



National Third Party Access Code
for Natural Gas Pipeline Systems:
AlintaGas Networks Pty Ltd's
Revised Access Arrangement
for the Mid-West and South-West
Gas Distribution Systems

Submitted 31 March 2004

AlintaGas Networks Pty Ltd
ABN 90 089 531 975
1 William Street
Perth WA 6000



National Third Party Access Code
for Natural Gas Pipeline Systems:
AlintaGas Networks Pty Ltd's
Revised Access Arrangement
for the Mid-West and South-West
Gas Distribution Systems

Part A - Principal Arrangements

Submitted 31 March 2004

CONTENTS

INTRODUCTION	1
<i>Purpose of this document</i>	1
<i>Composition of Access Arrangement</i>	1
<i>Pipelines covered by this Access Arrangement</i>	1
<i>Effective Date</i>	1
DEFINITIONS AND INTERPRETATION	1
CONTACT DETAILS	2
ELEMENTS SET OUT IN SECTION 3 OF THE CODE	2
SERVICES POLICY	2
<i>Reference Service A1</i>	2
<i>Reference Service A2</i>	3
<i>Reference Service B1</i>	3
<i>Reference Service B2</i>	3
<i>Reference Service B3</i>	4
<i>Re-allocation of Reference Services</i>	4
<i>Interconnection Service</i>	4
<i>Services other than Reference Services</i>	5
<i>Elements of a Service</i>	5
<i>Obtaining access to services</i>	6
<i>Parties required to enter into a Service Agreement</i>	6
<i>Pre-conditions to the provision of Services</i>	6
<i>Obligation to accept and deliver Gas</i>	7
REFERENCE TARIFFS AND REFERENCE TARIFF POLICY	9
TERMS AND CONDITIONS	9
<i>Changes to terms and conditions</i>	9
<i>Terms and conditions for Services other than Reference Services</i>	10
<i>Obtaining details of Medium Pressure/Low Pressure system</i>	10
CAPACITY MANAGEMENT POLICY	10
TRADING POLICY	10
<i>Transfers or assignments of Capacity</i>	10
<i>Bare Transfers</i>	10
<i>Other transfers</i>	11

<i>Transferor remains liable to AGN</i>	11
<i>Change of Receipt Point or Delivery Point</i>	11
<i>Examples</i>	12
<i>Costs</i>	12
QUEUING POLICY	12
<i>When Queuing Policy applies</i>	12
<i>First come first served</i>	13
<i>Processing of Applications not affected</i>	13
<i>Exercising an option not affected</i>	13
<i>Outline of procedure for the Access Offer and entering into the Service Agreement</i>	13
<i>Priority of withdrawn Applications</i>	14
<i>Priority of amended Applications</i>	15
<i>User may increase Contracted Peak Rate etc only by new Application</i>	15
<i>Notification of position in queue</i>	15
EXTENSIONS/EXPANSIONS POLICY	16
<i>Incremental expansions automatically included</i>	16
<i>Other extensions automatically excluded</i>	16
<i>Excluded extensions</i>	17
<i>Impact on Reference Tariffs</i>	17
INTERCONNECTION WITH OTHER PIPELINES	18
<i>Receipt Points</i>	18
<i>Entitlement to firm capacity on Interconnected Pipeline</i>	18
<i>Cost recovery of interconnection costs</i>	19
REVIEW AND EXPIRY OF THE ACCESS ARRANGEMENT	19
<i>Revisions Submission Date for the Third Access Arrangement Period</i>	19
<i>Intended revisions Commencement Date for the Third Access Arrangement Period</i>	19
<i>Early revisions required if a revisions trigger events occur</i>	19
<i>Adjustment to Reference Tariffs</i>	20
SCHEDULE 1: TRIGGER EVENTS	21
SCHEDULE 2: GLOSSARY - DEFINITIONS AND INTERPRETATION	23

ALINTAGAS NETWORKS PTY LTD
REVISED ACCESS ARRANGEMENT
for the
MID-WEST AND SOUTH-WEST GAS DISTRIBUTION SYSTEMS
Part A - Principal Arrangements

INTRODUCTION

Purpose of this document

1. This revision, to the Access Arrangement approved by the Regulator on 18 July 2000, is submitted by AlintaGas Networks Pty Ltd (AGN). The proposed revisions to the Access Arrangement are submitted under section 2 of the Code in respect of the AGN GDS. This Access Arrangement as revised is a statement of the policies and the basic terms and conditions which apply to third party access to the AGN GDS.

Composition of Access Arrangement

2. The Access Arrangement as revised comprises this document together with the plans of the AGN GDS previously lodged with the Regulator.
3. This document comprises three parts:
 - Part A - Principal Arrangements
 - Part B - Reference Tariffs and Reference Tariff Policy
 - Part C - Terms and Conditions
4. A separate document titled "AlintaGas Networks Access Arrangement Information for the Mid-West and South-West Gas Distribution Systems" dated 31 March 2004 constitutes the Access Arrangement Information required under section 2.28 of the Code.

Pipelines covered by this Access Arrangement

5. This Access Arrangement applies to the AGN GDS as at the revisions Commencement Date, and as revised under the Extensions/Expansions Policy.

Effective Date

6. The Access Arrangement came into effect on 1 January 2000. This Access Arrangement as revised was submitted to the Regulator on 31 March 2004 and will come into effect in accordance with section 2.48 of the Code.

DEFINITIONS AND INTERPRETATION

7. In this Access Arrangement and supporting documents, where a word or phrase is capitalised, unless the context otherwise requires:

- (a) it has the meaning given to it in the Code (unless the word or phrase is also defined in the Glossary, in which case the word or phrase has the meaning given to it in the Glossary); or
 - (b) the meaning given to it in the Glossary.
- 8. In the event of any inconsistency between a provision of this Access Arrangement and a provision of the Retail Market Scheme, the provision of this Access Arrangement prevails to the extent of the inconsistency.

CONTACT DETAILS

- 9. The contact officer for further details on this Access Arrangement is:

Mr Charles Crouch
Regulatory Economist
AlintaGas Networks Pty Ltd
1 William Street
Perth WA 6000
Tel 08 9486 3382

ELEMENTS SET OUT IN SECTION 3 OF THE CODE

- 10. The following clauses of this Part A, in compliance with section 2.29 of the Code, include the elements set out in sections 3.1 to 3.20 of the Code that are applicable to AGN.
- 11. Each of the Reference Services to be provided is likely to be sought by a significant part of the market.

SERVICES POLICY

Reference Service A1

- 12. Reference Service A1 is a Service on the terms and conditions set out in Part C and Part C, Schedule 1 by which a User may take delivery of Gas at a Delivery Point on either the High Pressure System or the Medium Pressure/Low Pressure System, where:
 - (a) at the time the User submitted the Application:
 - (i) it was reasonably anticipated that the User would take delivery of 35 terajoules or more of Gas during each Year of the Haulage Contract; and
 - (ii) the User requested a Contracted Peak Rate of 10 gigajoules or more per hour;
 - and
 - (b) the User requested User Specific Delivery Facilities.

Reference Service A2

13. Reference Service A2 is a Service on the terms and conditions set out in Part C and Part C, Schedule 2 by which a User may take delivery of Gas at a Delivery Point on either the High Pressure System or the Medium Pressure/Low Pressure System, where:
- (a) at the time the User submitted the Application the User requested User Specific Delivery Facilities and either (or both):
 - (i) it was reasonably anticipated that the User would take delivery of 10 terajoules or more of Gas, but less than 35 terajoules of Gas, during each Year of the Haulage Contract; or
 - (ii) the User requested a Contracted Peak Rate of less than 10 gigajoules per hour;

or

 - (b) an Above 10 TJ Determination has been, or is likely to be, made under the Retail Market Rules.

Reference Service B1

14. Reference Service B1 is a Service on the terms and conditions set out in Part C and Part C, Schedule 3 by which a User may take delivery of Gas at a Delivery Point on either the High Pressure System or the Medium Pressure/Low Pressure System, where:
- (a) at the time the User submitted the Application either (or both):
 - (i) it was reasonably anticipated that the User would take delivery of less than 10 terajoules of Gas during each Year of the Haulage Contract; or
 - (ii) the User requested a Contracted Peak Rate of less than 10 gigajoules per hour;

and

 - (b) the User requested User Specific Delivery Facilities.

Reference Service B2

15. Reference Service B2 is a Service on the terms and conditions set out in Part C and Part C, Schedule 4 by which a User may take delivery of Gas:
- (a) at a Delivery Point on the Medium Pressure/Low Pressure System; and
 - (b) using Standard Delivery Facilities which include a Standard 12 m³/hr meter.

Reference Service B3

16. Reference Service B3 is a Service on the terms and conditions set out in Part C and Part C, Schedule 4 by which a User may take delivery of Gas:
- (a) at a Delivery Point on the Medium Pressure/Low Pressure System; and
 - (b) using Standard Delivery Facilities which include a Standard 6 m³/hr meter.

Re-allocation of Reference Services

17. Where a User has contracted for a Current Reference Service at a Delivery Point, AGN may at any time where permitted by Part A, clause 18, by written notice to the relevant User, vary the Haulage Contract to allocate a Replacement Reference Service at that Delivery Point.
18. AGN may only allocate a Replacement Reference Service under Part A, clause 17 if either:
- (1) it anticipates as a reasonable and prudent person (having regard to information provided by the User under Part A, clause 19, if any) that the quantity of Gas to be delivered to the User in the coming Year would fall within the requirements for a Reference Service, other than the Current Reference Service (being the requirements set out in Part A, subclauses 12(a), 13(a), 14(a), 15(b) or 16(b), as applicable): or
 - (2) Part A, subclause 13(b) applies and the Current Reference Service is not already Reference Service A1 or A2.
19. Before giving a notice under Part A, clause 17, AGN must give the User at least 10 Business Days' advance warning that it proposes to give the notice, and the User may provide information to AGN regarding why the notice should not be given.
20. A notice under Part A, clause 17 takes effect as a variation to the Haulage Contract, changing the Current Reference Service at the Delivery Point to the Replacement Reference Service, with effect from 08:00 hours on the day 20 Business Days after the date of the notice.

Interconnection Service

21. (1) An Interconnection Service is a Service provided to a User who is a Pipeline Operator in respect of the interconnection between a Sub-network and a Pipeline which is, or is to become, an Interconnected Pipeline supplying Gas to the Sub-network.
- (2) The Interconnection Service provides a right to interconnect with the AGN GDS. Subject to Part A, clause 22, the terms and conditions and prices upon which an Interconnection Service will be made available are to be negotiated by AGN and the person to whom that Service is provided.
- (3) Every Receipt Point at which a Related Shipper will, from time to time, deliver Gas into a Sub-network for transportation to a Delivery Point must be the subject of an Interconnection Contract.

- (4) An Interconnection Contract might be expected to deal with matters such as:
- (a) the design, construction, commissioning, ownership and funding of Physical Gate Points and associated facilities;
 - (b) operational issues;
 - (c) management plans in respect of Gas quality, odourisation, metering and management of heating values;
 - (d) reimbursement by the Pipeline Operator of AGN's capital costs and Non-Capital Costs of providing the interconnection;
 - (e) the Minimum Receipt Temperature for each Receipt Point; and
 - (f) any other relevant matters.
22. It is a term of every Interconnection Contract that Gas entering and being transported through the AGN GDS must at all times comply with the Gas Quality Specifications.
23. An Application for an Interconnection Contract must specify a Minimum Receipt Temperature between 0 °C and 10 °C for each Receipt Point to which the Interconnection Contract will apply, and if the parties enter into the Interconnection Contract the specified Minimum Receipt Temperature has effect for a Receipt Point as a term of the Interconnection Contract.

Services other than Reference Services

24. Subject to Part A, clause 25, AGN will make Services other than Reference Services available to Users or Prospective Users as agreed or as determined in accordance with section 6 of the Code.
25. If a Prospective User is unable to satisfy the condition set out in Part A, subclause 29(2)(b)(iv), then AGN may make a Service other than a Reference Service available to the Prospective User, provided that the Prospective User demonstrates to AGN's reasonable satisfaction that the Prospective User, at the Prospective User's expense, has sufficient alternative arrangements to ensure that the issues potentially arising from not being able to satisfy the condition in Part A, subclause 29(2)(b)(iv) are adequately addressed, including to ensure that the Prospective User's Gas receipts at the Delivery Point do not exceed its entitlements to have Gas injected at a Receipt Point, or by having an acceptable load management plan as AGN may agree.

{Note: Sufficient alternative arrangements may include the Prospective User, at the Prospective User's expense, installing remotely operated flow controllers at a Delivery Point.}

Elements of a Service

26. (1) To the extent that it is practicable and reasonable for AGN, a Prospective User will be able to obtain a Service which consists only of elements of a Reference Service offered by AGN under the Services Policy.

- (2) If requested to do so by a Prospective User, AGN will, to the extent that it is practicable and reasonable to do so, provide a separate Tariff for an element of the Service requested under Part A, subclause 26(1).

Obtaining access to services

27. A Prospective User wishing to obtain access to a Service, other than by an option granted to a User as part of the terms and conditions of a Service Agreement to extend the duration of the Service Agreement, must submit an Application in accordance with the Applications Procedure.

Parties required to enter into a Service Agreement

28. (1) To become a User of a Reference Service, a Prospective User must enter into a Haulage Contract with AGN.
- (2) To become a User of an Interconnection Service, a Prospective User who is a Pipeline Operator must enter into an Interconnection Contract with AGN.
- (3) A Prospective User of any Service other than those listed in Part A, subclauses 28(1) or 28(2) may be required to enter into a written agreement with AGN.

Pre-conditions to the provision of Services

29. (1) AGN will only enter into a Service Agreement (including a Haulage Contract) if:
 - (a) doing so would not impede the existing right of a User to obtain a Service;
 - (b) doing so would not deprive any person of a pre-existing contractual right other than an Exclusivity Right which arose on or after 30 March 1995;
 - (c) it is possible to accommodate the Prospective User's requirements under the Service consistently with the safe operation of the AGN GDS and prudent Pipeline practices accepted in the industry; and
 - (d) the Prospective User satisfies AGN's reasonable minimum prudential and insurance requirements.
- (2) AGN will only enter into a Haulage Contract (and unless the parties agree otherwise will only enter into a Service Agreement for a non-Reference Service relating to the transportation of Gas) if:
 - (a) either:
 - (i) for the duration of the Haulage Contract, there will be sufficient Spare Capacity to accommodate the User's requirements under the Haulage Contract; or
 - (ii) any necessary Extension or Expansion complies with the Extensions/Expansions Policy and meets the requirements set out in sections 6.22(a) to 6.22(e) of the Code;

- (b) in relation to each requested Delivery Point:
 - (i) the Haulage Contract identifies the Receipt Point or Receipt Points (which must be on the same Sub-network as the Delivery Point) at which one or more Related Shippers will deliver Gas into the Sub-network for transportation to the Delivery Point;
 - (ii) for the duration of the Haulage Contract, the Delivery Point will be of sufficient capability to accommodate the Contracted Peak Rate requested at the Delivery Point and the Receipt Point and Sub-network will be of sufficient capability to accommodate the User's requirements under the Haulage Contract, having regard to the current contracted entitlements of all other Users of the Sub-network;
 - (iii) the interconnection between the Sub-network and the Interconnected Pipeline (or the Pipeline or storage system which is to become the Interconnected Pipeline) is the subject of a current Interconnection Contract and no party to the Interconnection Contract is currently in breach;
 - (iv) the Prospective User has sufficient contractual entitlements to firm Gas transportation capacity on one or more Interconnected Pipelines for delivery to one or more Receipt Points (on the same Sub-network as the Delivery Point) to meet the Contracted Peak Rate requested by the Prospective User at the Delivery Point;

and

- (c) doing so would be consistent with the Queuing Policy, if applicable.
- (3) The Applications Procedure may waive, add to or vary one or more of the pre-conditions listed in Part A, subclause 29(1) or 29(2).
- (4) AGN may in its discretion as a reasonable person waive one or more of the pre-conditions listed in Part A, subclause 29(1) or 29(2), and may do so on any reasonable terms and conditions.

Obligation to accept and deliver Gas

- 30. (1) Subject to the terms of a Service Agreement:
 - (a) AGN must accept the quantity of Gas delivered to a Receipt Point by one or more Related Shippers; and
 - (b) deliver Gas to a User at a Delivery Point the subject of a Haulage Contract, up to the levels specified in the Service Agreement.
- (2) In addition to any other rights and remedies that may be available to it under any Law or Service Agreement or otherwise, AGN may refuse to accept the quantity of Gas delivered to a Receipt Point by a Related Shipper if:
 - (a) the Gas does not comply with the Gas Quality Specifications or any applicable Gas quality standards;

- (b) without limiting Part A, subclause 30(2)(a), AGN considers as a reasonable and prudent person that accepting the Gas would be inconsistent with a heating value blending management plan under the Gas Standards Regulations, or otherwise will, or might reasonably be expected to, cause the heating value of the Gas in any part of the AGN GDS to depart from any requirement in or under the Gas Standards Regulations;
 - (c) AGN considers as a reasonable and prudent person that it would be unsafe or may give rise to an unsafe situation for the operation of the AGN GDS to accept the quantity of Gas delivered to a Receipt Point by the Related Shipper;
 - (d) AGN considers as a reasonable and prudent person that it would, or might reasonably be expected to, be a breach of any Law to accept the Gas;
 - (e) AGN is relieved from doing so under Part C, clause 37 (Force Majeure);
 - (f) acceptance by AGN would cause the AGN GDS to exceed its maximum allowable operating pressure;
 - (g) AGN is permitted to do so by the Service Agreement; or
 - (h) the User is in breach of the Service Agreement.
- (3) Subject to and in accordance with any other rights and remedies that may be available to it under any Law or Service Agreement or otherwise, AGN may wholly or partly curtail the quantity or pressure of Gas deliveries to a User at a Delivery Point if:
- (a) AGN considers as a reasonable and prudent person that it would be unsafe or may give rise to an unsafe situation (whether for the operation of the AGN GDS or in respect of anything downstream of the Delivery Point) to deliver Gas to the User at the Delivery Point;
 - (b) without limiting Part A, subclause 30(3)(a), AGN considers as a reasonable and prudent person that there is, or that there is a reasonable prospect of, any non-compliance with the Gas Standards (Gas Fitting and Consumers' Gas Installations) Regulations 1999 or the Gas Standards (Natural Gas) Regulations 1999 downstream of the Delivery Point by any person;
 - (c) AGN considers as a reasonable and prudent person that it would, or might reasonably be expected to, be a breach of any Law to deliver the Gas;
 - (d) AGN is permitted to do so by the Service Agreement; or
 - (e) the User is in breach of the Service Agreement.

REFERENCE TARIFFS AND REFERENCE TARIFF POLICY

31. Reference Tariffs and the Reference Tariff Policy applicable to this Access Arrangement are set out in Part B as follows:
- (a) Part B, clauses 1-11 and Schedules 1-5 describe the Initial Reference Tariffs and the basis for adjustment;
 - (b) Part B, clauses 12-14 describe the basis for adjusting Reference Tariffs in accordance with the Trigger Event Adjustment Approach;
 - (c) Part B, clauses 15-18 describe the approach to be used for setting Tariffs for Services other than Reference Services;
 - (d) Part B also sets out AGN's Reference Tariff policy describing the principles used to determine a Reference Tariff. The policy relates to:
 - (i) the calculation of Total Revenue;
 - (ii) New Facilities Investment;
 - (iii) allocation of revenue between Services and between Users;
 - (iv) the Form of Regulation; and
 - (v) Incentive Mechanism.
 - (e) Part B, clause 37 describes a range of Fixed Principles that are to apply to the Access Arrangement.

TERMS AND CONDITIONS

32. The Terms and Conditions on which AGN will supply each Reference Service are set out in Part C and the Schedules to Part C.

Changes to terms and conditions

33. (1) AGN may from time to time, with the Regulator's approval, publish one or more Replacement Schedules.
- (2) With effect on and from the later of:
- (a) the date on which the Regulator gives its approval to the Replacement Schedule;
or
 - (b) the date specified for this purpose in the Replacement Schedule,
- any such approved Replacement Schedule has effect, and is incorporated as a term of a Haulage Contract to which the replacement Schedule relates, in substitution for, as applicable, Part C, or Part C, Schedule 1,2,3 or 4 (or, if applicable, a Replacement Schedule which had been substituted for Part C, or Part C, Schedule 1,2,3 or 4 by an earlier operation of this clause).

Terms and conditions for Services other than Reference Services

34. The Terms and Conditions on which AGN will supply each Service other than a Reference Service are set out in Part C as a relevant matter in accordance with section 2.29 of the Code.

Obtaining details of Medium Pressure/Low Pressure system

35. (1) Subject to Part A, subclause 35(2), a Prospective User may request that AGN provide it with a detailed map or description of the Medium Pressure/Low Pressure System in respect of a Delivery Point at which the Prospective User is in good faith contemplating taking deliveries of Gas.
- (2) If AGN is required to spend more than 1 hour in satisfying a Prospective User's request under Part A, subclause 35(1), then AGN may, in its discretion, charge the Prospective User a reasonable rate for satisfying that request.

CAPACITY MANAGEMENT POLICY

36. The AGN GDS is a Contract Carriage Pipeline.

TRADING POLICY

Transfers or assignments of Capacity

37. A User may transfer or assign all or part of its Contracted Peak Rate at a Delivery Point under Part A, clause 38 or 39 but not otherwise.

Bare Transfers

38. (1) A User may transfer or assign all or part of its Contracted Peak Rate at a Delivery Point without the consent of AGN if the transfer or assignment is a Bare Transfer.
- (2) A transfer or assignment is a "Bare Transfer" if:
- (a) the User's obligations under the Haulage Contract with AGN remain in full force and effect after the transfer or assignment; and
 - (b) the terms and conditions (including Tariffs) of the Haulage Contract with AGN are not altered as a result of the transfer or assignment.
- (3) As soon as practicable after a transfer or assignment under Part A, subclause 38(1), and in any event before utilising the transferred or assigned Contracted Peak Rate, the transferee or assignee must notify AGN of:
- (a) the identity:
 - (i) of the User which made the transfer or assignment; and
 - (ii) the transferee or assignee;

- (b) the nature of the Contracted Peak Rate which was transferred or assigned, including the amount of Contracted Peak Rate transferred or assigned and the location of the relevant Receipt Point and Delivery Point; and
 - (c) the period to which the transfer or assignment relates.
- (4) Without limiting the generality of Part A, subclause 38(2)(b), AGN may continue to send all invoices and other notices to the User in accordance with the terms and conditions of the User's Haulage Contract during the period to which the transfer or assignment relates.

Other transfers

39. (1) A User may, with the prior written consent of AGN, transfer or assign all or part of its Contracted Peak Rate at a Delivery Point other than by way of a Bare Transfer.
- (2) AGN may:
- (a) withhold its consent to a transfer or assignment under this clause only on reasonable commercial or technical grounds; or
 - (b) give its consent to a transfer or assignment under this clause subject to conditions only if they are reasonable on commercial or technical grounds.
- (3) Without limiting the generality of Part A, subclause 39(2), AGN may make its consent to a transfer or assignment conditional upon the satisfaction of any or all of the pre-conditions in Part A, clause 29 (which is to be read as though references to the Prospective User were instead references to the proposed transferee or assignee, and references to the proposed Service Agreement or the proposed Haulage Contract were instead references to the proposed assigned Haulage Contract).

Transferor remains liable to AGN

40. Unless the parties agree in writing to the contrary, a User which transfers or assigns all or part of its Contracted Peak Rate under Part A, clauses 38 or 39 remains liable to AGN for all charges and other amounts payable to AGN in respect of the whole of its Contracted Peak Rate, including the portion (or whole) of the Contracted Peak Rate transferred or assigned.

Change of Receipt Point or Delivery Point

41. (1) A User may, with the prior written consent of AGN, add to or change a Receipt Point, or relocate all or part of its Contracted Peak Rate to another Delivery Point, from that specified in a Haulage Contract.
- (2) AGN may:
- (a) withhold its consent to an addition or change of a Receipt Point or a relocation of Contracted Peak Rate to another Delivery Point under this clause only on reasonable commercial or technical grounds; or
 - (b) give its consent to an addition or change of a Receipt Point or a relocation of Contracted Peak Rate to another Delivery Point under this clause subject to conditions only if they are reasonable on commercial or technical grounds.

- (3) Without limiting the generality of Part A, subclause 41(2), AGN may make its consent to an addition, change or relocation conditional upon the satisfaction of any or all of the pre-conditions in Part A, clause 29 (which are to be read as though references to the Prospective User were instead references to the User proposing the addition, change or relocation, and references to the proposed Service Agreement or the proposed Haulage Contract were instead references to the Haulage Contract as proposed to be amended by the addition, change or relocation).
- (4) An addition, change or relocation under this clause 41 may only be initiated by written notice from the User to AGN, and the Queuing Policy applies to that notice as if the notice was an Application.

Examples

42. In accordance with section 3.11 of the Code, examples of things that would be reasonable for the purposes of Part A, clauses 39 and 41 are:
 - (a) AGN refusing to agree to a User's request to relocate Contracted Peak Rate to another Delivery Point where a reduction in the amount of the Service provided to the original Delivery Point will not result in a corresponding increase in AGN's ability to provide that Service to the alternative Delivery Point; and
 - (b) AGN specifying that, as a condition of its agreement to an addition or change of the Receipt Point, or relocation of Contracted Peak Rate to another Delivery Point, AGN will receive the same amount of revenue it would have received before the addition, change or relocation.

Costs

43. (1) A User requesting:
 - (a) the transfer or assignment of its Contracted Peak Rate under Part A, subclause 39(1); or
 - (b) an addition or change to a Receipt Point or a relocation of all or part of its Contracted Peak Rate under Part A, subclause 41(1),must reimburse AGN for all reasonable costs AGN incurs in processing and determining the request.
- (2) If requested, AGN must provide a quote for the costs that are expected to be incurred by AGN under Part A, subclause 43(1), but provided the quote is prepared in good faith, it does not limit the costs which must be reimbursed under Part A, clause 43(1).

QUEUING POLICY

When Queuing Policy applies

44. This Queuing Policy applies to determine the priority that a Prospective User (the "First Prospective User") has, as against any other Prospective User, to:
 - (a) enter into a Service Agreement, including in respect of access to Spare Capacity and Developable Capacity; and

- (b) seek dispute resolution under section 6 of the Code,

where the provision of the Service sought by the First Prospective User may impede the ability of AGN to provide a Service that is sought or which may be sought by another Prospective User.

First come first served

- 45. (1) A Prospective User's priority in respect of an Application is to be determined on a first come first served basis, except where:
 - (a) it is necessary or appropriate to depart from the first come first served principle:
 - (i) in order to accommodate, to the extent reasonably possible, the legitimate business interests of one or more of AGN, Users and Prospective Users;
or
 - (ii) in order to generate, to the extent reasonably possible, economically efficient outcomes;
 - or
 - (b) in AGN's reasonable opinion and without limiting the generality of Part A, subclause 45(1)(a), a Prospective User's Application is Vexatious.
- (2) If AGN applies Part A, subclauses 45(1)(a) or 45(1)(b) in relation to a Prospective User's Application, it must give notice of that action to all Prospective Users in the first come first served queue who are affected by that action.
- (3) The position of a Prospective User's Application in the first come first served queue is to be determined by reference to the time at which AGN actually received the Application.
- (4) If a Prospective User submits more than one Application, then the Prospective User has a different priority in respect of each Application, and every reference in this Queuing Policy to the Prospective User's priority is to be read as a reference to the Prospective User's priority in respect of the relevant Application.

Processing of Applications not affected

- 46. To avoid doubt, nothing in the Queuing Policy prevents AGN from processing more than one Application concurrently, save that in the event of any limitation on resources the processing will take place in accordance with Part A, clause 45.

Exercising an option not affected

- 47. An option granted to a User as part of the terms and conditions of a Service Agreement to extend the duration of the Service Agreement is not an Application and is not subject to Part A, clause 45.

Outline of procedure for the Access Offer and entering into the Service Agreement

- 48. (1) The Applications Procedure will specify details and timing for the procedure outlined in this clause.

- (2) If AGN determines under this Access Arrangement and the Code to enter into a Service Agreement with a Prospective User in response to an Application, AGN will make an Access Offer to the Prospective User within the time specified in the Applications Procedure.
- (3) An Access Offer must be for the same Contracted Peak Rate as is requested in the Application (as amended, if applicable, by agreement under Part A, clause 50), and a purported Access Offer which does not comply with this subclause is not an Access Offer, and is to be treated as an invitation by AGN to negotiate under clause Part A, 50 to amend the Application (which invitation, to avoid doubt, the Prospective User may reject).
- (4) Despite the giving of an Access Offer by AGN to the Prospective User, AGN and the Prospective User will not be taken to have entered into a Service Agreement until a written agreement has been duly executed between the parties.
- (5) The Prospective User must within the time specified in the Applications Procedure after receipt of an Access Offer, either:
 - (a) execute a Service Agreement; or
 - (b) request amendments to its Application; or
 - (c) reject the Access Offer,and if after the expiry of the specified time the Prospective User has not executed the Access Offer, requested amendments to its Application, or rejected the Access Offer, the Prospective User is taken to have rejected the Access Offer.
- (6) If the Prospective User rejects or is deemed to have rejected an Access Offer, the Prospective User is taken to have withdrawn its Application.
- (7) If the Prospective User requests amendments to its Application under Part A, subclause 48(5)(b), then unless the parties enter into a Service Agreement or notify a dispute under section 6.1 of the Code in response to the Application before 17:00 hours on the day 2 months after the date of that request, the Application is from that day to be taken to have priority under Part A, subclause 45(3) from the time of the request, rather than from the time the Application was actually received by AGN.
- (8) Unless the parties enter into a Service Agreement or notify a dispute under section 6.1 of the Code in response to the Application before 17:00 hours on the day 6 months after an Access Offer is made, the Access Offer is taken to be rejected.

Priority of withdrawn Applications

49. (1) An Application which is withdrawn or deemed by this Access Arrangement or the Applications Procedure to have been withdrawn loses its priority under Part A, subclause 45(3).

- (2) Without limiting Part A, subclause 49(1), a Prospective User may resubmit in accordance with the Applications Procedure an Application withdrawn or deemed by this Access Arrangement or the Applications Procedure to have been withdrawn, in which case the resubmitted Application has priority under Part A, subclause 45(3) from the time of resubmission.

Priority of amended Applications

50. (1) If, at any time before entering into a Service Agreement, a Prospective User requests an increase in the Contracted Peak Rate at a Delivery Point above the Contracted Peak Rate (if any) specified in its Application for that Delivery Point, then:
- (a) the initial Application retains its priority under Part A, subclause 45(3); and
 - (b) the request is to be treated as an Application for the incremental Contracted Peak Rate, which has priority determined by reference to the time at which AGN actually received the request.
- (2) If, at any time before entering into a Service Agreement, a Prospective User requests a decrease in the Contracted Peak Rate at a Delivery Point below the Contracted Peak Rate (if any) specified in its Application for that Delivery Point, then the Application's priority is not affected.

User may increase Contracted Peak Rate etc only by new Application

51. (1) Subject to this clause, the parties may not extend the duration of a Service Agreement or increase a User's Contracted Peak Rate at a Delivery Point above the Contracted Peak Rate (if any) specified in its Haulage Contract for that Delivery Point, other than by way of an Application by the User for the extended duration or incremental amount of Contracted Peak Rate.
- (2) Part A, subclause 51(1) does not prevent:
- (a) a User from having Contracted Peak Rate transferred or assigned to it under the Trading Policy where that transfer or assignment does not involve any relocation of the Contracted Peak Rate;
 - (b) a User from extending the duration of a Service Agreement by duly exercising an option granted to it as part of the terms and conditions of the Service Agreement; or
 - (c) AGN or a User from exercising their respective rights under Part C, Schedule 1 clauses 7 – 9 and Part C, Schedule 2 clauses 7 – 9, or AGN from exercising its rights under Part A, clauses 17 - 20.

Notification of position in queue

52. (1) If:
- (a) a Prospective User has an Application in the first come first served queue; and

(b) AGN has notice of a change (which change may reasonably be considered material in the context of the Prospective User and its Application) in when the capacity sought in the Application may be available, from the timing last notified to the Prospective User,

then AGN must notify the Prospective User of the changed timing as soon as practicable after AGN knows or ought to have known of the change.

(2) AGN may make known to any Prospective User with an Application in the first come first served queue:

(a) the fact that another Application exists (but not any details regarding the content of that other Application or the Prospective User who submitted it);

(b) the position in the first come first served queue of the Prospective User who submitted that other Application; and

(c) information which AGN is required under Part A, subclause 52(1) to disclose,

and to avoid doubt, this information is not confidential information.

(3) Part A, subclause 52(2) applies despite any confidentiality obligations otherwise imposed on AGN.

EXTENSIONS/EXPANSIONS POLICY

53. Part A, clauses 53-58 apply to any Extension or Expansion which is owned and operated by AGN and first becomes Operational on or after the revisions Commencement Date.

Incremental expansions automatically included

54. Subject to clause 56, any Extension or Expansion to which Part A, clauses 53-58 apply, which is part of, or (for the purposes of Gas flow) directly connected with, an existing Sub-network is to be treated as part of the AGN GDS for all purposes under the Code, including a situation where the direct connection is made to a part of that Sub-network which became part of the Sub-network by an earlier operation of this clause.

Other extensions automatically excluded

55. (1) Unless AGN makes a determination under Part A, subclause 55(2), any Extension or Expansion to which these clauses apply which is neither part of, nor (for the purposes of Gas flow) directly connected with, an existing Sub-network, is not to be treated as part of the AGN GDS for any purpose under the Code.

(2) AGN may make a written determination that an Extension or Expansion that would otherwise be excluded from the AGN GDS under Part A, subclause 55(1) is to be included in the AGN GDS, in which case:

(a) the Extension or Expansion is to be treated as part of the AGN GDS for all purposes under the Code; and

(b) AGN must provide a copy of that determination to the Regulator.

Excluded extensions

56. (1) AGN may, in its discretion and with the Regulator's consent, declare that an Extension or Expansion which would otherwise become part of the AGN GDS under Part A, clause 54 is to be an Excluded Extension.
- (2) Before undertaking an Extension or Expansion, AGN may make a written request to the Regulator seeking the Regulator's prior consent under Part A, subclause 56(1), which consent binds the Regulator in respect of the Extension or Expansion specified in the request.
- (3) If, after receiving a request under Part A, subclause 56(2), the Regulator does not consent to the proposed Extension or Expansion being an Excluded Extension under Part A, subclause 56(1), then AGN may, in its discretion, decide not to undertake the Extension or Expansion.
- (4) An Excluded Extension is not to be treated as part of the AGN GDS for any purpose under the Code.

Impact on Reference Tariffs

57. (1) An Extension or Expansion which is treated as part of the AGN GDS under this Extensions/Expansions Policy will not affect Reference Tariffs for the remainder of the Second Access Arrangement Period.
- (2) Subject to Part A, subclause 57(3), AGN may from time to time impose Surcharges or seek Capital Contributions in respect of New Facilities Investment, where permitted by and subject to the provisions of the Code.
- (3) Where AGN is obliged under a Distribution Licence to connect a premises to the AGN GDS ("Obligation to Connect") AGN will not impose Surcharges or seek Capital Contributions in respect of Standard Delivery Facilities used to provide either Reference Service B2 or Reference Service B3 to the extent that it is required by the Distribution Licence to bear costs under the Obligation to Connect.
- (4) Except where AGN imposes a Surcharge or seeks a Capital Contribution, Users of Incremental Capacity under a Reference Service will pay the relevant Reference Tariff.
- (5) AGN may from time to time allocate New Facilities Investment to the Speculative Investment Fund, where permitted by and subject to the provisions of sections 8.18 and 8.19 of the Code.
58. New Connections Where the provision of a Service requires AGN to install Delivery Facilities:
- (a) the Haulage Contract (or another contract) must deal to AGN's reasonable satisfaction with the construction and installation of the Delivery Facilities, including:
- (i) matters relating to site access, health and safety, standards of work and scheduling of work; and

- (ii) the User's obligations as to the payment for the installation of the Delivery Facilities;
- (b) subject to Part A, subclause 57(3), AGN may seek a Capital Contribution from the User in respect of the Delivery Facilities;
- (c) for the avoidance of doubt and without limiting Part A, subclause 58(b), AGN may decline to install Delivery Facilities where it is not obliged by a Distribution Licence to install them.

INTERCONNECTION WITH OTHER PIPELINES

Receipt Points

59. (1) There is to be one Receipt Point for each Interconnected Pipeline for each Sub-network, regardless of how many Physical Gate Points are used to make the interconnection between the Interconnected Pipeline and the Sub-network.

{Example: There will be one Receipt Point in respect of the interconnection between the DBNGP and the North Metro Sub-network, despite there currently being three Physical Gate Points making that interconnection. There is also one Receipt Point for the interconnection between the Parmelia Pipeline and the North Metro, making a total of two Receipt Points for the North Metro Sub-network.}

- (2) AGN has prepared a Schedule identifying all Sub-networks in the AGN GDS, and all Receipt Points in respect of each Sub-network, and may from time to time vary or substitute that Schedule.

Entitlement to firm capacity on Interconnected Pipeline

60. (1) Each Haulage Contract contains a representation and warranty by the User that:
- (a) for each Delivery Point, the User has sufficient contractual entitlements to firm Gas transportation capacity on one or more Interconnected Pipelines for delivery to one or more Receipt Points (on the same Sub-network as the Delivery Point) to meet the User's Contracted Peak Rate at the Delivery Point; and
 - (b) the User will notify AGN if at any time it is, suspects that it may be, or suspects that it is likely that it will in the near future be, in breach of the representation and warranty set out in Part A, subclause 60(1)(a), as soon as possible after it becomes aware of the fact or the suspicion arises.
- (2) The User makes the representation and warranty referred to in Part A, subclause 60(1) anew each day for the duration of the Haulage Contract.
- (3) The exclusion of Indirect Damage in Part C, clause 50 does not apply in respect of the representation and warranty in Part A, subclause 60(1) and therefore liability in respect of the matters is to be determined by Law, and to avoid any doubt the definition of Indirect Damage in Part C is to be disregarded for the purposes of that determination.

- (4) The provisions of this clause 60 may be waived or modified by an express provision of a Haulage Contract, if AGN in its sole discretion so agrees.
61. Upon AGN's reasonable request, the User must as soon as practicable provide evidence to AGN's reasonable satisfaction that the User has sufficient contractual entitlements to firm Gas transportation capacity on one or more Interconnected Pipelines for delivery to one or more Receipt Points on the same Sub-network as the Delivery Point to meet the User's Contracted Peak Rate at the Delivery Point.

{Example: AGN may require: contact details for one or more Related Shippers; confirmation that the User's arrangements with its Related Shippers are compatible with this Access Arrangement and the Haulage Contract (for example clauses 11 and 16 of Part C); information regarding the circumstances (if any) in which a Related Shipper may refuse to supply Gas to the User; and other operational information.}

Cost recovery of interconnection costs

62. (1) AGN may recover the reasonable capital and Non-Capital Costs it incurs as a result of a Pipeline being interconnected with the AGN GDS from the owner or operator of the Interconnected Pipeline.
- (2) Without limiting Part A, clause 62(1), if AGN is required or agrees to implement, or is required or agrees to assist in the implementation of, a heating value blending management plan under the Gas Standards Regulations in respect of an Interconnected Pipeline, the owner or Pipeline Operator of the Interconnected Pipeline will be required to reimburse AGN's reasonable capital costs and Non-Capital Costs associated with the measurement, recording, auditing, facilitation or otherwise related to the development, implementation and administration of the heating value blending management plan.
- (3) If the costs referred to in Part A, clause 62 (2) cannot be recovered from the owner or Pipeline Operator of the Interconnected Pipeline, then AGN may suspend the provision of the Interconnection Service to the owner or Pipeline Operator of the Interconnected Pipeline.

REVIEW AND EXPIRY OF THE ACCESS ARRANGEMENT

Revisions Submission Date for the Third Access Arrangement Period

63. AGN will submit revisions to this Access Arrangement to the Regulator on or before 30 June 2009.

Intended revisions Commencement Date for the Third Access Arrangement Period

64. AGN intends that the revisions it submits to the Regulator under Part A, clause 63 will commence on 1 January 2010.

Early revisions required if a revisions trigger events occur

65. (1) Schedule 1 applies to determine:
- (a) if a Revisions Trigger Event occurs; and
- (b) if so, the date on which the Revisions Trigger Event occurs.

- (2) If a Revisions Trigger Event occurs under Schedule 1 prior to 30 June 2009, then AGN must submit revisions to this Access Arrangement by no later than the day 3 months after the Revisions Trigger Event occurs.

Adjustment to Reference Tariffs

66. Reference Tariffs may be adjusted in accordance with a Trigger Event Adjustment Approach set out in Part B, clause 12.

SCHEDULE 1: TRIGGER EVENTS

Revisions trigger event for higher-than-forecast gas flows

1. (1) For the purposes of Part A, subclause 65(1)(a) of the Access Arrangement, a Revisions Trigger Event occurs if the Actual Received Volume for a calendar Year exceeds by more than 25% the sum of the Forecast Delivered Volume for the Year and the Forecast UAFG for the Year.
- (2) For the purposes of Part A, subclause 65(1)(b) of the Access Arrangement, the Revisions Trigger Event under subclause 1(1) of this Schedule occurs at the end of the calendar Year in question.

Revisions trigger event for regulatory and tax changes

2. (1) For the purposes of Part A, subclause 65(1)(a) of the Access Arrangement, a Revisions Trigger Event occurs if:
 - (a) a Relevant Change takes effect; and
 - (b) the net direct and indirect impact of the Relevant Change upon AGN's business is such that if the forecast total costs for providing Reference Services were recalculated for the next full calendar Year after the Relevant Change takes effect ("Next Full Year"), on the same basis as it was calculated in the Access Arrangement Information but taking into account the Relevant Change (including all applicable Transitional Provisions), the recalculated forecast total costs would be less than 97.5% of:
 - (i) if the Next Full Year is 2006, \$119.9m;
 - (ii) if the Next Full Year is 2007, \$119.6m;
 - (iii) if the Next Full Year is 2008, \$121.0m;
 - (iv) if the Next Full Year is 2009, \$122.6m.

{Note: The values in paragraphs (i) to (iv) are expressed in June 2003 \$ and are those set out in Table 4.14 of the Access Arrangement Information.}

- (2) For the purposes of Part A, subclause 65(1)(b) of the Access Arrangement, the Revisions Trigger Event under subclause 2(1) of this Schedule occurs on whichever is earlier of:
 - (a) the day the Relevant Change takes effect;
 - (b) the day the Change in Law which gives rise to the Relevant Change receives royal assent; and
 - (c) the day the Change in Law which gives rise to the Relevant Change takes effect.

(This page has been left intentionally blank)

SCHEDULE 2: GLOSSARY - DEFINITIONS AND INTERPRETATION

Definitions

1. Unless the contrary intention appears, in this Access Arrangement:

Above 10TJ Determination has the meaning given it in rule 139(3)(b) of the Retail Market Rules;

Access Arrangement means this arrangement for access to the AGN GDS that has been approved by the Regulator under the Code as a revision to the Access Arrangement originally submitted by AGN;

Access Arrangement Information means a document submitted to the Regulator by AGN on 31 March 2004 entitled “AlintaGas Networks Access Arrangement Information for the Mid-West and South-West Gas Distribution Systems”;

Access Offer means the access offer referred to in Part A, subclause 48(2);

Act means the Gas Pipelines Access (Western Australia) Act 1998 (WA);

Actual Received Volume for a calendar Year means the total quantity of Gas which AGN actually receives into the AGN GDS during the calendar Year, summed across all Interconnected Pipelines;

AGN means AlintaGas Networks Pty Ltd (ABN 90 089 531 975) of Level 7, The Quadrant, 1 William Street, Perth WA 6000, and includes its successors and any assigns;

AGN GDS means those Pipelines of the Mid-West and South-West Gas Distribution Systems owned and operated by AGN comprising:

- (a) the High Pressure System; and
- (b) the Medium Pressure/Low Pressure System,

and for the avoidance of doubt, does not include the Albany Gas Distribution System, the Vines Gas Distribution System or the Kalgoorlie Gas Distribution System;

Application means an application for access to a Service under Part A, clause 27;

Applications Procedure means the process by which a Prospective User wishing to obtain access to a Service must submit an Application, which will be set out as part of the Information Package described in section 5.1 of the Code;

Arbitrator has the meaning given in section 10.8 of the Code;

Bare Transfer means a transfer or assignment of Contracted Peak Rate to which Part A, subclause 38(2) applies;

Business Day has the meaning given in section 10 of the Appendix to Schedule 1 to the Act;

Capacity has the meaning given to “**Capacity**” in section 10.8 of the Code;

Capacity Management Policy has the meaning given in section 10.8 of the Code;

Capital Base has the meaning given to “**Capital Base**” in section 8.4 of the Code;

Capital Contribution has the meaning given to “**Capital Contribution**” in section 8.23 of the Code;

Causing Users has the meaning given it in Part C, subclause 22(2);

Change in Law means:

- (a) the introduction of a new Law; or
- (b) an amendment to, or repeal of, an existing Law; or
- (c) a new or changed interpretation (which is binding on AGN) of an existing Law resulting from a decision of:
 - (i) a court;
 - (ii) a tribunal;
 - (iii) an arbitrator;
 - (iv) a Government or regulatory department, body, instrumentality, minister, commissioner, officer, agency or other authority; or
 - (v) a body which is the successor to the administrative responsibilities of any department, body, instrumentality, minister, agency or authority described in subparagraph (iv) of this definition;

Charge has the meaning given to “**Charge**” in section 10.8 of the Code;

Code means the National Third Party Access Code for Natural Gas Pipeline Systems applying as a law of Western Australia by virtue of section 9 of the Act as in force at the Submission Date;

Commencement Date is the date on which the Access Arrangement is to commence as determined in accordance with Part A, clause 6;

Confidential Information means:

- (a) the contents of a Haulage Contract; and
- (b) any information provided to the receiving party by the disclosing party during the course of negotiations for, or during the duration of, a Haulage Contract, which:
 - (i) relates specifically to the affairs of a person; and
 - (ii) is claimed by the disclosing party to be confidential,

where the disclosure of that information would or might seriously and prejudicially affect the interests of the person,

but excludes information which AGN reasonably determines as a prudent network operator is the minimum information necessary to disclose to an operator of an Interconnected Pipeline for operational reasons relating to the interconnection of that Interconnected Pipeline with the AGN GDS;

Contract Carriage has the meaning given to “**Contract Carriage**” in section 10.8 of the Code;

Contracted Peak Rate in respect of a User entitled to take delivery of Gas at a Delivery Point means the rate specified in the User’s Haulage Contract as the highest Instantaneous Flow Rate through the Delivery Point at which AGN can be required to deliver Gas;

Contracted Reference Service has the meaning given in Part C, subclause 34(2);

Cost of Service has the meaning given to “**Cost of Service**” in section 8.3(b) of the Code;

CPI means the Consumer Price Index calculated under Part B, clause 9;

Current Reference Service means a Reference Service that a User has currently contracted for at a Delivery Point under a Haulage Contract;

Delivery Facilities means as applicable, Standard Delivery Facilities or User Specific Delivery Facilities;

Delivery Point means a flange, joint or other point specified in a Haulage Contract as a point at which the User is entitled to take delivery of Gas from AGN out of the AGN GDS;

Depreciation has the meaning given to “**Depreciation**” in section 8.4 of the Code;

Depreciation Schedule means the methodology used to calculate the set of depreciation schedules (one of which corresponds to each asset/group of assets that form part of the AGN GDS) referred to in Part B, clause 26;

Deregistered means Gas is permanently precluded from being supplied at the Delivery Point the subject of a Deregistration Service;

Deregistration Service means a service to permanently remove a Meter from a Delivery Point and terminate the association of the User with the Delivery Point;

Developable Capacity means any increase in Capacity which would arise from any Extension or Expansion to the AGN GDS;

Direct Damage:

- (a) in relation to any person, means loss or damage which is not Indirect Damage; and
- (b) in relation to AGN only, means in addition any liability of AGN to any User, any claim, demand, action and proceeding brought against AGN by any User, and any of AGN’s costs or expenses in connection with the claim, demand, action or proceeding;

Distribution Licence means a licence that authorises AGN to transport Gas through the AGN GDS, and if required for that purpose to make alterations to the AGN GDS, and to operate and maintain the AGN GDS;

Emergency means:

- (a) any extreme operating situation; or
- (b) any other situation (however caused) which, in AGN's opinion, poses an immediate or imminent danger to persons or property or otherwise constitutes an emergency or justifies or requires urgent or unilateral action;

Equivalent Reference Service has the meaning given in Part C, subclause 34(2);

Excluded Extension means an Extension or Expansion which is declared to be an excluded extension under Part A, subclause 56(1);

Exclusivity Right has the meaning given to "**Exclusivity Right**" in section 10.8 of the Code;

Extension or Expansion includes a new Pipeline, and any extension to, or expansion of the Capacity of, all or part of an existing Pipeline;

Extensions/Expansions Policy means the policy set out in Part A, clauses 53 -58;

First Access Arrangement Period means the period commencing 1 January 2000 and ending on 31 December 2004;

First Prospective User has the meaning given in Part A, clause 44;

Fixed Period has the meaning given to "**Fixed Period**" in section 8.47 of the Code;

Fixed Principle means an element of the Reference Tariff Policy that can not be changed without the agreement of AGN, as set out in Part B, clause 37;

Force Majeure means any event or circumstance not within a party's control and which the party, by applying the standard of a reasonable and prudent person, is not able to prevent or overcome;

Forecast Delivered Volume for a calendar Year means the total quantity of Gas which AGN, for the purposes of determining Reference Tariffs, forecast would be delivered to Users of Reference Services from the AGN GDS during the calendar Year, summed across all Reference Services;

Forecast UAFG for a calendar Year means the total quantity of Gas which AGN, for the purposes of determining Reference Tariffs, forecast would be unaccounted for Gas during the calendar Year;

FRC Costs means the Non-Capital Costs connected to or associated with:

- (a) the introduction of full retail contestability in the Western Australian Gas market; and
- (b) AGN operating in a contestable Gas retail market, including the ongoing costs associated with AGN's membership of the Retail Energy Market Company Limited (ACN 103 318 556) and its compliance with the Retail Market Scheme;

FRC New Facilities Investment means the New Facilities Investment connected to or associated with:

- (a) the introduction of full retail contestability in the Western Australian Gas market; and
- (b) AGN operating in a contestable Gas retail market, including any new facilities investment associated with AGN's membership of the Retail Energy Market Company Limited (ACN 103 318 556) and its compliance with the Retail Market Scheme;

Gas means a substance:

- (a) which is in a gaseous state at standard temperature and pressure and which consists of naturally occurring hydrocarbons, or a naturally occurring mixture of hydrocarbons and non-hydrocarbons, the principal constituent of which is methane; and
- (b) which has been processed to be suitable for consumption;

Gas Hour means a period of 60 minutes, commencing and ending on the hour;

Gas Pipelines Access Law has the meaning given in section 3 of the Act;

Gas Quality Specifications has the meaning given it in Part C, Schedule 5;

Gas Standards Regulations means the Gas Standards (Gas Supply and System Safety) Regulations 2000 (WA) and any other regulations under the Gas Standards Act 1972 (WA) which relate to Gas quality, including heating value;

GST has the meaning given it in A New Tax System (Goods and Services Tax) Act 1999 and includes any associated and delegated legislation;

Guaranteed Service Levels means the standard of service that must be provided by AGN in respect of certain Services to Small Use Customers of Users under this Access Arrangement as set out in section 3.10 of the Access Arrangement Information;

Haulage Contract means an agreement entered into between AGN and a User under which AGN agrees to provide Reference Service A1, Reference Service A2, Reference Service B1, Reference Service B2 or Reference Service B3 on terms and conditions including those set out in Part C of this Access Arrangement;

High Pressure System means those Pipelines owned and operated by AGN operating at a nominal pressure of 300 kPa or more including those which fall within one or more of the following categories:

- (a) any expansion to the High Pressure System which is required to be installed under section 6.22 of the Code; and
- (b) Pipelines which become part of the High Pressure System under the Extensions/Expansions Policy;

and excludes all high pressure regulators which reduce the pressure from those parts of the AGN GDS which operate at a nominal pressure of 300 kPa or more to those parts of the AGN GDS which operate at a nominal pressure of less than 300 kPa;

Incentive Mechanism has the meaning given to “**Incentive Mechanism**” in section 10.8 of the Code;

Incremental Capacity has the meaning given to “**Incremental Capacity**” in section 10.8 of the Code;

Indirect Damage suffered by a person means:

- (a) any consequential loss or damage however caused, including without limitation any:
 - (i) loss of (or loss of anticipated) use, production, revenue, income, profits, business and savings; or
 - (ii) business interruption,whether or not the consequential loss or damage was foreseeable; and
- (b) any liability of the person to any other person, or any claim, demand, action or proceeding brought against the person by any other person, and any costs or expenses in connection with the claim, demand, action or proceeding,

but in relation to AGN does not mean loss or damage referred to in paragraph (b) of the definition of “direct damage” in this clause;

Initial Capital Base means the Capital Base at the commencement of the First Access Arrangement Period;

Initial Reference Tariffs means the Reference Tariffs for Year 1 as set out in Part B, clause (3) of Schedules 1 to 5;

Instantaneous Flow Rate at a Delivery Point means a flow rate measured over the shortest period of time over which the Meter is capable of measuring a flow rate;

Interconnected Pipeline means a transmission pipeline, distribution pipeline or gas storage system from which Gas is supplied into the AGN GDS;

Interconnection Contract means an agreement between AGN and the owner or operator of the Interconnected Pipeline under which AGN agrees to provide an Interconnection Service;

Interconnection Distance means a distance measured along the straight line which represents the shortest distance between the Delivery Point and the nearest Pipeline or storage system from which Gas is (or would be if an Interconnection Contract were entered into and necessary Physical Gate Points and associated facilities were constructed) supplied into the AGN GDS;

Interconnection Service means the Service described in Part A, clause 21;

Invoicing Period means the period to which an invoice under a Haulage Contract relates;

Law means all:

- (a) written and unwritten laws of the Commonwealth, of Western Australia and of any other State, Territory or foreign country having jurisdiction over the subject matter of this Access Arrangement; and
- (b) judgments, determinations, decisions, rulings, directions, notices, regulations, by-laws, statutory instruments, Codes of Practice, Australian Standards or orders given or made under any of those laws or by any government agency or authority;

Medium Pressure/Low Pressure System means those Pipelines owned and operated by AGN operating at a nominal pressure of less than 300 kPa including those which fall within one or more of the following categories:

- (a) any expansion to the Medium Pressure/Low Pressure System which is required to be installed under section 6.22 of the Code; and
- (b) Pipelines which become part of the Medium Pressure/Low Pressure System under the Extensions/Expansions Policy;

and includes all high pressure regulators owned and operated by AGN which reduce the pressure from those parts of the AGN GDS which operate at a nominal pressure of 300 kPa or more to those parts of the AGN GDS which operate at a nominal pressure of less than 300 kPa;

Meter means all equipment used to measure the flow of Gas taken from the AGN GDS at a Delivery Point, including any ancillary equipment;

Minimum Receipt Temperature means the minimum temperature at which Gas may enter the AGN GDS at a Receipt Point under an Interconnection Contract;

New Facilities Investment means the amount of the actual capital cost incurred in constructing New Facilities for the purpose of providing Services;

New Facility has the meaning given to “**New Facility**” in section 10.8 of the Code;

Non-Capital Costs has the meaning given to “**Non-Capital Costs**” in section 8.4 of the Code;

Operational means in working order and ready for use to the extent intended with all testing, commissioning and other checking completed to AGN’s satisfaction;

Overrun Charge in relation to Reference Service A1 and Reference Service A2, has the meaning given it in Part C, Schedule 1 clause 7 and Part C, Schedule 2 clause 10 respectively;

Overrun Service in relation to Reference Service A1 and Reference Service A2, has the meaning given it in Part C, Schedule 1 clause 7 and Part C, Schedule 2 clause 10 respectively;

Overrun Service Rate in relation to Reference Service A1 and Reference Service A2, has the meaning given it in Part C, Schedule 1 clause 7 and Part C, Schedule 2 clause 10 respectively;

Physical Gate Point means a flange, joint or other point which marks the physical boundary between the AGN GDS and an Interconnected Pipeline;

Pipeline means a pipe, or system of pipes, or part of a pipe, or system of pipes, for transporting Gas, and any tanks, reservoirs, machinery or equipment directly attached to the pipe, or system of pipes, but does not include:

- (a) unless paragraph (b) applies, anything upstream of a prescribed exit flange on a pipeline conveying Gas from a prescribed Gas processing plant; or
- (b) if a connection point upstream of an exit flange on such a pipeline is prescribed, anything upstream of that point; or
- (c) a gathering system operated as part of an upstream producing operation; or
- (d) any tanks, reservoirs, machinery or equipment used to remove or add components to or change Gas (other than odourisation facilities) such as a Gas processing plant; or
- (e) anything downstream of the connection point to a consumer;

Pipeline Operator means the operator of a transmission pipeline from which Gas is or is to be supplied into the AGN GDS at a Receipt Point;

Prescribed Interest Rate in respect of a day from which interest is to be payable, means an annual interest rate which is 3 percentage points higher than the bank bill rate, where the bank bill rate:

- (a) means the average bid rate (rounded up to four decimal places) for bank accepted bills having a tenor of one month as displayed on the "BBSW" page of the Reuters Monitor System at or about 10.30am (Sydney time) on that day; or
- (b) if the bank bill rate cannot be determined by the procedure in paragraph (a) of this definition, a reasonable rate determined by AGN having regard to comparable indices then available;

Prospective User means a person who seeks or has communicated to AGN that it is reasonably likely to seek to enter into a contract for a Service and includes a User who seeks or has communicated to AGN that it is reasonably likely to seek to enter into a contract for an additional Service;

Queuing Policy means the policy set out in Part A, clauses 44 - 52;

R_t has the meaning given in Part B, clause 8;

Rate of Return has the meaning given to “**Rate of Return**” in section 8.4 of the Code;

Receipt Point for a Sub-network means the point (which may be in the same physical location as a Physical Gate Point) which is designated as the Receipt Point for that Sub-network in the Schedule prepared by AGN under Part A, subclause 59(2);

Reference Service means any one of Reference Service A1, Reference Service A2, Reference Service B1, Reference Service B2 and Reference Service B3 and **Reference Services** means all of them;

Reference Service A1 means the Service described in Part A, clause 12;

Reference Service A2 means the Service described in Part A, clause 13;

Reference Service B1 means the Service described in Part A, clause 14;

Reference Service B2 means the Service described in Part A, clause 15;

Reference Service B3 means the Service described in Part A, clause 16;

Reference Tariff means any one of Reference Tariff A1, Reference Tariff A2, Reference Tariff B1, Reference Tariff B2 and Reference Tariff B3; and **Reference Tariffs** means all of them;

Reference Tariff A1 means the Reference Tariff described in Part B, Schedule 1;

Reference Tariff A2 means the Reference Tariff described in Part B, Schedule 2;

Reference Tariff B1 means the Reference Tariff described in Part B, Schedule 3;

Reference Tariff B2 means the Reference Tariff described in Part B, Schedule 4;

Reference Tariff B3 means the Reference Tariff described in Part B, Schedule 5;

Reference Tariff Policy means the policy set out in Part B, clauses 19-37;

Regulator has the meaning given to “**Relevant Regulator**” in section 10.8 of the Code;

Regulatory Change means a change in, the removal of, or the imposition of, a Regulatory Requirement imposed on AGN in its capacity as operator of the AGN GDS, including:

- (a) a community service obligation;
- (b) an additional, changed or new environmental, safety, technical, accounting, operating or administrative standard or requirement;
- (c) a uniform Tariff obligation or any other restriction on the level of Tariffs;
- (d) a licensing requirement; and
- (e) a fee or charge paid or payable, or a change to the amount of the fee or charge paid or payable, to the Regulator for a license or any other membership, contribution or other charge payable to any regulatory body or agency;

which results from a Change in Law;

Regulatory Costs means a cost connected to or associated with:

- (a) the submission and approval of this Access Arrangement; and

- (b) AGN's compliance with the Act, the Code, its Distribution Licences, the Energy Coordination Act 1994, the Gas Standards Act 1972, the Energy Operators (Powers) Act 1979, Environmental Protection Act 1986 and all other applicable Laws;

Regulatory Requirement means any obligation, condition, prohibition or restriction imposed by or under any Law;

Related Shipper in relation to a User for a Sub-Network means a person who, from time to time, is named in the User's allocation instruction for the Sub-network under the Retail Market Rules, and to avoid doubt, the User may be its own Related Shipper;

Relevant Change means a Regulatory Change or Tax Change to the extent that the Regulatory Change or Tax Change results (or but for any Transitional Provision would result) in:

- (a) AGN being required to pay an amount that it would not have been required to pay;
- (b) a change in the amount which AGN is required to pay from that which it would have been required to pay; or
- (c) AGN no longer being required to pay an amount that it would have been required to pay,

under the Law that applied at the Submission Date;

Relevant Tax means any Tax the effect of which was properly taken into account (directly or indirectly) when setting Reference Tariffs, as affecting an amount which AGN is or will be required to pay in relation to its supply of one or more Services;

Replacement Reference Service means a Reference Service to replace the Current Reference Service at a Delivery Point;

Replacement Schedule means a Schedule of terms and conditions for a Reference Service (or, in the case of the body of Part C, all Reference Services) which under Part A, clause 33 has effect in substitution for, as applicable, Part C, Schedule 1, 2, 3 or 4 or an earlier Replacement Schedule;

Retail Market Rules means the rules, established by the Retail Energy Market Company Limited (ACN 103 318 556), that govern the operation of the gas retail markets of South Australia and Western Australia as amended from time to time;

Retail Market Scheme means the retail market scheme, including the Retail Market Rules, approved under section 11ZOJ of the Energy Coordination Act 1994 (WA) for the purposes of AGN's GDS as amended from time to time;

Return means a return obtained by applying a Rate of Return;

Revised Access Arrangement has the meaning given in Part C, subclause 34(2);

Revisions Trigger Event has the meaning given in subclauses 1(1) and 2(1) of Schedule 1 of this Part A;

Second Access Arrangement Period means the period commencing on 1 January 2005 and ending 31 December 2009;

Service has the meaning given to “**Service**” in section 10.8 of the Code;

Service Agreement means a Haulage Contract, an Interconnection Contract or any other agreement entered into between AGN and a User under which AGN agrees to provide a Service to the User;

Service Pipe means the pipe and associated fittings which connect the Delivery Point to the main;

Service Provider has the meaning given to “**Service Provider**” in section 10.8 of the Code;

Services Policy means the policy set out in Part A, clauses 12 - 30;

Small Use Customer has the meaning given to it under section 3 of the Energy Coordination Act 1994;

Spare Capacity has the meaning given to “**Spare Capacity**” in section 10.8 of the Code;

Speculative Investment Fund has the meaning given to “**Speculative Investment Fund**” in section 8.19 of the Code;

Standard Delivery Facilities includes:

- (a) either:
 - (i) in the case of Reference Service B2, a Standard 12 m³/hr Meter; or
 - (ii) in the case of Reference Service B3, a Standard 6 m³/hr Meter;
- (b) up to 20 metres of Service Pipe;
- (c) a Standard Pressure Regulator, sized to suit the applicable Meter; and
- (d) any ancillary pipes and equipment,

being the standard facility or facilities adopted for the purposes of this definition as specified from time to time by AGN;

Standard 6 m³/hr Meter means a standard Meter with a badged capacity of not more than 6 cubic metres of Gas per hour, being the standard facility or facilities adopted for the purposes of this definition as specified from time to time by AGN;

Standard 12 m³/hr Meter means a standard Meter with a badged capacity of not less than 6 cubic metres of Gas per hour and not more than 12 cubic metres of Gas per hour, being the standard facility or facilities adopted for the purposes of this definition as specified from time to time by AGN;

Standard Pressure Regulator means a pressure regulator or pressure regulators provided by AGN as part of Reference Service B2 and Reference Service B3 which are the standard facilities adopted for the purposes of this definition as specified from time to time by AGN;

Submission Date means 31 March 2004;

Sub-network means a part of the AGN GDS which is identified by AGN as a sub-network in the most recent Schedule prepared by AGN under Part A, subclause 59(2);

Surcharge has the meaning given to “**Surcharge**” in section 10.8 of the Code;

t has the meaning given in Part B, clause 8;

Tariff has the meaning given to “**Tariff**” in section 10.8 of the Code;

Tariff Component means a component of a Reference Tariff which specifies the rate at which a User is charged for a single element or attribute of a Reference Service;

Tax includes any tax, rate, impost, levy, duty, fee, compulsory loan, tax-equivalent payment or surcharge withheld, deducted, charged, levied or imposed under any Law;

Tax change means:

- (a) a change in the way or rate at which a Relevant Tax is calculated; or
- (b) the removal of a Relevant Tax; or
- (c) the imposition of a Relevant Tax,

which results from a Change in Law;

TC_{t-1} has the meaning given in Part B, clause 8;

Telemetry means the communication equipment used for transmission of data collected from a Meter to AGN’s central data management system and typically encompasses modems, telecom landline (which may be dedicated or part of the PSTN network) or radio transceivers (which may be in the form of a dedicated radio network, GSM, GPRS or satellite telephony);

Third Access Arrangement Period means a period of at least 5 calendar Years commencing on 1 January 2010;

Total Revenue has the meaning given to “**Total Revenue**” in section 8.2 of the Code;

Trading Policy means the policy set out in Part A, clauses 37 - 43;

Transitional Provision in relation to a Tax Change or Regulatory Change, means a provision which affects or prevents the application of the Tax Change or Regulatory Change to, or in respect of, certain (or certain classes of) persons, goods, services, contracts or arrangements by reference to the time or times at which the Tax Change or Regulatory Change is announced, is enacted or takes effect;

Trigger Event Adjustment Approach has the meaning given to “**Trigger Event Adjustment Approach**” in section 10.8 of the Code;

User means a contestable customer (as defined in subsection 91(1) of the Act) who has a current Service Agreement or an entitlement to a Service as a result of an arbitration;

User Specific Delivery Facilities means:

- (a) a Meter which is not a Standard 6 m³/hr Meter or a Standard 12 m³/hr Meter;
- (b) Service Pipe from the main to the Delivery Point;
- (c) a User Specific Pressure Regulator;
- (d) any ancillary pipes and equipment ; or
- (e) in the case of Reference Services A1 and A2, also includes Telemetry;

being the facility or facilities which are the most appropriate for that User, as determined by AGN as a reasonable person;

User Specific Pressure Regulator means a pressure regulator which is not a Standard Pressure Regulator;

Variation Report means a report given by AGN to the Regulator to comply with section 8.3C of the Code ;

Variation Year the calendar Year (other than Year 1) in respect of which the Varied Reference Tariff is being calculated or proposed under Part B, clauses 3-11;

Varied Reference Tariff means a varied Tariff proposed by AGN for a Year under Part B and includes the Varied Tariff Components;

Varied Tariff Component means a new or varied Tariff Component proposed by AGN for a Year under Part B;

Vexatious includes trivial, misconceived, lacking in substance, unreasonable, or not made in good faith;

WACC has the meaning set out in Part B, clause 8;

X has the meaning set out in Part B, clause 8;

Year means a period of 12 months; and

Year 1 means the first calendar Year of the Second Access Arrangement Period.

Interpretation

- 2. Headings are for convenience only and do not affect interpretation.
- 3. Except where otherwise indicated, a reference in this Access Arrangement to a Part, clause, subclause, paragraph, subparagraph or Schedule is a reference to a Part, clause, subclause, paragraph, subparagraph or Schedule of this Access Arrangement.
- 4. Unless the context otherwise requires, in this Access Arrangement:
 - (a) words indicating a gender include each other gender; and
 - (b) words in the singular include the plural and vice versa.

5. If this Access Arrangement defines a word or expression, other parts of speech and grammatical forms of the word or expression have corresponding meanings.
6. The term “including” means “including but not limited to”.
7. A reference:
 - (a) to a Delivery Point being “on” the High Pressure System, the Medium Pressure/Low Pressure System or a Sub-network means that the Delivery Point is attached to or forms part of the relevant system or Sub-network, such that Gas flowing through the Delivery Point flows from that system or Sub-network; and
 - (b) to a Receipt Point being “on” a Sub-network means that the Receipt Point is attached to or forms part of the relevant Sub-network, such that Gas flowing through the Receipt Point flows into that Sub-network.
8. The term “under” in relation to a provision of this Access Arrangement, includes “by”, “in accordance with”, “pursuant to” and “by virtue of”.
9. A gas day commences at 08:00 hours and ends at 08:00 hours on the following day, so a reference in this Access Arrangement to:
 - (a) a day or date is a reference to the gas day commencing at 08:00 hours on the day or date referred to, and ending at 08:00 hours on the following day; and
 - (b) months, quarters and years are to be given a corresponding meaning; and
 - (c) in reckoning periods of months, quarters and years, the 8 hours offset between months, quarters and years reckoned under subparagraph 9(b) and calendar months, quarters and years, is to be disregarded.
10. In this Access Arrangement, a reference to:
 - (a) a Law includes any amendment or re-enactment of it that is for the time being in force, and includes all Laws made under it from time to time; and
 - (b) a rule of the Retail Market Rules or a provision of the Retail Market Scheme includes any amendment to or substitution of the rule or provision.

Definitions in Act apply to this Access Arrangement

11. Unless the contrary intention appears in the Access Arrangement, the Appendix to Schedule 1 of the Act will apply to the interpretation of this Access Arrangement.
12. Part A, Clause 11 applies in respect of terms used in this Access Arrangement, even if when those terms are used in the Act they are subject to the Interpretation Act (WA) 1984.
13. Despite clause 29(2) of the Appendix to Schedule 1 of the Act, where a period of time is expressed to begin at, on, or with a specified day, that day is included in the period.

Outlines, examples and notes

14. Where information in this Access Arrangement is set out in braces (namely “{” and “}”), whether or not preceded by the expression “Note”, “Outline” or “Example”, the information:
- (a) is provided for information only and does not form part of this Access Arrangement;
 - (b) is to be disregarded in interpreting this Access Arrangement; and
 - (c) might not reflect amendments to this Access Arrangement, the Act or the Gas Pipelines Access Law made after the first publication of this document.

SI units

15. Unless otherwise indicated, all units in this Access Arrangement and a Service Agreement are SI units in accordance with the International System of Units set out in Australian Standard 1000-1979.

References to spare capacity, developable capacity or contracted peak rate

16. Unless the contrary intention appears, wherever Spare Capacity, Developable Capacity, Contracted Peak Rate or Capacity of the AGN GDS generally is required by this Access Arrangement or a Service Agreement to be quantified, it is to be quantified as an Instantaneous Flow Rate and is to be expressed in gigajoules per hour.

=====



National Third Party Access Code
for Natural Gas Pipeline Systems:
AlintaGas Networks Pty Ltd's
Revised Access Arrangement
for the Mid-West and South-West
Gas Distribution Systems

Part B - Reference Tariffs and Reference Tariff Policy

Submitted 31 March 2004

CONTENTS

REFERENCE TARIFFS	1
<i>Initial Reference Tariffs</i>	<i>1</i>
<i>Variation of the Reference Tariffs</i>	<i>1</i>
<i>Limit on Varied Tariff Components</i>	<i>1</i>
<i>Consumer Price Index</i>	<i>3</i>
<i>Annual report to be given to the Regulator</i>	<i>4</i>
TRIGGER EVENT ADJUSTMENT	4
TARIFFS FOR SERVICES OTHER THAN REFERENCE SERVICES	6
REFERENCE TARIFF POLICY	6
<i>General principles</i>	<i>6</i>
<i>Calculation of Total Revenue</i>	<i>6</i>
<i>Forecast capital expenditure</i>	<i>6</i>
<i>Calculation of Rate of Return</i>	<i>7</i>
<i>Depreciation Schedule</i>	<i>7</i>
<i>Non-Capital Costs</i>	<i>7</i>
<i>Allocation of revenue between Services</i>	<i>7</i>
<i>Allocation of revenue between Users</i>	<i>7</i>
<i>Prudent Discounts</i>	<i>8</i>
<i>Form of regulation</i>	<i>8</i>
<i>Use of Incentive Mechanisms</i>	<i>8</i>
<i>Reference Tariff principles not subject to review</i>	<i>10</i>
SCHEDULE 1: REFERENCE TARIFF A1	11
SCHEDULE 2: REFERENCE TARIFF A2	13
SCHEDULE 3: REFERENCE TARIFF B1	15
SCHEDULE 4: REFERENCE TARIFF B2	17
SCHEDULE 5: REFERENCE TARIFF B3	19

Part B - Reference Tariffs and Reference Tariff Policy

REFERENCE TARIFFS

Initial Reference Tariffs

1. AGN will make available Reference Services described in Part A at a Reference Tariff for each Service.
2. The Initial Reference Tariffs to apply for Year 1 are set out in Part B, Schedules 1-5 on a GST inclusive basis.

Variation of the Reference Tariffs

3. Unless a Haulage Contract expressly provides to the contrary:
 - (a) AGN may vary Reference Tariffs annually in accordance with Part B, clauses 3 - 11; and
 - (b) AGN will not vary the Reference Tariffs other than in accordance with this Part B.
4. AGN has adopted a “tariff basket price cap” approach as the manner in which the Reference Tariffs may vary within the Second Access Arrangement Period.
5. Subject to the limit on the Varied Tariff Components contained in Part B, clause 8, AGN may in its discretion either (or both):
 - (a) vary any Tariff or Tariff Component; or
 - (b) vary the structure of a Tariff by adding or removing one or more Tariff Components (for example without limitation by adding or removing volume bands, or introducing or removing peak and off-peak bands),

(and thereby vary the corresponding Reference Tariff) for each Year following the Year of the revisions Commencement Date.
6. Each Varied Reference Tariff becomes a Reference Tariff applying on and from the first day of the Variation Year.
7. Each Varied Tariff Component becomes a Tariff Component applying on and from the first day of the Variation Year.

Limit on Varied Tariff Components

8. (1) The Varied Tariff Components must be such that the ratio B_t calculated in accordance with Part B, subclause 8(2) does not exceed:

$$CPI_t \times (1 - X_t) \times (1 + R_t)$$

(2) B_t is calculated as follows:

$$B_t = \frac{\sum_{i=1}^n \sum_{j=1}^m TC_{ij}^t \cdot q_{ij}^{t-2}}{\sum_{i=1}^n \sum_{j=1}^m TC_{ij}^{t-1} \cdot q_{ij}^{t-2}}$$

where:

“ q_{ij}^{t-2} ” is the total quantity of the element of Reference Service i to which Varied Tariff Component j of Reference Tariff i applies, being the total quantity made available to Users of Reference Service i in Year $t - 2$.

“ R_t ” is the Regulatory Cost factor calculated as follows:

$$R_t = \frac{1 + \frac{rc_t}{SR_t}}{1 + \frac{rc_{t-1} \times (1 + WACC)}{SR_{t-1}}} - 1$$

where:

“ rc_t ” is the estimate of Regulatory Cost in Year t ;

“ rc_{t-1} ” is:

- (a) when Year 2 is the Variation Year – the actual Regulatory Costs for Year 1; and
- (b) for each subsequent Variation Year – the actual Regulatory Costs for Year $t - 1$;

“ SR_t ” is the smoothed revenue for Year t , calculated as $SR_t = SREV_t \times Inf_t$

“ SR_{t-1} ” is the smoothed revenue for Year $t - 1$;

“ $SREV_t$ ” is the total annual smoothed revenue (in dollars) from reference services in Year t . The value of $SREV_t$ for Year t is obtained from the following table:

(\$m, 30 June 2003)

t =	1	2	3	4	5
$SREV_t$	110.7	116.2	121.7	127.0	132.1

“Inf_t” is the cumulative inflation factor set out below:

$$t = 1 \quad \text{Inf}_1 = \text{CPI}_1;$$

$$t = 2 \quad \text{Inf}_2 = \text{CPI}_2 \times \text{CPI}_1;$$

$$t = 3 \quad \text{Inf}_3 = \text{CPI}_3 \times \text{CPI}_2 \times \text{CPI}_1;$$

$$t = 4 \quad \text{Inf}_4 = \text{CPI}_4 \times \text{CPI}_3 \times \text{CPI}_2 \times \text{CPI}_1;$$

$$t = 5 \quad \text{Inf}_5 = \text{CPI}_5 \times \text{CPI}_4 \times \text{CPI}_3 \times \text{CPI}_2 \times \text{CPI}_1;$$

“WACC” is the pre-Tax weighted average cost of capital as set out in section 4 of the Access Arrangement Information; and

$$\text{for Year } t \quad 1 + \frac{rc_{t-1} \times (1 + \text{WACC})}{SR_{t-1}} = 1$$

“t” indicates the number of a calendar Year, with:

t=1 representing 2005;

t=2 representing 2006;

t=3 representing 2007;

t=4 representing 2008; and

t=5 representing 2009;

“TC_t^{ij}” is the Varied Tariff Component j of Reference Tariff i in Year t

“TC_{t-1}^{ij}” is:

- (a) when Year 2 is the Variation Year – the Tariff Component j in the Initial Reference Tariffs i for the period commencing on 1 January 2005 and ending on 31 December 2005; and
- (b) for each other Variation Year – the Tariff Component j of Reference Tariff i for Year t-1; and

“X” is for each Variation Year and is negative 0.0218.

Consumer Price Index

9. In this Part B, CPI_t is calculated as follows:

- (a) the Consumer Price Index (All Groups, Eight Capital Cities), published by the Australian Bureau of Statistics for the September Quarter of Year t-1;
divided by
- (b) the Consumer Price Index (All Groups, Eight Capital Cities), published by the Australian Bureau of Statistics for the September Quarter of Year t-2.

10. In the event that the Consumer Price Index (All Groups, Eight Capital Cities), ceases to be published quarterly by the Australian Bureau of Statistics or is published on a basis materially different (including due to a change in its nature, composition or reference base) to its basis at the Submission Date, then:
- (a) if the Australian Bureau of Statistics publishes a substitute index, AGN may adopt the substitute index for use in this Part B if in AGN's reasonable opinion the use of that substitute index (with, if necessary, any arithmetical correction factor) will maintain a reasonable level of continuity of Tariffs calculated using the two indices, subject to the Regulator's approval;
 - (b) if AGN does not adopt a substitute index under Part B, clause 10(a), AGN may adopt any other substitute index subject to the Regulator's approval; or
 - (c) if the Regulator does not approve an index proposed by AGN under Part B, clause 10(b), then a substitute index is to be determined by an independent consulting actuary appointed at the request of either AGN or the Regulator by the President for the time being of the Institute of Actuaries of Australia. The consulting actuary will act as an expert and not an arbitrator, and the actuary's costs will be borne by AGN and may be recovered under this Access Arrangement.

Annual report to be given to the Regulator

11. In accordance with section 8.3B of the Code, AGN will give the Regulator a Variation Report at least 30 Business Days before the start of the Variation Year.

TRIGGER EVENT ADJUSTMENT

12. Reference Tariffs may be adjusted in accordance with a Trigger Event Adjustment Approach as set out in this clause 12.

(1) FRC Costs

Reference Tariffs may be adjusted, or a Charge may be imposed, within an Access Arrangement period in accordance with the Code to recover FRC costs where the Regulator deems compliance with the following:

- (a) AGN has not already recovered those FRC Costs;
- (b) the FRC Costs do not exceed the amount that would be incurred by a prudent Service Provider acting efficiently, in accordance with accepted good industry practice, and to achieve the lowest sustainable cost of delivering Services, taking into account the obligations imposed on AGN by all applicable Laws;
- (c) AGN has provided the Regulator with the following information:
 - (i) the nature of the FRC Costs;
 - (ii) the amount of the FRC Costs AGN seeks to recover, and when they were or are expected to be incurred;

- (iii) the amendments AGN proposes to the Reference Tariffs in order to recover the FRC Costs and the basis on which those amendments were calculated, or the level of the proposed Charge and on whom it is proposed to be imposed; and
- (iv) the date on which it is proposed that the new Reference Tariffs or the proposed Charge will commence, and in the case of a Charge, the proposed duration.

(2) FRC New Facilities Investment

Reference Tariffs may be adjusted, or a Charge may be imposed, within an Access Arrangement period in accordance with the Code to recover FRC New Facilities Investment where the Regulator deems compliance with the following:

- (a) AGN has not already recovered that FRC New Facilities Investment;
- (b) the FRC New Facilities Investment does not exceed the amount that would be invested by a prudent Service Provider acting efficiently, in accordance with accepted good industry practice, and to achieve the lowest sustainable cost of delivering Services, taking into account the obligations imposed on AGN by all applicable Laws;
- (c) AGN has provided the Regulator with the following information:
 - (i) the nature of the FRC New Facilities Investment;
 - (ii) the amount of the FRC New Facilities Investment AGN seeks to recover, and when it was or is expected to be incurred;
 - (iii) the amendments AGN proposes to the Reference Tariffs in order to recover the FRC New Facilities Investment and the basis on which those amendments were calculated, or the level of the proposed Charge and on whom it is proposed to be imposed; and
 - (iv) the date on which it is proposed that the new Reference Tariffs or the proposed Charge will commence, and in the case of a Charge, the proposed duration.

- 13. The impact of the FRC Costs and FRC New Facilities Investment under Part B, clause 12 shall not be taken into consideration when determining AGN's performance in relation to any efficiency or incentive measures.
- 14. Where the Regulator approves the FRC New Facilities Investment under Part B, subclause 12(2), the FRC New Facilities Investment shall be considered to meet the requirements of section 8.16 of the Code and the Capital Base will be increased by the FRC New Facilities Investment from the commencement of the Third Access Arrangement Period.

TARIFFS FOR SERVICES OTHER THAN REFERENCE SERVICES

15. Tariffs for Services which are not Reference Services will be negotiated between the parties.
16. In setting and negotiating Tariffs for a Service which is not a Reference Service, regard must be had to the Tariff structure and Tariff levels contained in the Reference Tariff Policy.
17. Without limiting the generality of Part B, clause 16, the Tariff for a Service which is not a Reference Service should to the extent practicable and reasonable be comparable to the Tariff for the Reference Service (if any) which most nearly corresponds to the Service.
18. In setting and negotiating Tariffs for an Interconnection Service the rate shall be set to recover the capital costs and Non-Capital Costs incurred by AGN of implementing interconnection and facilitating the Interconnection Service in its day to day operation, including the cost identified in Part A, clause 62(2).

REFERENCE TARIFF POLICY

General principles

19. The Reference Tariffs have been designed to:
 - (a) achieve the objectives set out in section 8.1 of the Code; and
 - (b) recover:
 - (i) all of the Total Revenue that reflects costs incurred (including capital costs) directly attributable to the Reference Services; and
 - (ii) a share of the Total Revenue that reflects costs incurred (including capital costs) that are attributable to providing the Reference Services.
20. The share referred to in Part B, subparagraph 19(b)(ii) has been determined using a method that meets the objectives in section 8.1 of the Code and is otherwise fair and reasonable.

Calculation of Total Revenue

21. The Total Revenue has been calculated using the Cost of Service method as described in section 8.4 of the Code.
22. The Capital Base for the AGN GDS as at 1 January 2005 is \$634.4 million (expressed in \$m as at 30 June 2003).

Forecast capital expenditure

23. New Facilities Investment that is forecast to occur within the Second Access Arrangement Period has been taken into account in:
 - (a) Depreciation;
 - (b) the Return on the Capital Base; and

- (c) the calculation of “X” referred to in Part B, clause 8.

Calculation of Rate of Return

24. The Rate of Return has been set on the basis of a weighted average of the returns applicable to equity and debt.
25. The return on equity referred to in Part B, clause 24 has been determined using the Capital Asset Pricing Model.

Depreciation Schedule

26. Each group of assets that forms part of the AGN GDS has been depreciated using the straight-line method.

Non-Capital Costs

27. (1) The Reference Tariffs provide for the recovery of all forecast Non-Capital Costs to the extent permitted under section 8.37 of the Code.
- (2) Without limiting Part B, subclause 27(1) the FRC Costs that are incurred, or expected to be incurred, in the delivery of the Reference Services, are included in the Non-Capital Costs.

Allocation of revenue between Services

28. The portion of the Total Revenue that each Reference Service has been designed to recover includes, to the maximum extent commercially and technically reasonable:
- (a) all of the Total Revenue that reflects costs incurred (including capital costs) that are directly attributable to each Reference Service;
 - (b) a share of the Total Revenue that reflects costs incurred (including capital costs) that are attributable to providing each Reference Service jointly with other Services, with this share being determined using a methodology that meets the objectives in section 8.1 of the Code and is otherwise fair and reasonable; and
 - (c) a share of the Total Revenue that reflects costs incurred but not recovered from those Users of Reference Services who pay at a prudent discount to the Reference Tariff.

29. The items in Part B, clause 28 have, in part, been based on forecasts.

Allocation of revenue between Users

30. The Reference Tariffs have, to the maximum extent technically and commercially reasonable, been designed to be consistent with section 8.42 of the Code.

Prudent Discounts

31. Some Users of Reference Services pay a discount to the Reference Tariff. AGN has structured Tariffs in accordance with section 8.43 of the Code which permits recovery of the revenue foregone in a fair and reasonable manner.

Form of regulation

32. AGN has adopted a “tariff basket” price cap approach as the manner in which the Reference Tariffs may vary within the Second Access Arrangement Period.

Use of Incentive Mechanisms

33. Section 8.44 of the Code provides for a Service Provider’s Reference Tariff Policy to include an incentive mechanism that permits the Service Provider to retain all, or any share of any, returns to the Service Provider from the sale of the Reference Services:

- (a) during the Access Arrangement period, that exceed the level of returns expected for that Access Arrangement period; or
- (b) during a period approved by the Regulator that exceeds the level of returns expected for that period.

34. (1) The incentive arrangements that apply to cost-related efficiencies achieved by AGN, and the adjustment to preserve the incentive to meet efficient growth in demand, are a combination of:

- (a) a tariff basket form of price control; and
- (b) the carryover that results in AGN retaining the reward associated with an efficiency improving initiative for ten Years after the Year in which the gain was achieved. For example, a reward (being the net amount of the efficiency gains (or losses) relating to capital and Non-Capital Costs) earned in one Year of an Access Arrangement period will be added to the Total Revenue and carried forward into subsequent Access Arrangement periods as necessary, until it has been retained by AGN for a period of a full ten Years.

- (2) There will be no claw-back of gains that have already been made (or losses that have been incurred) during the Second Access Arrangement Period.

- (3) Efficiency gains (or losses) related to capital expenditure in any Year will reflect the difference between the actual expenditure and the original forecast (or benchmark) expenditure level, as follows:

$$\text{Efficiency Gain} = \text{WACC} * (\text{Capex Forecast} - \text{Capex Actual})$$

where:

“WACC” is the prevailing regulatory WACC as defined in section 4 of the Access Arrangement Information.

- (4) For Non-Capital Costs the annual efficiency gain (or loss) flowing from a project in calendar Year t will be calculated as:

$$\text{Efficiency Gain} = \text{Underspending}_t - \text{Underspending}_{t-1}$$

where:

$$\text{“Underspending”} = \text{Opex Forecast} - \text{Opex Actual}$$

- (5) For Non-Capital Costs, the additional reward (penalty) associated with initiatives undertaken in a particular Year will reflect the reduction (increase) in the level of recurrent Non-capital expenditure in excess of the assumed productivity gain (as reflected in expenditure forecasts) over the Year.
- (6) For capital expenditure, the additional reward (penalty) associated with initiatives undertaken in a particular Year will reflect the reduction (increase) in financing costs resulting from the difference between the actual and benchmark assumption for capital expenditure in the Year. The financing savings will be calculated as the WACC multiplied by the capital expenditure saving.
35. (1) For Non-Capital Costs, it will be assumed that AGN does not achieve more than the forecast productivity gain between the penultimate and last Years of the Second Access Arrangement Period. As a result, if AGN makes an efficiency gain in the last Year of the Second Access Arrangement Period, there will be no carryover in respect of that Year. However, the Non-capital expenditure benchmark for the Third Access Arrangement Period will then be higher than otherwise and will be higher by the amount of the efficiency gain. This will provide AGN with precisely the same reward had the expenditure level in the last Year been known.
- (2) For capital expenditure, it will be assumed that the actual expenditure in the last Year of the Second Access Arrangement Period was equal to the forecast for that Year. As a result, if AGN makes an efficiency gain in the last Year of the Second Access Arrangement Period, there will be no carryover in respect of that Year. However, the regulatory asset base (and thus the return on assets) will be higher than otherwise over the next Access Arrangement period, thereby implying that the return on assets included in the revenue benchmarks will be higher, and provides AGN with precisely the same reward as the carryover had the expenditure level in the last Year been known. At the following review, the regulatory asset base will then be adjusted to take account of the difference between the forecast and actual capital expenditure for the last Year of the Second Access Arrangement Period.
- (3) Subject to the exceptions set out in Part B, subclauses 35(3)(a) to (c), there will be no adjustment to the original expenditure benchmarks against which the assessment of the efficiency gains in excess of the forecast will be measured:
- (a) the carryover of cost-related efficiency gains will be calculated in a manner that takes account of any change in the scope of the activities which form the basis of the determination of the original benchmarks. AGN will provide information in relation to any change in scope, to be assessed by the Regulator, as part of the Access Arrangement Information submitted on or before 30 June 2009. This information will, without limitation, quantify and substantiate the impact of the scope changes on the original benchmarks;

- (b) the carryover in respect of cost-related efficiency gains will be calculated in a manner that takes account of the difference between forecast and actual growth by adjusting the original benchmarks on the basis of the difference between the actual number of connections in any Year and the assumed number of connections for that year multiplied by the capital expenditure per connection and Non-capital expenditure per connection; and
 - (c) subject to Part B, clause 35(4), the carryover in respect of cost-related efficiency gains will be calculated in a manner that takes account of any adjustment to the original benchmark to reflect any difference between the capital replacement works assumed in Reference Tariffs for the Second Access Arrangement Period and the works actually undertaken in the Second Access Arrangement Period.
 - (4) Nothing in Part B, clause 35(3)(c):
 - (a) requires AGN to undertake the forecast capital replacement works; or
 - (b) constrains AGN's discretion in determining the timing, size and nature of the capital replacement works.
36. Each of the mechanisms set out in Part B, subclauses 35(1), (2) and (3)(c) apply for subsequent carryovers between Access Arrangement periods.

Reference Tariff principles not subject to review

37. (1) In accordance with sections 8.47 and 8.48 of the Code, the following principles are Fixed Principles:
- (a) the method of calculation of the Total Revenue as described in Part B, clause 21;
 - (b) the method of forecasting New Facilities Investment under Part B, clause 23;
 - (c) the financing structure that has been assumed for the purposes of determining the Rate of Return in accordance with section 8.30 of the Code;
 - (d) the Depreciation Schedule referred to in Part B, clause 26;
 - (e) the inclusion of FRC costs in Non-capital costs as described in Part B, clause 27(2)(a);
 - (f) the method of allocating revenue between Services as described in Part B, clause 28; and
 - (g) the form of regulation as described in Part B, clause 32; and
 - (h) the incentive mechanism described in Part B, clauses 33 - 36.
- (2) The Fixed Period is a period of 10 Years commencing from the start of the Second Access Arrangement Period.

SCHEDULE 1: REFERENCE TARIFF A1

Reference Tariff A1

- (1) AGN will make available Reference Service A1 at Reference Tariff A1.
- (2) Reference Tariff A1 consists of:
 - (a) a standing charge which is payable each day regardless of Contracted Peak Rate and regardless of usage;
 - (b) a demand charge calculated for each day by multiplying the demand charge rate by the User's Contracted Peak Rate (expressed in gigajoules to three decimal places) and multiplying the resulting amount by the Interconnection Distance (expressed in kilometres to one decimal place);
 - (c) a usage charge calculated by multiplying the usage charge rate by the quantity of Gas delivered to the User at a Delivery Point (expressed in gigajoules to three decimal places) and multiplying the resulting amount by the Interconnection Distance (expressed in kilometres to one decimal place); and
 - (d) a daily User specific charge for the User Specific Delivery Facilities.
- (3) For Reference Tariff A1 Year 1:
 - (a) the standing charge is \$130.0712 per day;
 - (b) the demand charge rate is:
 - (i) \$0.5493 per gigajoule per kilometre per day for the first 10 kilometres of the Interconnection Distance; and
 - (ii) \$0.2747 per gigajoule per kilometre per day for any part of the Interconnection Distance in excess of 10 kilometres;
 - (c) the usage charge rate is:
 - (i) \$0.0489 per gigajoule per kilometre for the first 10 kilometres of the Interconnection Distance; and
 - (ii) \$0.0244 per gigajoule per kilometre for any part of the Interconnection Distance in excess of 10 kilometres;and
 - (d) the User specific charge is to be an amount per day which reflects the costs to AGN of providing the User Specific Delivery Facilities under the Haulage Contract, which may consist of capital costs and Non-Capital Costs, where the component of the User specific charge which reflects capital costs is calculated as follows:

- (i) the value of the User Specific Delivery Facilities is to be amortised monthly on an “in arrears” basis;
 - (ii) using the pre-Tax nominal weighted average cost of capital specified in the Access Arrangement Information as amended from time to time;
 - (iii) over the lesser of the duration of the Haulage Contract and the economic life of the User Specific Delivery Facilities.
- (4) The User specific charge may be pro-rated across a lesser period than a Year for invoicing purposes.

SCHEDULE 2: REFERENCE TARIFF A2

Reference Tariff A2

- (1) AGN will make available Reference Service A2 at Reference Tariff A2.
- (2) Reference Tariff A2 consists of:
 - (a) a standing charge which is payable each day regardless of Contracted Peak Rate and regardless of usage;;
 - (b) a usage charge calculated by multiplying the usage charge rate by the quantity of Gas delivered to the User at a Delivery Point (expressed in gigajoules to three decimal places); and
 - (c) a daily User specific charge for the User Specific Delivery Facilities.
- (3) For Reference Tariff A2 for Year 1:
 - (a) the standing charge is \$1.5122 per day;
 - (b) the usage charge rate is:
 - (i) \$5.0893 per gigajoule for the first 5 terajoules of Gas delivered to the User per Year;
 - (ii) \$4.8403 per gigajoule for Gas delivered to the User in excess of 5 terajoules per Year and up to 10 terajoules per Year; and
 - (iii) \$1.2476 per gigajoule for Gas delivered to the User in excess of 10 terajoules per Year;
 - and
 - (c) the User specific charge is to be an amount per day which reflects the costs to AGN of providing the User Specific Delivery Facilities under the Haulage Contract, which may consist of capital costs and Non-Capital Costs, where the component of the User specific charge which reflects capital costs is calculated as follows:
 - (i) the value of the User Specific Delivery Facilities is to be amortised monthly on an “in arrears” basis;
 - (ii) using the pre-Tax nominal weighted average cost of capital specified in the Access Arrangement Information as amended from time to time;
 - (iii) over the lesser of the duration of the Haulage Contract and the economic life of the User Specific Delivery Facilities.

- (4) Both of the usage charge and the User specific charge may be pro-rated across a lesser period than a Year for invoicing purposes, and if so in relation to the usage charge, usage may be averaged across that lesser period for the purposes of applying the thresholds in clause (3)(b) of this Schedule 2.
- (5) A User must at the commencement of a Haulage Contract elect whether the pro-rating under clause (4) of this Schedule 2 of the usage charge is to be based on 5, 6 or 7 days of Gas flow per week, and the Haulage Contract may specify the basis of the pro-rating and any necessary end-of-Year reconciliations.

SCHEDULE 3: REFERENCE TARIFF B1

Reference Tariff B1

- (1) AGN will make available Reference Service B1 at Reference Tariff B1.
- (2) Reference Tariff B1 consists of:
 - (a) a standing charge which is payable each day regardless of Contracted Peak Rate and regardless of usage;
 - (b) a usage charge calculated by multiplying the usage charge rate by the quantity of Gas delivered to the User at a Delivery Point (expressed in gigajoules to three decimal places); and
 - (c) a daily User specific charge for the User Specific Delivery Facilities.
- (3) For Reference Tariff B1 for Year 1:
 - (a) the standing charge is \$1.5122 per day;
 - (b) the usage charge rate is:
 - (i) \$5.0893 per gigajoule for the first 5 terajoules of Gas delivered to the User per Year;
 - (ii) \$4.8403 per gigajoule for Gas delivered to the User in excess of 5 terajoules per Year;and
 - (c) the User specific charge is to be an amount per day which reflects the costs to AGN of providing the User Specific Delivery Facilities under the Haulage Contract, which may consist of capital costs and Non-Capital Costs, where the component of the User specific charge which reflects capital costs is calculated as follows:
 - (i) the value of the User Specific Delivery Facilities is to be amortised monthly on an “in arrears” basis;
 - (ii) using the pre-Tax nominal weighted average cost of capital specified in the Access Arrangement Information as amended from time to time;
 - (iii) over the lesser of the duration of the Haulage Contract and the economic life of the User Specific Delivery Facilities.
- (4) Both of the usage charge and the User specific charge may be pro-rated across a lesser period than a Year for invoicing purposes, and if so in relation to the usage charge, usage may be averaged across that lesser period for the purposes of applying the thresholds in clause (3)(b) of this Schedule 3.

- (5) A User must at the commencement of a Haulage Contract elect whether the pro-rating under clause (4) of this Schedule 3 of the usage charge is to be based on 5, 6 or 7 days of Gas flow per week, and the Haulage Contract may specify the basis of the pro-rating and any necessary end-of-Year reconciliations.

SCHEDULE 4: REFERENCE TARIFF B2

Reference Tariff B2

- (1) AGN will make available Reference Service B2 at Reference Tariff B2.
- (2) Reference Tariff B2 consists of:
 - (a) a standing charge which is payable each day regardless of usage; and
 - (b) a usage charge calculated by multiplying the usage charge rate by the quantity of Gas delivered to the User at a Delivery Point (expressed in gigajoules to three decimal places).
- (3) For Reference Tariff B2 for Year 1:
 - (a) the standing charge is \$0.6049 per day; and
 - (b) the usage charge rate is:
 - (ii) \$5.6272 per gigajoule for the first 100 gigajoules of Gas delivered to the User per Year; and
 - (iii) \$5.0694 per gigajoule for Gas delivered to the User in excess of 100 gigajoules per Year.
- (4) The usage charge may be pro-rated across a lesser period than a Year for invoicing purposes, and if so, usage may be averaged across that lesser period for the purposes of applying the thresholds in clause (3)(b) of this Schedule 4.

(This page has been left intentionally blank)

SCHEDULE 5: REFERENCE TARIFF B3

Reference Tariff B3

- (1) AGN will make available Reference Service B3 at Reference Tariff B3.
- (2) Reference Tariff B3 consists of:
 - (a) a standing charge which is payable each day regardless of usage; and
 - (b) a usage charge calculated by multiplying the usage charge rate by the quantity of Gas delivered to the User at a delivery point (expressed in gigajoules to three decimal places).
- (3) For Reference Tariff B3 for Year 1:
 - (a) the standing charge is \$0.0756 per day; and
 - (b) the usage charge rate is:
 - (i) \$9.4417 per gigajoule for the first 15 gigajoules of Gas delivered to the User per Year;
 - (ii) \$6.6032 per gigajoule for Gas delivered to the User in excess of 15 gigajoules per Year and up to 45 gigajoules per Year; and
 - (iii) \$4.3424 per gigajoule for Gas delivered to the User in excess of 45 gigajoules per Year.
- (4) The usage charge may be pro-rated across a lesser period than a Year for invoicing purposes, and if so, usage may be averaged across that lesser period for the purposes of applying the thresholds in clause (3)(b) of this Schedule 5.



National Third Party Access Code
for Natural Gas Pipeline Systems:
AlintaGas Networks Pty Ltd's
Revised Access Arrangement
for the Mid-West and South-West
Gas Distribution Systems

Part C - Terms and Conditions

Submitted 31 March 2004

CONTENTS

DEFINITIONS AND INTERPRETATION	1
GENERAL TERMS AND CONDITIONS	1
RELATIONSHIP BETWEEN AGN AND USER	1
THE HAULAGE Service	2
<i>Receipt and delivery of Gas</i>	2
<i>Duration</i>	2
<i>Receipt Points and Delivery Points</i>	2
<i>Interconnection Contracts</i>	3
<i>Contracted Peak Rate</i>	4
<i>User Specific Delivery Facilities</i>	4
<i>Title to Gas</i>	4
<i>Only User may take delivery, title and possession of Gas from AGN</i>	4
<i>User's entitlement to receive Gas is contractual</i>	4
<i>Change in title not to trigger a GST event.</i>	4
<i>Gas Quality</i>	5
<i>Gas balancing</i>	5
<i>Unaccounted for Gas</i>	5
<i>Commingling permitted</i>	5
<i>Gas losses and Gas consumed by AGN</i>	5
<i>Emergencies</i>	5
CURTAILMENT	6
<i>AGN to minimise curtailment</i>	6
<i>Curtailment</i>	6
<i>Curtailment for system reinforcement</i>	8
METERING	8
<i>Meter Readings</i>	8
<i>Provision of data</i>	9
<i>Metering uncertainty</i>	9
<i>Use of Gas quality data from other locations</i>	9
INVOICING AND PAYMENT	9
<i>Invoicing</i>	9
<i>Payment within 10 Business Days</i>	10
<i>Disputed invoices</i>	10

<i>Correction of payment errors</i>	10
<i>Pricing if agreement continues beyond end of Second Access Arrangement Period</i>	11
<i>Guaranteed Service Level Payments</i>	12
INFORMATION EXCHANGE	13
FORCE MAJEURE	13
DEFAULT AND TERMINATION	14
<i>Default by a party</i>	14
<i>Restructuring or sale of AGN not a default</i>	15
<i>Notice of default</i>	15
<i>When a party may exercise remedy</i>	15
<i>Curtailment for the User's default</i>	16
<i>Termination</i>	16
<i>Saving of AGN's other remedies</i>	16
<i>Effect of termination</i>	16
<i>Novation of contracts do not trigger default provisions</i>	16
<i>No assignment except as provided for in Trading Policy</i>	17
LIABILITY OF PARTIES	17
<i>Liability for negligence and default limited to Direct Damage</i>	17
<i>Liability for fraud</i>	17
<i>No liability for indirect damage</i>	18
<i>Extended operation of clause 50</i>	18
<i>No liability arising out of any approval by AGN</i>	18
<i>Saving of contractual payments</i>	18
<i>Each limitation separate</i>	18
DISPUTE RESOLUTION	19
<i>Parties to attempt to resolve</i>	19
<i>Disposition of unresolved disputes</i>	19
<i>Arbitration</i>	19
<i>Dispute not a default</i>	21
<i>Disputes under Retail Market Scheme</i>	21
MISCELLANEOUS CONTRACTUAL MATTERS	21
<i>Representations and warranties</i>	21
<i>Insurances</i>	21
<i>Making good damage caused in the course of installing delivery facilities</i>	21
NOTICES AND ADDRESSES FOR NOTICES	23

CONFIDENTIALITY	23
SCHEDULE 1: TERMS AND CONDITIONS OF REFERENCE SERVICE A1	25
SCHEDULE 2: TERMS AND CONDITIONS OF REFERENCE SERVICE A2	29
SCHEDULE 3: TERMS AND CONDITIONS OF REFERENCE SERVICE B1	33
SCHEDULE 4: TERMS AND CONDITIONS OF REFERENCE SERVICE B2 AND REFERENCE SERVICE B3	35
SCHEDULE 5: GAS QUALITY SPECIFICATION TABLE	37

Part C - Terms and Conditions

DEFINITIONS AND INTERPRETATION

1. Unless the contrary intention appears in the Haulage Contract, the Glossary in Part A of the Access Arrangement will apply to the interpretation of the Haulage Contract.

GENERAL TERMS AND CONDITIONS

2. The terms of a Haulage Contract will be these general terms and conditions as amended or substituted from time to time by AGN and approved by the Regulator.
3. The Haulage Contract may specify other terms and conditions upon which AGN makes the Reference Service available to the User in addition to those set out in this Part C and the specific terms and conditions applicable to individual Reference Services as described in Part C, Schedules 1 - 4 (as applicable).

RELATIONSHIP BETWEEN AGN AND USER

4. (1) AGN may from time to time require a User to:
 - (a) provide security for the performance of its obligations under a Haulage Contract in the form of a bank guarantee applying for the duration of the Haulage Contract for at least an amount that is equal to AGN's reasonable estimate of all fees and charges that will be incurred by the User under the Haulage Contract in the 2 months following the date of estimation, and if necessary a greater amount if, in AGN's opinion, a greater amount is necessary to protect AGN's legitimate business interests;
 - (b) pay all amounts owing under a Haulage Contract to continue to receive one or more Reference Services (as applicable) under that Haulage Contract;
 - (c) demonstrate its compliance with AGN's minimum insurance and prudential requirements, including its ability to meet all financial obligations under a Haulage Contract. Unless otherwise agreed, the minimum insurance and prudential requirement is third party liability insurance including product liability, noting AGN's interest, in the amount of not less than \$20,000,000 for any one occurrence; and
 - (d) provide evidence of the identity of its Related Shippers,and (without limiting any other remedies which may be available to it) AGN may refuse to deliver Gas to the User for so long as the relevant requirement remains unsatisfied.

- (2) A User must pay AGN the amount of the Tariff for a Service even if AGN was unable to undertake or complete the Reference Service as a direct result of either:
 - (a) an act or omission of the User that prevented AGN from undertaking or completing the Service; or
 - (b) the requested Service not being able to be undertaken in respect of the Delivery Point for which the Service was requested by the User.
- (3) AGN's ability to provide a Service to a User is subject to the User ensuring that AGN has unfettered access to the Meter located at the Delivery Point the subject of the Service:
 - (a) during the term of the Haulage Contract; and
 - (b) if applicable, until the Delivery Point the subject of the Haulage Contract is Deregistered and the Deregistration Service has been completed.

THE HAULAGE SERVICE

Receipt and delivery of Gas

5. Under a Haulage Contract, the User will be entitled to take delivery of Gas at each Delivery Point identified in the Haulage Contract on the terms and conditions set out in the Haulage Contract.

Duration

6. The Haulage Contract will specify:
 - (a) the duration of the Haulage Contract;
 - (b) the date from which the User is entitled to take delivery of Gas at each Delivery Point; and
 - (c) the duration of any options to extend the Haulage Contract.

Receipt Points and Delivery Points

7. (1) The Haulage Contract will specify:
 - (a) one or more Delivery Points at which the User may take delivery of Gas; and
 - (b) for each Delivery Point, one or more Receipt Points at which a Related Shipper may from time to time deliver Gas into the Sub-network for transportation to the Delivery Point.

- (2) The Haulage Contract may specify procedures for adding Delivery Points during the duration of the Haulage Contract, but any such procedures will be subject to the Queuing Policy and may be subject to the Applications Procedure.
- (3) If at the termination of the Haulage Contract for a Delivery Point, the Delivery Point is not transferred to another User under the Retail Market Rules, then the current User must request a Deregistration Service from AGN and until such time as the Delivery Point is Deregistered, the User must continue to pay the applicable Charges for the Delivery Point.
- (4) Subject to Part C, clause 7(5), if a User:
 - (a) in accordance with this Access Arrangement or the Queuing Policy; and
 - (b) during the term of a Haulage Contract,

acquires a Replacement Reference Service at a Delivery Point at which it already acquires a Current Reference Service under the Haulage Contract, then AGN must agree to a request from the User to remove the Delivery Point from the Haulage Contract for the Current Reference Service.
- (5) Part C, clause 7(4) applies only if the provision of the Replacement Reference Service at the Delivery Point, compared with the provision of the Current Reference Service, will not place AGN in a less advantageous financial position over the life of the Haulage Contract.

Interconnection Contracts

8. (1) The Haulage Contract will specify the Interconnection Contract or Interconnection Contracts applicable to the Receipt Points referred to in Part C, clause 7(1)(b).
- (2) It is a condition of the User's right to deliver Gas into the AGN GDS at a Receipt Point or to take deliveries of Gas under the Haulage Contract that there is a current Interconnection Contract for each Receipt Point at all relevant times and that
 - (a) no party to the Interconnection Contract is currently in breach;
or
- (3) the provision of the Interconnection Service under the Interconnection Contract has not been suspended under Part A, clause 62(3).

Contracted Peak Rate

9. The Haulage Contract will specify the Contracted Peak Rate for each Delivery Point.

User Specific Delivery Facilities

10. The Haulage Contract will describe the User Specific Delivery Facilities (if any) at each Delivery Point.

Title to Gas

11.
 - (1) AGN has title to and possession of all Gas in the AGN GDS.
 - (2) The User indemnifies AGN against any claim brought against AGN in respect of any Gas delivered into the AGN GDS for transportation to a Delivery Point under a Haulage Contract:
 - (a) claiming any interest in, or making any claim of any nature over, the Gas; or
 - (b) in respect of any unpaid charges, royalties or taxes in respect of or in connection with the Gas or the production of the Gas incurred by any person (including the User and a Related Shipper) before or arising out of the delivery of the Gas to AGN.

Only User may take delivery, title and possession of Gas from AGN

12.
 - (1) All Gas delivered under a Haulage Contract by AGN at a Delivery Point is to be received by the User only.
 - (2) To the extent that there has been a transfer of title to AGN at the Receipt Point, the delivery by AGN to a User at a Delivery Point is a transfer of title to and possession of the Gas from AGN to the User, effective at the Delivery Point at the time of the delivery, and free and clear of all claims of any nature.
 - (3) A User may agree with any other person to transfer to the person title to and possession of Gas delivered by AGN to the User at the Delivery Point at any time after the User receives title and possession from AGN.

User's entitlement to receive Gas is contractual

13. The User's entitlement to receive Gas under a Haulage Contract is a contractual entitlement and not a proprietary entitlement.

Change in title not to trigger a GST event.

14. A transfer of Gas title is not intended to trigger a liability for GST.

Gas Quality

15. Gas entering and being transported through the AGN GDS must at all times comply with the Gas Quality Specifications.

Gas balancing

16. (1) Users must at all times comply with Part 5.2 of the Retail Market Rules, including by ensuring that each day, the User procures the injection of an amount of Gas into each Sub-network that is equal to the User's good faith estimate of the quantity of Gas that the User is likely to withdraw from the Sub-network on the day.
- (2) AGN may do all reasonable things to maintain a balance between total energy content of Gas inputs to, and total energy content of Gas outputs from, a Sub-network.

Unaccounted for Gas

17. AGN will replace Gas which is lost while in its control.

Commingling permitted

18. AGN may:
 - (a) commingle with other Gas in the AGN GDS any Gas delivered into the AGN GDS; and
 - (b) deliver Gas out of the AGN GDS in a commingled state,where and when it considers it necessary or convenient to do so.

Gas losses and Gas consumed by AGN

19. Without limiting the generality of Part C, clause 18, AGN may commingle with other Gas in the AGN GDS any Gas purchased by AGN to replace:
 - (a) Gas used by AGN in its operation of the AGN GDS; or
 - (b) Gas lost from the AGN GDS or otherwise unaccounted for.

Emergencies

20. (1) Without limiting any other power under the Code, the Access Arrangement, a Haulage Contract, or any Law, and despite any other provision of the Code, the Access Arrangement or a Haulage Contract, AGN may in an Emergency without notice to any other persons do all things which it considers necessary to prevent injury, death, loss or damage to persons or property and to render the situation safe, including without limitation entering onto any land or premises, stopping, disconnecting or reducing any Gas flow, curtailing any

delivery of Gas, refusing to accept any Gas into the AGN GDS and giving any reasonable instructions to Users.

- (2) AGN must as soon as practicable after determining that an Emergency exists give written notice of the Emergency to all Users affected either by the Emergency or by AGN's actions in dealing with the Emergency, but a failure to give such written notice does not limit AGN's powers under Part C, subclause 20(1).
- (3) AGN must, as soon as practicable after the Emergency has been dealt with, remove itself and any person, machinery, equipment or thing under its control, from any land or premises onto which it entered under Part C, subclause 20(1), except to the extent that the person, machinery, equipment or thing is required to continue dealing with the Emergency or to prevent its recurrence or to comply with any obligation imposed on AGN by any Law.
- (4) A User must comply with any reasonable instruction (including without limitation any instruction concerning the management of the User's or its Gas customers' Gas demand and any instruction directed to preservation or restoration of Capacity of the AGN GDS) given to it by AGN during, and related to, an Emergency, and a User is to be liable to AGN for any injury, death, loss or damage suffered by reason of the User's failure to comply with such an instruction.

CURTAILMENT

AGN to minimise curtailment

21. AGN will in its operation and maintenance of the AGN GDS use reasonable endeavours to minimise the magnitude and duration of any curtailment of Gas deliveries to the User, except where the curtailment is attributable to the default of the User.

Curtailment

22. (1) AGN may wholly or partly curtail the quantity or pressure of Gas deliveries to the User at a Delivery Point when:
 - (a) one or more of the following User related issues occur:
 - (i) if the User exceeds its Contracted Peak Rate at the Delivery Point;
 - (ii) if any requirement of Part A, clause 55 or 56 of the Access Arrangement is not met;
 - (iii) if its Related Shippers are not entitled to have delivered, or fail to have delivered, an equivalent quantity of Gas at one or more Receipt Points;
 - (iv) if the User is in default under the Haulage Contract;

- (v) if AGN has refused to accept Gas from the relevant Interconnected Pipeline due to the Gas not complying with the Gas Quality Specifications or any applicable Gas quality standards;
- (vi) if, in AGN's opinion formed as a reasonable person, the User does not have sufficient contractual entitlements for firm Gas transportation capacity on one or more Interconnected Pipelines for delivery to one or more Receipt Points on the same Sub-network as the Delivery Point to meet the User's Contracted Peak Rate at the Delivery Point;
- (vii) if the operator of an Interconnected Pipeline, in respect of a particular day:
 - A has curtailed or interrupted, or has given notice that it intends to curtail or interrupt, the entitlement of a Related Shipper to receive Gas at a Receipt Point for the Sub-network in which the Delivery Point is located; or
 - B refused, or has given written notice that it intends to refuse, to deliver Gas to a Related Shipper at a Receipt Point for the Sub-network in which the Delivery Point is located,and the Related Shipper is, or is likely to be, named in the User's allocation instruction under the Retail Market Rules for the day;
- (b) one or more of the following network issues occur:
 - (i) if the level of Capacity falls or remains below that necessary to meet all Users' requirements;
 - (ii) during any Emergency or while AGN is experiencing any event of Force Majeure;
 - (iii) under Part C, clause 23, to permit AGN to undertake any Extension or Expansion;
- (c) one or more of the following safety issues occur:
 - (i) if AGN considers as a reasonable person that it would be unsafe or may give rise to an unsafe situation for the operation of the AGN GDS to deliver Gas to the User at the Delivery Point;

- (ii) if AGN becomes aware of any non-compliance with the Gas Standards (Gas Fitting and Consumers' Gas Installations) Regulations 1999 or the Gas Standards (Natural Gas) Regulations 1999 downstream of the Delivery Point by the User, a Gas customer or any other person which may give rise to an unsafe situation; and
 - (d) in any other circumstance specified in or permitted by the Haulage Contract.
- (2) If AGN can choose which Delivery Points it will curtail, or the order in which it can curtail Delivery Points, then such decisions will be made by AGN in its discretion having regard to the relevant circumstances. Where the conduct of one or more Users ("Causing Users") has made a curtailment necessary (including due to a User related issue under Part C, clause 22(1)(a)), it may not always be practicable for AGN to only, or firstly, curtail the Causing Users, and AGN may instead curtail one or more other Users.
- (3) AGN will where practicable use reasonable endeavours to provide the User with a reasonable advance warning of the magnitude, starting time and expected duration of an impending curtailment of Gas deliveries to the User and the reasons for the curtailment.
- (4) The Haulage Contract is to specify the procedures by which AGN may effect a curtailment.

Curtailment for system reinforcement

23. AGN may:

- (a) at any time by arrangement with the User; or
- (b) at any time at least 30 days after giving the User written notice,

wholly or partially curtail Gas deliveries to the User to the extent reasonably necessary to permit AGN to undertake any Extension or Expansion or any maintenance of the AGN GDS.

METERING

Meter Readings

- 24. Subject to Part C, clause 26, a Meter reading to calculate and record the quantity of Gas delivered to the User at a Delivery Point taken at any time in a Gas day under a Haulage Contract, is deemed to be a Meter reading of the Delivery Point at the start of the Gas day.
- 25. Part C, clause 24 does not apply to a Meter read daily by means of Telemetry.
- 26. AGN may undertake Meter readings in accordance with the requirements of the Retail Market Rules.

Provision of data

27. AGN must provide metering data to the User, including metering data based upon the estimation methodology contained in the Retail Market Rules, and may do so in accordance with the requirements of Retail Market Rules.

Metering uncertainty

28. User Specific Delivery Facilities and Standard Delivery Facilities will be designed, adjusted, operated and maintained so as to achieve the best accuracy of measurement which is, having regard to the nature and duration of the Haulage Contract and the magnitude of the User's Contracted Peak Rate, technically and economically feasible consistent with the standard of a prudent Service Provider acting efficiently, in accordance with accepted good industry practice, and to achieve the lowest sustainable cost of delivering Services.

Use of Gas quality data from other locations

29. AGN may use Gas quality data from equipment at one or more other locations to estimate Gas quality at a Delivery Point in order to calculate energy flow rates for, and quantities of Gas delivered to, a Delivery Point, and in the absence of manifest error the rates and quantities so calculated bind both parties to a Haulage Contract.

INVOICING AND PAYMENT

Invoicing

30. (1) AGN will invoice the User on approximately the first and eleventh business days of each month with each invoice reflecting all Meter readings taken during the Invoicing Period.
- (2) Each invoice will show:
- (a) all charges payable under the Haulage Contract for the Invoicing Period in respect of each Delivery Point;
 - (b) a summary of any metering information used to calculate the charges in Part C, subclause 30(2)(a);
 - (c) all other amounts (if any) which are payable in arrears or credited or debited for the Invoicing Period under the Haulage Contract;
 - (d) any outstanding amounts from previous Invoicing Periods and the interest payable on those amounts, and any outstanding credits carried forward under Part C, subclause 30(3); and
 - (e) such other information as the parties may agree.

- (3) If the sum of all credits shown on an invoice exceeds the sum of all amounts shown as payable on the invoice, then no amount is payable in respect of that Invoicing Period, and (subject to Part C, subclause 30(4)) any residual credits are carried forward without interest to the next Invoicing Period, and so on.
- (4) Any credit or debit which remains or accrues to the User's account after the last invoice has been issued at the end of a Haulage Contract is to be dealt with by an appropriate payment from one party to the other.

Payment within 10 Business Days

31. (1) Subject to clauses 31(3) and 31(4), the User must, within 10 Business Days after receiving an invoice, pay to AGN in the manner shown on the invoice the net amount shown on the invoice as payable under the Haulage Contract.
- (2) If the User fails to comply with Part C, subclause 31(1) then, without prejudice to AGN's other rights, the User must pay interest on any unpaid amount, calculated daily at the Prescribed Interest Rate, from 10 Business Days after receiving the invoice until payment.
- (3) The User must reconcile the invoice on a line item basis, by applying the procedure contained in Part C, clause 32(1) to each line item as if it were a separate invoice.
- (4) Payment must be by electronic funds transfer and must match the sum of the reconciled (that is, non-disputed) line item charges in aggregate or the payment may be rejected.

Disputed invoices

32. (1) The procedure for disputing invoices under the Retail Market Scheme applies to the Haulage Contract and both the User and AGN must comply with their respective obligations under the procedure.
- (2) Any amount withheld by the User under this clause but subsequently found to have been payable may, without prejudice to AGN's other rights, at AGN's option attract interest calculated daily at the Prescribed Interest Rate from 10 Business Days after receiving the invoice until payment.

Correction of payment errors

33. (1) If a party detects any underpayment or overpayment by a party of any amount, the detecting party must give written notice to the other party of the underpayment or overpayment, and an adjusting payment is to be made by the appropriate party within 10 Business Days after receiving that written notice.

- (2) If a User fails to make an adjusting payment in accordance with Part C, subclause 33(1) then, without prejudice to AGN's other rights, the User required to make the adjusting payment must pay interest on any unpaid amount, calculated daily at the Prescribed Interest Rate, from 10 Business Days after receiving the written notice until payment.

Pricing if agreement continues beyond end of Second Access Arrangement Period

34. (1) This clause applies to determine the prices payable under the Haulage Contract if the duration of the Haulage Contract continues beyond the end of the Second Access Arrangement Period.
- (2) If:
 - (a) an Access Arrangement ("Revised Access Arrangement") is approved in respect of the Third Access Arrangement Period, containing a Reference Service ("Equivalent Reference Service") which is materially the same as the Reference Service contained in the Haulage Contract ("Contracted Reference Service") – then for so much of the remaining duration of the Haulage Contract which falls within the Third Access Arrangement period, the User's obligation under the Haulage Contract to pay the Reference Tariff for the Contracted Reference Service is to be read as an obligation to pay the Reference Tariff approved and adjusted from time to time under the Revised Access Arrangement in respect of the Equivalent Reference Service;
 - (b) a Revised Access Arrangement is approved in respect of the Third Access Arrangement Period but does not contain an Equivalent Reference Service – then for so much of the remaining duration of the Haulage Contract which falls within the Third Access Arrangement Period, the User's obligation under the Haulage Contract to pay the Reference Tariff for the Contracted Reference Service is to be read as an obligation to pay the Reference Tariff as determined for the last Year of the Second Access Arrangement Period, increased annually at "CPI-X" with the value of "X" being that specified (if applicable) in the Revised Access Arrangement for the relevant Year of the Third Access Arrangement Period or (otherwise) specified in Part B, clause 8 of this Access Arrangement for the last Year of the Second Access Arrangement Period; or
 - (c) for any reason (including the repeal or amendment of the Act) there is no Third Access Arrangement Period or no Revised Access Arrangement is approved – then for the remaining duration of the Haulage Contract after the end of the Second Access Arrangement Period the User's obligation under the Haulage Contract to pay the Reference Tariff for the Contracted Reference Service is to be read as an obligation to pay the Reference Tariff as determined for the last Year of the Second

Access Arrangement Period, increased annually at “CPI-X” with the value of “X” being that specified in Part B, clause 8 of this Access Arrangement for the last Year of the Second Access Arrangement Period.

- (3) This clause applies, with appropriate modifications, in respect of the end of the Third Access Arrangement Period and the end of each successive Access Arrangement Period thereafter for the duration of the Haulage Contract.
- (4) For the purposes of Part C, subclause 34(2), either party may give written notice to the other party contending that the Revised Access Arrangement does not contain an Equivalent Reference Service. If the party which receives that notice does not agree in writing with that contention within 20 Business Days of receiving the contention, a dispute exists for the purposes of the Haulage Contract.
- (5) To avoid disruption to contracted Tariffs, AGN will use reasonable endeavours to ensure that a revised Access Arrangement contains a Service (with an associated Tariff) which is materially the same as the Contracted Reference Service, but nothing in this subclause limits AGN’s right to create new Reference Services or to develop new Reference Tariff policies and structures.

Guaranteed Service Level Payments

35. (1) If AGN is required to pay a Small Use Customer in accordance with its Guaranteed Service Level (GSL) scheme for a failure by AGN to satisfy a GSL, AGN may notify the User that it wishes to make the payment of the required amount through the User, in which case:
 - (a) AGN must notify the User of the amount owing to the Small Use Customer;
 - (b) the User must pay that amount to the Small Use Customer or credit that amount to the Small Use Customer as soon as practicable, in accordance with the User’s Small Use Customer invoicing procedures; and
 - (c) subject to Part C, clause 35(2), AGN must credit the amount actually paid to the Small Use Customer to the next invoice that it issues to the User under the Haulage Contract.
- (2) If:
 - (a) the User receives notification of a matter and the User delays in passing on that notification to AGN; and
 - (b) as a result of that delay, AGN is required to make a payment to a Small Use Customer as a result of failing to satisfy a GSL, then the User must either:

- (i) reimburse AGN for the payment made to the Small Use Customer; or
 - (ii) if requested by AGN, on its behalf, pay the required payment to the Small Use Customer or credit that amount to the Small Use Customer's next bill, and AGN is not required to reimburse or credit the User for that amount.
- (3) A User must notify AGN where it is aware that AGN is required to make a GSL payment to a Small Use Customer.
- (4) AGN must notify the User where it makes a GSL payment directly to a Small Use Customer.

INFORMATION EXCHANGE

- 36. (1) Subject to Part C, subclause 36(2), information provided to AGN or provided by AGN to other parties shall, wherever possible, be in electronic form, which means a structured electronic file that is capable of being down loaded and is in a format fit for purpose.
- (2) Where information is not provided to AGN in electronic form as outlined in Part C, subclause 36(1), AGN may recover from the person providing or requesting the data the reasonable additional costs involved in dealing with information provided or received in non-electronic form.
- (3) The format and procedure specified in the Retail Market Scheme for information to be provided under the Retail Market Rules apply to this Haulage Contract as applicable.

FORCE MAJEURE

- 37. (1) Subject to Part C, subclause 37(2), a party is excused from performance of, and is not liable for any failure in carrying out, any of its obligations under the Haulage Contract if it is prevented from doing so by Force Majeure.
- (2) Subject to Part C, subclause 37(3), the occurrence of Force Majeure does not relieve the User of the obligation to pay any charge or charges which are specified by the Code, the Access Arrangement or the Haulage Contract to be payable despite the operation on the User of Force Majeure.
- (3) To the extent that AGN fails to provide the haulage Service and claims the benefit of Force Majeure in respect of that failure, the User is excused from the obligation to pay the Reference Tariffs (including any standing charge or demand charge).
- (4) The inability to pay money, however caused, does not constitute Force Majeure.

- (5) If a party claims the benefit of Force Majeure, it must:
 - (a) promptly give written notice to the other party of the occurrence and circumstances in which the claim arises;
 - (b) use its best endeavours to remedy the consequences without delay; and
 - (c) resume full performance of its obligations under the Haulage Contract as soon as reasonably practicable.
- (6) Settlement of strikes, lock outs, stoppages and restraints of labour or other industrial disturbances are entirely within the discretion of the party claiming the benefit of this clause and the party may refrain from settling industrial disturbances or may settle them on any terms it considers to be in its best interests.
- (7) If at any time during the duration of the Haulage Contract a party is validly claiming, and has for a consecutive period of at least one Year validly claimed, the benefit under this clause of Force Majeure in respect of a failure by the party to substantially comply with its obligations under the Haulage Contract then either party may in its sole discretion by written notice to the other party terminate the Haulage Contract.

DEFAULT AND TERMINATION

Default by a party

38. A party is in default under the Haulage Contract, in any one or more of the following circumstances:
- (a) if the party makes default in the due and punctual payment, at the time and in the manner prescribed for payment by the Haulage Contract, of any amount payable under the Haulage Contract;
 - (b) if a party makes default in the due and punctual performance or observance of any of the other covenants, agreements, conditions or other obligations contained, or implied by the operation of Law, in the Haulage Contract;
 - (c) if a receiver, receiver and manager, administrator, or controller is appointed over a party or if a petition or application is presented (and not withdrawn within 10 Business Days), or an order is made or a resolution is passed for the winding up or dissolution without winding up of the party otherwise than for the purpose of reconstruction or amalgamation under a scheme to which the other party has given consent;

- (d) if there is any adverse change in the business or financial condition of the party or an event occurs which could, in the reasonable opinion of the other party, materially affect the party's ability to meet its obligations to the other party under the Haulage Contract;
- (e) if the party is found to be materially in breach of any warranty given to the other party whether in the Haulage Contract, the Application which gave rise to the Haulage Contract, or any instrument relating to the Haulage Contract or that Application, or if any statement or representation made by the party in any instrument described above, is found to be false or misleading in any material particular;
- (f) if the party is in default under any other Haulage Contract between the parties; or
- (g) in any other circumstance specified in the Haulage Contract.

Restructuring or sale of AGN not a default

39. (1) The restructuring or sale of AGN is not a default for the purposes of Part C, clause 38 if it is conducted as part of, in preparation for or otherwise to facilitate:
- (a) a restructure of all or part of the AGN corporate group; or
 - (b) the establishment of ringfencing procedures specified in or under section 4 of the Code (which for the purposes of this clause is to be read as though section 94 of the Act had not been enacted).
- (2) The term "restructure" in Part C, subclause 39(1) includes the division of AGN into two or more separate legal entities, and the assignment, sale or other transfer of all or part of AGN's business or assets to one or more subsidiaries or related corporations of AGN.

Notice of default

40. If a party is in default under the Haulage Contract, then the other party may give written notice to the defaulting party specifying the default.

When a party may exercise remedy

41. A party cannot terminate a Haulage Contract under Part C, clause 43:
- (a) for a default under Part C, subclause 38(a) unless it is given a written notice under Part C, clause 40 of that default, and the default has not been remedied within 5 Business Days after the other party receives that written notice; and

- (b) for any other default under Part C, clause 38, unless it is given a written notice under Part C, clause 40 of that default, and the default has not been remedied within 15 Business Days after the other party receives that written notice.

Curtailment for the User's default

- 42. If the User is in default under a Haulage Contract, then AGN may in its sole discretion wholly or partly curtail Gas deliveries to the User at a Delivery Point or reduce or suspend any other Service to the User until such time as all defaults have been remedied.

Termination

- 43. Subject to Part C, clause 41, if a party is in default under a Haulage Contract, then the other party may in its sole discretion by written notice to the defaulting party terminate the Haulage Contract.

Saving of AGN's other remedies

- 44. A party's rights under Part C, clause 43 and AGN's rights under Part C, clause 42 are in addition to any other rights and remedies available to the party, whether under any Law, the Code, the Access Arrangement, a Haulage Contract or in contract, tort, equity or otherwise.

Effect of termination

- 45. (1) Termination of the Haulage Contract:
 - (a) does not prejudice the rights or remedies accrued to either party at the date of termination; and
 - (b) subject to Part C, subclause 45(2), relieves each party of all further obligations under the Haulage Contract to the other parties.
- (2) Termination of the Haulage Contract by a party does not relieve the other party of its obligations:
 - (a) to pay all amounts outstanding at the time of termination; and
 - (b) to pay all amounts which would have become payable under the Haulage Contract but for its termination.

Novation of contracts do not trigger default provisions

- 46. (1) A Haulage Contract may be novated with AGN's prior written consent, which may be withheld unless there is no increase to commercial or technical risk to AGN.

- (2) A novation of a Haulage Contract is not an event of default of the Haulage Contract for the purposes of Part C, clause 38 and does not give rise to the right to terminate the Haulage Contract if it is conducted in accordance with Part C, subclause 46(1).
- (3) AGN may charge a reasonable fee, in its absolute discretion, to cover AGN's costs associated with assessing whether to grant its consent under Part C, subclause 46(1).

No assignment except as provided for in Trading Policy

47. No party may assign any right, interest or obligation under a Haulage Contract except in accordance with the Trading Policy.

LIABILITY OF PARTIES

Liability for negligence and default limited to Direct Damage

48. (1) If a party:
 - (a) is negligent in any matter relating to or arising out of a Haulage Contract; or
 - (b) defaults in respect of its obligations to the other party under a Haulage Contract, then (subject to Part C, subclause 48(2)),then the party is liable to the other party (including its directors, servants, consultants, independent contractors and agents) for, and indemnifies the other party (including its directors, servants, consultants, independent contractors and agents) against, any Direct Damage to the other party caused by or arising out of the negligence or default.
- (2) AGN is not liable to the User for Direct Damage or Indirect Damage caused by or arising out of any curtailment of Gas deliveries to the User, or any non-delivery of Gas into the AGN GDS, where that curtailment or non-delivery is undertaken under the Code, the Access Arrangement or a Haulage Contract.

Liability for fraud

49. A party who is fraudulent in respect of its obligations to the other party under a Haulage Contract is liable to the other party for, and indemnifies the other party against, any loss or damage caused by or arising out of the fraud, in respect of which the exclusion of Indirect Damage in Part C, clause 50 does not apply.

No liability for indirect damage

50. Neither party is in any circumstances to be liable to the other party for any Indirect Damage, whether arising under a Law, or in contract, tort or equity, or otherwise, provided that where this Part C states that “[t]he exclusion of Indirect Damage in Part C, clause 50 does not apply”, or words to similar effect, in relation to a matter then:
- (1) the exclusion of Indirect Damage in Part C, clause 50 does not apply in relation to that matter; and
 - (2) the parties’ liability in relation to the matter is to be determined by Law, and to avoid any doubt the definition of Indirect Damage in this Part C is to be disregarded for the purposes of that determination.

Extended operation of clause 50

51. To the extent that AGN is not liable to the User as a result of Part C, clause 50, then if person supplied directly or indirectly with Gas by the User or person claiming on behalf of or through such a person (“downstream person”) makes a claim against AGN in respect of any matter connected with or arising out of a curtailment, interruption, restriction or cessation of Gas flow, then the User must indemnify and keep indemnified AGN against any liability to the downstream person which would exceed AGN’s liability to the User if the claim were brought by the User rather than the downstream person.

No liability arising out of any approval by AGN

52. Without limiting the generality of Part C, clause 50 of this Part C, AGN is not, except as provided in Part C, clauses 48 and 49, in any circumstances liable to the User for any injury, death, loss or damage (including Indirect Damage), caused by or arising out of any approval by AGN of any design, location or construction of, or proposed operating or maintenance procedures in relation to, any equipment, apparatus, machine, component, installation, cable, pipe or facility connected to, or adjacent to and associated with, the AGN GDS.

Saving of contractual payments

53. Nothing in Part C, clauses 37 - 54 limits the liability of either party to make all payments under a Haulage Contract.

Each limitation separate

54. Each limitation or exclusion created by Part C, clauses 37 - 54 and each protection given to AGN or the User or to their respective directors, servants, consultants, independent contractors and agents by Part C, clauses 37 - 54 is a separate limitation, exclusion or protection applying and surviving even if for any reason any provision of Part C, clauses 37 - 54 is held inapplicable in any circumstances.

DISPUTE RESOLUTION

Parties to attempt to resolve

55. (1) If any dispute arises between the parties, either party may give written notice to the other party specifying the details of the dispute.
- (2) If the dispute remains unresolved for a period of 30 days after the date on which the written notice was given under Part C, subclause 55(1), authorised officers of the parties are to meet within 5 Business Days after the end of that 30 day period and use their best endeavours to resolve the dispute.

Disposition of unresolved disputes

56. If the dispute remains unresolved for a further 15 Business Days after the end of the 30 day period referred to in Part C, subclause 55(2), then:
- (a) if the dispute is of a kind that the Arbitrator may hear and determine, then the dispute is to be heard in accordance with section 6 of the Code, or in such other manner as is prescribed by regulation; or
 - (b) if the dispute is not of a kind that the Arbitrator may hear and determine, then the dispute must be referred to arbitration under Part C, clause 57.

Arbitration

57. (1) Where under Part C, subclause 56(b) the parties must refer a dispute to arbitration, either party may give written notice to the other party specifying with reasonable particularity the matter in dispute, and the dispute is by that written notice by force of this clause referred to arbitration of a single arbitrator under this clause.
- (2) If the parties cannot agree on a person to be arbitrator, either party may request the President for the time being of the Law Society of Western Australia to nominate a person to be arbitrator.
- (3) In any arbitration:
- (a) the proceedings are to be conducted generally under the Commercial Arbitration Act 1985 as modified by the Haulage Contract;
 - (b) a party may be represented by a legal practitioner; and
 - (c) the proceedings are to be conducted in Perth.
- (4) In conducting proceedings, the arbitrator is not to be bound by the rules of evidence.

- (5) The arbitrator must not order any of the parties to take any steps to achieve a settlement of the dispute being arbitrated.
- (6) A party to the arbitration proceedings may:
 - (a) apply to a Judge (or acting Judge or auxiliary Judge) of the Supreme Court of Western Australia for the determination of any question of law that may arise in the course of the arbitration; or
 - (b) appeal to a Judge (or acting Judge or auxiliary Judge) of the Supreme Court of Western Australia on any question of law arising out of an award by an arbitrator.
- (7) The arbitrator may:
 - (a) of his or her own motion, but only to the extent reasonably necessary to facilitate the determination of a dispute presently before him or her, retain the services of any person suitably qualified in any field of expertise to advise the arbitrator in relation to matters within that field of expertise;
 - (b) award such interest as he or she considers appropriate;
 - (c) if a party has overpaid another, whether under a mistake of law or fact, order repayment of the sum overpaid together with interest; and
 - (d) rectify any term of a Haulage Contract, so as to conform to the true intention of the parties, but any rectification must comply with the Code, the Access Arrangement and the principles of the general law applicable to the rectification of contracts.
- (8) If the arbitrator retains a person under Part C, subclause 57(7)(a):
 - (a) that person may sit with the arbitrator during the hearing of all evidence relating to the person's field of expertise and may take part in the proceedings;
 - (b) the arbitrator, in making an award, may adopt the opinion of that person, after first disclosing the opinion to the parties and receiving the parties' submissions thereon;
 - (c) the costs and expenses of that person must be reasonable and are to be in the arbitrator's discretion and, without limiting that discretion, may be dealt with as part of the costs of the proceedings; and
 - (d) the duration of retainer of that person must end no later than the day on which the arbitrator publishes his or her final award in the proceedings in question.

Dispute not a default

58. Any dispute in good faith being dealt with under Part C, clauses 55 - 59, under the Code or under the Retail Market Scheme does not constitute a default for the purposes of Part C, clause 38.

Disputes under Retail Market Scheme

59. Any dispute arising under the Retail Market Scheme must be dealt with under the Retail Market Scheme dispute procedures.

MISCELLANEOUS CONTRACTUAL MATTERS

Representations and warranties

60. (1) The Haulage Contract is to specify the representations and warranties made by the User to AGN in making the Application which gave rise to the Haulage Contract, and in entering into the Haulage Contract, including that the User has in full force and effect all authorisations, licences, permits, consents, certificates, authorities and approvals necessary under all Laws to receive Gas, or the right to receive Gas at the Delivery Point.
- (2) The Haulage Contract is to specify the representations and warranties made by AGN to the User in entering into the Haulage Contract.
- (3) The Haulage Contract may provide for the representations and warranties referred to in Part C, subclauses 60(1) and 60(2) to be repeated anew on each day of the Haulage Contract.
- (4) The representation and warranty set out in Part A, clause 60 is a term of the Haulage Contract.

Insurances

61. (1) The Haulage Contract will require the User to procure and maintain liability insurance with insurers for such amount as AGN may require and the User must arrange for endorsement on the policy of the interests of AGN.
- (2) AGN may require the User to provide evidence of the matters in Part C, subclause 61(1).

Making good damage caused in the course of installing delivery facilities

62. (1) Except as provided in this clause, AGN will not be liable to pay compensation for or in respect of, or make good any damage done to the land or premises of the User or the User's Gas customer by AGN, its officers, servants, or agents in the reasonable course of installing the User Specific Delivery Facilities or the Standard Delivery Facilities whether that damage is of a temporary character or a permanent character.

- (2) If, in the course of installing User Specific Delivery Facilities or Standard Delivery Facilities, AGN opens or breaks up any sealed or paved surface, or damages or disturbs any lawn, landscaping or other improvement, then AGN will if necessary fill in any ground to restore it to approximately its previous level.
- (3) AGN will be liable to reinstate or make good, or pay compensation in respect of, any sealed or paved surface opened or broken up, or any lawn, landscaping or other improvement damaged or disturbed, in the course of installing the User Specific Delivery Facilities or the Standard Delivery Facilities to the land or premises of the User or the User's Gas customer, if and to the extent that AGN fails to act reasonably having regard to the safe and efficient operation of the AGN GDS and prudent pipeline practices generally accepted in the natural Gas haulage industry.
- (4) If the User is required to compensate the User's Gas customer for any damage done in circumstances where AGN would be liable in respect of such damage under Part C, subclause 62(3), then AGN will indemnify the User to the extent of the lesser of:
 - (a) the value of the compensation the User's Gas customer receives from the User; and
 - (b) the value of compensation which would be payable by AGN to the User under Part C, subclause 62(3), if the damage had been suffered wholly by the User instead of the User's Gas customer.
- (5) Except to the extent that AGN is liable to the User or the User's Gas customer under Part C, subclause 62(3), the User will indemnify AGN against all claims brought by the User or the User's Gas customer in respect of any damage done to the land or premises of the User or the User's Gas customer by AGN, its officers, servants, or agents in the reasonable course of installing the User Specific Delivery Facilities or the Standard Delivery Facilities whether that damage is of a temporary character or a permanent character.
- (6) An obligation to indemnify which arises under Part C, subclauses 62(4) or 62(5) will be discharged by payment in full by the indemnifying party to the indemnified party (or to such person as the indemnified party nominates) within 30 days after the date the indemnified party provides written notice to the indemnifying party setting out adequately detailed grounds for, and specifying the full quantum of, the claim for indemnification.

NOTICES AND ADDRESSES FOR NOTICES

63. Subject to Part C, clause 64, the Haulage Contract will specify the procedure and means for all notices to be delivered to the other party and will specify the address for all notices to be sent to AGN and the User in respect of all Contracted Peak Rate the subject of the Haulage Contract, including the electronic provision and delivery of notices regarding amendments to any schedule to the Haulage Contract.
64. The format and procedure specified in the Retail Market Scheme for notices to be sent under the Retail Market Rules apply to this Haulage Contract as applicable.

CONFIDENTIALITY

65. (1) A party must not disclose Confidential Information except:
 - (a) with the prior written consent of the other party;
 - (b) if the information is obtainable with reasonable diligence from sources other than the parties, or which enters the public domain other than by breach of this clause;
 - (c) when required under any Law;
 - (d) to any consultant or adviser to the party or, subject to section 4 of the Code, to any “Associate” as defined in section 10.8 of the Code;
 - (e) when, in the reasonable opinion of AGN, the information is required to be disclosed in the course of any restructuring or sale of AGN contemplated in Part C, clause 39; or
 - (f) when, in the reasonable opinion of the disclosing party, the information is required to be disclosed to any present or prospective lender to or financier of a party.
- (2) In the case of a permitted disclosure under Part C, subclause 65(1), the disclosing party must use reasonable endeavours to make disclosure on terms which preserve as far as practicable the confidentiality of the information.
- (3) In the case of a disclosure to which Part C, subclause 65(1)(c) applies, the disclosing party must use reasonable endeavours to:
 - (a) give advance notice to the other party of the impending disclosure;
 - (b) oppose or restrict such disclosure, or make such disclosure on terms which preserve as far as practicable the confidentiality of the information; and

- (c) take such steps as will permit the other party to have a reasonable opportunity to oppose or restrict such disclosure by lawful means.
- (4) The definition of “Confidential Information” in section 10.8 of the Code does not apply to this clause.

SCHEDULE 1: TERMS AND CONDITIONS OF REFERENCE SERVICE A1

Duration of Haulage Contract

1. A Haulage Contract for Reference Service A1 will be of a duration of one Year or more.

Delivery facilities

2. (1) AGN will provide User Specific Delivery Facilities to measure the amount of Gas taken by a User at each Delivery Point specified in the Haulage Contract which will include, as a minimum, a Meter which:
 - (a) is read by means of Telemetry; and
 - (b) aggregates the flow of Gas across time and records that flow for each Gas Hour.
- (2) AGN will design and construct all User Specific Delivery Facilities, and will have regard to the User's reasonable requirements in doing so.
- (3) AGN will own, operate and maintain, and may from time to time modify, any User Specific Delivery Facilities.
- (4) The User must use its reasonable endeavours to cooperate with AGN in installing, operating, maintaining, and modifying any User Specific Delivery Facilities including, without limitation, providing or procuring access to all land to which access is required for those purposes or any of them.

Accuracy verification

3. (1) AGN will verify the accuracy of the Meter forming part of any User Specific Delivery Facilities with the frequency required by good industry practice and applicable Laws.
- (2) The Haulage Contract may detail the procedures by which, and terms and conditions on which the verification set out under subclause 3(1) of this Schedule is to be carried out.

Gas pressure

4. (1) The Haulage Contract is to set out the nominal pressure at which AGN is to deliver Gas to the User at each Delivery Point.
- (2) The pressure set out under subclause 4(1) of this Schedule will not exceed that pressure adopted by AGN from time to time as the minimum nominal operating pressure for the main to which the Delivery Point is connected.

Meter reading

5. AGN will be responsible for calculating and recording the quantity of Gas delivered to the User at the Delivery Point, by Telemetry reading. AGN will endeavour to take such Telemetry readings every day.

Prices

6. Reference Service A1 is made available at Reference Tariff A1, as adjusted from time to time during the term of the Haulage Contract under the Access Arrangement and, if the duration of the Haulage Contract continues beyond the end of the Second Access Arrangement Period, under Part C, clause 34.

Exceeding contracted peak rate

7. If a User's Instantaneous Flow Rate exceeds its Contracted Peak Rate for a Delivery Point, then the User has acquired "Overrun Service" and must pay AGN an "Overrun Charge" calculated as follows:

$$OC = OSR \times Q_{\text{Overrun}}$$

where:

OC = the Overrun Charge payable by the User to AGN for the Delivery Point for the month;

OSR = the "Overrun Service Rate" which is calculated by multiplying the average Reference Tariff applicable under the Haulage Contract for the month by 2; and

Q_{Overrun} = the total for the month of each gigajoule or part of a gigajoule of Gas that was delivered to the User at the Delivery Point during a period of time in which the User's Instantaneous Flow Rate exceeded its Contracted Peak Rate.

8. Despite any provision to the contrary, a requirement under clause 7 of this Schedule to pay the Overrun Service Rate in respect of a gigajoule or part of a gigajoule, does not relieve the User of the obligation to pay the Reference Tariff in respect of that gigajoule or part gigajoule.

9. If a User's Instantaneous Flow Rate for a Delivery Point exceeds its Contracted Peak Rate for a Delivery Point on:

(1) three or more occasions during any 30 day period; or

(2) eight or more occasions during a Year,

then AGN may notify the User of this fact and of whether:

- (3) an increase in the User's Contracted Peak Rate in accordance with clause 9(3)(a) of this Schedule would not breach AGN's Queuing Policy, in which case the User must within 10 Business Days elect between:
- (a) agreeing to an increase in its Contracted Peak Rate, with effect from the last of the occasions referred to in clause 9(1) or 9(2) of this Schedule, as applicable, so that it is equal to the highest Instantaneous Flow Rate at the Delivery Point during the occasions referred to in clause 9(1) or 9(2) of this Schedule, as applicable; or
 - (b) agreeing to AGN installing, and to the User paying the costs of AGN acquiring and installing, a flow control device at the Delivery Point which will regulate Gas deliveries to the User to no more than the Contracted Peak Rate,
- and if the User does not so elect within 10 Business Days, AGN may elect; or
- (4) an increase in the User's Contracted Peak Rate in accordance with clause 9(3)(a) of this Schedule would breach AGN's Queuing Policy, in which case AGN may install, and the User must pay the costs of AGN acquiring and installing, a flow control device at the Delivery Point which will regulate Gas deliveries to the User to no more than the Contracted Peak Rate.

Other terms and conditions

10. In addition to the terms and conditions in this Schedule, the terms and conditions in Part C, clauses 1 - 65 apply to Users of Reference Service A1.

(This page has been left intentionally blank)

SCHEDULE 2: TERMS AND CONDITIONS OF REFERENCE SERVICE A2

Duration of Haulage Contract

1. A Haulage Contract for Reference Service A2 will be of a duration of one Year or more.

Delivery facilities

2.
 - (1) AGN will provide User Specific Delivery Facilities to measure the amount of Gas taken by a User at each Delivery Point specified in the Haulage Contract.
 - (2) AGN will design and construct all User Specific Delivery Facilities, and will have regard to the User's reasonable requirements in doing so.
 - (3) The User Specific Delivery Facilities at that Delivery Point will include, as a minimum, a Meter which:
 - (a) is read by means of Telemetry; and
 - (b) aggregates the flow of Gas across time and records that flow for each Gas Hour.
 - (4) AGN will own, operate and maintain, and may from time to time modify, any User Specific Delivery Facilities.
 - (5) The User must use its reasonable endeavours to cooperate with AGN in installing, operating, maintaining, and modifying any User Specific Delivery Facilities including, without limitation, providing or procuring access to all land to which access is required for those purposes or any of them.

Accuracy verification

3.
 - (1) AGN will verify the accuracy of the Meter forming part of any User Specific Delivery Facilities with the frequency required by good industry practice and applicable Laws.
 - (2) The Haulage Contract may detail the procedures by which, and terms and conditions on which, the verification set out under subclause 3(1) of this Schedule is to be carried out.

Gas pressure

4.
 - (1) The Haulage Contract is to set out the nominal pressure at which AGN is to deliver Gas to the User at each Delivery Point.

- (2) The pressure set out under subclause 4(1) of this Schedule will not exceed that pressure adopted by AGN from time to time as the minimum nominal operating pressure for the main to which the Delivery Point is connected.

Meter reading

5. AGN will be responsible for calculating and recording the quantity of Gas delivered to the User at the Delivery Point, by Telemetry reading. AGN will endeavour to take such Telemetry readings every day.

Prices

6. Reference Service A2 is made available at Reference Tariff A2, as adjusted from time to time during the term of the Haulage Contract under the Access Arrangement and, if the duration of the Haulage Contract continues beyond the end of the Second Access Arrangement Period, under Part C, clause 34.
7. The User specific charge is to be pro-rated under Part B, Schedule 2 clause (4), on the basis of a 365 day Year.
8. The usage charge is to be pro-rated under Part B, Schedule 2 clause (4) across the number of days elected by the User under Part B, Schedule 2 clause (5), and if no election was made the usage charge is to be pro-rated based on 5 days of Gas flow per week.
9. At the end of each Year of a Haulage Contract, if the total amount of usage charges paid by the User as a result of a pro-rating under clause 8 of this Schedule:
 - (1) is less than the usage charge that would have been payable had the User been invoiced on an annual basis without pro-rating, then AGN may invoice the User for the balance on the next invoice; and
 - (2) is more than the usage charge that would have been payable had the User been invoiced on an annual basis without pro-rating, then AGN must allow the User a credit on its next invoice for the balance.

Exceeding contracted peak rate

10. If a User's Instantaneous Flow Rate exceeds its Contracted Peak Rate for a Delivery Point, then the User has acquired "Overrun Service" and must pay AGN an "Overrun Charge" calculated as follows:

$$OC = OSR \times Q_{\text{Overrun}}$$

where:

OC = the Overrun Charge payable by the User to AGN for the Delivery Point for the month;

OSR = the “Overrun Service Rate” which is calculated by multiplying the average Reference Tariff applicable under the Haulage Contract for the month by 2; and

Q_{Overrun} = the total for the month of each gigajoule or part of a gigajoule of Gas that was delivered to the User at the Delivery Point during a period of time in which the User’s Instantaneous Flow Rate exceeded its Contracted Peak Rate.

11. Despite any provision to the contrary, a requirement under clause 10 of this Schedule to pay the Overrun Service Rate in respect of a gigajoule or part of a gigajoule, does not relieve the User of the obligation to pay the Reference Tariff in respect of that gigajoule or part gigajoule.
12. If a User’s Instantaneous Flow Rate for a Delivery Point exceeds its Contracted Peak Rate for a Delivery Point on:
 - (1) three or more occasions during any 30 day period; or
 - (2) eight or more occasions during a Year,

then AGN may notify the User of this fact and of whether:

- (3) an increase in the User’s Contracted Peak Rate in accordance with clause 12(3)(a) of this Schedule would not breach AGN’s Queuing Policy, in which case the User must within 10 Business Days elect between:
 - (a) agreeing to an increase in its Contracted Peak Rate, with effect from the last of the occasions referred to in clause 12(3)(1) or 12(3)(2) of this Schedule, as applicable, so that it is equal to the highest Instantaneous Flow Rate at the Delivery Point during the occasions referred to in clause 12(3)(1) or 12(3)(2) of this Schedule, as applicable; or
 - (b) agreeing to AGN installing, and to the User paying the costs of AGN acquiring and installing, a flow control device at the Delivery Point which will regulate Gas deliveries to the User to no more than the Contracted Peak Rate,

and if the User does not so elect within 10 Business Days, AGN may elect; or

- (4) an increase in the User’s Contracted Peak Rate in accordance with clause 12(3)(a) of this Schedule would breach AGN’s Queuing Policy, in which case AGN may install, and the User must pay the costs of AGN acquiring and installing, a flow control device at the Delivery Point which will regulate Gas deliveries to the User to no more than the Contracted Peak Rate.

Other terms and conditions

13. In addition to the terms and conditions in this Schedule, the terms and conditions in Part C, clauses 1 - 65 apply to Users of Reference Service A2.

SCHEDULE 3: TERMS AND CONDITIONS OF REFERENCE SERVICE B1

Duration of Haulage Contract

1. A Haulage Contract for Reference Service B1 will be of a duration of one Year or more.

Delivery facilities

2.
 - (1) AGN will provide User Specific Delivery Facilities to measure the amount of Gas taken by a User at each Delivery Point specified in the Haulage Contract.
 - (2) AGN will design and construct all User Specific Delivery Facilities, and will have regard to the User's reasonable requirements in doing so.
 - (3) The User Specific Delivery Facilities at that Delivery Point will include a Meter which aggregates the flow of Gas between readings.
 - (4) AGN will own, operate and maintain, and may from time to time modify, any User Specific Delivery Facilities.
 - (5) The User must use its reasonable endeavours to cooperate with AGN in installing, operating, maintaining, and modifying any User Specific Delivery Facilities including, without limitation, providing or procuring access to all land to which access is required for those purposes or any of them.

Accuracy verification

3.
 - (1) AGN will verify the accuracy of the Meter forming part of any User Specific Delivery Facilities with the frequency required by good industry practice and applicable Laws.
 - (2) The Haulage Contract may detail the procedures by which, and terms and conditions on which, the verification set out under subclause 3(1) of this Schedule is to be carried out.

Gas pressure

4.
 - (1) The Haulage Contract is to set out the nominal pressure at which AGN is to deliver Gas to the User at each Delivery Point.
 - (2) The pressure set out under subclause 4(1) of this Schedule will not exceed that pressure adopted by AGN from time to time as the minimum nominal operating pressure for the main to which the Delivery Point is connected.

Meter reading

5. AGN will be responsible for calculating and recording the quantity of Gas delivered to the User at the Delivery Point approximately 12 times each Year at intervals of approximately 35 days

Prices

6. Reference Service B1 is made available at Reference Tariff B1, as adjusted from time to time during the term of the Haulage Contract under the Access Arrangement and, if the duration of the Haulage Contract continues beyond the end of the Second Access Arrangement Period, under Part C, clause 34.
7. The User specific charge is to be pro-rated under Part B, Schedule 3 clause (4), on the basis of a 365 day Year.
8. The usage charge is to be pro-rated under Part B, Schedule 3 clause (4) across the number of days elected by the User under Part B, Schedule 3 clause (5), and if no election was made the usage charge is to be pro-rated based on 5 days of Gas flow per week.
9. At the end of each Year of a Haulage Contract, if the total amount of usage charges paid by the User as a result of a pro-rating under clause 8 of this Schedule:
 - (1) is less than the usage charge that would have been payable had the User been invoiced on an annual basis without pro-rating, then AGN may invoice the User for the balance on the next invoice; and
 - (2) is more than the usage charge that would have been payable had the User been invoiced on an annual basis without pro-rating, then AGN must allow the User a credit on its next invoice for the balance.

Other terms and conditions

10. In addition to the terms and conditions in this Schedule, the terms and conditions in Part C, clauses 1 - 65 apply to Users of Reference Service B1.

SCHEDULE 4: TERMS AND CONDITIONS OF REFERENCE SERVICE B2 AND REFERENCE SERVICE B3

Duration of Haulage Contract

1. A Haulage Contract for Reference Service B2 or Reference Service B3 has a duration of one Year or more.

Delivery facilities

2. (1) AGN will provide Standard Delivery Facilities to measure the amount of Gas taken by a User at each Delivery Point specified in the Haulage Contract which aggregates the flow of Gas between readings.
(2) AGN will own, operate and maintain, and may from time to time modify, any Standard Delivery Facilities.
(3) The User must use its reasonable endeavours to cooperate with AGN in installing, operating, maintaining, and modifying any Standard Delivery Facilities including, without limitation, providing or procuring access to all land to which access is required for those purposes or any of them.

Gas pressure

3. Provided it is within the capability of the AGN GDS at the proposed Delivery Point, AGN will deliver Gas to the User at each Delivery Point at standard nominal pressures not exceeding 7 kPa.

{Note: The limit of 7 kPa is in accordance with Clause 406 of Schedule 6 to the Gas Standards (Gasfitting and Consumers' Gas Installations) Regulations 1999. The current standard nominal pressures are 1.25 kPa and 2.75 kPa.}

Meter reading

4. AGN will be responsible for calculating and recording the quantity of Gas delivered to the User at the Delivery Point approximately 4 times each Year at intervals of approximately 100 days.

Prices

5. (1) Reference Service B2 is made available at Reference Tariff B2, as adjusted from time to time during the term of the Haulage Contract under the Access Arrangement and, if the duration of the Haulage Contract continues beyond the end of the Second Access Arrangement Period, under Part C, clause 34.
(2) Reference Service B3 is made available at Reference Tariff B3, as adjusted from time to time during the term of the Haulage Contract under the Access Arrangement and, if the duration of the Haulage Contract continues beyond the end of the Second Access Arrangement Period, under Part C, clause 34.

Other terms and conditions

6. In addition to the terms and conditions in this Schedule, the terms and conditions in Part C, clauses 1 - 65 apply to Users of Reference Service B2 and Users of Reference Service B3.

SCHEDULE 5: GAS QUALITY SPECIFICATION TABLE

Gas Quality Specifications means the most stringent component of the following components:

- (a) the standards detailed in regulation 5 of the Gas Standards Regulations, including the requirement to odourise the Gas detailed in regulation 6; and
- (b) the broadest specification requirements detailed in the table set out below:

Component	Unit of Measurement	Specification
Maximum carbon dioxide	mol %	4.0
Maximum inert gases	mol %	7.0
Minimum higher heating value	MJ/m ³	35.1
Maximum higher heating value	MJ/m ³	42.3
Minimum Wobbe Index	MJ/m ³	46.0
Maximum Wobbe Index	MJ/m ³	51.5
Maximum total sulphur (including odorant)	mg/m ³	20
Maximum Hydrogen Sulphide	mg/m ³	4.6
Maximum Oxygen	mol %	0.2
Maximum Water	mg/m ³	100
Hydrocarbon dewpoint over the pressure range 2.5 to 8.72 MPa absolute	°C	Below the Minimum Receipt Temperature applying under Part A, clause 23 for the Receipt Point
Maximum radioactive components	Bq/m ³	600