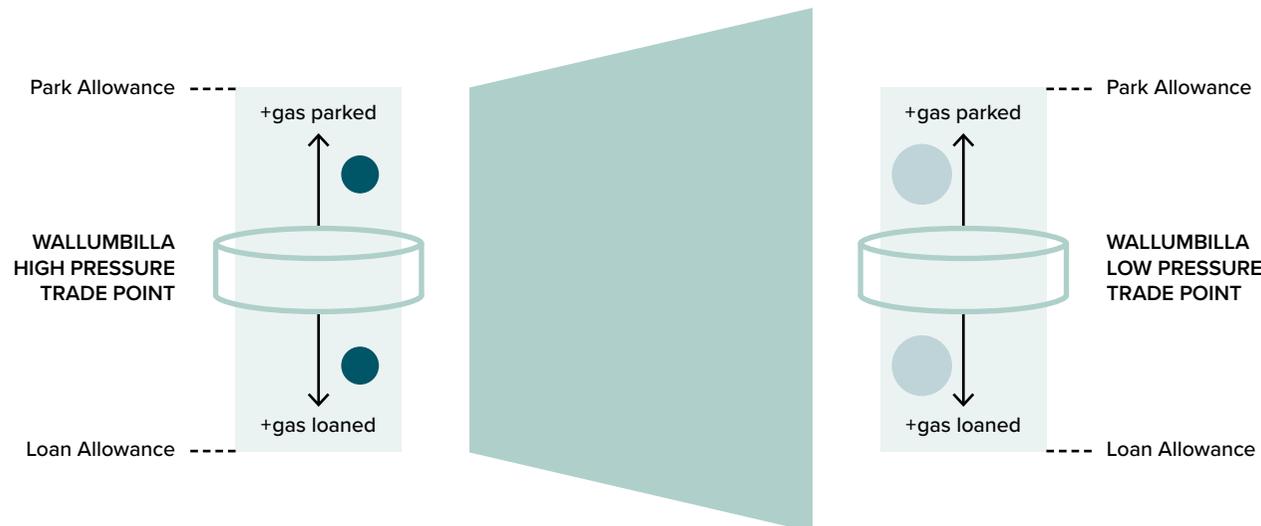
- It aligns their gas imbalance to a location where the IPT service is readily available (meaning an imbalance at the relevant location can be readily traded)
- Gas can be transported to or from a notional location on one day, and traded or transported away on another day which may lead to the ability to take advantage of transportation or storage capacity availability differences between days and/or locational gas price arbitrage opportunities

The LPL service comes with an allowance for both the park and loan directions. There is a separate allowance for the firm priority of the service, and the interruptible priority of the service. When a customer exceeds their firm allowance, they begin using their interruptible allowance.

## Locational Park & Loan Pricing

Prices for park & loan services can be found here:

[Up-to-date tariffs and terms](#)



# Example Use Case

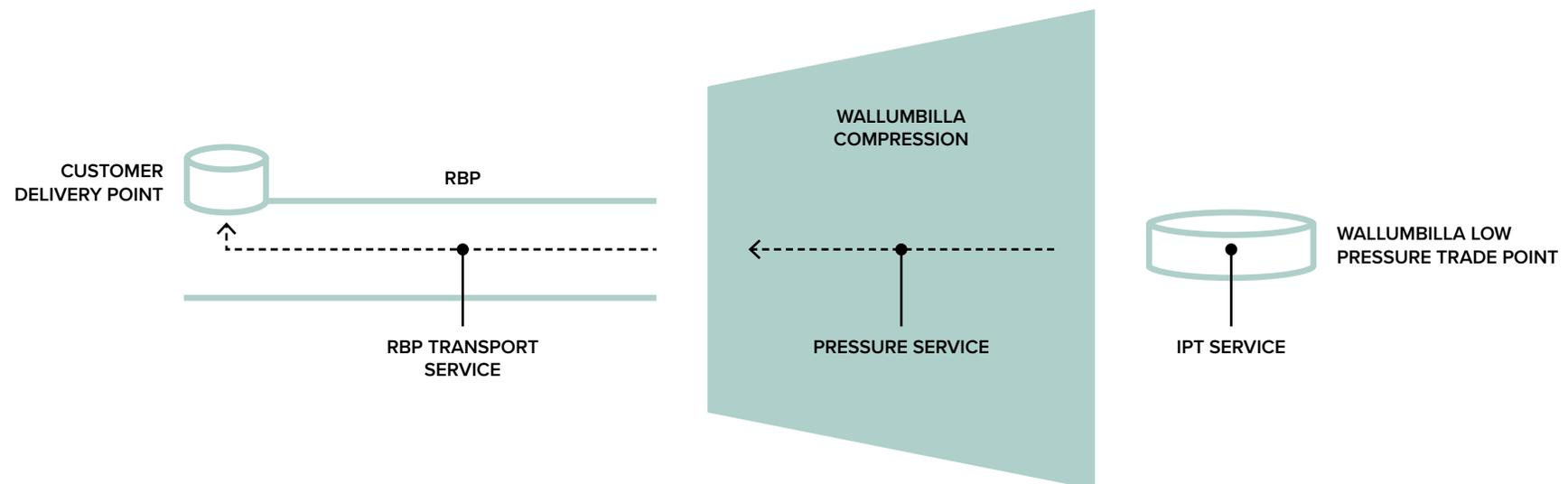
## Customer Background

ACME Gas Co has a gas fired power station on the RBP. They have an arrangement to purchase gas for the station from a supplier at the WLPTP. ACME need the highest level of certainty that they will be able to deliver gas to their station when they decide to run it. They typically require 50 TJ/d to run the station. However, on some days, they may wish to run their power station above typical capacity.

## What services does the Customer need?

As a minimum, the customer will need the following base services:

- In Pipe Trade
- Compression
- RBP transport



## What priorities of service does the Customer need?

The customer determined the **priority of service for the Compression and RBP transport services is Firm** with a service maximum daily quantity of 50 TJ/d, coupled with a Supplementary MDQ facility, Interruptible services and Auction services for both Compression and RBP transport. This will allow them to access both firm and non-firm transportation quantities for shorter periods of time if they are available.

The In Pipe Trade service does not have different service priorities – all trades are treated with equal priority.

## What additional services may be beneficial for the Customer?

On days when the customer is not running their station, or they are running it at reduce rates, they may want to either:

1. Store some or all the gas they are purchasing from their supplier
2. Redirect the gas to another delivery point at Wallumbilla Hub (for example, the QGP delivery point)
3. On-sell the gas to another trading participant at Wallumbilla

To facilitate these alternative actions, the Customer will require additional services:

- A Locational Park & Loan service
- A Redirection service

Note: The customer already has an IPT service as a base need, and this enables them to undertake action No.3 (above)

## What priorities of service for additional services does the Customer need?

Because the customer is not expecting to need to store gas on a regular basis, they are comfortable using an Interruptible Park & Loan service, with an allowance of 10 TJ/d. The customer can also access firm park capacity on a seasonal basis (subject to available capacity).

The Redirection service is available with an Interruptible priority which meets the customers' need to use the service on an intermittent basis when their main source of gas demand is not operational and they are selling the gas instead.



## What will the customer be charged?

The customer uses both firm and variable-charge based services, and therefore their charges will vary for any given day depending on their activity.

Here is an example scenario and the charges that would be applicable.

On the day the customer:

1. Buys 60 TJ from their supplier at the WLPTP using the IPT service
2. Sells 1 TJ to a buyer at the WLPTP using the IPT service
3. Delivers 5 TJ to the QGP delivery point using the Redirection service
4. Delivers 49 TJ to their station on the RBP using the RBP Firm transport service (50TJ MDQ)

Based on the above actions, the customer also used the following services on the day:

5. 59\* TJ of Pressure service
6. 5\*\* TJ of Locational Park & Loan service

Activity No.	Charge Calculation
1	No charge is applicable as buys at an IPT point are not chargeable
2	1 TJ x IPT rate (IPT charge is applicable for sold quantities)
3	5 TJ x Redirection rate
4	50 TJ x Firm RBP transport rate (customer delivered less than their RBP MDQ, therefore the MDQ x rate is applied a capacity charge)
5	50 TJ x Firm Pressure rate 9 TJ x Interruptible Pressure rate (customer used above their Firm Pressure MDQ by 9 TJ, therefore incurring variable charges)
6	5 TJ x Interruptible Park rate (customer was within their Interruptible Park allowance of 10 TJ)

\* The customer bought 60 TJ, but then sold 1 TJ on the low pressure side of Wallumbilla (total 59 TJ receipted on low pressure side), and delivered a total of 54 TJ on the high pressure side (5 TJ to QGP and 49 TJ to RBP). The greater value is 59 TJ, and therefore the customer used 59 TJ of Pressure service.

\*\* The customer had net receipts of 59 TJ and net deliveries of 54 TJ, therefore they parked 5 TJ of gas on the day.

## Useful Links

[Up-to-date tariffs and terms](#)

[SWQP Service Requirement Matrix](#)

## Further information

[Commercial enquiries](#)

[www.apa.com.au](http://www.apa.com.au)

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