

**ALINTAGAS'S
ACCESS ARRANGEMENT**
for the
MID-WEST AND SOUTH-WEST GAS DISTRIBUTION SYSTEMS
SUBMITTED 30 JUNE 1999

{Introduction:

This is the *Access Arrangement* approved by the *Regulator* under clauses 2.16 and 2.24 of the *Code* in respect of the *AlintaGas Network*. This *Access Arrangement* is a statement of the policies and the basic terms and conditions which apply to third party access to the *AlintaGas Network*.

A separate document entitled "Access Arrangement Information for AlintaGas's Mid-West and South-West Distribution Systems" dated 30 June 1999 constitutes the *Access Arrangement Information* required under clause 2.2 of the *Code*.}

Chapter 1 — The AlintaGas Network

{Outline:

This Chapter identifies the natural gas *pipelines* to which this *Access Arrangement* applies.

The *pipelines* to which this *Access Arrangement* applies are located in certain Mid-West and South-West areas of Western Australia. This *Access Arrangement* defines those *pipelines* as the "AlintaGas Network".}

Pipelines covered by this Access Arrangement

1. (1) This *Access Arrangement* applies to the *AlintaGas Network*.
- (2) "**AlintaGas Network**" means those *pipelines* owned and operated by *AlintaGas* comprising:
 - (i) the *high pressure system*; and
 - (ii) the *medium pressure/low pressure system*.

High pressure system

2. In this *Access Arrangement*, the term "**high pressure system**":
 - (a) means those *pipelines* owned and operated by *AlintaGas* operating at a nominal pressure of 300 kPa or more which fall within one or more of the following 4 categories:
 - (i) *pipelines* depicted as "High Pressure Gas Main" or "Fremantle High Pressure Main" in the maps set out in Schedule 1;

- (ii) *pipelines* (not depicted in the maps set out in Schedule 1) which first became *operational* before the *commencement date*;
- (iii) any expansion to the *high pressure system* which is required to be installed under section 6.22 of the *Code*; and
- (iv) *pipelines* which become part of the *high pressure system* under the *Extensions/Expansions Policy*;

and

- (b) excludes all high pressure regulators which reduce the pressure from those parts of the *AlintaGas Network* which operate at a nominal pressure of 300 kPa or more to those parts of the *AlintaGas Network* which operate at a nominal pressure of less than 300 kPa.

Medium pressure/low pressure system

3. In this *Access Arrangement*, the term “**medium pressure/low pressure system**”:

- (a) means those *pipelines* owned and operated by *AlintaGas* operating at a nominal pressure of less than 300 kPa which fall within one or more of the following 4 categories:
 - (i) *pipelines* in the geographical areas depicted as a shaded area identified as “Natural Gas Reticulation System” in the maps set out in Schedule 1;
 - (ii) *pipelines* (not depicted in the maps set out in Schedule 1) which first became *operational* before the *commencement date*;
 - (iii) any expansion to the *medium pressure/low pressure system* which is required to be installed under section 6.22 of the *Code*; and
 - (iv) *pipelines* which become part of the *medium pressure/low pressure system* under the *Extensions/Expansions Policy*;
- and
- (b) includes all high pressure regulators owned and operated by *AlintaGas* which reduce the pressure from those parts of the *AlintaGas Network* which operate at a nominal pressure of 300 kPa or more to those parts of the *AlintaGas Network* which operate at a nominal pressure of less than 300 kPa.

Obtaining details of medium pressure/low pressure system

4. (1) Subject to subclause 4(2), a *prospective user* may request that *AlintaGas* 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 *AlintaGas* is required to spend more than 1 hour in satisfying a *prospective user's* request under subclause 4(1), then *AlintaGas* may, in its discretion, charge a *prospective user* a reasonable rate for satisfying that request.

Chapter 2 — Services Policy

{Outline:

This Chapter sets out a *Services Policy*, as required by section 3.1 of the *Code*. *AlintaGas* offers the following *services* on the bases set out in this *Access Arrangement*:

- (a) *Reference Service A*;
- (b) *Reference Service B1*;
- (c) *Reference Service B2*;
- (d) *Reference Service B3*;
- (e) an *Interconnection Service*; and
- (f) *listed ancillary services*.

Each of the *services* is likely to be sought by a significant part of the market.

The above list is not exhaustive of all *services* that *AlintaGas* is prepared to make available. *AlintaGas* will negotiate regarding any other *service* or element of a *service* requested by a *prospective user*.}

Division 1 — Reference Services

{Outline:

This Division:

- (a) describes the *reference services* which *AlintaGas* will offer; and
- (b) identifies the terms and conditions on which *AlintaGas* will supply the *reference services*, as required by section 3.6 of the *Code*.

AlintaGas will negotiate regarding other terms and conditions if requested and, if agreement is reached, the resulting *service* will be provided as a *service* other than a *reference service*.}

Reference Service A

5. *Reference Service A* is a *service* on the terms and conditions set out in Schedules 4 and 7 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 at the time the *user* submitted the *application*:

- (a) 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
- (b) the *user* requested a *contracted peak rate* of 10 gigajoules or more per hour.

Reference Service B1

6. *Reference Service B1* is a *service* on the terms and conditions set out in Schedules 5 and 7 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 35 terajoules of *gas* during one or more *years* 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

7. *Reference Service B2* is a *service* on the terms and conditions set out in Schedules 6 and 7 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

8. *Reference Service B3* is a *service* on the terms and conditions set out in Schedules 6 and 7 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*.

Changes to terms and conditions

9. (1) *AlintaGas* 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 in substitution for, as applicable, Schedule 4, 5, 6 or 7 (or, if applicable, a *replacement Schedule* which had been substituted for Schedule 4, 5, 6 or 7 by an earlier operation of this clause).

Division 2 — Interconnection Service

Interconnection Service

10. An *Interconnection Service* is a *service* in respect of the interconnection between a *sub-network* and a *pipeline* which is, or is to become, an *interconnected pipeline*.

{Note: The *Interconnection Service* provides a right to interconnect with the *AlintaGas Network*. The terms and conditions and prices upon which an *Interconnection Service* will be made available are to be negotiated by *AlintaGas* and the person to whom that *service* is provided.

Every *receipt point* at which a *designated supplier* will deliver *gas* into a *sub-network* for transportation to a *delivery point* must be the subject of an *Interconnection Contract*, see subclause 19(2).

An *Interconnection Contract* might be expected to deal with matters such as: the design, construction, commissioning, ownership and funding of *physical gate points* and associated facilities; metering; metering data format and exchange; allocation of metering at *physical gate points* to *receipt points*; *gas* quality; any necessary balancing or reconciliation procedures between *designated suppliers* and operators of the *interconnected pipelines*; the designation of the *receipt point*; and any other relevant matters. It is envisaged that the party to an *Interconnection Contract* in respect of a *receipt point* will be the owner or operator of the *interconnected pipeline* from which the *gas* will be sourced, rather than each individual *user* which utilises that *receipt point*.)

Division 3 — Elements of a Service

Elements of a Service

{Note: This clause addresses the requirements of sections 3.2(b) and (c) of the *Code*.}

11. (1) To the extent that it is practicable and reasonable for *AlintaGas*, a *prospective user* will be able to obtain a *service* which consists only of elements of a *reference service* offered by *AlintaGas* under the *Services Policy*.
- (2) If requested to do so by a *prospective user*, *AlintaGas* 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 subclause 11(1).

Division 4 — Listed Ancillary Services

{Outline:

This Division identifies four *listed ancillary services* which *AlintaGas* will offer to *users* of *Reference Service B2* or *Reference Service B3* at a set *tariff*. Each of the *services* in this Division is likely to be sought by a significant part of the market which uses *Reference Service B2* and *Reference Service B3*.

If a *user* of *Reference Service A* or *Reference Service B1* requests a *service* equivalent to a *Disconnection Service*, a *Reconnection Service*, an *Additional Meter Reading Service* or an *Additional Meter Testing Service*, then *AlintaGas* will negotiate regarding the terms and conditions and prices

of providing that *service*, which *service* will be provided as a *service* other than a *listed ancillary service*.)

Disconnection Service

12. A *Disconnection Service* is a *service* which *AlintaGas* may provide to a *user* of *Reference Service B2* or *Reference Service B3* under which *AlintaGas* discontinues the supply of *gas* at a *delivery point* at which the *user* is entitled to take delivery of *gas* under a *Haulage Contract*.

{Note: A *Disconnection Service* may be used where a *user* wishes to curtail supply to one or more of its *gas* customers. A *disconnection service* is to be distinguished from a situation in which *AlintaGas* curtails a *user's* right to take deliveries of *gas*, for example due to a breach of a *Haulage Contract*.

A *disconnection service* does not include the decommissioning or removal of *standard delivery facilities*.)

Reconnection Service

13. A *Reconnection Service* is a *service* which *AlintaGas* may provide to a *user* of *Reference Service B2* or *Reference Service B3* in respect of a *delivery point* at which the *user* is entitled to take delivery of *gas* and at which a *Disconnection Service* has previously been supplied, under which *AlintaGas* recommences the supply of *gas* at the *delivery point*.

{Note: A *Reconnection Service* does not include the reinstallation or recommissioning of *standard delivery facilities*.)

Additional Meter Reading Service

14. An *Additional Meter Reading Service* is a *service* available to a *user* of *Reference Service B2* or *Reference Service B3* under which *AlintaGas* will read a *meter* at a *delivery point* at which the *user* is entitled to take delivery of *gas*, which reading is in addition to any *meter* reading which *AlintaGas* must undertake under the *user's Haulage Contract*.

Additional Meter Testing Service

15. An *Additional Meter Testing Service* is a *service* available to a *user* of *Reference Service B2* or *Reference Service B3* under which *AlintaGas* will test the *meter* located at a *delivery point* at which the *user* is entitled to take delivery of *gas*, which test is in addition to any *meter* test which *AlintaGas* must undertake under the *user's Haulage Contract*.

Terms and conditions for listed ancillary services

16. (1) Unless the parties agree to the contrary, the terms and conditions upon which *AlintaGas* will make a *listed ancillary service* available to a *user* will be the standard terms and conditions for that *service* as determined, amended or substituted by *AlintaGas* from time to time.
- (2) *AlintaGas* will when requested make available a copy of the prevailing standard terms and conditions for a *listed ancillary service*.

Division 5 — Miscellaneous

Obtaining access to services

17. A *prospective user* wishing to obtain access to a *service* must submit an *application* in accordance with the “AlintaGas Applications Procedure” available as part of the Information Package described in section 5.1 of the *Code*.

{Note: The “AlintaGas Applications Procedure” will, among other things, require a *prospective user* to provide certain information to *AlintaGas* about itself and the *service* requested and will detail the processes by which access offers will be made and *service agreements* will be entered into.}

Prospective user required to enter into a service agreement

18. (1) To become a *user* of a *reference service*, the *prospective user* must enter into a *Haulage Contract* with *AlintaGas*.
- (2) To become a *user* of an *Interconnection Service*, the *prospective user* must enter into an *Interconnection Contract* with *AlintaGas*.
- (3) A *prospective user* of any *service* other than those listed in subclauses 18(1) or 18(2) may be required to enter into a written agreement with *AlintaGas*.

Pre-conditions to the provision of services

19. (1) *AlintaGas* 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 contractual right that existed prior to the *commencement date*, 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 *AlintaGas Network* and prudent *pipeline* practices accepted in the industry; and
 - (d) the *prospective user* satisfies *AlintaGas’s* minimum prudential and insurance requirements.
- (2) *AlintaGas* will only enter into a *Haulage Contract* 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*;

{Note: At the *submission date*, sections 6.22(a) to 6.22(e) of the *Code* read:

- “(a) the Service Provider is not required to extend the geographical range of a Covered Pipeline;
- (b) the expansion is technically and economically feasible and consistent with the safe and reliable provision of the Service;
- (c) the Service Provider's legitimate business interests are protected;
- (d) the Prospective User does not become the owner of a Covered Pipeline or part of a Covered Pipeline without the agreement of the Service Provider; and
- (e) the Service Provider is not required to fund part or all of the expansion ...”}

- (b) in relation to each requested *delivery point*:

- (i) the *Haulage Contract* identifies the *receipt point* (which must be on the same *sub-network* as the *delivery point*) at which the *designated supplier* will deliver *gas* into the *sub-network* for transportation to that *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 that *delivery point* and the *receipt point* will be of sufficient capability to accommodate the *user's* requirements under the *Haulage Contract*, having regard to the requirements of all other *users* of that *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 that *Interconnection Contract* is currently in breach; and
- (iv) the *prospective user* provides evidence to *AlintaGas's* satisfaction that the requirements of subclause 63(1) will be met before the *user* takes delivery of *gas* under the *Haulage Contract*;

and

- (c) doing so would be consistent with the *Queuing Policy*, if applicable.
- (3) The “AlintaGas Applications Procedure” (referred to in clause 17) may waive, add to or vary one or more of the pre-conditions listed in subclause 19(1) or 19(2).

- (4) *AlintaGas* may in its discretion as a reasonable person waive one or more of the pre-conditions listed in subclause 19(1) or 19(2).

Gas quality

20. It is a term of every *service agreement* that *gas* entering and being transported through the *AlintaGas Network* must at all times comply with the following *gas* quality specification:

- (a) the standards detailed in regulation 4 of the *Gas Standards (Natural Gas) Regulations 1999*, including the requirement to odorise the *gas* detailed in regulation 5; and
- (b) the broadest specification requirements detailed in the table below:

| | 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 | 2 |
| Maximum Oxygen | mol % | 0.2 |
| Maximum Water | mg/m ³ | 48 |
| Hydrocarbon dewpoint over the pressure range 2.5 to 8.72 MPa absolute | °C | Below 0 |
| Maximum radioactive components | Bq/m ³ | 600 |

{Note: The above specification requirements are the same as the “broadest specification” for Category B and Category C gas in the DBNGP, set out in Schedule 1 to the *Dampier to Bunbury Pipeline Regulations 1998* as at the *submission date*.}

Chapter 3 — Reference Tariffs and Reference Tariff Policy

{Outline:

This Chapter sets out a *Reference Tariff Policy*, as required by section 3.5 of the *Code*. This Chapter describes the *reference tariffs* established by *AlintaGas* for its *reference services*, and the principles underlying the calculation of those *reference tariffs*.

The use of the *Reference Tariff Policy* in the determination of the *reference tariffs* is described in greater detail in the *Access Arrangement Information*.}

Division 1 – Reference Tariffs

{Note: This Division sets out:

- (a) the components that comprise each *reference tariff*;
- (b) the charges that apply for each component in each *reference tariff* for the first year of the *Access Arrangement period*; and
- (c) when and how the *reference tariffs* may vary.}

Reference Tariff A

21. (1) *AlintaGas* will make available *Reference Service A* at *Reference Tariff A*.
- (2) *Reference Tariff A* consists of:
- (a) a standing charge;
 - (b) a demand charge calculated for each *year* 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) an annual *user* specific charge for the *user specific delivery facilities*.
- (3) For *Reference Tariff A* for the first year of the *Access Arrangement*:
- (a) the standing charge is \$50,000.00 per year;

{Note: The standing charge may be pro-rated across a lesser period for invoicing purposes.}
 - (b) the demand charge rate is:
 - (i) \$179.29 per gigajoule per kilometre per year for the first 10 kilometres of the *interconnection distance*; and

- (ii) \$89.64 per gigajoule per kilometre per *year* for any part of the *interconnection distance* in excess of 10 kilometres;

{Note: The demand charge may be pro-rated across a lesser period for invoicing purposes.}

and

- (c) the usage charge rate is:
 - (i) \$0.04675 per gigajoule per kilometre for the first 10 kilometres of the *interconnection distance*; and
 - (ii) \$0.02337 per gigajoule per kilometre for any part of the *interconnection distance* in excess of 10 kilometres;
- (d) the *user specific* charge is to be an amount per *year* which reflects the costs to *AlintaGas* of providing the *user specific delivery facilities* under the *Haulage Contract*, which may consist of capital costs and *non-capital costs*.

{Note: The *user specific* charge may be pro-rated across a lesser period for invoicing purposes.}

Reference Tariff B1

- 22. (1) *AlintaGas* will make available *Reference Service B1* at *Reference Tariff B1*.
- (2) *Reference Tariff B1* consists of:
 - (a) a standing charge;
 - (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) an annual *user specific* charge for the *user specific delivery facilities*.
- (3) For *Reference Tariff B1* for the first *year* of the *Access Arrangement*:
 - (a) the standing charge is \$500.00 per *year*;

{Note: The standing charge may be pro-rated across a lesser period for invoicing purposes.}
 - (b) the usage charge rate is \$4.35 per gigajoule; and
 - (c) the *user specific* charge is to be an amount per *year* which reflects the costs to *AlintaGas* of providing the *user specific delivery facilities* under the *Haulage Contract*, which may consist of capital costs and non-capital costs.

{Note: The *user specific* charge may be pro-rated across a lesser period for invoicing purposes.}

Reference Tariff B2

23. (1) *AlintaGas* will make available *Reference Service B2* at *Reference Tariff B2*.
- (2) *Reference Tariff B2* consists of:
- (a) a standing charge; 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 the first year of the *Access Arrangement*:
- (a) the standing charge is \$200.00 per year; and

{Note: The standing charge may be pro-rated across a lesser period for invoicing purposes (eg. \$0.54757 /d).}
 - (b) the usage charge rate is:
 - (i) \$5.46 per gigajoule for the first 100 gigajoules of *gas* delivered to the *user* per year; and
 - (ii) \$4.91 per gigajoule for *gas* delivered to the *user* in excess of 100 gigajoules per year.

{Note: The figure of 100 GJ/a may be pro-rated across a lesser period for invoicing purposes (eg. 0.274 GJ/d), and usage may be averaged across that lesser period for the purposes of applying the threshold in this clause.}

Reference Tariff B3

24. (1) *AlintaGas* will make available *Reference Service B3* at *Reference Tariff B3*.
- (2) *Reference Tariff B3* consists of:
- (a) a standing charge; 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 the first year of the *Access Arrangement*:
- (a) the standing charge is \$25.00 per year; and

{Note: The standing charge may be pro-rated across a lesser period for invoicing purposes.}
 - (b) the usage charge rate is:
 - (i) \$8.72 per gigajoule for the first 15 gigajoules of *gas* delivered to the *user* per year; and

- (ii) \$6.54 per gigajoule for *gas* delivered to the *user* in excess of 15 gigajoules per *year* and up to 45 gigajoules per *year*;
- (iii) \$5.67 per gigajoule for *gas* delivered to the *user* in excess of 45 gigajoules per *year* and up to 100 gigajoules per *year*; and
- (iv) \$5.23 per gigajoule for *gas* delivered to the *user* in excess of 100 gigajoules per *year*.

{Note: The figures of 100, 45 and 15 GJ/a may be pro-rated across a lesser period for invoicing purposes (eg. 0.274, 0.123 and 0.041 GJ/d), and usage may be averaged across that lesser period for the purposes of applying the thresholds in this clause.}

Variation of the Initial Reference Tariffs

25. (1) Unless a *Haulage Contract* expressly provides to the contrary, *AlintaGas* will not vary the *reference tariffs* other than in accordance with this clause.
- (2) *AlintaGas* may vary *reference tariffs* annually in accordance with Schedule 2, which applies the following principles:
- (a) *AlintaGas* may vary *reference tariffs* using the procedure set out in Part A of Schedule 2 by applying the formulae set out in Part B of Schedule 2;
 - (b) any variation to the *reference tariffs* will take effect from a time determined in accordance with Part A of Schedule 2;
 - (c) the guiding principle of Schedule 2 is that the adjustment of *reference tariffs* must not result in a forecast average per-gigajoule revenue from sales of the *reference services* in the coming *year* (“**FAR**”) which exceeds the maximum allowed average per-gigajoule revenue (“**MAAR**”) determined by escalating, using a *CPI-X* methodology, the *MAAR* for the preceding *year* re-weighted and corrected as described in the following two paragraphs;
 - (d) the *MAAR* is to be **re-weighted** each *year*, by applying the *Initial Reference Tariffs* escalated at *CPI-X* to the forecast *gas* delivery volumes in each *reference service* for the coming *year*;
 - (e) the *MAAR* is to be **corrected** each *year* to take account of differences between forecast *gas* delivery volumes and estimated and actual *gas* delivery volumes, by applying a correction factor (“**K**”) which is calculated in a two stage process:
 - (i) for *tariff* adjustments applying to *year 2* and onwards, *AlintaGas* will estimate *gas* deliveries for *year t-1* (ie. the *year* immediately preceding the *year* for which *tariffs* are being adjusted) on the basis of actual deliveries during the part of *year t-1* which has been completed, and any difference

between previous forecasts and that estimate will be reflected in adjustment factor “**Ka**”; and

- (ii) for *tariff* adjustments for year 3 and onwards, *AlintaGas* will have actual *gas* delivery data for year $t-2$ (ie. the year preceding year $t-1$), and any difference between previous forecasts and those actual figures will be reflected in adjustment factor “**Kb**”;
- (f) the value of “**X**” for the purposes of the *CPI-X* escalation has been set at the level required to equate:
 - (i) the present value of the forecast revenues in each year of the *Access Arrangement period* calculated, for each year after the first, by multiplying forecast *gas* delivery volume in that year by the average revenue for the preceding year escalated by applying *CPI-X* escalation; with
 - (ii) the present value of the forecast revenues in each year of the *Access Arrangement period* required to recover a rate of return on the capital base, depreciation and the non-capital costs for each year in the *Access Arrangement period*, based on forecasts for each year of capital expenditure which was expected to pass the requirements in section 8.16 of the *Code*, and forecasts for each year of non-capital costs as would be incurred by a prudent service provider acting efficiently and in accordance with good industry practice,and, having been calculated in this fashion, the value of “**X**” is fixed for the duration of the *Access Arrangement period*;
- (g) in addition to the requirement that *FAR* not exceed *MAAR*, Schedule 2 contains a *tariff* re-balancing mechanism which prevents *AlintaGas* from adjusting any individual *tariff component* by more than $CPI+Y$.
- (3) *Reference tariffs* may be adjusted to pass through a variation in taxes, charges, levies, imposts and fees, or costs arising from a change in the regulatory environment, as described in Schedule 3.

Division 2 – Reference Tariff Policy

General principles

26. (1) The *reference tariffs* have been designed to:
- (a) achieve the objectives set out in clause 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* jointly with other *services*.
- (2) The share referred to in subparagraph 26(1)(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

27. (1) The *total revenue* has been calculated using the *cost of service* method as described in section 8.4 of the *Code*.
- (2) The *total revenue* is equal to the cost of providing all *services* calculated as the sum of:
- (a) a *return* on the *capital base*;
 - (b) *depreciation*; and
 - (c) *non-capital costs*.

Calculation of initial capital base

{Note: The principles for establishing the *initial capital base* have been formulated in accordance with sections 8.10 and 8.11 of the *Code*.}

28. (1) The *initial capital base* has been determined by considering the factors listed in section 8.10 of the *Code*.
- (2) After considering the factors listed in section 8.10 of the *Code*, *AlintaGas* determined the *initial capital base* as a value falling within the range of values determined under:
- (a) section 8.10(a) of the *Code* using the depreciated actual cost method; and
 - (b) section 8.10(b) of the *Code* using the depreciated optimised replacement cost method.

Forecast capital expenditure

{Note: This clause relates to sections 8.20 – 8.22 (inclusive) of the *Code*.}

29. (1) *New facilities investment* that is forecast to occur within the *Access Arrangement period* has been taken into account in:
- (a) the *depreciation* referred to in paragraph 27(2)(b);
 - (b) the *return* on the *capital base* referred to in paragraph 27(2)(a); and
 - (c) the calculation of “**X**” referred to in paragraph 25(2)(f).

- (2) The *new facilities investment* referred to in subclause 29(1) is reasonably expected to pass the requirements of section 8.16 of the *Code* when the *new facilities investment* is forecast to occur.
- (3) For the purposes of calculating the *capital base* at the commencement of the next *Access Arrangement period* in accordance with section 8.9 of the *Code*, the *new facilities investment* will consist only of actual *new facilities investment* that has occurred during this *Access Arrangement period*.

Calculation of rate of return

30. (1) The *rate of return* has been set on the basis of a weighted average of the returns applicable to equity and debt.
- (2) The returns on the equity and debt referred to in subclause 30(1) have been determined using the Capital Asset Pricing Model.

Depreciation Schedule

{Note: The *Depreciation Schedule* is contained in the *Access Arrangement Information*.}

31. (1) The *depreciation* has been calculated using a *Depreciation Schedule* which is the basis upon which the assets that form the *AlintaGas Network* have been depreciated for the purposes of determining the *reference tariffs*.
- (2) The *Depreciation Schedule* is a set of schedules, one for each group of assets that form part of the *AlintaGas Network*.
- (3) Each group of assets that form part of the *AlintaGas Network* has been depreciated using a current cost accounting approach.
- (4) The *Depreciation Schedule* has been designed in accordance with the objectives set out in section 8.33 of the *Code*.

Non-capital costs

32. The *reference tariffs* provide for the recovery of all forecast *non-capital costs* to the extent permitted under section 8.37 of the *Code*.

Allocation of revenue between services

{Note: A diagram of the allocation described in this clause is contained in the *Access Arrangement Information*.}

33. (1) 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*; and
 - (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.

- (2) The items in subclause 33(1) have, in part, been based on forecasts.

Allocation of revenue between users

34. The *reference tariffs* have, to the maximum extent technically and commercially reasonable, been designed so as to be consistent with section 8.42 of the *Code*.

Form of regulation

35. *AlintaGas* has adopted a “price path” approach as described in section 8.3 of the *Code* as the manner in which the *reference tariffs* may vary within the *Access Arrangement period*.

Use of incentive mechanisms

36. (1) The adoption of the “price path” approach referred to in clause 35 is intended to provide an incentive to *AlintaGas* to improve efficiency and to promote efficient growth of the *gas* market by allowing *AlintaGas* to retain all returns from the sale of *reference services* during the *Access Arrangement period* that exceed the level of returns expected at the commencement of the *Access Arrangement period*.
- (2) The *incentive mechanism* has been designed in accordance with the objectives set out in section 8.46 of the *Code*.

New facilities investment

37. (1) Before *AlintaGas* incurs *new facilities investment*, it may apply in writing to the *Regulator*, requesting the *Regulator* to agree that the proposed investment meets the requirements of section 8.16 of the *Code*.
- (2) For the purposes of public consultation, the *Regulator* may treat an *application* under subclause 37(1) as if it were a proposed revision to the *Access Arrangement* submitted under section 2.28 of the *Code*.
- (3) If the *Regulator* agrees under subclause 37(1), that agreement binds the *Regulator* when he or she considers revisions to this *Access Arrangement* submitted by *AlintaGas*.
- (4) Subject to the *Code*, *AlintaGas* may in its discretion (on any terms and conditions it thinks fit) fund a *new facility* whether or not the *Regulator* agrees under subclause 37(1) and whether or not *AlintaGas* is otherwise satisfied that the necessary *new facilities investment* meets the requirements of section 8.16 of the *Code*.
- (5) If *AlintaGas* undertakes *new facilities investment*, it may in its discretion deal with that investment in any way permitted by the *Code*, including by one or more, or a combination, of the following:

- (a) in accordance with sections 8.18 and 8.19 of the *Code* by adding some or all of that investment to the *capital base* at the start of the next *Access Arrangement period* and the balance (if any) to the *speculative investment fund*;
- (b) in accordance with sections 8.23 and 8.24 of the *Code* by seeking a *capital contribution* from one or more *users*; and
- (c) in accordance with sections 8.25 and 8.26 of the *Code* by imposing a *surcharge* on *users* of *incremental capacity*.

Reference tariff principles not subject to review

38. (1) In accordance with sections 8.47 and 8.48 of the *Code*, the following principles are *fixed principles*:
- (a) the structure of the *reference tariffs* as specified in clauses 21, 22, 23 and 24;
 - (b) the method of calculation of the *total revenue* as described in clause 27;
 - (c) the method of forecasting *new facilities investment* under clause 29;
 - (d) 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*;
 - (e) the *Depreciation Schedule* referred to in clause 31;
 - (f) the allocation of revenue between *services* as described in clause 33; and
 - (g) the form of regulation as described in clause 35.
- (2) The *fixed period* is a period of 10 *years* commencing on the *commencement date*.

Division 3 – Tariffs for Listed Ancillary Services

Tariffs for listed ancillary services

39. (1) Unless the parties agree to the contrary, the *tariff* for a *listed ancillary service* is to be that set out in Schedule 8 as amended or substituted from time to time by *AlintaGas* and approved by the *Regulator*.
- (2) *AlintaGas* will when requested inform a *user* of the prevailing *tariff* for a *listed ancillary service*.

Division 4 – Tariffs for Non-Reference Services

Tariffs for haulage services other than reference services

40. (1) *Tariffs* for haulage *services* which are not *reference services* will be negotiated between the parties.
- (2) In setting and negotiating *tariffs* for a haulage *service* which is not a *reference service*, regard must be had to the *tariff* structure and *tariff* levels contained in the *Reference Tariff Policy*.
- (3) Without limiting the generality of subclause 40(2), the *tariff* for a haulage *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 haulage *service*.

{Note: The intention of subclause 40(3) is that the *tariff* for a *service* other than a *reference service* should only be different from the *reference tariff* of the comparable *reference service* to the extent that there are material differences between the two *services* in the risks, benefits or obligations undertaken by the parties – that is, in the value of the *service* to the respective parties.}

Chapter 4 — Capacity Management Policy

{Outline:

This Chapter sets out a *Capacity Management Policy*, as required by section 3.7 of the *Code*.}

Capacity Management Policy

41. The *AlintaGas Network* is a *contract carriage pipeline*.

Chapter 5 — Trading Policy

{Outline:

This Chapter sets out a *Trading Policy*, as required by section 3.9 of the *Code*. The *Trading Policy* explains the rights of a *user* to trade its rights to obtain a *service* to another person. }

Division 1 — Transfers or assignments of capacity

Trading Policy

42. A *user* may transfer or assign all or part of its *contracted peak rate* at a *delivery point* under clause 43 or 44 but not otherwise.

Bare Transfers

43. (1) A *user* may transfer or assign all or part of its *contracted peak rate* at a *delivery point* without the consent of *AlintaGas* 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 *AlintaGas* remain in full force and effect after the transfer or assignment; and
 - (b) the terms and conditions (including *tariffs*) of the *Haulage Contract* with *AlintaGas* are not altered as a result of the transfer or assignment.
- (3) As soon as practicable after a transfer or assignment under subclause 43(1), and in any event no later than 3 *business days* before utilising the transferred or assigned *contracted peak rate*, the transferee or assignee must notify *AlintaGas* of:
- (a) identities of the *user* which made the transfer or assignment and 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 paragraph 43(2)(b), *AlintaGas* will 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

44. (1) A *user* may, with the prior written consent of *AlintaGas*, transfer or assign all or part of its *contracted peak rate* at a *delivery point* other than by way of a *bare transfer*.
- (2) *AlintaGas* 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 subclause 44(2), *AlintaGas* may make its consent to a transfer or assignment conditional upon the satisfaction of any or all of the pre-conditions in subclauses 19(1) and 19(2) (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 AlintaGas

45. Unless the parties agree in writing to the contrary, a *user* which transfers or assigns all or part of its *contracted peak rate* under clauses 43 or 44 remains liable to *AlintaGas* for all charges and other amounts payable to *AlintaGas* in respect of the whole of its *contracted peak rate*, including the portion (or whole) of the *contracted peak rate* transferred or assigned.

Division 2 — Relocation of Receipt Point or Delivery Point

Change of receipt point or delivery point

46. (1) A *user* may, with the prior written consent of *AlintaGas*, 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) *AlintaGas* 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 subclause 46(2), *AlintaGas* may make its consent to an addition, change or relocation conditional upon the satisfaction

of any or all of the pre-conditions in subclauses 19(1) and 19(2) (which are 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*).

- (4) If a *user* notifies *AlintaGas* in writing that it intends to relocate *contracted peak rate* under this clause, the *Queuing Policy* applies to that notice as if the notice was an *application*.

Examples

47. In accordance with section 3.11 of the *Code*, examples of things that would be reasonable for the purposes of clauses 44 and 46 are:

- (a) *AlintaGas* 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 *AlintaGas's* ability to provide that *service* to the alternative *delivery point*; and
- (b) *AlintaGas* 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*, *AlintaGas* will receive the same amount of revenue it would have received before the addition, change or relocation.

Chapter 6 — Queuing Policy

{Outline:

This Chapter sets out a *Queuing Policy*, as required by section 3.12 of the *Code*. The *Queuing Policy* sets out the criteria for determining the priority of *prospective users* to obtain access to *services*, where two or more *prospective users* are competing for scarce resources.}

When Queuing Policy applies

48. 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 *AlintaGas* to provide a *service* that is sought or which may be sought by another *prospective user*.

{Note: The *Queuing Policy* may also apply to a notice from a *user* to *AlintaGas* seeking to relocate *contracted peak rate* under clause 46.}

First come first served

49. (1) A *prospective user*’s priority in respect of an *application* is to be determined on a first come first served basis, except where in *AlintaGas*’s reasonable opinion:

- (a) it is necessary or appropriate to depart from the first come first served principle:

- (i) in order to accommodate the legitimate business interests of one or more of *AlintaGas*, *users* and *prospective users*; or
 - (ii) in order to generate an economically efficient outcome;

or

- (b) without limiting the generality of paragraph 49(1)(a), a *prospective user*’s *application* is *vexatious*.

(2) If *AlintaGas* applies paragraphs 49(1)(a) or 49(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 *AlintaGas* 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

50. To avoid doubt, nothing in the *Queuing Policy* prevents *AlintaGas* 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 clause 49.

Priority of amended applications

51. 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 subclause 49(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 *AlintaGas* actually received the request.

User may increase contracted peak rate only by new application

52. (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) Subclause 52(1) does not prevent a *user* from:
- (a) 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*; or
 - (b) 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*.

Notification of position in queue

53. Despite any confidentiality obligations otherwise imposed on *AlintaGas*, *AlintaGas* 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); and

- (b) the position in the first come first served queue of the *prospective user* who submitted that other *application*.

Chapter 7 — Extensions/Expansions Policy

{Outline:

This Chapter sets out an *Extensions/Expansions Policy*, as required by section 3.16 of the *Code*. The *Extensions/Expansions Policy* details the method to be applied to determine whether any extension to, or expansion of the *capacity* of, the *AlintaGas Network* should or should not be treated as part of the *AlintaGas Network* for the purposes of the *Code*, and how that will affect the *reference tariffs*.}

Extensions/Expansions Policy

54. This Chapter applies to any *extension or expansion* which is owned and operated by *AlintaGas* and first becomes *operational* on or after the *commencement date*.

Incremental expansions automatically included

55. Subject to clause 57, any *extension or expansion* to which this Chapter applies, 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 *AlintaGas Network* for all purposes under the *Code*.

{Note: This includes 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

56. (1) Unless *AlintaGas* makes a determination under subclause 56(2), any *extension or expansion* to which this Chapter applies 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 *AlintaGas Network* for any purpose under the *Code*.

{Note: A *pipeline* owned and operated by *AlintaGas* which is excluded from the *AlintaGas Network* under this clause may become a *Covered Pipeline* under the *Code*, in which case *AlintaGas* will submit and have approved a separate *Access Arrangement* in respect of that *pipeline*. Unless such a *pipeline* becomes a *Covered Pipeline*, access to it will be a matter for negotiation between *AlintaGas* and the *prospective user*.}

- (2) *AlintaGas* may make a written determination that an *extension or expansion* that would otherwise be excluded from the *AlintaGas Network* under subclause 56(1) is to be included in the *AlintaGas Network*, in which case:
- (a) the *extension or expansion* is to be treated as part of the *AlintaGas Network* for all purposes under the *Code*; and
 - (b) *AlintaGas* must provide a copy of that determination to the *Regulator*.

Excluded extensions

57. (1) *AlintaGas* may, in its discretion and with the *Regulator's* consent, declare that an *extension or expansion* which would otherwise become part of the *AlintaGas Network* under clause 55 is to be an *excluded extension*.
- (2) Before undertaking an *extension or expansion*, *AlintaGas* may make a written request to the *Regulator* seeking the *Regulator's* prior consent under subclause 57(1).
- (3) If, after receiving a request under subclause 57(2), the *Regulator* does not consent to the proposed *extension or expansion* being an *excluded extension* under subclause 57(1), then *AlintaGas* 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 *AlintaGas Network* for any purpose under the *Code*.

{Note: A *pipeline* which is an *excluded extension* may become a *Covered Pipeline* under the *Code*, in which case *AlintaGas* will submit and have approved a separate *Access Arrangement* in respect of that *pipeline*. Unless an *excluded extension* becomes a *Covered Pipeline*, access to it will be a matter for negotiation between *AlintaGas* and the *prospective user*.}

Impact on reference tariffs

58. (1) An *extension or expansion* which is treated as part of the *AlintaGas Network* under this *Extensions/Expansions Policy* will not affect *reference tariffs* for the remainder of the *Access Arrangement period*.

{Note: In some circumstances, *AlintaGas* may elect to trigger a review of the *Access Arrangement* at the time the *extension or expansion* is undertaken, thus bringing the *Access Arrangement period* to an end.}

- (2) *AlintaGas* 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) Except where *AlintaGas* imposes a *surcharge* or seeks a *capital contribution*, *users of incremental capacity* will pay the relevant *reference tariff*.
- (4) *AlintaGas* 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*.

Chapter 8 — Review And Expiry of the Access Arrangement

{Outline:

This Chapter:

- (a) specifies the date on which this *Access Arrangement* will commence; and
- (b) addresses the requirements of section 3.17 of the *Code* by specifying the date *AlintaGas* will submit revisions to this *Access Arrangement* to the *Regulator* and the date *AlintaGas* intends those revisions to commence.}

Commencement date

59. This *Access Arrangement* has effect from the later of:

- (a) 1 January 2000; and
- (b) the date specified by the *Regulator*.

Revisions submission date

60. *AlintaGas* will submit revisions to this *Access Arrangement* to the *Regulator* on or before 30 June 2004.

{Note: This clause does not limit *AlintaGas*'s ability under s. 2.28 of the *Code* to submit revisions to the *Regulator* at any other time.}

Intended revisions commencement date

61. *AlintaGas* intends that the revisions it submits to the *Regulator* under clause 60 will commence on 1 January 2005.

Chapter 9 — Interconnection with other Pipelines

{Outline:

This Chapter deals with two technical issues necessary for the integration of third party access to the *AlintaGas Network* with third party access to the *pipeline* or *pipelines* used to supply *gas* into the *AlintaGas Network*. The first is the use of a single *receipt point* for each interconnection between such a *pipeline* and a *sub-network*, no matter how many *physical gate points* are involved in that interconnection. The second is the requirement that each *user* have a *designated supplier*.}

Receipt points

{Note: The term “receipt point” in this *Access Arrangement* has the same meaning and function as “notional gate point” under the *Dampier to Bunbury Pipeline Regulations 1998* and the *Gas Distribution Regulations 1996*.}

62. (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 Metro *sub-network*, despite there currently being six *physical gate points* making that interconnection. If another *interconnected pipeline* were to interconnect with the Metro *sub-network*, there would also be one *receipt point* for that interconnection, making a total of two *receipt points* for the Metro *sub-network*, and so on.}

- (2) *AlintaGas* is to prepare a Schedule identifying all *sub-networks* in the *AlintaGas Network*, and all *receipt points* in respect of each *sub-network*, and may from time to time vary or substitute that Schedule.

{Note: The most recent Schedule will be made available as part of the “Information Package” described in section 5.1 of the *Code*.}

Designated suppliers

{Note: This clause reproduces regulation 56 of the *Gas Distribution Regulations 1996*. In order to integrate the operation of the *AlintaGas Network* with the DBNGP (and any other *pipeline* used to deliver *gas* into the *AlintaGas Network*), there must be a link between the *user* and the supplier who supplies *gas* to the *user*. This link is necessary, among other things, to ensure that the *user* has an appropriate right to receive *gas* for delivery into the *AlintaGas Network*, to replace *gas* which it draws out at a *delivery point*, and also to deal with imbalance issues.}

63. (1) Before a *user* may take delivery of a quantity of *gas* at a *delivery point*:
- (a) the *user* must give written notice to *AlintaGas* nominating (subject to subclauses 63(4) and 63(5)) a *designated supplier* in respect of the quantity of *gas*; and
 - (b) if the *user* is not the *designated supplier*, the *user* must provide evidence to *AlintaGas* that the *designated supplier* has agreed to be the *designated supplier* in respect of the quantity of *gas*.

- (2) A written notice under subclause 63(1)(a) or 63(1)(b) must contain such information as *AlintaGas* may reasonably from time to time require.
- (3) *AlintaGas* may curtail delivery of a quantity of *gas* to a *user* if:
 - (a) any requirement of subclause 63(1)(a) or, if applicable, 63(1)(b) has not been met in respect of that *gas*; or
 - (b) the operator of the relevant *interconnected pipeline* has:
 - (i) curtailed or interrupted, or has given notice that it intends to curtail or interrupt, the entitlement of the *designated supplier* to receive *gas* at the *receipt point* for the *sub-network* in which the *delivery point* is located; or
 - (ii) refused, or has given written notice that it intends to refuse, to deliver *gas* to the *designated supplier* at the *receipt point* for the *sub-network* in which the *delivery point* is located.
- (4) There may be more than one *designated supplier* in respect of a *Haulage Contract* from time to time, and (subject to the *user* and *AlintaGas* agreeing to *AlintaGas's* satisfaction regarding allocations of *gas* between *designated suppliers*) in respect of a *delivery point* at any one time.
- (5) A person may be nominated as a *designated supplier* in respect of more than one quantity of *gas* in a *sub-network* at the same time, subject to the person and *AlintaGas* agreeing to *AlintaGas's* satisfaction how any shortfall in the person's entitlements in respect of the *receipt point* is to be apportioned between the quantities, in the case of a curtailment under subclause 63(3).

Chapter 10 — Interpretation

{Outline:

This Chapter defines certain terms which are used in this *Access Arrangement* and sets out principles which should be used in interpreting this *Access Arrangement*.}

Definitions

64. (1) Unless the contrary intention appears, in this *Access Arrangement*:

“Access Arrangement” means this arrangement for access to the *AlintaGas Network* that has been approved by the *Regulator* under the *Code*;

“Access Arrangement Information” means a document submitted to the *Regulator* by *AlintaGas* on the *submission date* entitled “AlintaGas Access Arrangement Information for AlintaGas’s Mid-West and South-West Distribution Systems”;

“Access Arrangement period” means the period from the *commencement date* to the date on which revisions to this *Access Arrangement* submitted by *AlintaGas* to the *Regulator* commence;

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

“Additional Meter Reading Service” means the *service* described in clause 14;

“Additional Meter Testing Service” means the *service* described in clause 15;

“AlintaGas” means Gas Corporation established under the *Gas Corporation Act 1994*, and includes its successors and any assigns;

“AlintaGas Network” has the meaning given in subclause 1(2);

“application” means an application for access to a *service* under clause 17;

“AR_j” has the meaning given in clause 15 of Schedule 2;

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

{Note: At the *submission date*, the definition of **“Arbitrator”** was: “...has the meaning given in the Gas Pipelines Access Law”. Section 61 of the Gas Pipelines Access Law defines **“arbitrator”** as “...means the Western Australian Gas Disputes Arbitrator appointed under section 62 and, except in sections 62(2), 65 and 69(1), includes a person acting under section 71.”}

“bare transfer” means a transfer or assignment of *contracted peak rate* to which subclause 43(2) applies;

“business day” has the meaning given in section 10 of the Appendix to Schedule 1 to the *Act*;

{Note: At the *submission date*, the definition of **“business day”** was: “... a day that is not:

- (a) a Saturday or Sunday; or
- (b) a public holiday, special holiday or bank holiday in the place in which any relevant act is to be or may be done.”}

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

{Note: At the *submission date*, the definition of **“Capacity”** was: “...means the measure of the potential of a Covered Pipeline as currently configured to deliver a particular Service between a Receipt Point and a Delivery Point at a point in time.”}

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

{Note: In accordance with section 10.8 of the *Code*, **“Capacity Management Policy”** is defined in section 3.7 of the *Code*. At the *submission date*, the definition of **“Capacity Management Policy”** was: “...a statement that the Covered Pipeline is either:

- (a) a Contract Carriage Pipeline; or
- (b) a Market Carriage Pipeline.”}

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

{Note: At the *submission date*, the definition of **“Capital Base”** was: “...the value of the capital assets that form the Covered Pipeline.”}

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

{Note: At the *submission date*, the definition of **“Capital Contribution”** was: “... a User agreeing to pay the Service Provider a Charge which exceeds the Charge that would apply under a Reference Tariff for a Reference Service (or, in relation to another Service, under the Equivalent Tariff) in any circumstance including, without limitation, if the excess is paid in respect of the funding of a New Facility (in which case the extra payment is a *Capital Contribution*).”}

“change in law” has the meaning given in clause 8 of Schedule 3;

“change statement” means a statement given by *AlintaGas* to the *Regulator* under clause 1 of Schedule 3;

“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 clause 59;

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

{Note: At the *submission date*, the definition of **“Contract Carriage”** was: “... is a system of managing third party access whereby:

- (a) the Service Provider normally manages its ability to provide Services primarily by requiring Users to use no more than the quantity of Service specified in a contract;
- (b) Users normally are required to enter into a contract that specifies a quantity of Service;
- (c) charges for use of a Service normally are based at least in part upon the quantity of Service specified in a contract; and
- (d) a User normally has the right to trade its right to obtain a Service to another User.”}

“contracted capacity” has the meaning given to **“Contracted Capacity”** in section 8.10 of the *Code*;

{Note: At the *submission date*, the definition of **“Contracted Capacity”** was: “...means that part of the Capacity which has been reserved by a User or Users pursuant to a contract entered into with the Service Provider.”}

“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 *AlintaGas* can be required to deliver *gas*;

“contracted reference service” has the meaning given in subclause 19(2) of Schedule 7;

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

{Note: At the *submission date*, the definition of **“Cost of Service”** was: “...whereby the Tariff is set on the basis of the anticipated costs of providing the Reference Service and is adjusted continuously in light of actual outcomes (such as sales volumes and actual costs) to ensure that the Tariff recovers the actual costs of providing the Service”.}

“CPI” has the meaning given in clause 15 of Schedule 2;

“current Access Arrangement period” has the meaning given in subclause 19(1) of Schedule 7;

“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*;

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

{Note: At the *submission date*, the definition of **“Depreciation”** was: “...depreciation of the Capital Base.”}

“Depreciation Schedule” means the set of depreciation schedules (one of which corresponds to each asset/group of assets that form part of the *AlintaGas Network*) referred to in clause 31;

“designated supplier” in relation to a *user* and a quantity of *gas* means the supplier who has been notified to *AlintaGas* by a *user* under clause 63 for that quantity of *gas*;

“developable capacity” means any increase in *capacity* which would arise from any *extension or expansion* to the *AlintaGas Network*;

“direct damage” has the meaning given in clause 54 of Schedule 7;

“Disconnection Service” means the *service* described in clause 12;

“emergency” has the meaning given in clause 54 of Schedule 7;

“equivalent reference service” has the meaning given in subclause 19(2) of Schedule 7;

“EstR” has the meaning given in clause 15 of Schedule 2;

“excluded extension” means an *extension or expansion* which is declared to be an excluded extension under subclause 57(1);

“exclusivity right” has the meaning given to **“Exclusivity Right”** in section 10.8 of the *Code*;

{Note: At the *submission date*, the definition of **“Exclusivity Right”** was: “... means a contractual right that by its terms either:

- (a) expressly prevents a Service Provider supplying services to persons who are not parties to the contract; or
- (b) expressly places a limitation on the Service Provider’s ability to supply Services to persons who are not parties to the contract,

but does not include a User’s contractual right to obtain a certain volume of Services.”}

“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 Chapter 7;

“FAR” has the meaning given in clause 15 of Schedule 2;

“first prospective user” has the meaning given in clause 48;

“fixed period” has the meaning given to **“Fixed Period”** in section 8.47 of the *Code*;

{Note: At the *submission date*, the definition of **“Fixed Period”** was: “... the period during which the Fixed Principle may not be changed”.}

“fixed principle” means an element of the *Reference Tariff Policy* that can not be changed without the agreement of *AlintaGas*, as set out in clause 38;

“force majeure” has the meaning given in clause 54 of Schedule 7;

“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;

{Note: This is the same definition given to “natural gas” in clause 2 of Schedule 1 to the *Act* at the *submission date*.}

“gas hour” has the meaning given in clause 54 of Schedule 7;

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

{Note: At the *submission date*, the definition of **“Gas Pipelines Access Law”** was: “...means –

- (a) Schedule 1 –
 - (i) as enacted; or
 - (ii) if amended, as amended and in force for the time being;

and

- (b) the *National Third Party Access Code for Natural Gas Pipeline Systems* (a copy of which, as agreed by the Council of Australian Governments on 7 November 1997, is set out in Schedule 2) or, if that Code is amended in accordance with Schedule 1, that Code as so amended and in force for the time being”.

“Haulage Contract” means an agreement entered into between *AlintaGas* and a *user* under which *AlintaGas* agrees to provide *Reference Service A*, *Reference Service B1*, *Reference Service B2* or *Reference Service B3* on terms and conditions including those set out in this *Access Arrangement*;

“high pressure system” has the meaning given in clause 2;

“i_t” has the meaning given in clause 15 of Schedule 2;

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

{Note: In accordance with Section 10.8 of the *Code*, **“Incentive Mechanism”** has the meaning given to it in section 8.44 of the *Code*. At the *submission date*, the definition of **“Incentive Mechanism”** was: “...a mechanism that permits the Service Provider to retain all, or a share of, any returns to the Service Provider from the sale of a Reference Service during an Access Arrangement Period that exceeds the level of returns expected at the beginning of the Access Arrangement Period.”}

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

{Note: At the *submission date*, the definition of **“Incremental Capacity”** was: “... revenue generated by sales of Incremental Capacity.”}

“indirect damage” has the meaning given in clause 54 of Schedule 7;

“initial capital base” means the *capital base* at the commencement of the *Access Arrangement period*;

“Initial Reference Tariffs” means the *reference tariffs* for the first year of the *Access Arrangement period* as set out in subclauses 21(3), 22(3), 23(3) and 24(3);

“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 *AlintaGas Network*;

{Note: The definitions of “distribution pipeline” and “transmission pipeline” are to be found in section 2 of Schedule 1 to the *Act*. }

“Interconnection Contract” means an agreement between *AlintaGas* and the *user* (who may be the owner or operator of the *interconnected pipeline*), under which *AlintaGas* 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 *AlintaGas Network*;

{Note: The *interconnection distance* is always calculated to the nearest actual or potential *interconnected pipeline*, regardless of whether the *user* is sourcing its *gas* from that *interconnected pipeline* or another more distant one. }

“Interconnection Service” means the *service* described in clause 10;

“invoicing period” means the period to which an invoice under a *Haulage Contract* relates;

{Note: See clause 15 of Schedule 7 for the invoicing clause applicable to all *reference services*. }

“j” has the meaning given in clause 15 of Schedule 2;

“K” has the meaning given in clause 15 of Schedule 2;

“Ka” has the meaning given in clause 15 of Schedule 2;

“Kb” has the meaning given in clause 15 of Schedule 2;

“law” includes any Act of the Commonwealth or a State, and any instrument made directly or indirectly under any such Act and having legislative effect, including any proclamation, regulation, rule, ruling, local law, by-law, order, notice, rule of court, town planning scheme or resolution or the listing rules of any relevant recognised Stock Exchange;

“listed ancillary service” means any one of a *Disconnection Service*, a *Reconnection Service*, an *Additional Meter Reading Service* or an *Additional Meter Testing Service*; and **“listed ancillary services”** means any two or more of them;

“MAAR” has the meaning given in clause 15 of Schedule 2;

“medium pressure/low pressure system” has the meaning given in clause 3;

“meter” means all equipment used to measure the flow of *gas* taken from the *AlintaGas Network* at a *delivery point*, and any ancillary equipment;

“negative pass through amount” has the meaning given in clause 8 of Schedule 3;

“new Access Arrangement period” has the meaning given in subclause 19(2) of Schedule 7;

“new facilities investment” means the amount of the actual capital cost incurred in constructing *new facilities* for the purpose of providing *services*;

{Note: This definition of **“new facilities investment”** is consistent with the meaning of the term **“New Facilities Investment”** in the *Code*.}

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

{Note: At the *submission date*, the definition of **“New Facility”** was: “...means:

- (a) any extension to, or expansion of the Capacity of, a Covered Pipeline which is to be treated as part of the Covered Pipeline in accordance with the Extensions/Expansions Policy contained in the Access Arrangement for that Covered Pipeline; and
- (b) any expansion of the Capacity of a Covered Pipeline required to be installed under 6.22.”}

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

{Note: At the *submission date*, the definition of **“Non-Capital Costs”** was: “...the operating, maintenance and other non-capital costs incurred in providing all Services provided by the Covered Pipeline”.}

“operational” means in working order and ready for use to the extent intended with all testing, commissioning and other checking completed to *AlintaGas*’s satisfaction;

“pass through amount” has the meaning given in clause 8 of Schedule 3;

“physical gate point” means a flange, joint or other point which marks the physical boundary between the *AlintaGas Network* 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;

{Note: This is consistent with the definition of **“Pipeline”** in section 2 of Schedule 1 to the *Act* at the *submission date*.}

“positive pass through amount” has the meaning given in clause 8 of Schedule 3;

“prescribed interest rate” has the meaning given in clause 54 of Schedule 7;

“proposed reference tariff” has the meaning given in clause 15 of Schedule 2;

“proposed tariff component” has the meaning given in clause 15 of Schedule 2;

“prospective user” means a person who seeks or has communicated to *AlintaGas* 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 *AlintaGas* that it is reasonably likely to seek to enter into a contract for an additional *service*;

“Queuing Policy” means the policy set out in Chapter 6;

“RAR_{t-1}” has the meaning given in clause 15 of Schedule 2;

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

{Note: At the *submission date*, the definition of **“Rate of Return”** was: “...a return (**Rate of Return**) on the value of the capital assets that form the Covered Pipeline (**Capital Base**);”.}

“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 *AlintaGas* under subclause 62(2);

“Reconnection Service” means the *service* described in clause 13;

“reference service” means any one of *Reference Service A*, *Reference Service B1*, *Reference Service B2* and *Reference Service B3* and **“reference services”** means all of them;

“Reference Service A” means the *service* described in clause 5;

“Reference Service B1” means the *service* described in clause 6;

“Reference Service B2” means the *service* described in clause 7;

“Reference Service B3” means the *service* described in clause 8;

“reference tariff” means any one of *Reference Tariff A*, *Reference Tariff B1*, *Reference Tariff B2* and *Reference Tariff B3*; and **“reference tariffs”** means all of them;

“Reference Tariff A” means the *reference tariff* described in clause 21;

“Reference Tariff B1” means the *reference tariff* described in clause 22;

“Reference Tariff B2” means the *reference tariff* described in clause 23;

“Reference Tariff B3” means the *reference tariff* described in clause 24;

“Reference Tariff Policy” means the policy set out in Chapter 3;

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

{Note: At the *submission date*, the definition of **“Relevant Regulator”** was: “...has the meaning given in the Gas Pipelines Access Law.” In accordance with the definition of “Relevant Regulator” in section 2 of Schedule 1 to the *Act*, for the purposes of this *Access Arrangement*, **“Relevant Regulator”** means the *Local Regulator*. At the *submission date*, the definition of **“Local Regulator”** in section 11 of the *Act* was: “...the person holding or acting in the office of the Western Australian Independent Gas Pipelines Access Regulator established by section 27”.}

“regulatory change” has the meaning given in clause 8 of Schedule 3;

“regulatory requirement” has the meaning given in clause 8 of Schedule 3;

“relevant change” has the meaning given in clause 8 of Schedule 3;

“relevant tax” has the meaning given in clause 8 of Schedule 3;

“replacement Schedule” means a Schedule of terms and conditions for a *reference service* (or, in the case of Schedule 7, all *reference services*) which under clause 9 has effect in substitution for, as applicable, Schedule 4, 5, 6 or 7 or an earlier *replacement Schedule*;

“return” means a return obtained by applying a *rate of return*;

“review year” has the meaning given in clause 15 of Schedule 2;

“revised Access Arrangement” has the meaning given in subclause 19(2) of Schedule 7;

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

{Note: At the *submission date*, the definition of **“Service”** was:
“...means a service provided by means of a Covered Pipeline
...including (without limitation):

- (a) haulage services (such as firm haulage, interruptible haulage, spot haulage and backhaul);
 - (b) the right to interconnect with the Covered Pipeline; and
 - (c) services ancillary to the provisions of such services,
- but does not include the production, sale or purchasing of Natural Gas.”}

“service agreement” means a *Haulage Contract*, an *Interconnection Contract* or any other agreement entered into between *AlintaGas* and a *user* under which *AlintaGas* agrees to provide a *listed ancillary service* or other *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*;

{Note: At the *submission date*, the definition of **“Service Provider”** was: “... has the meaning given in the Gas Pipelines Access Law.” **“Service Provider”** is defined in section 2 of Schedule 1 to the *Act* as “..., in relation to a pipeline or proposed pipeline, means the person who is, or is to be, the owner or operator of the whole or any part of the pipeline or proposed pipeline.”}

“Services Policy” means the policy set out in Chapter 2;

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

{Note: At the *submission date*, the definition of **“Spare Capacity”** was: “... means

- (a) ...
 - (i) the difference between the Capacity and the Contracted Capacity; plus
 - (ii) the difference between the Contracted Capacity and the Contracted Capacity which is being used; ...”}

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

{Note: At the *submission date*, the definition of **“Speculative Investment Fund”** was: “The amount of the **Speculative Investment Fund** at any time is equal to:

- (a) the difference between the New Facilities Investment and the Recoverable Portion, less any amount the Service Provider notifies the Relevant Regulator (at the time the expenditure is incurred) that it has elected to recover through a Surcharge under section 8.25 (*Speculative Investment*); plus
- (b) an annual increase in that amount calculated on a compounded basis at a rate of return approved by the Relevant Regulator which rate of return may, but need not, be different from the rate of return implied in the Reference Tariff; less
- (c) any part of the Speculative Investment Fund previously added to the Capital Base under this section 8.19.”}

“standard delivery facilities” includes:

- (a) either:
 - (i) in the case of *Reference Service B2*, a *standard 12 m³/hr meter*; or
 - (i) 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 *AlintaGas*;

“standard 6 m³/hr meter” means a standard *meter* with a maximum delivery capability of less than or equal to 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 *AlintaGas*;

“standard 12 m³/hr meter” means a standard *meter* with a maximum delivery capability of more than 6 cubic metres of *gas* per hour and less than or equal to 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 *AlintaGas*;

“standard pressure regulator” means a pressure regulator or pressure regulators provided by *AlintaGas* 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 *AlintaGas*;

“submission date” means the date this *Access Arrangement* was submitted to the *Regulator*;

“sub-network” means a part of the *AlintaGas Network* which is identified by *AlintaGas* as a sub-network in the most recent Schedule prepared by *AlintaGas* under subclause 62(2);

{Note: In normal circumstances a *sub-network* will be a part of the *AlintaGas Network* which for the purposes of *gas* flow is not directly connected with any other part of the *AlintaGas Network*.}

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

{Note: At the *submission date*, the definition of **“Surcharge”** in section 10.8 of the *Code* was: “...has the meaning given in section 8.25 which has the effect defined in section 6.19.”}

At the *submission date*, the definition of **“Surcharge”** in section 8.25 of the *Code* was: “...a Charge in addition to the Charge that would apply under a Reference Tariff for a Reference Service (or, in relation to another Service, under the Tariff that would be determined by the Arbitrator in arbitrating an access dispute under section 6) that is levied on Users of Incremental Capacity in order for the Service Provider to recover some or all of the cost of the New Facilities Investment that cannot be recovered at the Prevailing Tariffs.”}

“t” has the meaning given in clause 15 of Schedule 2;

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

{Note: At the *submission date*, the definition of **“Tariff”** was: “...for a Service the criteria that, when applied to a User’s characteristics and requirements, determine the Charge that is payable by that User to the Service Provider (this shall not provide any limitation on the Tariff that may apply to a Service)”.

“tariff component” has the meaning given in clause 15 of Schedule 2;

“tax” has the meaning given in clause 8 of Schedule 3;

“tax change” has the meaning given in clause 8 of Schedule 3;

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

{Note: At the *submission date*, the definition of **“Total Revenue”** was “...the revenue to be generated from the sales (or forecast sales) of all Services over the Access Arrangement period.”}

“Trading Policy” means the policy set out in Chapter 5;

“transitional provision” has the meaning given in clause 8 of Schedule 3;

“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*; and
- (d) any ancillary pipes and equipment,

being the facility or facilities which are the most appropriate for that *user*, as determined by *AlintaGas* as a reasonable person;

“user specific pressure regulator” means a pressure regulator which is not a *standard pressure regulator*;

“user specific reinforcement” means any addition or enhancement to, or the creation, expansion or reinforcement of, all or any part of the *user specific delivery facilities*;

“ V^{estimate} ” has the meaning given in clause 15 of Schedule 2;

“ V_t^{forecast} ” has the meaning given in clause 15 of Schedule 2;

“variation proposal” means a statement given by *AlintaGas* to the *Regulator* under subclause 1(1) of Schedule 2;

“vexatious” includes trivial, misconceived, lacking in substance, unreasonable, or not made in good faith;

{Note: The term “vexatious” incorporates the concepts found in clause 6.6 of the *Code*.}

“X” is 0.0079;

“Y” is 0.02; and

“year” means a calendar year.

- (2) Headings to Chapters and Divisions are part of this *Access Arrangement*. Headings to clauses are not part of this *Access Agreement*.
- (3) Except where otherwise indicated, a reference in this *Access Arrangement* to a Chapter, Division, clause, subclause, paragraph, subparagraph or Schedule is a reference to a Chapter, Division, 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”.

Definitions in Act apply to this Access Arrangement

- 65. (1) 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*.
- (2) Subclause 65(1) 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*.

Use of italic typeface to indicate defined terms

- 66. (1) Italic typeface has been applied to some words and expressions solely to indicate that those words or phrases may be defined in clause 64 or elsewhere.
- (2) In interpreting this *Access Arrangement*, the fact that italic typeface has or has not been applied to a word or expression is to be disregarded.

Outlines, examples and notes

- 67. 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

68. 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

69. (1) Unless the contrary intention appears, and subject to subclause 69(2), wherever *spare capacity*, *developable capacity*, *contracted peak rate* or *capacity* of the *AlintaGas Network* 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.
- (2) In this *Access Arrangement* or a *service agreement*, the calculation and invoicing of prices payable by *users* is on an energy basis rather than a volume basis.

SCHEDULE 1 — MAPS OF HIGH PRESSURE SYSTEM AND MEDIUM PRESSURE/LOW PRESSURE SYSTEM

The following pages (not numbered) set out the following maps of the *high pressure system* and the *medium pressure/low pressure system*:

- Natural Gas Reticulation Area, Country Region, Geraldton dated April 1999
- Natural Gas Reticulation Area, Country Region, Eneabba dated April 1999
- Natural Gas Reticulation Area, Perth Region, North Sheet dated April 1999
- Natural Gas Reticulation Area, Perth Region, South Sheet dated April 1999
- Natural Gas Reticulation Area, Country Region, Harvey dated April 1999
- Natural Gas Reticulation Area, Country Region, Bunbury dated April 1999
- Natural Gas Reticulation Area, Country Region, Busselton dated April 1999

The above maps form part of this *Access Arrangement*.

SCHEDULE 2 — VARIATION OF REFERENCE TARIFFS

{Outline:

Section 8.3 of the *Code* allows the manner in which a *reference tariff* is varied within an *Access Arrangement period* to be determined by *AlintaGas* subject to the *Regulator* being satisfied that the manner of variation is consistent with the objectives contained in section 8.1 of the *Code*.

AlintaGas has adopted in its *Reference Tariff Policy* variation of its *reference tariffs* on the basis of a “price path” approach. *Reference tariffs* are determined in advance for the *Access Arrangement period* to follow a path that is forecast to deliver a revenue stream calculated consistently with the principles in section 8 of the *Code*.

This Schedule sets out the procedure *AlintaGas* will follow, and the principles and formulas it will use, to vary its *reference tariffs* within the *Access Arrangement period* in accordance with its *Reference Tariff Policy*.}

Part A — Interpretation and Procedure

Annual statement to be given to the Regulator

1. (1) *AlintaGas* may for each *review year* give the *Regulator* a statement (“**variation proposal**”) that:
 - (a) sets out *proposed reference tariffs* for the *review year*;
 - (b) sets out the *proposed tariff components* for each of the *proposed reference tariffs*;
 - (c) sets out the *gas volumes* and any other forecasts used in determining the *proposed reference tariffs* and *proposed tariff components*; and
 - (d) demonstrates that the *proposed reference tariffs* and *proposed tariff components* comply with Part B of this Schedule.
- (2) *AlintaGas* will give the *Regulator* a *variation proposal* at least 30 *business days*, but no more than 2 months, before the start of the *review year*.
- (3) The *Regulator* must approve the *proposed reference tariffs* in a *variation proposal* if:
 - (a) the *proposed reference tariffs* and *proposed tariff components* comply with the relevant principles and formulas set out in Part B of this Schedule; and
 - (b) all of the forecasts included in the *variation proposal* are satisfactory to the *Regulator*.
- (4) If the *Regulator* does not notify *AlintaGas* in writing of his or her decision to approve or not approve the *proposed reference tariffs* in a *variation proposal* within 20 *business days* of the *Regulator* receiving the *variation proposal*, then on the 21st *business day* after receiving the *variation proposal* from

AlintaGas the *Regulator* is taken to have approved the *proposed reference tariffs* in the *variation proposal*.

- (5) If the *Regulator* notifies *AlintaGas* in writing that he or she does not approve the *proposed reference tariffs* in a *variation proposal*:
 - (a) the *Regulator* must provide reasons for that non-approval in writing to *AlintaGas*;
 - (b) *AlintaGas* may revise the *variation proposal* (whether by amendment, substitution or supplementary statement) within such time (being not less than 10 *business days*) as the *Regulator* specifies; and
 - (c) subclauses 1(3) and 1(4) of this Schedule apply anew to the revised *variation proposal*, with the time period in subclause 1(4) of this Schedule running from the date the *Regulator* receives the revised *variation proposal*.
- (6) If the *Regulator* notifies *AlintaGas* in writing that he or she does not approve the *proposed reference tariffs* in a *variation proposal* as revised under paragraph 1(5)(b) of this Schedule:
 - (a) the *Regulator* must provide reasons for that non-approval in writing to *AlintaGas*; and
 - (b) *AlintaGas* may seek review of that decision not to approve as though it was a decision to which section 38 of Schedule 1 to the *Act* applies.

Proposed reference tariffs approved by the Regulator become reference tariffs

2. Each *proposed reference tariff* in a *variation proposal* (as revised under paragraph 1(5)(b) of this Schedule if applicable) which has been approved, or is taken under subclause 1(4) of this Schedule to have been approved, by the *Regulator* becomes a *reference tariff* applying on and from the later of:
 - (a) the first day of the *review year*; and
 - (b) the day after the day on which the *Regulator* approves, or is taken to approve, the *proposed reference tariffs*.

Part B — Principles and Formulas

Form of regulation

3. *AlintaGas* has adopted a “price path” approach as described in section 8.3 of the *Code* as the manner in which the *reference tariffs* may vary within the *Access Arrangement period*.

AlintaGas may vary tariffs in accordance with this Schedule

4. *AlintaGas* may in its discretion adopt any *proposed reference tariff* and any *proposed tariff component*, subject to:

- (a) the limit on *proposed reference tariffs* contained in clause 5 of this Schedule; and
- (b) the limit on *proposed tariff components* contained in clause 13 of this Schedule.

Limit on proposed reference tariffs

5. For a *review year* (year t), FAR_t must not exceed $MAAR_t$.

Forecast Average Revenue (FAR)

6. For the purposes of this Schedule, FAR_t is calculated as follows:

$$FAR_t = \frac{FR_t}{V_t^{forecast}}$$

where:

“ FR_t ” (expressed in dollars) is the forecast revenue from the sale of *reference services* during the *review year* (year t).

Maximum Allowed Average Revenue (MAAR)

7. For the purposes of this Schedule, $MAAR_t$ is calculated as follows:

$$MAAR_t = \lfloor RAR_{t-1} \times (CPI_t - X) \rfloor - K_t .$$

Re-weighted Average Revenue (RAR)

8. For the purposes of this Schedule, RAR_{t-1} is calculated as follows:

$$RAR_{t-1} = \frac{\sum_{j=1}^4 (AR_{j,t-1} \times V_{j,t}^{forecast})}{V_t^{forecast}}$$

where:

“ $V_{j,t}^{forecast}$ ” (expressed in GJ) is the total volume of *gas* forecast to be delivered to *users* of *reference service j* during the *review year* (year t).

Average revenue (AR)

9. For the purposes of this Schedule, $AR_{j,t-1}$ is calculated as follows:

- (a) when *year 2* is the *review year*, the value of $AR_{j,t-1}$ for each *reference service j* is set out in the following table:

| Reference tariff j | AR _{j, t-1} (\$ /GJ) |
|---------------------|----------------------------------|
| Reference Tariff A | 0.54165 |
| Reference Tariff B1 | 4.39873 |
| Reference Tariff B2 | 5.98047 |
| Reference Tariff B3 | 9.05984 |

and

(b) for each other review year:

$$AR_{j,t-1} = AR_{j,t-2} \times (CPI_{t-1} - X) .$$

Correction Factor (K_t)

10. For the purposes of this Schedule, K_t is calculated as follows:

$$K_t = \frac{Ka_t + Kb_t}{V_t^{forecast}} \times (1 + i_t) .$$

Correction factor for Year t-1 (Ka_t)

11. For the purposes of this Schedule, Ka_t is calculated as follows:

(a) when year 2 is the review year:

$$Ka_t = EstR_{t-1} - (V_{t-1}^{estimate} \times FAR_{t-1}) ;$$

{Note: When year 2 is the review year, FAR_{t-1} is used in the above equation because no value was calculated for MAAR_{t-1} (ie. MAAR₁).}

and

(b) for each other review year:

$$Ka_t = EstR_{t-1} - (V_{t-1}^{estimate} \times MAAR_{t-1}) .$$

Correction factor for Year t-2 (Kb_t)

12. For the purposes of this Schedule, Kb_t is calculated as follows:

(a) when year 2 is the review year:

$$Kb_t = 0 ;$$

(b) when year 3 is the *review year*:

$$Kb_t = \left([ActR_{t-2} - (V_{t-2}^{actual} \times FAR_{t-2})] - [EstR_{t-2} - (V_{t-2}^{estimate} \times FAR_{t-2})] \right) \times (1 + i_{t-1}) ;$$

{Note: When year 3 is the *review year*, FAR_{t-2} is used in the above equation because no value was calculated for $MAAR_{t-2}$ (ie. $MAAR_1$).}

and

(c) for each other *review year*:

$$Kb_t = \left([ActR_{t-2} - (V_{t-2}^{actual} \times MAAR_{t-2})] - [EstR_{t-2} - (V_{t-2}^{estimate} \times MAAR_{t-2})] \right) \times (1 + i_{t-1}) ,$$

where for paragraphs (b) and (c) of this clause:

“ $ActR_{t-2}$ ” (expressed in dollars) is the revenue from actual sales of *reference services* in year $t-2$ calculated using the *reference tariffs* for year $t-2$; and

“ V_{t-2}^{actual} ” (expressed in GJ) is the actual total volume of gas delivered to *users* of *reference services* in year $t-2$.

Limit on proposed tariff components

13. (1) Each *proposed tariff component* must not exceed the maximum allowed value for that *proposed tariff component* calculated in accordance with subclause 13(2) of this Schedule.
- (2) The maximum allowed value for each *proposed tariff component* in a *review year* (year t) is calculated as follows:

$$MAV_t = TC_{t-1} \times (CPI_t + Y) ,$$

where:

“ MAV_t ” is the maximum allowed value for the *proposed tariff component* in the *review year* (year t);

“ TC_{t-1} ” is:

- (a) when year 2 is the *review year* – the *tariff component* in the *Initial Reference Tariffs*; and
- (b) for each other *review year* – the *tariff component* for year $t-1$;

and

“ Y ” is 0.02.

Consumer Price Index

14. (1) In this Schedule, CPI_t is calculated as follows:
- (a) the Consumer Price Index (All Groups, Perth) published by the Australian Bureau of Statistics for the September Quarter of year $t-1$;
divided by
 - (b) the Consumer Price Index (All Groups, Perth) published by the Australian Bureau of Statistics for the September Quarter of year $t-2$.
- (2) In the event that the Consumer Price Index (All Groups, Perth) 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, *AlintaGas* may adopt the substitute index for use in this Schedule if in *AlintaGas*'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;
 - (b) if *AlintaGas* does not approve a substitute index under paragraph 14(2)(a) of this Schedule, *AlintaGas* may adopt any other substitute index subject to the *Regulator*'s approval; or
 - (c) if the *Regulator* does not approve an index adopted by *AlintaGas* under paragraph 14(2)(b) of this Schedule, then a substitute index is to be determined by an independent consulting actuary appointed at the request of either *AlintaGas* or the *Regulator* by the President for the time being of the Institute of Actuaries of Australia. The consulting actuary will not act as an arbitrator, and the actuary's costs will be borne by *AlintaGas*.

Interpretation

15. In this Schedule:
- “**AR_j**” is the average revenue for *reference tariff j* for a year calculated under clause 9 of this Schedule, with:
- “**AR_{j,t-1}**” representing the value of AR_j for the year $t-1$; and
 - “**AR_{j,t-2}**” representing the value of AR_j for the year $t-2$;
- “**CPI**” is the Consumer Price Index calculated under clause 14 of this Schedule, with:
- “**CPI_t**” representing the value of CPI for year t ;
- “**EstR**” (expressed in dollars) is the estimate of revenue from the sale of *reference services*, with:
- “**EstR_{t-1}**” representing the value of $EstR$ in year $t-1$, calculated (at the time the calculations under this Schedule are made to determine

proposed reference tariffs for year t) using the *reference tariffs* for year $t-1$; and

“**EstR_{t-2}**” representing the value of *EstR* in year $t-2$, calculated (at the time the calculations under this Schedule were made to determine *proposed reference tariffs* for year $t-1$) using the *reference tariffs* for year $t-2$;

“**FAR**” (expressed in dollars per gigajoule of gas) is the forecast average revenue from the sale of *reference services*, calculated under clause 6 of this Schedule, with:

“**FAR_t**” representing the value of *FAR* for year t ;

“**i_t**” is the Australian Financial Markets Association End of Day 1 Year Swap Reference Rate at 30 September in year t varied by:

(a) subtraction of 50 basis points when K_t is a negative value; and

(b) addition of 50 basis points when K_t is a positive value, with:

“**i_{t-1}**” representing the value of i_t for the year $t-1$ varied in the same manner;

“**j**” indicates the number of a *reference service*, with:

$j=1$ representing *Reference Service A*;

$j=2$ representing *Reference Service B1*;

$j=3$ representing *Reference Service B2*; and

$j=4$ representing *Reference Service B3*;

“**K**” is the factor which corrects in the *review year* for the difference between forecast estimated and actual volumes calculated under clause 10 of this Schedule, with:

“**K_t**” representing the correction factor for year t ;

“**Ka**” is the factor which corrects in the *review year* for the difference between forecast and estimated *gas* volumes in year $t-1$ and is calculated under clause 11 of this Schedule, with:

“**Ka_t**” representing the value for Ka for use in calculations under this Schedule in respect of year t ;

{Example: When the *review year* is year 3, Ka_3 will correct any differences between:

(a) forecasts of *gas* deliveries for year 2 which are made at the time calculations under this Schedule were made to determine *proposed reference tariffs* for year 2; and

(b) estimates of *gas* deliveries for year 2 which were made at the time calculations under this Schedule were made to determine *proposed reference tariffs* for year 3.}

“Kb” is the factor which corrects in the *review year* for the difference between estimated and actual *gas* volumes in *year t-2* and is calculated under clause 12 of this Schedule, with:

“Kb_t” representing the value for *Kb* for use in calculations under this Schedule in respect of *year t*;

{Example: When the *review year* is *year 3*, *Kb₃* will correct any differences between:

- (a) estimates of *gas* deliveries for *year 1* which were made at the time calculations under this Schedule were made to determine *proposed reference tariffs* for *year 2*; and
- (b) actual *gas* deliveries for *year 1* which were available at the time calculations under this Schedule were made to determine *proposed reference tariffs* for *year 3*.}

“MAAR” (expressed in dollars per gigajoule) is the maximum allowed average revenue from *gas* delivered to *users* of *reference services* calculated under clause 7 of this Schedule, with:

“MAAR_t” representing the value of *MAAR* for *year t*; and

“MAAR_{t-1}” representing the value for *MAAR* for *year t-1*, and so on;

“proposed reference tariff” means a *tariff* proposed by *AlintaGas* for a *year* in a *variation proposal* (as revised under paragraph 1(5)(b) of this Schedule if applicable), and includes the *proposed tariff components*;

“proposed tariff component” means a component of a *proposed reference tariff* which specifies the rate at which a *user* is charged for a single element or attribute of a *reference service*;

{Example: A *proposed reference tariff* might comprise two parts:

- (1) a fixed component of \$0.10 /day; and
- (2) a variable component of \$0.05 /GJ.

In this case, \$0.10 /day and \$0.05 /GJ are the *proposed tariff components* of the *proposed reference tariff*.}

“RAR_{t-1}” (expressed in dollars per gigajoule) is the average revenue from the sale of *reference services* in *year t-1* re-weighted by the volumes of *gas* forecast to be delivered to *users* of *reference services* in *year t*;

“review year” means the *year* (other than *year 1*) in respect of which the *proposed reference tariff* is being calculated or proposed under this Schedule;

{Note: In the formulae in this Schedule, the *review year* is “*year t*” .}

“t” indicates the number of a *year*, with:

- t=1* representing 2000;
- t=2* representing 2001;
- t=3* representing 2002;
- t=4* representing 2003; and
- t=5* representing 2004;

“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*;

{Example: A *reference tariff* might comprise two parts:

- (1) a fixed component of \$0.10 /day; and
- (2) a variable component of \$0.05 /GJ.

In this case, \$0.10 /day and \$0.05 /GJ are the *tariff components* of the *reference tariff*.}

“ $V^{estimate}$ ” (expressed in gigajoules) is the estimate of the total volume of *gas* delivered to *users* of *reference services*, with:

“ $V_{t-1}^{estimate}$ ” representing the value of $V^{estimate}$ in year $t-1$ (estimated at the time the calculations under this Schedule are made to determine *proposed reference tariffs* for year t); and

“ $V_{t-2}^{estimate}$ ” representing the value of $V^{estimate}$ in year $t-2$ (estimated at the time the calculations under this Schedule were made to determine *proposed reference tariffs* for year $t-1$);

“ $V_t^{forecast}$ ” (expressed in gigajoules) is the total volume of *gas* forecast to be delivered to *users* of *reference services* in year t ;

“variation proposal” means a statement given by *AlintaGas* to the *Regulator* under subclause 1(1) of this Schedule;

“X” is 0.0079; and

“Y” is 0.02.

SCHEDULE 3 — PASS THROUGH OF TAXATION AND REGULATORY CHANGES

Application by AlintaGas

1. (1) If a *relevant change* occurs, *AlintaGas* may give a statement (“**change statement**”) to the *Regulator* at any time before, or within 3 months after, the *relevant change* takes effect.
- (2) A *change statement* must specify:
 - (a) details of the *relevant change* to which the *change statement* relates;
 - (b) the date the *relevant change* took or will take effect;
 - (c) the estimated financial effect of the *relevant change* on *AlintaGas* (which estimate is to separately identify the effect of all applicable *transitional provisions*);
 - (d) the *pass through amount* *AlintaGas* proposes in relation to the *relevant change*; and
 - (e) the basis on which, and the period over which, *AlintaGas* proposes the *pass through amount* to apply.

Approval by Regulator

2. (1) If the *Regulator* receives a *change statement*, the *Regulator* must decide whether the *relevant change* specified in the *change statement* has occurred, is continuing or will occur.
- (2) If the *Regulator* decides under subclause 2(1) of this Schedule that the *relevant change* has occurred, is continuing or will occur, the *Regulator* must decide:
 - (a) the *pass through amount*; and
 - (b) the basis on which, and the period over which, the *pass through amount* is to apply,and must notify *AlintaGas* in writing of that decision within 30 *business days* after receiving the *change statement* from *AlintaGas*.
- (3) If the *Regulator* does not give a notice to *AlintaGas* under subclause 2(2) of this Schedule within 30 *business days* after receiving a *change statement* from *AlintaGas*, then on the 31st *business day* after receiving the *change statement* from *AlintaGas*, the *Regulator* is taken to have notified *AlintaGas* of its decision under subclause 2(2) of this Schedule that the *pass through amount* and the basis on which, and period over which, the *pass through amount* is to apply are as specified in the *change statement*.

- (4) *AlintaGas* may seek review of a decision by the *Regulator* under subclause 2(1) or 2(2) of this Schedule as though it was a decision to which section 38 of Schedule 1 to the *Act* applies, and if *AlintaGas* does so it may require the *Regulator* to provide written reasons for the decision.

Required Pass Through

3. If a *relevant change* occurs and *AlintaGas* is likely to be affected by the *relevant change*, but *AlintaGas* does not give the *Regulator* a *change statement* concerning the *relevant change*, the *Regulator* may require *AlintaGas* to submit a *change statement* in respect of the *relevant change* within such time (being not less than 10 *business days*) as the *Regulator* specifies.

Relevant Factors

4. In deciding the *pass through amount* and the basis on which, and period over which, the *pass through amount* is to apply under clause 2 of this Schedule, the *Regulator* must ensure that the financial effect on *AlintaGas* associated with the *tax change* or *regulatory change* concerned is economically neutral taking into account:
- (a) the relative amounts of *services* supplied to each *user*;
 - (b) the time cost of money for the period over which the *pass through amount* is to apply;
 - (c) the basis on which and period over which the *pass through amount* is to apply;
 - (d) the financial effect on *AlintaGas* associated with the provision of *services* directly attributable to the *relevant change* concerned, and the period over which the financial effect arises;
 - (e) if the *relevant change* is a *tax change* – the amount of any change in another *tax* which, in the *Regulator's* opinion, was introduced as complementary to the *tax change* concerned;
 - (f) if the *relevant change* is a *regulatory change* – the amount of any change in another *regulatory requirement* which, in the *Regulator's* opinion, was introduced as complementary to the *regulatory change* concerned;
 - (g) the effect of any other previous *relevant change* since the later of:
 - (i) the *commencement date*; and
 - (ii) the most recent decision made by the *Regulator* under clause 2 of this Schedule;
 - (h) any *pass through amount* applied under this Schedule relating to a previous *relevant change* which resulted in *AlintaGas* recovering an amount either more or less than the financial effect on *AlintaGas* of that previous *relevant change*;

- (i) the desirability of maintaining consistency of *reference tariffs* between:
 - (i) those *Haulage Contracts* to which the *transitional provisions* apply (or apply in a particular way); and
 - (ii) those *Haulage Contracts* to which the *transitional provisions* do not apply (or do not apply in the same way as is referred to in subparagraph 4(i)(i) of this Schedule);
- (j) the matters listed in paragraphs (a), (d) and (f) of section 2.24 of the *Code*; and
- (k) any other factors the *Regulator* considers relevant.

Application of pass through amount

5. (1) *AlintaGas* may, after:

- (a) receipt under subclause 2(2) of this Schedule (or a deemed receipt under subclause 2(3) of this Schedule) of a notice from the *Regulator* as to a *positive pass through amount*; and
- (b) ensuring all *users* are notified of:
 - (i) the *positive pass through amount* which the *Regulator* has decided or is deemed to have decided; and
 - (ii) the basis on which and period over which *AlintaGas* will apply the *positive pass through amount*,

apply the *positive pass through amount* to the *Haulage Contracts* of all relevant *users* on the basis and for the period decided or deemed to have been decided by the *Regulator*.

- (2) *AlintaGas* must, after receipt under subclause 2(2) of this Schedule (or deemed receipt under subclause 2(3) of this Schedule) of a notice from the *Regulator* as to a *negative pass through amount*, apply the *negative pass through amount* to the *Haulage Contracts* of all relevant *users* on the basis and for the period decided or deemed to have been decided by the *Regulator*.
- (3) The *pass through amount* must be:
 - (a) if the relevant *law* specifies requirements in which any *pass through amount* must be disclosed – shown on each *user's* bill in the manner specified; and
 - (b) otherwise – identified in a manner approved by the *Regulator*.

Variation of reference tariffs under Schedule 2

6. A *pass through amount* applied by *AlintaGas* under this Schedule:

- (a) is to be disregarded in determining:
 - (i) any variation of *reference tariffs* under Schedule 2; and
 - (ii) whether any *proposed reference tariff* complies with Schedule 2;
- and
- (b) is not to be varied using the procedures in Schedule 2.

Application of this Schedule

7. (1) Where the *tariff* or the amount that is payable by a *User* to the *service provider* for a *service*, in any *Haulage Contract* is, or is set by reference to, a *reference tariff* as that *reference tariff* has effect from time to time, and that *reference tariff* is the subject of a *pass through amount* applied under this Schedule then:
- (a) to avoid doubt, any *pass through amount* applied under this Schedule applies as a variation to that *Haulage Contract*, regardless of whether the *Haulage Contract* is entered into:
 - (i) before or after the time at which the *change statement* is given to the *Regulator*; or
 - (ii) before or after the time of the *relevant change*;
 - and
 - (b) for the purposes of the *transitional provisions* proposed in the *A New Tax System (Goods and Services Tax Transition) Bill 1998*, this Schedule constitutes a “review opportunity” arising on or after the date of Royal Assent of that Act.
- (2) A *Haulage Contract* may exclude or vary the effect of subclause 7(1) of this Schedule.

Definitions

8. In this Schedule:

“**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 *AlintaGas*) 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 clause;

“change statement” means a statement given by *AlintaGas* to the *Regulator* under clause 1 of this Schedule;

“negative pass through amount” means, in relation to a *relevant change*, an amount (or a factor) by which any amount a *user* is required to pay *AlintaGas* is decreased;

“pass through amount” means a *positive pass through amount* or a *negative pass through amount*;

“positive pass through amount” means, in relation to a *relevant change*, an amount (or a factor) by which any amount a *user* is required to pay *AlintaGas* is increased;

“regulatory change” means a change in, the removal of, or the imposition of, a *regulatory requirement* imposed on *AlintaGas* in its capacity as operator of the *AlintaGas Network*, 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 to the *Regulator* for a license under the *Act*, or any other membership, contribution or other charge payable to any regulatory body or agency

which results from a *change in law*;

“regulatory requirement” means any obligation, condition, prohibition or restriction imposed by or under any *law*;

“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) *AlintaGas* being required to pay an amount in relation to its supply of one or more *services* that it would not have been required to pay;
- (b) a change in the amount which *AlintaGas* is required to pay in relation to its supply of one or more *services* from that which it would have been required to pay; or
- (c) *AlintaGas* no longer being required to pay an amount in relation to its supply of one or more *services* that it would have been required to pay,

under the *law* that applied at the *submission date*;

“relevant tax”:

- (a) means any *tax* the effect of which was properly taken into account (directly or indirectly) when setting *reference tariffs*, as affecting an amount which *AlintaGas* is or will be required to pay in relation to its supply of one or more *services*; and
- (b) includes a *tax* which would have been properly taken into account as described in paragraph (a) of this definition, had the *tax* been in effect at the time *reference tariffs* were set, including a goods and services *tax* such as is proposed in the *A New Tax System (Goods and Services Tax) Bill 1998*;

“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*; and

“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, and includes the provisions proposed in the *A New Tax System (Goods and Services Tax Transition) Bill 1998*.

SCHEDULE 4 — TERMS AND CONDITIONS OF REFERENCE SERVICE A

{Outline:

This Schedule sets out some of the terms and conditions upon which *AlintaGas* will supply *Reference Service A*. Other terms and conditions which will apply to *Reference Service A* and which are common to all *reference services*, are set out in Schedule 7. The terms and conditions set out in this Schedule and Schedule 7 are not exhaustive. }

Duration of Haulage Contract

1. A *Haulage Contract* for *Reference Service A* will be of a duration of no less than 2 years but no longer than 5 years.

Delivery facilities

2. (1) *AlintaGas* 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) *AlintaGas* will design and construct all *user specific delivery facilities*, and will have regard to the *user's* reasonable requirements in doing so.
- (3) *AlintaGas* 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 *AlintaGas* 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. The *Haulage Contract* may detail procedures as to when and how often the *user* may request *AlintaGas* to verify the accuracy of the *meter* forming part of any *user specific delivery facilities* and the procedures by which, and terms and conditions on which, that verification is to be carried out.

Gas pressure

4. (1) The *Haulage Contract* is to set out the nominal pressure at which *AlintaGas* 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 *AlintaGas* from time to time as the minimum nominal operating pressure for the main to which the *delivery point* is connected.

Meter reading

5. *AlintaGas* will be responsible for calculating and recording the quantity of *gas* delivered to the *user* at the *delivery point*, by telemetry reading. *AlintaGas* will endeavour to take such telemetry readings every day.

Prices

6. *Reference Service A* is made available at *Reference Tariff A*, 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 current *Access Arrangement period*, under clause 19 of Schedule 7.

Other terms and conditions

7. In addition to the terms and conditions in this Schedule, the terms and conditions in Schedule 7 apply to *users* of *Reference Service A*.

SCHEDULE 5 — TERMS AND CONDITIONS OF REFERENCE SERVICE B1

{Outline:

This Schedule sets out some of the terms and conditions upon which *AlintaGas* will supply *Reference Service B1*. Other terms and conditions which will apply to *Reference Service B1* and which are common to all *reference services*, are set out in Schedule 7. The terms and conditions set out in this Schedule and Schedule 7 are not exhaustive. }

Duration of Haulage Contract

1. A *Haulage Contract* for *Reference Service B1* will be of a duration of no less than 2 years but no longer than 5 years.

Delivery facilities

2.
 - (1) *AlintaGas* 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) *AlintaGas* will design and construct all *user specific delivery facilities*, and will have regard to the *user's* reasonable requirements in doing so.
 - (3) If at the time the *user* submitted the *application* it was reasonably anticipated that the *user* would take delivery of more than 20 terajoules of gas at a *delivery point* during each year of the *Haulage Contract* (whether from the *high pressure system* or *medium pressure/low pressure system*), then 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) If at the time the *user* submitted the *application* it was reasonably anticipated that the *user* would take delivery of less than 20 terajoules of gas during any year of the *Haulage Contract* at a *delivery point*, then the *user specific delivery facilities* at that *delivery point*, will include a meter which:
 - (a) may, at the discretion of *AlintaGas*, read by means of telemetry; and
 - (b) aggregates the flow of gas between readings.
 - (5) *AlintaGas* will own, operate and maintain, and may from time to time modify, any *user specific delivery facilities*.
 - (6) The *user* must use its reasonable endeavours to cooperate with *AlintaGas* 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. The *Haulage Contract* may detail procedures as to when and how often the *user* may request *AlintaGas* to verify the accuracy of the *meter* forming part of any *user specific delivery facilities* and the procedures by which, and the terms and conditions on which, that verification is to be carried out.

Gas pressure

4. (1) The *Haulage Contract* is to set out the nominal pressure at which *AlintaGas* 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 *AlintaGas* from time to time as the minimum nominal operating pressure for the main to which the *delivery point* is connected.

Meter reading

5. *AlintaGas* will be responsible for calculating and recording the quantity of *gas* delivered to the *user* at the *delivery point*:
 - (a) daily, in relation to *users* referred to in subclause 2(3) of this Schedule; and
 - (b) approximately 12 times each *year* at intervals of approximately 35 days in relation to *users* referred to in subclause 2(4) of this Schedule.

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 current *Access Arrangement period*, under clause 19 of Schedule 7.

Other terms and conditions

7. In addition to the terms and conditions in this Schedule, the terms and conditions in Schedule 7 apply to *users* of *Reference Service B1*.

SCHEDULE 6 — TERMS AND CONDITIONS OF REFERENCE SERVICE B2 AND REFERENCE SERVICE B3

{Outline:

This Schedule sets out some of the terms and conditions upon which *AlintaGas* will supply *Reference Service B2* and *Reference Service B3*. Other terms and conditions which will apply to *Reference Service B2* and *Reference Service B3* and which are common to all *reference services*, are set out in Schedule 7. The terms and conditions set out in this Schedule and Schedule 7 are not exhaustive. }

Duration of Haulage Contract

1. A *Haulage Contract* for *Reference Service B2* or *Reference Service B3* has a duration of 1 year.

Delivery facilities

2.
 - (1) *AlintaGas* 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) *AlintaGas* 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 *AlintaGas* 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. *AlintaGas* 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. *AlintaGas* 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 current *Access Arrangement period*, under clause 19 of Schedule 7.

- (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 current *Access Arrangement period*, under clause 19 of Schedule 7.

Other terms and conditions

6. In addition to the terms and conditions in this Schedule, the terms and conditions in Schedule 7 apply to *users of Reference Service B2* and *users of Reference Service B3*.

SCHEDULE 7 — GENERAL TERMS AND CONDITIONS APPLICABLE TO ALL REFERENCE SERVICES

{Outline:

This Schedule sets out some of the terms and conditions which are common to all *reference services*. Other terms and conditions which are particular to each *reference service* are set out in Schedules 4–6. The terms and conditions set out in this Schedule are not exhaustive.}

Division 1 –The Haulage Contract

Receipt and delivery of gas

1. 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

2. 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

3. (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 the *designated supplier* will 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 “AlintaGas Application Procedure” (referred to in clause 17 of the *Access Arrangement*) and to clause 19 of the *Access Arrangement*.

Interconnection Contracts

4. (1) The *Haulage Contract* will specify the *Interconnection Contract* or *Interconnection Contracts* applicable to the *receipt points* referred to in paragraph 3(1)(b) of this Schedule.

- (2) It is a condition of the *user's* right 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 no party to that *Interconnection Contract* is currently in breach.

Contracted peak rate

5. The *Haulage Contract* will specify the *contracted peak rate* for each *delivery point*.

{Note: The maximum possible *contracted peak rate* at a *delivery point* where a *standard 6 m³/hr meter* or a *standard 12 m³/hr meter* is in use will be constrained by the throughput capability of that *meter*.}

User specific delivery facilities

6. The *Haulage Contract* will describe the *user specific delivery facilities* (if any) at each *delivery point*.

Relationship between AlintaGas and user

7. *AlintaGas* may from time to time require a *user* to:

- (a) provide security for the performance of its obligations under a *Haulage Contract* which security may be of such type and such extent as *AlintaGas* reasonably determines;
- (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 *AlintaGas's* minimum insurance and prudential requirements, including its ability to meet all financial obligations under a *Haulage Contract*; and
- (d) provide evidence of the identity of the *designated supplier*,

and (without limiting any other remedies which may be available to it) *AlintaGas* may refuse to deliver *gas* to the *user* for so long as the relevant requirement remains unsatisfied.

Division 2 – Title to Gas

Title to gas

8. (1) *AlintaGas* has title to and possession of all *gas* in the *AlintaGas Network*.
- (2) The *user* indemnifies *AlintaGas* against any claim brought against *AlintaGas* in respect of any *gas* delivered into the *AlintaGas Network* 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 the *designated supplier*) before or arising out of the delivery of the *gas* to *AlintaGas*.

Only user may take delivery, title and possession of gas from AlintaGas

- 9. (1) All *gas* delivered under a *Haulage Contract* by *AlintaGas* 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 *AlintaGas* at the *receipt point*, the delivery by *AlintaGas* to a *user* at a *delivery point* is a transfer of title to and possession of the *gas* from *AlintaGas* 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 *AlintaGas* to the *user* at the *delivery point* at any time after the *user* receives title and possession from *AlintaGas*.

User's entitlement to receive gas is contractual

- 10. The *user's* entitlement to receive *gas* under a *Haulage Contract* is a contractual entitlement and not a proprietary entitlement.

Division 3 – Metering

Provision of data

- 11. *AlintaGas* will use reasonable endeavours to provide unverified metering data to the *user* within 5 *business days* after the *meter* is read by *AlintaGas*.

Metering uncertainty

- 12. *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

- 13. *AlintaGas* 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*.

Division 4 – Balancing

Gas balancing

14. (1) The *user* must endeavour in good faith to ensure that the quantity of *gas* delivered at a *receipt point* by a *designated supplier* for or on behalf of the *user* on each day is equal (in terms of energy content) to the quantity withdrawn at the *delivery point* by the *user* on the day.
- (2) *AlintaGas* 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, the *AlintaGas Network*.

Division 5 – Invoicing and Payment

Invoicing

15. (1) *AlintaGas* will invoice the *user* approximately 12 times each *year* at intervals of approximately 35 days, in arrears, 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*;
 - (b) a summary of any metering information used to calculate the charges in paragraph 15(2)(a) of this Schedule;
 - (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 subclause 15(4) of this Schedule; and
 - (e) such other information as the parties may agree.
- (3) If the *Haulage Contract* specifies more than one *delivery point*, the *Haulage Contract* may specify how invoices are to present information in respect of those *delivery points*.
- (4) 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 subclause 15(5) of this Schedule) any residual credits are carried forward without interest to the next *invoicing period*, and so on.
- (5) 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 15 business days

16. (1) The *user* must, within 15 *business days* after receiving an invoice, pay to *AlintaGas* 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 subclause 16(1) of this Schedule then, without prejudice to *AlintaGas*'s other rights, the *user* will pay interest on any unpaid amount calculated daily at the *prescribed interest rate* from 15 *business days* after receiving the invoice until payment.

Disputed invoices

17. (1) If the *user* disputes any amount set out in an invoice to be payable, then the *user* must under clause 16 of this Schedule pay the undisputed portion (if any) and one half of the disputed portion of the amount shown on the invoice, and must, within 15 *business days* after receiving an invoice, give written notice to *AlintaGas* that it disputes the amount and provide in that written notice full details of the dispute.
- (2) Any amount withheld by the *user* under this clause but subsequently found to have been payable is, without prejudice to *AlintaGas*'s other rights, to attract interest calculated daily at the *prescribed interest rate* from 15 *business days* after receiving the invoice until payment.
- (3) Any amount paid by the *user* under this clause but subsequently found not to have been payable is, without prejudice to the *user*'s other rights, to attract interest calculated daily at the *prescribed interest rate* from the date the *user* paid the amount until the date *AlintaGas* repays the amount to the *user*.

Correction of payment errors

18. 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* of that written notice, which adjusting payment is, without prejudice to the parties' other rights, in the case of an underpayment to *AlintaGas* to attract interest calculated daily at the *prescribed interest rate* from the date of underpayment until payment.

Pricing if agreement continues beyond end of current Access Arrangement period

19. (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 current *Access Arrangement period* ("**current Access Arrangement period**").
- (2) If:
 - (a) an *Access Arrangement* ("**revised Access Arrangement**") is approved in respect of the *Access Arrangement period* which immediately follows the *current Access Arrangement period* ("**new 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 *new 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 *new 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 *new 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 *current Access Arrangement period*, increased annually at “CPI-X” with the value of “X” being that determined (if applicable) for the relevant year of the *new Access Arrangement period* or (otherwise) for the last year of the *current Access Arrangement period*; or
 - (c) for any reason (including the repeal or amendment of the *Act*) there is no *new Access Arrangement period* or no *revised Access Arrangement* is approved – then for the remaining duration of the *Haulage Contract* after the end of the *current 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 *current Access Arrangement period*, increased annually at “CPI-X” with the value of “X” being that determined for the last year of the *current Access Arrangement period*.
- (3) This clause applies, with appropriate modifications, in respect of the end of the *new 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 subclause 19(2) of this Schedule, 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*, *AlintaGas* 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 *AlintaGas’s* right to create new *reference services* or to develop new *reference tariff* policies and structures.

Division 6 – Interruption and Curtailment

Interruptibility

20. (1) If and to the extent that a *reference service* is provided out of the unutilised *contracted peak rate* of another *user* or *users*, it is interruptible.
- (2) The *Haulage Contract* is to specify:
- (a) whether, and if so, what portion of, the *contracted peak rate* at a *delivery point* is interruptible;
 - (b) when *AlintaGas* may effect an interruption under subclause 20(1) of this Schedule;
 - (c) the procedures by which *AlintaGas* may effect an interruption under subclause 20(1) of this Schedule; and
 - (d) the consequences for the *user* if it does not comply with a notice of interruption issued by *AlintaGas* pursuant to the procedures specified under paragraph 20(2)(c) of this Schedule.

AlintaGas to minimise curtailment

21. *AlintaGas* will in its operation and maintenance of the *AlintaGas Network* 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) *AlintaGas* may wholly or partly curtail the quantity or pressure of gas deliveries to the *user* at a *delivery point*:
- (a) if the level of *capacity* falls or remains below that necessary to meet all *user's* requirements;
 - (b) during any *emergency* or while *AlintaGas* is experiencing any event of *force majeure*;
 - (c) if the *user* exceeds its *contracted peak rate* at the *delivery point*;
 - (d) if any requirement of clause 63 of the *Access Arrangement* is not met;
 - (e) if the *designated supplier* in respect of the *gas* is not entitled to have delivered, or fails to have delivered, an equivalent quantity of *gas* at a *receipt point*;
 - (f) if *AlintaGas* has refused to accept *gas* from the relevant *interconnected pipeline* due to the *gas* not complying with applicable *gas* quality requirements;

- (g) under clause 23 of this Schedule, to permit *AlintaGas* to undertake any *extension or expansion*;
 - (h) if the *user* is in default under the *Haulage Contract*;
 - (i) if *AlintaGas* considers as a reasonable person that it would be unsafe or may give rise to an unsafe situation for the operation of the *AlintaGas Network* to deliver gas to the *user* at the *delivery point*;
 - (j) if *AlintaGas* 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
 - (k) in any other circumstance specified in or permitted by the *Haulage Contract*.
- (2) *AlintaGas* 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.
- (3) The *Haulage Contract* is to specify the procedures by which *AlintaGas* may effect a curtailment.

Curtailment for system reinforcement

23. *AlintaGas* may:

- (a) at any time by arrangement with the *user*; or
- (b) at any time at least 90 days after giving the *user* written notice,

wholly or partially curtail gas deliveries to the *user* to the extent reasonably necessary to permit *AlintaGas* to undertake any *extension or expansion* or any maintenance of the *AlintaGas Network*.

Division 7 – Technical and Operational Matters

Unaccounted for gas

24. *AlintaGas* will replace gas which is lost while in its control.

Gas losses and gas consumed by AlintaGas

25. *AlintaGas* may commingle with other gas in the *AlintaGas Network* any gas purchased by *AlintaGas* to replace:

- (1) gas used by *AlintaGas* in its operation of the *AlintaGas Network*; or
- (2) gas lost from the *AlintaGas Network* or otherwise unaccounted for.

Emergencies

26. (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*, *AlintaGas* 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 *AlintaGas Network* and giving any reasonable instructions to *users*.
- (2) *AlintaGas* 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 *AlintaGas's* actions in dealing with the *emergency*, but a failure to give such written notice does not limit *AlintaGas's* powers under subclause 26(1) of this Schedule.
- (3) *AlintaGas* 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 subclause 26(1) of this Schedule, 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 *AlintaGas* 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 *AlintaGas Network*) given to it by *AlintaGas* during, and related to, an *emergency*, and a *user* is to be liable to *AlintaGas* for any injury, death, loss or damage suffered by reason of the *user's* failure to comply with such an instruction.

Allocation

27. (1) Where *gas* is delivered to a *delivery point* for more than one *user*, those *users* must establish allocation methodologies and notification processes reasonably acceptable to *AlintaGas*, for allocating *gas* deliveries, interruptions and curtailments between different *users*.
- (2) If no methodologies or processes are established in accordance with subclause 27(1) of this Schedule, *AlintaGas* will be entitled to adopt a reasonable methodology or process or both such as pro-rating based on *contracted peak rate*.

Division 8 – Liability of Parties

Force majeure

28. (1) Subject to subclause 28(2) of this Schedule 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) 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) The inability to pay money, however caused, does not constitute *force majeure*.
- (4) 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.
- (5) 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.
- (6) 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*.

Liability for negligence and default limited to direct damage

29. (1) If a party:
- (a) is negligent in any matter relating to or arising out of a *Haulage Contract*, then the party; or
 - (b) defaults in respect of its obligations to the other party under a *Haulage Contract*, then (subject to subclause 29(2) of this Schedule) 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) *AlintaGas* 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 *AlintaGas Network*, where that curtailment or non-delivery is undertaken under the *Code*, the *Access Arrangement* or a *Haulage Contract*.

Liability for fraud

30. 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 *direct damage* or *indirect damage* caused by or arising out of the fraud.

No liability for indirect damage

31. Except as provided in clause 30 of this Schedule, 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.

No liability arising out of any approval by AlintaGas

32. Without limiting the generality of clause 31 of this Schedule, *AlintaGas* is not, except as provided in clauses 29 and 30 of this Schedule, 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 *AlintaGas* 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 *AlintaGas Network*.

Saving of contractual payments

33. Nothing in this Division limits the liability of either party to make all payments under a *Haulage Contract*.

Each limitation separate

34. Each limitation or exclusion created by this Division and each protection given to *AlintaGas* or the *user* or to their respective directors, servants, consultants, independent contractors and agents by this Division is a separate limitation, exclusion or protection applying and surviving even if for any reason any provision of this Division is held inapplicable in any circumstances.

Division 9 – Default and Termination

Default by a party

35. 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, in any way jeopardise the ability of the other party 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 AlintaGas not a default

36. (1) The restructuring or sale of *AlintaGas* is not a default for the purposes of clause 35 of this Schedule if it is conducted as part of, in preparation for or otherwise to facilitate:
- (a) the full or partial privatisation of *AlintaGas*, whether by way of sale, float, sale of assets, or some other means or combination of means; 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 “restructuring” in subclause 36(1) of this Schedule includes the division of *AlintaGas* into two or more separate legal entities, and the assignment, sale or other transfer of all or part of *AlintaGas*’s business or assets to one or more subsidiaries or related corporations of *AlintaGas*.

Notice of default

37. 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

38. A party cannot terminate a *Haulage Contract* under clause 40 of this Schedule:
- (a) for a default under paragraph 35(a) of this Schedule unless it is given a written notice under clause 37 of this Schedule of that default, and the default has not been remedied within 3 *business days* after the other party receives that written notice; and
 - (b) for any other default under clause 35 of this Schedule, unless it is given a written notice under clause 37 of this Schedule of that default, and the default has not been remedied within 7 *business days* after the other party receives that written notice.

Curtailment for the user's default

39. If the *user* is in default under a *Haulage Contract*, then *AlintaGas* 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

40. Subject to clause 38 of this Schedule, 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 AlintaGas's other remedies

41. A party's rights under clause 40 of this Schedule and *AlintaGas*'s rights under clause 39 of this Schedule 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

42. (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 subclause 42(2) of this Schedule, 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.

Division 10 – Dispute Resolution

Parties to attempt to resolve

- 43. (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 subclause 43(1) of this Schedule, 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

- 44. If the dispute remains unresolved for a further 15 *business days* after the end of the 30 day period referred to in subclause 43(2) of this Schedule, 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 clause 45 of this Schedule.

Arbitration

- 45. (1) Where under paragraph 44(b) of this Schedule 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 paragraph 45(7)(a) of this Schedule:
 - (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

- 46. Any dispute in good faith being dealt with under this Division or under the *Code* does not constitute a default for the purposes of clause 35 of this Schedule.

Division 11 – Miscellaneous Contractual Matters

Making good damage caused in the course of installing delivery facilities

47. (1) *AlintaGas* 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 *AlintaGas*, 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*, *AlintaGas* opens or breaks up any sealed or paved surface, or damages or disturbs any lawn, landscaping or other improvement, then *AlintaGas* will if necessary fill in any ground to restore it to approximately its previous level, but (without limiting the generality of subclause 47(1) of this Schedule) *AlintaGas* is not obliged to reinstate or make good, or pay compensation in respect of, any such surface, lawn, landscaping or other improvement.
- (3) To the extent that this clause reduces *AlintaGas's* obligations and liabilities as between *AlintaGas* and the *user*, the *user* must indemnify *AlintaGas* against any claim brought against *AlintaGas* by the *user's* gas customer.

No assignment except as provided for in Trading Policy

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

Representations and warranties

49. (1) The *Haulage Contract* is to specify the representations and warranties made by the *user* to *AlintaGas* in making the *application* which gave rise to the *Haulage Contract*, and in entering into the *Haulage Contract*.
- (2) The *Haulage Contract* is to specify the representations and warranties made by *AlintaGas* to the *user* in entering into the *Haulage Contract*.
- (3) The *Haulage Contract* may provide for the representations and warranties referred to in subclauses 49(1) and 49(2) of this Schedule to be repeated anew on each day of the *Haulage Contract*.

Insurances

50. (1) The *Haulage Contract* will require the *user* to procure and maintain liability insurance with insurers for such amount as *AlintaGas* may require and the *user* must arrange for endorsement on the policy of the interests of *AlintaGas*.
- (2) *AlintaGas* may require the *user* to provide evidence of the matters in subclause 50(1) of this Schedule.

Notices and addresses for notices

51. 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 *AlintaGas* and the *user* in respect of all *contracted peak rate* the subject of the *Haulage Contract*.

Confidentiality

52. (1) Both parties must keep confidential the contents of a *Haulage Contract* and any information of a confidential nature provided to it during the course of negotiations for, or during the duration of, a *Haulage Contract*.
- (2) The obligation of confidentiality in subclause 52(1) of this Schedule does not prevent the disclosure of information:
- (a) with the prior written consent of the other party;
 - (b) which 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) which is 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) in the course of any restructuring or sale of *AlintaGas* contemplated in clause 36 of this Schedule; or
 - (f) which, in the reasonable opinion of the disclosing party, is required to be disclosed to any present or prospective lender to or financier of a party.
- (3) In the case of a permitted disclosure under subclause 52(2) of this Schedule, the disclosing party must use reasonable endeavours to make disclosure on terms which preserve as far as practicable the confidentiality of the information.
- (4) In the case of a disclosure to which paragraph 52(2)(c) of this Schedule 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.

- (5) The definition of “**Confidential Information**” in section 10.8 of the *Code* does not apply to this clause.

{Note: Information to which this clause relates may also come within the definition of “**Confidential Information**” in section 10.8 of the *Code*.}

General terms and conditions

53. The *Haulage Contract* may specify other terms and conditions upon which *AlintaGas* makes the *reference service* available to the *user*:

{Note: Those other terms and conditions will, among other things, cover matters such as governing *law*, severance, no waiver, entire agreement, etc.}

Division 12 – Interpretation

Definitions

54. In this Schedule:

“**contracted reference service**” has the meaning given in subclause 19(2) of this Schedule;

“**current Access Arrangement period**” has the meaning given in subclause 19(1) of this Schedule;

“**direct damage**”:

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

“**emergency**” means:

- (a) any extreme operating situation; or
- (b) any other situation (however caused) which, in *AlintaGas*’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 subclause 19(2) of this Schedule;

“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, including without limitation:

- (a) acts of God, epidemics, landslides, lightning, earthquake, fires, storms, floods, wash-outs and cyclones;
- (b) strikes, lockouts, stoppages, restraints of labour and other industrial disturbances;
- (c) acts of the enemy, wars, blockades or insurrections;
- (d) riots and civil disturbances;
- (e) valid *laws*;
- (f) shortage of necessary equipment, materials or labour;
- (g) refusal or delay in obtaining any necessary consent or approval from any Commonwealth or local government or any Commonwealth or State statutory authority (including, whether or not the party claiming the benefit of *force majeure* is the *user*, *AlintaGas*);
- (h) unavoidable accidents involving, or breakdown of or loss or damage to, any plant, equipment, materials or facilities necessary for the parties’ operations;
- (i) any *pipeline* shutdown, curtailment or interruption which is validly required or directed under any *law*;
- (j) any *pipeline* shutdown, curtailment or interruption required to conform with design or regulatory limits on *pipeline* facilities, whether arising due to environmental conditions or circumstances or otherwise;
- (k) *pipeline* ruptures; and
- (l) collisions or accidents;

“gas hour” means a period of 60 minutes, commencing and ending on the hour;

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

“**new Access Arrangement period**” has the meaning given in subclause 19(2) of this Schedule;

“**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 is:

- (a) the quoted rate for Bank Bill Reference Rate (Mid-Rate) on Telerate page 39373 at or about a 10:00 hours (Sydney time) on that day as being the rate for a one month bill; or
- (b) if the bank bill rate cannot be determined by the procedure in paragraph (a) of this definition, a reasonable rate determined by *AlintaGas* having regard to comparable indices then available;

and

“**revised Access Arrangement**” has the meaning given in subclause 19(2) of this Schedule.

SCHEDULE 8 — TARIFFS FOR LISTED ANCILLARY SERVICES

The following *tariffs* for *listed ancillary services* apply until amended or substituted with the *Regulator's* approval under clause 39 of the *Access Arrangement*.

| ANCILLARY SERVICE | TARIFF |
|---|---|
| <i>Disconnection Service</i> | \$25.00 per disconnection per <i>delivery point</i> |
| <i>Reconnection Service</i> | \$25.00 per reconnection per <i>delivery point</i> |
| <i>Additional Meter Reading Service</i> | \$12.00 per reading |
| <i>Additional Meter Testing Service</i> | \$60.00 per <i>meter</i> test |

CONTENTS

| | |
|--|-----------|
| CHAPTER 1 — THE ALINTAGAS NETWORK | 1 |
| 1. Pipelines covered by this Access Arrangement | 1 |
| 2. High pressure system | 1 |
| 3. Medium pressure/low pressure system | 2 |
| 4. Obtaining details of medium pressure/low pressure system | 2 |
| CHAPTER 2 — SERVICES POLICY | 4 |
| Division 1 — Reference Services | 4 |
| 5. Reference Service A | 4 |
| 6. Reference Service B1 | 4 |
| 7. Reference Service B2 | 5 |
| 8. Reference Service B3 | 5 |
| 9. Changes to terms and conditions | 5 |
| Division 2 — Interconnection Service | 6 |
| 10. Interconnection Service | 6 |
| Division 3 — Elements of a Service | 6 |
| 11. Elements of a Service | 6 |
| Division 4 — Listed Ancillary Services | 6 |
| 12. Disconnection Service | 7 |
| 13. Reconnection Service | 7 |
| 14. Additional Meter Reading Service | 7 |
| 15. Additional Meter Testing Service | 7 |
| 16. Terms and conditions for listed ancillary services | 7 |
| Division 5 — Miscellaneous | 8 |
| 17. Obtaining access to services | 8 |
| 18. Prospective user required to enter into a service agreement | 8 |
| 19. Pre-conditions to the provision of services | 8 |
| 20. Gas quality | 10 |
| CHAPTER 3 — REFERENCE TARIFFS AND REFERENCE TARIFF POLICY | 11 |
| Division 1 – Reference Tariffs | 11 |
| 21. Reference Tariff A | 11 |
| 22. Reference Tariff B1 | 12 |
| 23. Reference Tariff B2 | 13 |
| 24. Reference Tariff B3 | 13 |
| 25. Variation of the Initial Reference Tariffs | 14 |
| Division 2 – Reference Tariff Policy | 15 |
| 26. General principles | 15 |
| 27. Calculation of total revenue | 16 |
| 28. Calculation of initial capital base | 16 |
| 29. Forecast capital expenditure | 16 |
| 30. Calculation of rate of return | 17 |
| 31. Depreciation Schedule | 17 |
| 32. Non-capital costs | 17 |

| | |
|---|-----------|
| 33. Allocation of revenue between services..... | 17 |
| 34. Allocation of revenue between users | 18 |
| 35. Form of regulation | 18 |
| 36. Use of incentive mechanisms..... | 18 |
| 37. New facilities investment..... | 18 |
| 38. Reference tariff principles not subject to review..... | 19 |
| Division 3 –Tariffs for Listed Ancillary Services..... | 19 |
| 39. Tariffs for listed ancillary services | 19 |
| Division 4 –Tariffs for Non-Reference Services | 20 |
| 40. Tariffs for haulage services other than reference services..... | 20 |
| CHAPTER 4 — CAPACITY MANAGEMENT POLICY..... | 21 |
| 41. Capacity Management Policy | 21 |
| CHAPTER 5 — TRADING POLICY | 22 |
| Division 1 — Transfers or assignments of capacity..... | 22 |
| 42. Trading Policy..... | 22 |
| 43. Bare Transfers..... | 22 |
| 44. Other transfers..... | 23 |
| 45. Transferor remains liable to AlintaGas | 23 |
| Division 2 — Relocation of Receipt Point or Delivery Point | 23 |
| 46. Change of receipt point or delivery point | 23 |
| 47. Examples..... | 24 |
| CHAPTER 6 — QUEUING POLICY..... | 25 |
| 48. When Queuing Policy applies..... | 25 |
| 49. First come first served..... | 25 |
| 50. Processing of applications not affected..... | 26 |
| 51. Priority of amended applications | 26 |
| 52. User may increase contracted peak rate only by new application..... | 26 |
| 53. Notification of position in queue | 26 |
| CHAPTER 7 — EXTENSIONS/EXPANSIONS POLICY | 28 |
| 54. Extensions/Expansions Policy | 28 |
| 55. Incremental expansions automatically included | 28 |
| 56. Other extensions automatically excluded..... | 28 |
| 57. Excluded extensions..... | 29 |
| 58. Impact on reference tariffs | 29 |
| CHAPTER 8 — REVIEW AND EXPIRY OF THE ACCESS ARRANGEMENT | 30 |
| 59. Commencement date..... | 30 |
| 60. Revisions submission date | 30 |
| 61. Intended revisions commencement date | 30 |
| CHAPTER 9 — INTERCONNECTION WITH OTHER PIPELINES | 31 |
| 62. Receipt points | 31 |
| 63. Designated suppliers | 31 |
| CHAPTER 10 — INTERPRETATION | 33 |
| 64. Definitions | 33 |
| 65. Definitions in Act apply to this Access Arrangement..... | 46 |
| 66. Use of italic typeface to indicate defined terms | 46 |
| 67. Outlines, examples and notes..... | 46 |
| 68. SI units | 47 |
| 69. References to spare capacity, developable capacity or contracted peak rate..... | 47 |

**SCHEDULE 1 — MAPS OF HIGH PRESSURE SYSTEM AND MEDIUM
PRESSURE/LOW PRESSURE SYSTEM.....48**

SCHEDULE 2 — VARIATION OF REFERENCE TARIFFS49

Part A — Interpretation and Procedure49

1. Annual statement to be given to the Regulator 49
2. Proposed reference tariffs approved by the Regulator become reference tariffs..... 50

Part B — Principles and Formulas.....50

3. Form of regulation 50
4. AlintaGas may vary tariffs in accordance with this Schedule..... 50
5. Limit on proposed reference tariffs..... 51
6. Forecast Average Revenue (FAR)..... 51
7. Maximum Allowed Average Revenue (MAAR) 51
8. Re-weighted Average Revenue (RAR) 51
9. Average revenue (AR) 51
10. Correction Factor (K_t)..... 52
11. Correction factor for Year t-1 (K_{a_t})..... 52
12. Correction factor for Year t-2 (K_{b_t})..... 52
13. Limit on proposed tariff components 53
14. Consumer Price Index..... 54
15. Interpretation..... 54

**SCHEDULE 3 — PASS THROUGH OF TAXATION AND REGULATORY
CHANGES58**

1. Application by AlintaGas 58
2. Approval by Regulator..... 58
3. Required Pass Through..... 59
4. Relevant Factors 59
5. Application of pass through amount 60
6. Variation of reference tariffs under Schedule 2..... 61
7. Application of this Schedule 61
8. Definitions 61

SCHEDULE 4 — TERMS AND CONDITIONS OF REFERENCE SERVICE A64

1. Duration of Haulage Contract 64
2. Delivery facilities..... 64
3. Accuracy verification..... 64
4. Gas pressure 64
5. Meter reading..... 65
6. Prices 65
7. Other terms and conditions 65

SCHEDULE 5 — TERMS AND CONDITIONS OF REFERENCE SERVICE B1.....66

1. Duration of Haulage Contract 66
2. Delivery facilities..... 66
3. Accuracy verification..... 67
4. Gas pressure 67
5. Meter reading 67
6. Prices 67
7. Other terms and conditions 67

**SCHEDULE 6 — TERMS AND CONDITIONS OF REFERENCE SERVICE B2 AND
REFERENCE SERVICE B3.....68**

1. Duration of Haulage Contract 68
2. Delivery facilities..... 68
3. Gas pressure 68
4. Meter reading..... 68

| | |
|-------------------------------------|----|
| 5. Prices | 68 |
| 6. Other terms and conditions | 69 |

SCHEDULE 7 — GENERAL TERMS AND CONDITIONS APPLICABLE TO ALL REFERENCE SERVICES70

Division 1 –The Haulage Contract.....70

| | |
|---|----|
| 1. Receipt and delivery of gas..... | 70 |
| 2. Duration | 70 |
| 3. Receipt points and delivery points | 70 |
| 4. Interconnection Contracts | 70 |
| 5. Contracted peak rate | 71 |
| 6. User specific delivery facilities..... | 71 |
| 7. Relationship between AlintaGas and user..... | 71 |

Division 2 – Title to Gas.....71

| | |
|--|----|
| 8. Title to gas | 71 |
| 9. Only user may take delivery, title and possession of gas from AlintaGas | 72 |
| 10. User's entitlement to receive gas is contractual | 72 |

Division 3 – Metering.....72

| | |
|---|----|
| 11. Provision of data | 72 |
| 12. Metering uncertainty | 72 |
| 13. Use of gas quality data from other locations..... | 72 |

Division 4 – Balancing73

| | |
|------------------------|----|
| 14. Gas balancing..... | 73 |
|------------------------|----|

Division 5 – Invoicing and Payment73

| | |
|--|----|
| 15. Invoicing | 73 |
| 16. Payment within 15 business days..... | 74 |
| 17. Disputed invoices..... | 74 |
| 18. Correction of payment errors | 74 |
| 19. Pricing if agreement continues beyond end of current Access Arrangement period | 74 |

Division 6 – Interruption and Curtailment.....76

| | |
|--|----|
| 20. Interruptibility | 76 |
| 21. AlintaGas to minimise curtailment | 76 |
| 22. Curtailment | 76 |
| 23. Curtailment for system reinforcement | 77 |

Division 7 – Technical and Operational Matters77

| | |
|--|----|
| 24. Unaccounted for gas | 77 |
| 25. Gas losses and gas consumed by AlintaGas | 77 |
| 26. Emergencies..... | 78 |
| 27. Allocation | 78 |

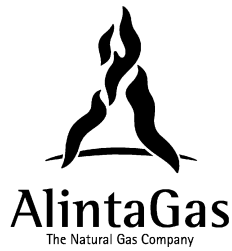
Division 8 – Liability of Parties.....79

| | |
|---|----|
| 28. Force majeure | 79 |
| 29. Liability for negligence and default limited to direct damage | 79 |
| 30. Liability for fraud..... | 80 |
| 31. No liability for indirect damage..... | 80 |
| 32. No liability arising out of any approval by AlintaGas | 80 |
| 33. Saving of contractual payments | 80 |
| 34. Each limitation separate..... | 80 |

Division 9 – Default and Termination.....80

| | |
|---|----|
| 35. Default by a party | 80 |
| 36. Restructuring or sale of AlintaGas not a default..... | 81 |
| 37. Notice of default | 82 |
| 38. When a party may exercise remedy | 82 |
| 39. Curtailment for the user's default | 82 |
| 40. Termination..... | 82 |

| | |
|---|-----------|
| 41. Saving of AlintaGas's other remedies | 82 |
| 42. Effect of termination | 82 |
| Division 10 – Dispute Resolution | 83 |
| 43. Parties to attempt to resolve | 83 |
| 44. Disposition of unresolved disputes | 83 |
| 45. Arbitration..... | 83 |
| 46. Dispute not a default | 84 |
| Division 11 – Miscellaneous Contractual Matters | 85 |
| 47. Making good damage caused in the course of installing delivery facilities | 85 |
| 48. No assignment except as provided for in Trading Policy..... | 85 |
| 49. Representations and warranties..... | 85 |
| 50. Insurances | 85 |
| 51. Notices and addresses for notices | 86 |
| 52. Confidentiality | 86 |
| 53. General terms and conditions..... | 87 |
| Division 12 – Interpretation | 87 |
| 54. Definitions | 87 |
| SCHEDULE 8 — TARIFFS FOR LISTED ANCILLARY SERVICES | 90 |



AlintaGas's Access Arrangement for the Mid-West and South-West Gas Distribution Systems

Submitted 30 June 1999

AlintaGas
1 William Street
Perth WA 6000