



# **GOLDFIELDS GAS PIPELINE REVISED ACCESS ARRANGEMENT**

**17 November 2004**

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## **GOLDFIELDS GAS PIPELINE CONTACT DETAILS**

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## **APPENDIX 1 - DEFINITIONS AND INTERPRETATION**

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## INTRODUCTION

The Goldfields Gas Pipeline was constructed by the Goldfields Gas Transmission Joint Venture pursuant to the 23rd March 1994 Goldfields Gas Pipeline Agreement entered into with the State of Western Australia (GGP Agreement). This was ratified by the Goldfields Gas Pipeline Agreement Act 1994 (WA) (GPAA).

Completed in 1996, the Goldfields Gas Pipeline is the sole conduit for delivery of natural gas from the vast offshore gas fields in the north west of Western Australia to the mineral rich, inland regions of the State. Gas is delivered to outlets along the length of the pipeline, primarily for use in electricity generation facilities associated with mining and minerals processing.

Its construction was underpinned by certain initial commitments to capacity reserved by each Joint Venturer for the requirements of each Joint Venturer and its "associates" (as defined in the GGP Agreement) and any commitments to purchase capacity procured from Third Parties (as defined in the GGP Agreement and which includes any Joint Venturer acting independently of the other Joint Venturers and outside of the joint venture). These commitments are referred to in the GGP Agreement as "Initial Committed Capacity".

In all cases, the transportation service required by users of the Goldfields Gas Pipeline is for transportation of gas on a firm basis from the pipeline's inlet. There are no other gas sources located along the route of the pipeline. It is anticipated that this will continue to be the service required by all or most of the users of the pipeline. Accordingly, the only Reference Service offered under this Access Arrangement by Goldfields Gas Transmission Pty Ltd (Manager of and as Service Provider for the Goldfields Gas Pipeline) (GGT) is a Firm Service.

~~In accordance with the GPAA~~ This Access Arrangement sets out terms and conditions for the Reference Service. Section 2.25 of the Code prohibits the approval of an Access Arrangement if any provision of it would deprive a person of such pre-existing contractual rights (other than an exclusivity right, as defined in the Code, which arose on or after 30 March 1995).

Accordingly certain provisions of this Access Arrangement are made subject to those pre-existing contractual rights.

~~Should a User or Prospective User of the Goldfields Gas Pipeline have unique or special needs which cannot be accommodated through a Reference Service, GGT is most willing to will discuss the provision of Negotiated Services. Negotiated Services would be specially developed to suit such special or unique needs.~~

Prospective pipeline users are encouraged to discuss their gas transportation needs with GGT so that, if necessary, new or varied services may be developed to meet users' requirements where these cannot be satisfied through a Reference Service.

# 1 ACCESS ARRANGEMENT

## 1.1 Access Arrangement

This document is an ~~an~~ ~~Access Arrangement~~ ~~is~~ lodged by Goldfields Gas Transmission Pty Ltd, ACN 004 273 241 (GGT) ~~with, [and approved by, \*\* ] the Regulator under the Code.~~

## 1.2 Reference Service

This Access Arrangement sets out the policies, terms and conditions applying to provision of a Reference Service in the Goldfields Gas Pipeline ~~the current route of which is shown on the maps contained in Attachment No. 1<sup>1</sup>.~~

## 1.3 Ownership and Management of Pipeline

The Pipeline is owned by an unincorporated joint venture comprising:

- Southern Cross Pipelines Australia Pty Limited, ACN 084 521 997 whose Individual Share is 62.664%;
- Southern Cross Pipelines (NPL) Australia Pty Ltd, ACN 085 991 948 whose Individual Share is 25.493%; and
- ~~Duke Energy WA Power~~ Alinta DEWAP Pty Ltd Pty Ltd, ACN 058 070 689 ~~(formerly known as Duke Energy WA Power Pty Ltd)~~<sup>2</sup> whose Individual Share is 11.843%

(collectively the **Owners**).

## 1.4 Service Provider

The Pipeline is operated by GGT for and on behalf of each of the Owners and GGT is the Service Provider under the Code.

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\* delete when approved

\*\* remove brackets when approved

1 Attachment One has been deleted from this document.

2 Company has changed its name following acquisition by Alinta Limited.

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## 2 INTERPRETATION

### 2.1 Definitions and Interpretation

The definitions and interpretation provisions set out in Appendix 1 form part of this Access Arrangement.

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## 3 TERM AND REVIEW

### 3.1 Term

This Access Arrangement Period comes into effect on the later of 1 January 2005 and the Effective Date. The Access Arrangement Period or term of the Access Arrangement will expire on the later of:

- (a) five years after the Effective Date; or
- (b) the Revisions Commencement Date.

### 3.2 Review of Access Arrangement

In accordance with of clause 3.17 of the Code:

- (a) the Revisions Submission Date is four and one half years after the Effective Date; and
- (b) the Revisions Commencement Date is the later of five years after the Effective Date or when the revised Access Arrangement is approved by the Regulator.

### 3.3 ~~Other Reviews~~

~~GGT may conduct a review of this Access Arrangement at any time, including if any of the following events occur:~~

- ~~(a) a Pipeline Extension which is subject to this Access Arrangement is undertaken;~~
- ~~(b) there is a material or significant change in the market, economic, political or general regulatory conditions or circumstances from those which, at the Effective Date, are forecast and assumed will exist for the duration of this Access Arrangement;~~
- ~~(c) there is a change in the provisions or administration of any Act or other law, including the Code or the Trade Practices Act 1974 (Cwth), which necessitates a review of this Access Arrangement;~~



~~(d) any other event occurs which requires this Access Arrangement to be updated or amended under any other provision of this Access Arrangement; or~~

~~(e) GGT believes it has reason to make a change to this Access Arrangement.~~

~~This Access Arrangement has been prepared on the state of knowledge at the Effective Date of the proposed commencement of a goods and services tax (GST). GGT may conduct a review of this Access Arrangement if the application or effect of the goods and services tax, in practice, is different from the application described in clause 9.11 of the General Terms and Conditions.<sup>3</sup>~~

### **3.4 Lodge Amended Access Arrangement**

~~GGT will lodge an amended Access Arrangement if that is required as a result of conducting the reviews referred to in this clause.<sup>4</sup>~~

## **4 SERVICES POLICY**

### **4.1 Reference Service - Firm Service**

- ~~(a) Since the commencement of the transportation services through the Pipeline, the only service that has been sought by the current users has been a firm Service. It is unlikely that this requirement will change in the future. On this basis t~~The Reference Service offered by GGT is a Firm Service.<sup>5</sup>
- (b) Subject to there being sufficient Spare Capacity in the Pipeline GGT will make available to Prospective Users the Reference Service for the receipt of Gas at the Inlet Point, the transmission of Gas to, and the delivery of Gas at agreed Outlet Point(s) as more particularly described in clause 4 of the General Terms and Conditions.

~~(c) Whilst every reasonable endeavour will be made by GGT to provide a Firm Service it cannot guarantee supply.<sup>6</sup>~~

### **4.2 Negotiated Services**

- (a) Should any User or Prospective User have requirements which cannot be satisfied through a Reference Service s wish to request other transportation services in the future which are different to the

<sup>3</sup> Been overtaken by introduction of GST legislation and see also clause 9.10 of GT&C.

<sup>4</sup> Removal for clarity – these provisions are already provided for in the Code.

<sup>5</sup> Removal for clarity.

<sup>6</sup> As reflected in GGT's 8 October 2004 submission.

~~Reference Service~~, GGT ~~is prepared to~~will consider the development of Negotiated Services to meet that person's specific requirements. Negotiated Services will be provided on the terms and conditions negotiated between GGT and the User ~~at tariffs and under terms and conditions negotiated in good faith.~~

- (b) No provision of this Access Arrangement necessarily limits or circumscribes the terms and conditions which may be negotiated for the provision of one or more ~~of these~~ Negotiated sServices.

## 5 TARIFFS AND REFERENCE ~~SERVICE~~<sup>7</sup> TARIFF POLICY

### 5.1 Transportation Tariff for Reference Service

GGT will make available the Reference Service at the Transportation Tariff as set out in clause 9 of the General Terms and Conditions, as varied in accordance with the provisions of this clause 5.

### 5.2 Reference ~~Service~~ Tariff Policy<sup>8</sup>

- (a) The following principles apply to the development of the Reference Tariff under this Access Arrangement:
- (1) the Reference Tariff is derived through a price path approach<sup>9</sup> under which Reference Tariffs are determined for the whole Access Arrangement Period to follow a path forecast to deliver a Total Revenue ;
  - (2) the Total Revenue is calculated according to the Cost of Service methodology<sup>10</sup>;
  - (3) the Total Revenue is designed to permit GGT to recover the efficient costs of the Pipeline over the expected life of the assets used in the provision of Services, including recovery of a rate of return commensurate with conditions in the market for funds for development of the Pipeline and provision of Services; and
  - (4) the Initial Capital Base is established in accordance with sections 8.1, 8.10 and 8.11 of the Code.

<sup>7</sup> Drafting for consistency with defined terms.

<sup>8</sup> GGT has expanded its description of the Reference Tariff Policy but has not changed the elements of that policy

<sup>9</sup> Permitted under Code, section 8.3(a)

<sup>10</sup> Code, section 8.4

- (b) The rate of return used in setting the Reference Tariffs is commensurate with the business risks expected to be taken by the owners over the life of the Pipeline investment. The rate of return used also reflects the principles of the GGP Agreement entered into at the time of development of the Pipeline and which underpinned the development of the Pipeline<sup>11</sup>.
- (c) The Initial Capital Base is set to reflect the economic depreciated value of the Pipeline<sup>12</sup> at the time the Code first applied to the establishment of tariffs for the Pipeline. In particular, the Initial Capital Base reflects the capital costs incurred in the development and construction of the pipeline, the rate of return applicable under the GGP Agreement prior to the Code, and amounts reasonably regarded as having been paid by Users of the Pipeline prior to the commencement of the Code. The Initial Capital Base also includes an allowance for linepack provided by the owners and for working capital<sup>13</sup>.
- (d) The Initial Capital Base is set at 1 January 2000, and is then depreciated on a straight line basis from that date over a remaining economic life of 64.5 years<sup>14</sup>.
- (e) An amount reflecting the reasonable costs of the ownership of the Pipeline, as well as the day to day management, operation and maintenance of the Pipeline, are included in the non-capital costs for the Pipeline.
- (f) The Reference Tariff for the Reference Service is designed to recover Total Revenue from the Users of the Reference Service and is structured in three parts:
  - Toll Charge** (capacity based) as described in clause 9.4(a) of the General Terms and Conditions;
  - Capacity Reservation Charge** (capacity and distance based) as described in clause 9.4(b) of the General Terms and Conditions; and
  - Throughput Charge** (throughput and distance based) as described in clause 9.4(c) of the General Terms and Conditions.

11 The original developers won the right to develop the pipeline after a competitive process. Recognition of the State Agreement provisions and principles, including the rate of return applicable under that State Agreement, is consistent with Code section 8.1(b) in that it replicates the outcome of a competitive market.

12 Adoption of economic depreciated value as the value for the ICB is consistent with Code – for example, introduction to section 8 – which requires that Reference Tariffs be cost reflective.

13 This is consistent with the Code – for example, introduction to section 8 – which requires that Reference Tariffs be cost reflective.

14 Being 70 years from the grant of the Pipeline Licence in mid-1994.

- (g) The Reference Tariff is designed to ensure that no User pays a tariff which is more than the stand alone cost of provision of the Service and no User pays a tariff which is less than the marginal cost of the provision of the Service.
- (h) The Incentive Mechanism adopted in calculation of the Reference Tariff is as follows:

  - (1) the Reference Tariff will apply during each Year of the Access Arrangement Period regardless of whether the forecasts on which the Reference Tariff was determined are realised<sup>15</sup>;
  - (2) the prospect of retaining improved returns for the period to 31 December 2009 provides an incentive to GGT to increase the volume of sales and to minimise the overall cost of providing Services<sup>16</sup>; and
  - (3) in determining Reference Tariffs after 31 December 2009, Users will benefit from increased efficiencies achieved by GGT up to that date through the recovery through the subsequent Access Arrangement Period of non-capital costs reflecting the efficiencies gained during this Access Arrangement Period.
- (i) The Capital Base at the commencement of the subsequent Access Arrangement Period will be determined by application of the Cost of Service Methodology, adjusted to account for New Facilities Investment and Depreciation.
- (j) For the purposes of calculating the Capital Base at the commencement of the subsequent Access Arrangement Period, where the actual cost of New Facilities differs from the forecast new Facilities Investment on which the Capital Base was determined, such new Facilities Investment will be included at the actual cost to GGT of undertaking such New Facilities.
- (k) GGT may undertake New Facilities Investments that do not satisfy the requirements of section 8.16 of the Code and may include in the Capital Base that part of the New Facilities Investment which does satisfy section 8.16 of the Code<sup>17</sup>.
- (l) An amount in respect of the balance after deducting the Recoverable Portion of New Facilities Investment may subsequently be added to the Capital Base if at any time the type and volume of Services attributable

15 A mechanism of this type is recognised by section 8.45(a) of the Code

16 Code section 8.1(f) provides that one of the objectives that a Reference Tariff and Reference Tariff Policy should be designed to achieve is 'providing an incentive to the Service Provider to reduce costs and to develop the market for Reference and other Services'.

17 Code, section 8.18

to the New Facility change such that any part of the Speculative Investment Fund would then satisfy the requirements of the Code for inclusion in the Capital Base<sup>18</sup>.

~~The Transportation Tariff has been determined having regard to:~~

- ~~(a) the Reference Tariff Principles described in section 8 of the Code where the rate of return used in setting the Transportation Tariff is commensurate with the business risks taken in development of the Pipeline in accordance with the GGP Act;~~
- ~~(b) recovery of actual and forecast Pipeline costs and efficient capital and operating costs and a commercial rate of return; and~~
- ~~(c) a Net Present Value<sup>19</sup> value tariff determination methodology.~~

### **5.3 ~~Variation of Transportation Tariff~~ Approved Reference Tariff Variation Method**

Except as expressly provided in the Service Agreement, the Transportation Tariff will be adjusted by:

- (a) CPI in accordance with clause 9.8 of the General Terms and Conditions; and
- (b) a "Specified Event" as referred to in clause 5.3(c) (being a Tax Change Event or a Regulatory Change Event).
- (c) GGT has established the Transportation Tariff for the Reference Service on the basis of Taxes and regulatory requirements applying at 30 September 2004. If:
  - (1) a Tax Change Event, being any new or increased Tax, occurs during the Term of the Agreement, GGT has a discretion to adjust the Transportation Tariff to recover the financial impact of those new or increased Tax; or
  - (2) during the Term of the Agreement:
    - (A) a Tax Change Event, being a material reduction in the level of Taxes below the level assumed by GGT in deriving the Transportation Tariff occurs; or
    - (B) a Tax Change Event being a removal of Tax occurs; and that Tax Change Event has a significant impact on the level of GGT's costs, GGT will adjust the Transportation Tariff to

<sup>18</sup> Code, section 8.19

<sup>19</sup> Drafting for consistency with defined terms.

- recover the financial impact of those reductions or removals of the Taxes (as the case may be),<sup>20</sup> or
- (3) there is a Regulatory Change Event, GGT may adjust the Transportation Tariff to reflect the financial impact of that change.
- (d) Before GGT adjusts the Transportation Tariff as provided for in clause 5.3(c) GGT must:
- (1) provide a written notice to the Regulator specifying the new, increased, reduced or removed Taxes or Regulatory Change Event (as the case may be); the scope of the financial impact; explaining how the claim is consistent with clause 5.3(c); the proposed variations to the Transportation Tariff and an effective date for the changes (a **Specified Event Notice**); and
- (2) use reasonable endeavours to provide the Regulator with documentary evidence (if available) which substantiates the financial impact set out in the Specified Event Notice.
- (e) GGT may submit one or more Specified Event Notices each Year. This notice may incorporate a number of claims relating to the changes. For the purposes of section 8.3D(b)(i) of the Code the minimum notice period for a Specified Event Notice is 15 Business Days.
- (f) For the avoidance of doubt, any Transportation Tariff variation relating to a Tax Change Event or Regulatory Change Event must be conducted in accordance with sections 8.3D to 8.3H of the Code.<sup>21</sup>

## 6 APPLICATION FOR SERVICE

### 6.1 Enquiry for Service

A Prospective User that wishes to apply to use the Reference Service must complete and supply the following particulars on, and information with, the Enquiry Form, execute and date the Enquiry Form and deliver it to GGT:

- (a) the Prospective User's name and address and ~~ACN/ARBN-ABN~~<sup>22</sup>~~(if applicable)~~;
- (b) the:

<sup>20</sup> Drafting for clarity that GGT maintains its discretion to pass on a Tax where a new Tax occurs. Where a Tax is reduced or removed, this will be passed onto Users where the change is material.

<sup>21</sup> Paragraph 729 (Amdt. No.19).

<sup>22</sup> Drafting for consistency with current commercial practices.

- (1) estimated Commencement Date and expected initial Termination Date for the Service; and
- (2) if there is any proposed options for extension of the initial ~~Term of the Agreement~~ Termination Date, the date the option needs to be exercised and the proposed extended Termination Date;<sup>23</sup>
- (c) proposed Outlet Point(s);
- (d) the anticipated MDQ at the Inlet Point and at each Outlet Point for each Year of the proposed Service Agreement;
- (e) any special requirements requested by the Prospective User;
- (f) the legal status of the Prospective User, its legal capacity including whether it is acting as trustee or as agent for any person and, creditworthiness of the Prospective User or its beneficiaries or principals as the case may be, and providing such information concerning the foregoing as GGT may require; ~~and~~
- (g) if applicable, an indication of its preparedness to contribute reasonable costs towards Investigations and Developable Capacity; and
- (h) whether the requested service is a Negotiated Service.<sup>24</sup>

## 6.2 Response to Enquiry Form

Within 15 Business Days of the date of receipt of ~~the~~ a fully completed and executed Enquiry Form, GGT will provide the Prospective User with an assessment of the availability of capacity to satisfy the request for Service, including a statement of Spare Capacity and Developable Capacity, the Conditions to apply to the Service and a statement of proposed tariff components and charges that will apply to the Service requested in the Enquiry Form, including ~~the~~ any:

- (a) Toll Tariff;
- (b) Throughput Tariff;
- (c) Capacity Reservation Tariff;
- (d) Connection Charge(s);
- (e) Account Establishment Charge;
- (f) Annual Account Management Charge;
- (g) Amount of bond/security sum; and

<sup>23</sup> Refer paragraph 741 (Amdt. 31) and see Appendices 2.1 and 2.2.

<sup>24</sup> Requirement of the Enquiry Form – drafting for consistency between documents.

- (h) ~~any other charges under the Service Agreement~~ pertaining to the proposed Service.

### 6.3 Completed Order Form

If following receipt of the response in clause 6.2 the Prospective User wishes to proceed the Prospective User shall deliver to GGT within 10 Business Days a fully completed and executed Order Form which:

- (a) repeats the information referred to in clause 6.1 along with any changes in particulars or requirements which may have occurred since the date the Enquiry Form was submitted; and
- (b) contains all the particulars and tariff components and charges described in clause 6.2.

### 6.4 Advice of Capacity

Within 30 Business Days of the receipt by GGT of the Prospective User's fully completed and executed Order Form in accordance with clause 6.3, GGT shall advise the Prospective User in writing:

- (a) that Spare Capacity exists to satisfy the request for the Service; or
- (b) that Spare Capacity does not exist to satisfy the request for the Service; or
- (c) a proposed schedule for the provision of Developable Capacity capable of being installed by GGT to satisfy the request for Service and any charges that may apply for the provision of Developable Capacity; or
- (d) that investigations are required to be undertaken prior to responding to the request (including a description of the nature of the investigations, the expected programme for completing those investigations and an indicative cost of those investigations that the Prospective User may be required to meet in respect of the investigations) (**Investigations**).

### 6.5 Conditions Precedent

It is a condition precedent to GGT accepting a completed and executed Order Form that:

- (a) sufficient Spare Capacity is available; or
- (b) if sufficient Spare Capacity is not available:
  - (1) GGT has determined that it is technically feasible and economically viable to install Developable Capacity to provide the Service by the Commencement Date; and



- (2) the Prospective User has indicated its preparedness to contribute reasonable costs towards Investigations and Developable Capacity;
- (c) the Inlet Point and each Outlet Point has or will have sufficient capability to accommodate the requested Service;
- (d) the gas to be delivered into the Pipeline by the Prospective User will comply with the Gas Specification;
- (e) the legal status, legal capacity and creditworthiness of the Prospective User complies with the reasonable requirements of GGT;
- (f) the Prospective User is, or will be, to GGT's reasonable satisfaction, in a position to meet its obligations under the Service Agreement and throughout the Term of the Agreement; and
- (g) the Prospective User agrees to comply with the requirements of the First, Second and Third Schedules of the General Terms and Conditions.

## 6.6 Acceptance of an Order Form

Subject to clause 6.7, GGT must accept a fully completed and executed Order Form submitted to GGT pursuant to clause 6.3:

- (a) if there is sufficient Spare Capacity available; or
- (b) if sufficient Spare Capacity is not available and:
  - (1) GGT has determined that it is technically feasible and economically viable to install Developable Capacity to provide the Service by the Commencement Date; and
  - (2) the Prospective User has indicated its preparedness to contribute the amount specified by GGT towards reasonable costs towards Investigations and Developable Capacity.

## 6.7 Notice of Non-Compliance

If in the reasonable opinion of GGT the completed and executed Order Form does not comply with clause 6.3 or the conditions precedent prescribed by clause 6.5 are not satisfied, GGT must give the Prospective User within 14 days a notice of non-compliance including reasonable details and information regarding the non-compliance and, if applicable, based on current commitments of Capacity, indicating when any Spare Capacity and Developable Capacity may become available.

## 6.8 Amended or Rejected Order Form

- (a) Within 30 days of GGT issuing any notice pursuant to clause 6.7, the Prospective User may issue a notice of its intention to amend the Order

Form failing which the Order Form is deemed to be rejected and the Prospective User's priority for allocation of Capacity is lost. The parties may agree to amend the Order Form.

- (b) If an amended Order Form under clause 6.8(a) is materially different from the original Order Form, and if, due to the amendment, GGT would be unable to provide the Service to a Prospective User whose Order Form has a date of priority subsequent to the original Order Form, then:
  - (1) if it is reasonable to construe the amended Order Form as a combination of an original Order Form and a notional supplementary Order Form, the original Order Form retains its priority pursuant to clause 7 and the notional supplementary Order Form has priority pursuant to clause 7 based on the date the amendments are received by GGT; and
  - (2) otherwise, the original Order Form is deemed to be rejected and the amended Order Form has priority according to the date the amendments are received by GGT.

## 6.9 Execution of Service Agreement and Exercise of Option

- (a) GGT shall indicate its acceptance of an Order Form by executing and delivering the Service Agreement to the Prospective User, together with details of the likely Commencement Date, within 14 Business Days of its decision to provide the Service.
- (b) The Service Agreement may include an option ~~or options~~ to extend the initial Termination of the Agreement Date until the extended Termination Date for a period or periods set out in the Service Agreement. Any such option can be exercised by no later than the option exercise date specified in the Order Form. If such option is not exercised by the latest date for its exercise as specified in the Order Form, then it lapses and is cancelled. Any notification by the User to GGT that the User wishes of the exercise of the option shall, subject to the satisfaction of the conditions precedent in clauses 6.5(e) and 6.5(f), be deemed to be a new application for the provision an extension of the Service Contract until the extended Termination Date for the purposes of clause 6.1. The new application must satisfy the conditions precedent contained in clause 6.5, upon the same terms and conditions as set out in the Service Contract, except for the option to extend and will be treated:
  - (1) if the User no later than 12 months prior to the expiry of the then Term of the Agreement exercises the option, then in accordance with clause 7.1(e); or

- (2) if the User later than 12 months prior to the expiry of the then Term of the Agreement exercises the option, then in accordance with clause 7.1(f).<sup>25</sup>

## 6.10 Variation to MDQ and Term of the Agreement

- (a) At any time after the Commencement Date, a User may ~~by giving give~~ written notice apply to GGT requesting amendments to the Service Agreement relating to:
- (1) an increase in the MDQs to be applied after the Date of Service Agreement; or
  - (2) an extension to the Term of the Agreement
- (Application for Service Contract Variation).
- (b) GGT will consider any Application for Service Contract Variation ~~request made under clause 6.10(a)~~ as a new Order Form and shall advise the User whether it will accept the ~~request~~application and what terms and conditions, including changes to tariffs and charges, if applicable, will apply. GGT will not accept any application if it does not comply with the requirements of clause 6.3 or does not satisfy the conditions precedent contained in clause 6.5. ~~The request~~An Application for Service Contract Variation will be accorded priority in accordance with ~~under~~ clause ~~7.1(e)~~ 7.1(f).<sup>26</sup>

## 6.11 Variation of General Terms and Conditions

- (a) A Prospective User may seek variations of the General Terms and Conditions applicable to the Reference Service.
- (b) Such variations constitute a request for a service which differs from the standard service provided for by the Reference Service and hence will be treated as a request for a Negotiated Service for the purposes of this Access Arrangement. GGT will negotiate the tariffs and other terms and conditions for such a Negotiated Service with the Prospective User in good faith.

## 6.12 Confidential Information

- (a) GGT may require the Prospective User to undertake to keep confidential any information disclosed in the course of negotiations relating to the application in such form as GGT requires and as a condition precedent to negotiations.

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<sup>25</sup> Refer paragraph 741 (Amdt. 31).

<sup>26</sup> Refer paragraph 741 (Amdt. 31).

- (b) Notwithstanding Clause 6.12(a), where a Prospective User is requested or required by law, any legally binding order of a court or Governmental Authority, or by the listing rules of any stock exchange having jurisdiction over the Prospective User or its ultimate holding company to disclose confidential information which arose in relation to negotiations between the parties, the Prospective User shall advise GGT of the relevant request or requirement and in good faith confer with GGT, as to the most appropriate manner, recognising the commercial sensitivity of the details or information requested or required, of responding to the request or requirement.<sup>27</sup>

## 7 QUEUING POLICY

### 7.1 Queuing Policy for Provision of Service

- (a) As between Prospective Users seeking a Reference Service, the priority for allocation of Spare Capacity and Developable Capacity will, in respect of the Services, be determined on a first come, first served basis when a completed and executed Order Form is received by GGT under clause 6.3 on the basis that an Order Form having an earlier receipt date will have priority over an Order Form having a later receipt date.
- (b) GGT will ensure that, as between Prospective Users, Order Forms are processed and Spare Capacity will be allocated in the order which reflects their priority or deemed priority under clause 7.1(a).
- (c) A Prospective User will cease to maintain its priority for allocation of Spare Capacity or Developable Capacity if:
- (1) its Order Form is rejected pursuant to clause 6.8(a); or
  - (2) its Order Form is rejected pursuant to clause 6.8(b)(2); or
  - (3) the Prospective User withdraws its Order Form; or
  - (4) fails to comply with the terms of the Service Agreement; or
  - (5) an Insolvency Event occurs in relation to the Prospective User.
- (d) If a Prospective User submits an amended application pursuant to clause 6.8, subject to clause 6.8(b), the amended application or notional supplementary application will have priority according to the date of receipt of the amendments by GGT.

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<sup>27</sup> Refer paragraph 746 (Amdt. 36).

(e) If a User no later than 12 months prior to the expiry of the then Term of the Agreement:

(1) gives a notice of exercises of an option under the Service Agreement to extend the initial Termination DateTerm of the Agreement; and/or

~~(2) gives notice under clause 6.10 of its desire to increase the MDQs or extend the Term of the Agreement,~~

~~(3) — the exercise of the option or notice will be deemed to be a new application for Spare Capacity and Developable Capacity and the date GGT receives notice of the exercise of the option or request for increase or extension will determine the priority accorded to the new application.~~

(2) if the conditions precedent in clauses 6.5(e) and 6.5(f) have been satisfied

then the User will be deemed not to be a Prospective User and will be allocated its then Firm Service Reserved Capacity at the Transportation Tariff for the duration of the extension, subject to continued performance of the terms and conditions of the Service Agreement by the User as though these terms had been incorporated into the existing Service Agreement.<sup>28</sup>

(f) If a User:

(1) later than 12 months prior to the expiry of the then Term of the Agreement gives a notice of exercise of an option under the Service Agreement to extend the initial Termination Date; or

(2) makes under clause 6.10(a) an Application for Service Contract Variation

then

(3) the exercise of the option or Application for Service Contract Variation (as applicable) will be deemed to be a new application for Spare Capacity and Developable Capacity and be in a position in the queue for Spare Capacity and Developable Capacity; and

(4) the User will be deemed to be a Prospective User and the date GGT receives notice of the exercise of the option or Application for Service Contract Variation will determine the priority accorded to the new application.<sup>29</sup>

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<sup>28</sup> Refer paragraph 741 (Amdt. 31).

<sup>29</sup> Refer paragraph 741 (Amdt. 31).

~~(f)~~(g) If Spare Capacity becomes available or Developable Capacity is provided, GGT will use all reasonable endeavours to notify Prospective Users of that Spare Capacity or Developable Capacity in an order and manner which has regard to the rights of Users under Existing Contracts.

~~(g)~~(h) The rights of any Prospective User under and the operation of this clause is subject to and conditional on GGT complying with and satisfying any legal or contractual obligations it has to provide additional Capacity under, or to extend the term of, an Existing Contract.

## 8 TERMS AND CONDITIONS FOR PROVIDING SERVICE

### 8.1 Terms of Reference Service

The terms and conditions on which the Reference Service is to be provided by GGT to a Prospective User are those contained in:

- (a) the ~~executed and accepted~~ Order Form executed by the Prospective User and accepted by GGT;
- (b) any Conditions that may apply; and
- (c) the General Terms and Conditions.

### 8.2 Conditions

- ~~(a) GGT may notify a Prospective User that GGT is prepared to make available a Service subject to specified Conditions being satisfied as conditions precedent or observed as conditions subsequent.~~
- ~~(b) The Conditions may relate to any matter reasonably required by GGT to protect or secure its position under any proposed Service Agreement, including:
  - ~~(1) the occurrence of a defined event including installation and commissioning of Developable Capacity or third party equipment, processing facilities or infrastructure;~~
  - ~~(2) a Performance Security being provided by the Prospective User, any of its Related Corporations or any other person on terms acceptable to GGT in order to satisfy the requirements of the request for Service; and~~
  - ~~(3) copies of insurance policies or other evidence reasonably required by GGT being provided, which provide reasonable indication to GGT that the Prospective User has insurance policies sufficient~~~~

~~to satisfy the indemnities which the Prospective User will be required to provide under the proposed Service Agreement.~~

~~(c)(d) Unless the Prospective User notifies GGT to the contrary within 7 Business Days of receiving notice of the Conditions, the Prospective User is deemed to have accepted and agreed to be bound by the Conditions notified by GGT, which will form part of the Service Agreement.~~

### **8.38.2 Service Agreement**

GGT<sup>30</sup> and the Prospective User becomes bound to the Service Agreement and bound to satisfy or observe all Conditions:

- (a) in the case where Spare Capacity exists to satisfy the request for the Service, from the date that GGT becomes bound by the Service Agreement; and
- (b) in the case where Spare Capacity does not exist to satisfy the request for the Service and the Prospective User has indicated a preparedness to contribute reasonable costs towards Investigations and installation of Developable Capacity, from the date that GGT gives a notification.

### **8.3 Conditions**

- (a) GGT may notify a Prospective User that GGT is prepared to make available a Service subject to specified Conditions being satisfied as conditions precedent or observed as conditions subsequent.
- (b) The Conditions may relate to any matter reasonably required by GGT to protect or secure its position under any proposed Service Agreement, including:
  - (1) the occurrence of a defined event including installation and commissioning of Developable Capacity or third party equipment, processing facilities or infrastructure;
  - (2) a Performance Security being provided by the Prospective User, any of its Related Corporations or any other person on terms acceptable to GGT in order to satisfy the requirements of the request for Service; and
  - (3) copies of insurance policies or other evidence reasonably required by GGT being provided, which provide a reasonable indication to GGT that the Prospective User has insurance policies sufficient to satisfy the indemnities which the

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<sup>30</sup> Drafting change and confirms GGT is also bound to the terms of the Service Agreement.

Prospective User will be required to provide under the proposed Service Agreement .

(c) Unless the Prospective User notifies GGT to the contrary within 7 Business Days of receiving notice of the Conditions, the Prospective User is deemed to have accepted and agreed to be bound by the Conditions notified by GGT, which will form part of the Service Agreement.<sup>31</sup>

#### **8.4 Alternative Date of Agreement**

Notwithstanding the foregoing, GGT and a Prospective User may agree on an alternative date for becoming mutually bound to a Service Agreement.

#### **8.5 Toll and Capacity Reservation Tariff**

The Toll Tariff and Capacity Reservation Tariff apply from the later of the Date of Service Agreement or satisfaction or waiver of any Conditions, in the nature of conditions precedent.

#### **~~8.6 Dispute as to Terms~~**

~~Any dispute as to the terms and conditions on which the Reference Service are to be provided may be resolved as a Section 6 Dispute.<sup>32</sup>~~

## **9 TRADING POLICY**

### **9.1 Rights to Transfer or Assign**

A User's rights to transfer or assign all or part of its rights under a Service Agreement are set out in clause 20 of the General Terms and Conditions.

## **10 EXTENSIONS/EXPANSION POLICY**

### **10.1 Extensions/Expansions**

~~GGT will use all reasonable endeavours to extend or expand the Capacity of the Pipeline where the proposed extension or expansion:~~

~~(a) is technically feasible and economically viable;~~

~~(b) is consistent with the safe and reliable operation of the Pipeline;~~

<sup>31</sup> Drafting for clarity.

<sup>32</sup> Removal for clarity – this clause is merely an explanation of the Code.



~~(c) receives all relevant regulatory approvals; and  
has regard to good pipeline industry practice~~

Other than as required under the Code or the GGP Agreement, GGT will not incur capital to expand the capacity of the Pipeline unless a User:

- (a) satisfies GGT of the existence of reserves and demand for the economic life of the expansion;
- (b) demonstrates to GGT that the User has the financial capability to pay the costs of the provision of services provided through expanded capacity; and
- (c) commits to a Service Agreement sufficient to ensure the payment to GGT all costs incurred by GGT in expanding the capacity and the provision of services through that expanded capacity.

## 10.2 Investigations as to Developable Capacity

- (a) If:
  - (1) a request for Service (including any request for Service, the effect of which is to increase an existing User's MDQ or to request additional Capacity for an existing User) is lodged;
  - (2) Spare Capacity is not likely to become available in the reasonably foreseeable future, based on current commitments, to satisfy that request for Service; and
  - (3) that request for Service is reasonably likely to be satisfied by Developable Capacity, if provided

GGT will undertake such Investigations as are reasonably required to determine the nature, extent and approximate cost required to provide that Developable Capacity, subject to clause 6.6(b) of this Access Arrangement ~~the payment by the Prospective User of the cost of those Investigations and the Prospective User committing to make an agreed contribution to the costs of installing the Developable Capacity.~~<sup>33</sup>

- (b) GGT may of its own accord undertake investigations as to possible Developable Capacity from time to time.

## 10.3 Application of Arrangement to Pipeline Extension/Expansion

~~(a) If GGT so elects and with the Regulator's consent, a pipeline extension or expansion will be subject to this Access Arrangement and will form part of the Pipeline for the purposes of this Access Arrangement.~~

<sup>33</sup> Refer paragraph 743 (Amdt. 33).

- ~~(b) If the nature of the pipeline extension or expansion is such that an amendment to this Access Arrangement is required, GGT will lodge an amended Access Arrangement with the Regulator.~~
- ~~(c) A pipeline extension or expansion which GGT elects, with the Regulator's consent, to be subject to this Access Arrangement, will become subject to this Access Arrangement:~~
- ~~(1) if an amendment to this Access Arrangement is required as a result, on the date on which approval by the Regulator of the amendment takes effect; or~~
- ~~(2) otherwise, on the date elected by GGT and consented to by the Regulator.~~

If GGT expands the capacity of the Pipeline, GGT will elect:

- (a) that the expanded capacity will be treated as part of the Pipeline for the purposes of the Access Arrangement and GGT will exercise its discretion to submit proposed revisions to the Access Arrangement under section 2 of the Code; or
- (b) that the expanded capacity will not be treated as part of the Pipeline for the purposes of this Access Arrangement and that GGT will lodge a separate Access Arrangement for such expanded capacity; or
- (c) that the expansion will not be covered, subject to GGT notifying the Regulator of this fact prior to the expansion coming into operation<sup>34</sup>.

#### 10.4 Pipeline Extension/Expansion and Tariffs

- (a) Pipeline extension or expansions will result in no change to the Reference Service Tariff applied to a User when those extensions or expansions have been fully funded by that User's capital contributions except to contribute to GGT's non-capital costs in connection with those extensions and expansions.
- (b) Incremental Users as defined in the Code which have not made capital contributions towards Incremental Capacity as defined in the Code which they use and which has been funded by others will be liable to pay for surcharges as allowed for in section 8 of the Code.
- (c) Pipeline extensions or expansions funded by GGT may result in the application of surcharges as allowed for in section 8 of the Code subject

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<sup>34</sup> Refer paragraph 743 (Amdt. 33)

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to GGT providing written notice to the Regulator, and the Regulator approving the same, in accordance with section 8.25 of the Code.<sup>35</sup>

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## 11 CAPACITY MANAGEMENT POLICY

### 11.1 Contract Carriage Pipeline

The Pipeline is a Contract Carriage pipeline as defined in Section 10.8 of the Code.

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<sup>35</sup> Refer paragraph 744 (Amdt. 34).