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17 November 2017

Our Ref: HW2015-1153/3

Resource and Energy Assessments  
NSW Department of Planning and Environment  
GPO Box 39  
Sydney NSW 2001

Attention: Anthony Ko  
Via email: [anthony.ko@planning.nsw.gov.au](mailto:anthony.ko@planning.nsw.gov.au)

Dear Anthony

**NEWCASTLE GAS STORAGE FACILITY – EXHIBITION OF ENVIRONMENTAL ASSESSMENT (10\_0133 MOD3)**

Thank you for your email of 2 November 2017 seeking Hunter Water's comments in relation to the modification application for the AGL Newcastle Gas Storage Facility. The modification comprises changes to the site operations to enable the processing of tail gas and supply of that gas to Jemena for use by local customers via a newly constructed transfer skid, and the construction and operation of a maintenance flare. Hunter Water understands that only minimal earthworks will be required, which would limit the potential for contamination of soils and groundwater.

This development falls within the Tomago Sandbeds Special Area which protects the Tomago Aquifer drinking water source. The aquifer supplies 20 to 25% of drinking water to the Lower Hunter and plays an important strategic function in Hunter Water's Drought Management Plan.

Hunter Water's Operating Licence requires compliance with the Framework for Management of Drinking Water Quality that is part of the Australian Drinking Water Guidelines (ADWG). The Framework requires adoption of a multiple barrier approach to water quality, and states that "the most effective barrier is protection of source water to the maximum degree practical". Protection of land within the direct hydrological catchment is key to ensuring that this barrier is effective.

The main concern Hunter Water has with the proposed development following the initial consultation process was the oily waste collection vessel (knock-out drum), which is not currently bunded and is not located on hardstand, meaning that any material that escapes the tank could infiltrate into the groundwater. Hunter Water notes that AGL has committed to providing containment for this tank, and recommends that this commitment be incorporated as a condition of consent if the modification is approved, with the requirement that the bunding is undertaken in accordance with Australian Standards.

While it is noted that the proposed construction works are likely to pose a minimal risk to water quality, it is recommended that all works be undertaken so as to minimise the risk of contamination, such as through minimising excavation areas, and implementation of appropriate work methods and spill management processes.

If you require further advice or clarification regarding the submission, please contact me on (02) 4979 9545.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'M. Withers', with a stylized flourish at the end.

**Malcolm Withers**  
**Senior Developer Services Engineer**