



**GOLDFIELDS GAS PIPELINE**

**Proposed Revised Access  
Arrangement**

**(Marked up version)**

15 August 2014

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## 1 Introduction

### 1.1 Pipeline history relevant to access arrangement

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

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

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

~~The gas transportation service required by Users of the Goldfields Gas Pipeline is for transportation of gas on a firm basis from the Pipeline's Inlet Point located Yarraloola. There are no other gas sources located along the route of the Pipeline. It is anticipated that this will continue to be the gas transportation service required by all or most of the Users of the Pipeline. Accordingly, the only Reference Service offered under this Access Arrangement is a Firm Service.~~

~~This Access Arrangement sets out terms and conditions for the access to the Covered Pipeline. Section 321(1) 2-25 of the National Gas Access (Western Australia) Law Code prohibits the approval of an applicable Access Arrangement having the effect of depriving if any provision of it would deprive a person of a relevant protected pre-existing contractual right, which includes Pre-existing Contractual Rights (other than an exclusivity right, as defined in the Code, which arose on or after 30 March 1995).~~

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

Should a User or Prospective User of the Covered Pipeline have needs which cannot be accommodated through a Reference Firm Service, Service Provider GGT will discuss the provision of Negotiated Services.

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

## ~~2~~ Access Arrangement

### ~~2.11.2~~ Access Arrangement~~General~~

~~This Access Arrangement is lodged by Goldfields Gas Transmission Pty Ltd, ACN 004 273 241 (GGT). This Access Arrangement is established pursuant to the National Gas Access (Western Australia) Law and Part 8 of the National Gas Rules. Under the National Gas Rules, the owner or operator of a covered pipeline is required to lodge an Access Arrangement with (and have it approved by) the Regulator.~~

~~An Access Arrangement must, as a minimum, contain the elements described in Rule 48. These include:~~

- ~~(a) the terms and conditions on which the Service Provider will provide each Reference Service; and~~
- ~~(b) capacity trading and queuing requirements, as well as how extensions and expansions will be treated for the pipeline.~~

~~The Access Arrangement must be accompanied by applicable Access Arrangement Information (Rule 43).~~

~~Part of the capacity of the Goldfields Gas Pipeline is a Covered Pipeline by operation of item 6 of Schedule 3 of the National Gas Access (Western Australia) Law.~~

~~This Access Arrangement sets out terms and conditions for the access to the Covered Pipeline.~~

~~Completed in 1996, the Pipeline deliversis the sole conduit for delivery of natural gas from the vast-offshore gas fields in the north west of Western Australia to the mineral rich, inland regions of the State. The Pipeline's Receipt Point is located at Yarraloola. There are no other gas sources located along the route of the Pipeline. Gas is delivered to Delivery Pointoutlets along the length of the Pipeline, primarily for use in electricity generation facilities associated with mining and minerals processing.~~

~~A more detailed description of the Pipeline, including a map, is available on Service Provider's website at [www.apa.com.au](http://www.apa.com.au).~~

## ~~2.2~~ Reference Service

~~This Access Arrangement sets out the policies required by the Code, including terms and conditions applying to provision of a Reference Service in the Covered Pipeline.<sup>1</sup>~~

<sup>1</sup> Code, Section 3.6

### 2.31.3 **Ownership and Management of Pipeline**

The Pipeline is owned by an unincorporated joint venture comprising:

- Southern Cross Pipelines Australia Pty Limited, ACN 084 521 997 whose Individual Share is 62.664%;
- Southern Cross Pipelines (NPL) Australia Pty Ltd, ACN 085 991 948 whose Individual Share is 25.493%; and
- Alinta DEWAP Pty Ltd ~~Pty Ltd~~, ACN 058 070 689 whose Individual Share is 11.843%,

(collectively the **Owners**).

Goldfields Gas Transmission Pty Ltd (GGT), ACN 004 273 241, is the operator of the Pipeline for and on behalf of each of the Owners.

### 2.41.4 **Service Provider**

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

GGT enters into a Transportation Agreement as agent for each of the Owners in proportion to the relevant Owner's Individual Share and is not a party to a Transportation Agreement in GGT's personal capacity. All:

- rights expressed to arise under a Transportation Agreement in favour of GGT;  
and
- obligations expressed under a Transportation Agreement to be performed by GGT,

are not personal to GGT, and are held and performed by GGT as agent for and on behalf of the Owners.

### 2.51.5 **Applies to Covered Pipeline**

The Covered Pipeline has Capacity of approximately 109 TJ/day. As at 1 January 2010, Spare Capacity in the Covered Pipeline is approximately 3.81 TJ/day and the Reference Service is offered for this Spare Capacity.

## 1.6 Commencement of this access arrangement

This Access Arrangement commenced on the date on which the approval of the Regulator took effect under Rule 62 or Rule 64 (as relevant).

## 1.7 Revisions to this access arrangement

Service Provider will submit revisions to this Access Arrangement (**Proposed Revisions**) to the Regulator on or before 1 January 2019, or four Years from the commencement date of this Access Arrangement, whichever is the later (**Review Submission Date**).

The revisions to this Access Arrangement will commence on the later of 1 January 2020 and the date on which the approval by the Regulator of the revisions to the Access Arrangement takes effect under the National Gas Rules (**Revisions Commencement Date**).

In the event that the Access Arrangement Proposed Revisions in relation to the Access Arrangement Period next following the period of this Access Arrangement (“**Next Access Arrangement**”) does not come into effect on the intended Revisions Commencement Date this Access Arrangement will not expire until the date after the Revisions Commencement Date on which the Regulator specifies that the Next Access Arrangement comes into effect.

Service Provider may also at any time between the commencement of this Access Arrangement and the Review Submission Date, submit revisions to this Access Arrangement to the Regulator under Rule 52.

## 2.61.8 Definitions and Interpretation

The definitions and interpretation provisions set out in Schedule C apply where relevant to this Access Arrangement.

## 2.71.9 Structure of this Access Arrangement

This Access Arrangement is set out as follows:

Section 1: Introduction - sets out an overview of this Access Arrangement including its structure, Revisions Commencement Date and Review Submission Date.

Section 2: Pipeline Services - describes the Services offered under this Access Arrangement and the procedure to obtain access to the Services.

Section 3: Determination of Total Revenue - describes the Rules relevant for determining the Total Revenue requirement, and additional matters regarding New Capital Expenditure.

Section 4: Reference Tariff - describes the components of the Reference Tariff, and Reference Tariff Adjustment Mechanism.

Section 5: Queuing - describes the process through which unutilised Capacity and Developable Capacity of the Covered Pipeline will be allocated to Prospective Users.

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[Section 6: Capacity Trading - sets out how a User may assign its Contracted Capacity and change its Receipt and Delivery Points.](#)

[Section 7: Extensions and Expansions - describes the manner in which extensions or expansions to the Covered Pipeline and New Capital Expenditure will be dealt with.](#)

[Schedule A Details](#)

[Schedule B Registration of interest for Services to be provided by Spare Capacity or Developable Capacity](#)

[Schedule C Definitions and Interpretation](#)

[Schedule D Terms and Conditions applying to the Firm Service](#)

### **3— Interpretation**

#### **3.1— Definitions and Interpretation**

~~The definitions and interpretation provisions set out in Appendix 1 apply where relevant to this Access Arrangement.~~

### **4— Term and Review**

#### **4.1— Term**

~~This Access Arrangement comes into effect on the Effective Date. The Access Arrangement Period or term of the Access Arrangement is intended to expire on the Revisions Commencement Date.~~

#### **4.2— Review of Access Arrangement**

~~In accordance with Section 3.17 of the Code:~~

- ~~(a) the Revisions Submission Date is 1 January 2014; and~~
- ~~(b) the intended Revisions Commencement Date is 1 January 2015.~~

#### **4.3— Delay**

~~In the event that the Access Arrangement Proposed Revisions in relation to the Access Arrangement Period next following this Access Arrangement (“Next Access Arrangement”) does not come into effect on the intended Revisions Commencement Date this Access Arrangement will not expire until the date after the Revisions Commencement Date on which the Regulator specifies that the Next Access Arrangement comes into effect.~~

#### **4.4— Trigger Event**

- ~~(a) If a Revisions Trigger Event occurs at any time prior to 3 months before the Revisions Submission Date then GGT must submit revisions to this Access Arrangement by no later than the day which is 3 months after the Revisions Trigger Event occurs.~~
- ~~(b) For the purpose of paragraph (a) a Revisions Trigger Event occurs when GGT lodges with the Minister for Mines, Western Australia, an application/s for alteration/s to Pipeline Licence PL24, Goldfields Gas Pipeline, as required under licence condition 10 “Alterations to the Pipeline” under which:
  - ~~(i) GGT seeks to vary Pipeline Licence PL24 where the alteration/s relates to the construction and installation of expansion facilities; and~~~~

- ~~(ii) — the capacity of the GGP will be increased (as measured at the GGP Inlets, noting that in GGT's Access Arrangement Information the current inlets are described in section 12, System Description); and~~
- ~~(iii) — the total amount of all such applications made within the forthcoming Access Arrangement Period increase the Covered capacity of the GGP (as measured at the GGP Inlets) beyond 120 TJ/day.~~

## **52 Pipeline Services Policy**

### **2.1 Reference Services under Access Arrangement**

Service Provider offers the following Services on the Covered Pipeline under this Access Arrangement:

- ~~(a) Firm Service – Reference Service, as described in section 2.2The Reference Service that GGT will make available is a Firm Service for a period of 12 months or more as defined in clause 8 of this Access Arrangement.~~
- ~~(b) Negotiated Service – non-Reference Service, as described in section 2.3Subject to there being sufficient Spare Capacity in the Covered Pipeline GGT will make available the Reference Service for the receipt of Gas at the Inlet Point, the transmission of Gas to, and the delivery of Gas at, the agreed Outlet Point(s) as more particularly described in clause 4 of the General Terms and Conditions.~~

#### **2.1.1 Transportation Agreement**

Service Provider will provide the Services on the terms and conditions set out in a Transportation Agreement for the relevant Service from time to time. The provision of the Services by Service Provider under a Transportation Agreement is subject to the Prospective User complying with its obligations under the Transportation Agreement.

GGT Service Provider and the Prospective User become bound to the Transportation Service Agreement and bound to satisfy or observe all Conditions from the date mutually agreed by Service Provider GGT and the Prospective User.

#### **2.1.2 Access to and Request for Service**

In order to obtain access to a Service, a Prospective User must:

- ~~(a) Follow the processes set out in Part 5 (Queuing) of this Access Arrangement;~~
- ~~(b) Meet the following Prudential Requirements:~~
  - ~~(i) the Prospective User must be resident in, or have a permanent establishment in, Australia;~~

(ii) the Prospective User must not be under external administration as defined in the Corporations Act or under any similar form of administration in any other Australian State or Territory jurisdiction;

(iii) the Prospective User must satisfy the requirements in clause 5 of the Terms and Conditions; and

(c) Enter into a Transportation Agreement specific to that User and that Service.

### 5.1.12.1.3 **Conditions**

(a) ~~GGT Service Provider~~ may notify a Prospective User that Service Provider ~~GGT~~ is prepared to make available:

(i) a ~~Reference Firm~~ Service; or

(ii) a Negotiated Service,

subject to specified Conditions being satisfied as conditions precedent.

(b) The Conditions may relate to ~~Service Provider's GGT's~~ reasonable requirements in respect of:

(i) the occurrence of a defined event including installation and commissioning of equipment, processing facilities or infrastructure; and

~~(ii) a Surety being provided by the Prospective User, or any other person acceptable to GGT; and~~

(iii) copies of insurance policies or other evidence reasonably required by Service Provider GGT being provided, which provide a reasonable indication to Service Provider GGT that the Prospective User has insurance policies sufficient to satisfy the indemnities which the Prospective User will be required to provide under the proposed Service Transportation Agreement.

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

## 2.2 Firm Service

### 2.2.1 General

The Firm Service is a Service on the Covered Pipeline for the receipt of Gas at the ~~Inlet Receipt~~ Point at Yarraloola, the transmission of Gas to, and the delivery of Gas at, the agreed ~~Outlet Delivery~~ Point(s).

Service Provider must provide the Firm Service on the following basis:

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- (a) the receipt by Service Provider at the Receipt Point of quantities of Gas Nominated by the User, not exceeding the applicable Receipt Point MDQ, at a rate per Hour not exceeding the applicable Receipt Point MHQ;
- (b) the transportation of the Gas referred to in paragraph (a) on a firm basis and without interruption, except as is expressly permitted under the Transportation Agreement;
- (c) the delivery by Service Provider to, or on account of, User at the Delivery Point(s) of quantities of Gas Nominated by User, not exceeding the applicable Delivery Point MDQ and in aggregate not exceeding the Firm MDQ, at a rate per Hour not exceeding the applicable Delivery Point MHQ; and
- (d) the Delivery Point(s) shall be downstream of the Receipt Point where the direction of flow is defined by Service Provider,

as Scheduled in accordance with clauses 11 to 14 (inclusive) of the Terms and Conditions.

~~as more particularly described in clause 4 of the General Terms and Conditions.~~ Provision of the Firm Service is subject to there being sufficient Spare Capacity in the Covered Pipeline.

## **2.2.2 MDQ and MHQ**

- (a) At the commencement of the Transportation Agreement the User will be required to establish for each Contract Year a Firm MDQ and a Firm MHQ which fairly reflect the User's expected requirements.
- (b) The Firm Service may include multiple Delivery Points and in those circumstances the User must also establish an MDQ and MHQ for each Delivery Point which fairly reflect the User's expected requirements at each Delivery Point.
- (c) The MHQ in either case will be no greater than the figure produced by the formula:  
$$\text{MDQ} \div 24 \times 1.1$$
- (d) Except as an Authorised Overrun, Service Provider will not be obliged:
  - (i) on any Day, to receive or deliver a quantity of Gas greater than the Firm MDQ;
  - (ii) on any Day, to receive at a Receipt Point a quantity of Gas, excluding System Use Gas and the User's Linepack, greater than the applicable Receipt Point MDQ or to deliver at any Delivery Point a quantity of Gas greater than the applicable Delivery Point MDQ; or
  - (iii) in any Hour, to receive at a Receipt Point a quantity of Gas greater than the MHQ for that Receipt Point, or to deliver at any Delivery Point a quantity of Gas greater than the MHQ for that Delivery Point.

### 2.2.3 Adjustment in MDQ for Gross Heating Value

If on any Day, because of a reduction below 37 MJ per Cubic Meter (MJ/m<sup>3</sup>) in the average Gross Heating Value of the gas presented by a User at any Receipt Point, Service Provider is reasonably of the opinion that the aggregate quantities of gas to be delivered on behalf of all Users may exceed the capacity of the Pipeline:

- (a) the obligation of Service Provider to receive gas for or on behalf of the User for that Day and the obligation of Service Provider to deliver gas for and on behalf of the User on that Day are adjusted by using the following formula:

$$\text{Service Provider's obligation} = \text{MDQ} * [1 + 0.05 * (\text{AHV} - 37)]$$

- (b) the Toll Charge for the User is adjusted for the Day using the following formula:

$$\text{Adjusted Toll Charge} = \text{Toll Charge} * [1 + 0.05 * (37 - \text{AHV})]$$

- (c) the Capacity Reservation Charge for the User, is adjusted for the Day using the following formula:

$$\text{Adjusted Capacity Reservation Charge} = \text{Capacity Reservation Charge} * [1 + 0.05 * (37 - \text{AHV})]$$

- (d) the Throughput Charge for the User is adjusted for the Day using the following formula:

$$\text{Adjusted Throughput Charge} = \text{Throughput Charge} * [1 + 0.05 * (37 - \text{AHV})]$$

where AHV is the average Gross Heating Value of gas in MJ/m<sup>3</sup> received on the Day this formula is applied.

### 2.2.4 Overruns

- (a) An Unauthorised Overrun will occur where the User incurs an Overrun Quantity on a Day or in an Hour which is not an Authorised Overrun.

- (b) An Authorised Overrun is:

- (i) the receipt by Service Provider at the Receipt Point of quantities of Gas Nominated by the User, in excess of the Receipt Point MDQ, at a rate per Hour Nominated by the User;
- (ii) the transportation of the Gas referred to in subparagraph (i) on an interruptible basis; and
- (iii) the delivery by Service Provider to the User or for User's account at the Delivery Points of quantities of Gas Nominated by the User, in excess of the applicable Delivery Point MDQ or in aggregate exceeding the Firm MDQ, at a rate per Hour Nominated by the User.

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- (c) An Authorised Overrun is requested by the User as part of the User's Nomination for the Firm Service by the User requesting an amount greater than the User's Firm MDQ or relevant Receipt Point or Delivery Point MDQ (as the case may be).
- (d) Service Provider is not obliged to provide an Authorised Overrun, or to provide an Authorised Overrun in respect of quantities or at a rate Nominated by the User where:

  - (i) the provision of the Authorised Overrun for the transportation of the requested quantities would cause Service Provider to curtail a service under a Transportation Agreement:

    - (A) for another User up to its MDQ on that Day; or
    - (B) already Scheduled for transportation to another User at the time the User's Nomination is received; or
  - (ii) clauses 11 to 14 (inclusive) of the Terms and Conditions operate to exclude or reduce the provision of the Authorised Overrun.
- (e) If User requests an Authorised Overrun it must give Service Provider a Nomination for that Day.
- (f) Upon receipt of the Nomination, Service Provider must review the availability of the Authorised Overrun and must, as soon as possible, advise User that:

  - (i) the Authorised Overrun is available;
  - (ii) the Authorised Overrun is available for the relevant Day but not as requested, together with the Authorised Overrun that is available on the relevant Day; or
  - (iii) the Authorised Overrun is not available for the relevant Day.
- (g) If pursuant to paragraph 2.2.4 (f)(i), Service Provider advises the User that the Authorised Overrun is available then the User's request constitutes a Nomination for an Authorised Overrun in accordance with this Access Arrangement.
- (h) Within one hour of receipt of an advice under paragraph 2.2.4 (f)(ii), the User may request provision of the Authorised Overrun described by Service Provider in its advice under that paragraph and the request constitutes a Nomination for the Authorised Overrun in accordance with this Access Arrangement.
- (i) The User acknowledges that Service Provider cannot advise User of the availability of an Authorised Overrun under this section 2.2.4 prior to Scheduling pursuant to clauses 11 to 14 (inclusive) of the Terms and Conditions for the relevant Day.

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- (j) The User will be liable to pay Charges for Overruns (whether an Authorised Overrun or Unauthorised Overrun) as set out in section 4.2.2.
- (k) The User will be liable to Service Provider and will indemnify the Service Provider for any loss or damage suffered by Service Provider as a consequence of an Unauthorised Overrun.
- (l) If in any Contract Year:
  - (i) on more than 12 occasions the User has an Overrun (including an Authorised Overrun) which exceeds by more than 5% of a Receipt Point MDQ or Delivery Point MDQ for that Contract Year (as the case may be); then
  - (ii) Service Provider may determine that the relevant Receipt Point MDQ or Delivery Point MDQ under the Transportation Agreement for the remainder of that Contract Year will be equal to the average of the 12 highest daily quantities of Gas delivered or received (as the case may be) by the User during that Contract Year and the Charges payable by the User will be adjusted accordingly.

**5.1.2 Terms of Reference Service**

~~The terms and conditions on which the Reference Service will be provided by GGT to a Prospective User are those contained in the Service Agreement, which will be constituted by:~~

- ~~(a) the Order Form executed by the Prospective User and accepted by GGT and all attachments to it, as documented in Items 20 and 21 of the Order Form; and~~
- ~~(b) the General Terms and Conditions.~~

**5.1.32.2.5 Term**

The term of the Firm Service will be five years or such longer period ending on the anniversary of the commencement of the User's Transportation Agreement, as the User elects at the time of entering into the Transportation Agreement.

**2.2.6 Technical Specifications for connecting to the Pipeline**

The Firm Service is offered subject to a Prospective User complying with technical specifications for connecting to the Pipeline which are referred to in a Transportation Agreement.

**2.2.7 Gas Specification and commingling**

- (a) The Firm Service is offered subject to a Prospective User complying with Gas Specification for delivering Gas into the Pipeline, and any other gas quality requirements under Western Australian laws.

- (b) Subject to Pre-existing Contractual Rights, provided the Gas received from Users into the Pipeline complies with the Gas Specification, the Gas delivered by the Service Provider to the User at Delivery Points will meet the Gas Specification.
- (c) Service Provider may, by notice to the User, vary the Gas Specification if it is authorised or required to do so by law or any Governmental Authority or where the change is necessary to ensure the safety and integrity of the Pipeline, or is required in accordance with Good Engineering and Operating Practice.
- (d) The Gas received by Service Provider at the Receipt Point from the User may be commingled with other Gas in the Pipeline and with other elements for the operation and maintenance of the Pipeline. Subject to Service Provider's obligation to deliver at the Delivery Point(s) quantities of Gas meeting the requirements under a Transportation Agreement, Service Provider may commingle Gas received and deliver Gas in a commingled state to User.

#### **2.2.8 Title to the Gas**

Under the Firm Service, title in and to the Gas received by the Service Provider from the User at the Receipt Point, does not pass to the Service Provider except as set out in clause 66(a) and (b) of the Terms and Conditions applying to the Firm Service.

#### **2.2.9 Operational obligations - System Use Gas and the User's Linepack**

Under the Firm Service, User must supply System Use Gas and Line Pack in the manner notified by Service Provider from time to time and in accordance with the Transportation Agreement.

#### **2.2.10 Charges**

Charges for the Firm Service are specified in section 4.

#### **5.1.42.2.11 Toll and Capacity Reservation Tariff**

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

#### **5.22.3 Negotiated Services**

- (a) Should any User or Prospective User have requirements which cannot be satisfied through a Reference the Firm Service, including for gas transportation from a receipt-inlet point other than the Inlet Receipt Point at Yarraloola, Service Provider GGT will offer a service ("Negotiated Service") to meet that person's specific requirements. Negotiated Services will be provided on the terms and conditions which have been negotiated between Service Provider GGT and the User or Prospective User.

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- (b) No provision of this Access Arrangement necessarily limits or circumscribes the terms and conditions which may be negotiated for the provision of one or more Negotiated Services oin the Covered Pipeline.
- ~~(c) To the extent that the Spare Capacity of the Covered Pipeline is not sufficient to meet the User's requirements in their entirety with a Firm Service, GGT will, on the User contracting to take the entire Spare Capacity as a Firm Service, offer an Interruptible Service, as a Negotiated Service, for the balance of the User's requirements in excess of that contracted as Firm Service. Should Spare Capacity become available on the Covered Pipeline, the User will be required to contract for that Spare Capacity as a Firm Service and reduce the amount of Interruptible Service accordingly.~~
- (c) Unless otherwise agreed by Service ProviderFor the avoidance of doubt, the an Interruptible Service or As Available Service is available only to the extent the Firm Service is not available~~the Capacity of the Covered Pipeline is not being used by other Users taking a Firm Service.~~

#### 5.32.4 **Variation of ~~General~~ Terms and Conditions**

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

## 63 Tariffs and Reference Tariff Policy Determination of Total Revenue

### 3.1 Principles

Total Revenue was calculated using a building block approach in accordance with Rule 76.

In addition, Total Revenue may vary during the Access Arrangement Period, as the Reference Tariff is varied (see Part 4 of the Access Arrangement).

The Reference Tariff was determined using a nominal weighted average of the return on equity and the return on debt resulting in an allowed rate of return over the Access Arrangement Period as detailed in the Access Arrangement Information.

### 3.2 New Capital Expenditure

Reference Tariffs have been determined on the basis of:

- (a) the Capital Base; and
- (b) New Capital Expenditure that is forecast to occur within the Access Arrangement Period and is reasonably expected to satisfy the requirements of Rule 79 (Forecast Capital).

Service Provider may increase the Capital Base for the Covered Pipeline for any part of the New Capital Expenditure that satisfies Rule 79.

Service Provider may undertake New Capital Expenditure that does not satisfy Rule 79. Where Service Provider does so, Service Provider may increase the Capital Base for any part of that New Capital Expenditure that does satisfy Rule 79. Service Provider may also increase the Capital Base for Capital Contributions under Rules 82(2) and (3).

Where Capital Contributions are rolled into the Capital Base under Rule 82(2), the following mechanism is applied to ensure that Service Provider does not receive any benefit through increased revenue from that User's contribution to the Capital Base as required under Rule (82(3).

Capital Contributions are treated as revenue in the Year in which they are received. The forecast amount of Capital Contributions is then deducted from the Total Revenue requirement in determining the revenue requirement to be recovered through tariffs. Through this process, Service Provider returns to customers, by way of lower tariffs, the full benefit associated with the return on and return of contributed capital. The up-front reduction in tariff revenue exactly equals, in present value terms, the return on and return of capital over the life of the capital contributed.

Any amount of New Capital Expenditure that does not satisfy the requirements of Rule 79, to the extent that it is not to be recovered through a Surcharge on Users or a Capital Contribution, may, at the discretion of Service Provider, form part of the

Speculative Capital Expenditure Account (as contemplated by Rule 84). Service Provider may increase the Capital Base in accordance with Rule 84(3) if a part of the Speculative Capital Expenditure Account subsequently satisfies the requirements of Rule 79.

Any increase in the Capital Base under this section 3.2, or in accordance with Rule 80, may only take effect from the Revisions Commencement Date, or in accordance with the operation of the Cost Pass-through Reference Tariff Variation Mechanism.

### **3.3 Surcharge**

Service Provider may charge Users a Surcharge where permitted by the NGR. Service Provider will notify the Regulator of any proposed Surcharge to be levied on Users of Incremental Services and designed to recover non-conforming capital expenditure or a specified portion of non-conforming capital expenditure. Non-conforming capital expenditure which is recovered by means of a Surcharge will not be rolled into the Capital Base.

### **3.4 Capital Contributions**

Service Provider may charge Users a Capital Contribution to new capital expenditure where permitted by the NGR (see Rule 82).

### **3.5 Depreciation for Opening Capital Base for next access arrangement period**

The depreciation schedule for establishing the Opening Capital Base at 1 January 2020 will be based on forecast capital expenditure.

## **6.1 Reference Tariff Policy**

### General Principles

The following principles apply to the development of the Reference Tariff (being the Transportation Tariff) under this Access Arrangement:

- (i) the Total Revenue is calculated according to the Cost of Service methodology<sup>2</sup>;
- (ii) the Total Revenue is designed to permit GGT to recover the efficient costs of the Covered Pipeline over the expected life of the assets used in the provision of Services, including recovery of a rate of return commensurate with conditions in the market for funds for development and ownership of the Covered Pipeline and provision of Services; and
- (iii) the Reference Tariff is derived through a price path approach<sup>3</sup> under which Reference Tariffs are determined for the whole Access Arrangement Period to

<sup>2</sup> Code, Section 8.4

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~~follow a path forecast to deliver a Total Revenue, the Reference Service Revenue, being that portion of Total Revenue allocated to the Reference Service.~~

~~Calculation of Total Revenue~~

~~Capital Base~~

~~(i) — The Initial Capital Base of the Covered Pipeline (at 31 December 1999) is \$513.7 million.~~

~~(ii) — For each year after 2000, the Capital Base has been rolled forward using a nominal approach<sup>4</sup>, recognising depreciation allowed under the approved 2000-2009 Access Arrangement and actual capital expenditure during that period.~~

~~New Facilities Investment~~

~~(iii) — Consistent with the Cost of Service methodology described in Section 8.4 of the Code, the Total Revenue for the Access Arrangement Period is determined on the basis of New Facilities Investment that is forecast to occur within the Access Arrangement Period, and which is expected to pass the requirements of the Code when the investment is forecast to occur.~~

~~(iv) — GGT may undertake New Facilities Investment that does not satisfy the requirements of Section 8.16 of the Code and may include in the Capital Base that part of the New Facilities Investment which does satisfy Section 8.16 of the Code<sup>5</sup>.~~

~~(v) — An amount in respect of the balance after deducting the Recoverable Portion of New Facilities Investment may subsequently be added to the Capital Base if at any time the type and volume of Services attributable to the New Facility change such that any part of the Speculative Investment Fund would then satisfy the requirements of the Code for inclusion in the Capital Base<sup>6</sup>.~~

~~Depreciation~~

~~(vi) — The Capital Base of the Covered Pipeline is depreciated on a straight line basis over a remaining economic life of 54.5 years for pipeline assets, and shorter periods for other assets, in each case reflecting the forecast economic life of the asset.~~

~~Cost of capital~~

~~(vii) — The Rate of Return is a pre-tax nominal weighted average of the returns applicable to debt and equity ("**Weighted Average Cost of Capital**"), in which:~~

~~(i) — The return on equity has been determined using the Capital Asset Pricing Model.~~

<sup>3</sup> Permitted under Code, Section 8.3(b)

<sup>4</sup> Code, Section 8.5A

<sup>5</sup> Code, Section 8.18

<sup>6</sup> Code, Section 8.19

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~~(ii) — The return on debt has been determined as the sum of a risk free rate of return, an estimate of the corporate debt margin, and an estimate of the costs of raising debt.~~

Non capital cost

~~(viii) — The Total Revenue is calculated to enable recovery of the non capital costs attributable to the ownership and operation of the Covered Pipeline as would be incurred by a prudent Service Provider, acting efficiently, in accordance with accepted and good industry practice, and to achieve the lowest sustainable cost of delivering Services through the Covered Pipeline.~~

## 4 Reference Tariffs and Charges

### 6.2 Transportation Tariff for Reference Service

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

#### 4.1 Reference Service Tariff and Charges

~~The amount payable by the User for the Firm Service (Reference Service) consists of the sum of The Reference Tariff is structured in three parts:~~

- ~~(a) **Toll Charge** (capacity based) as described in section 4.1.1 clause 9.4(a) of the General Terms and Conditions;~~
- ~~(b) **Capacity Reservation Charge** (capacity and distance based) as described in section 4.1.2 clause 9.4(b) of the General Terms and Conditions; and~~
- ~~(c) **Throughput Charge** (throughput and distance based) as described in section 4.1.3 clause 9.4(c) of the General Terms and Conditions.~~

~~as set out in the Fourth Schedule~~

~~User will also pay any Other Tariff Charges applicable.~~

~~The Transportation Charges resulting from the application of the Transportation Tariff for the Firm Service is the sum of the components:~~

##### 6.2.14.1.1 Toll Charge

~~During the Term of the Transportation Agreement the Toll Charge ~~in any Billing Period~~ is the applicable Toll Tariff multiplied by the Firm MDQ expressed in GJs for the Outlet Delivery Point multiplied by the number of Gas Days in ~~the a~~ Month relevant Billing Period;~~

##### 6.2.24.1.2 Capacity Reservation Charge

~~Subject to clause 4.3, during the Term of the Transportation Agreement Service Period the Capacity Reservation Charge in ~~any Billing Period~~ a Month is the product of:~~

- ~~(a) the applicable Capacity Reservation Tariff;~~
- ~~(b) the distance, in pipeline kilometres, from the Inlet Receipt Point to the Outlet Delivery Point; and~~
- ~~(c) the MDQ expressed in GJs for the Outlet Delivery Point multiplied by the number of Gas Days in the Month relevant Billing Period.~~

### 6.2.34.1.3 **Throughput Charge**

Subject to clause 4.3, during the Term of Transportation Agreement Service Period the Throughput Charge for any Billing PeriodMonth is the product of:

- (a) the quantity of Gas delivered during that MonthBilling Period measured in GJs;
- (b) the applicable Throughput Tariff set out in the Firm Service Order Form; and
- (c) the distance, in pipeline kilometres, from the Inlet Receipt Point to the Outlet Delivery Point.

### 4.1.4 **Toll, Capacity Reservation and Throughput Tariffs**

The Toll, Capacity Reservation and Throughput Tariffs to apply in the first Year of the Access Arrangement Period are set out in the Details, and will be adjusted each Year in accordance with the Reference Tariff Variation Mechanism set out in section 4.5.

## 4.2 **Other Charges**

### 4.2.1 **Other Tariff Charges**

The User may also be required to pay the following charges:

- (a) Overrun Charges as set out in section 4.2.2;
- (b) Imbalance Charge as set out in section 4.2.3;
- (c) Daily Variance Charge as set out in section 4.2.4; and
- (d) Charges in respect of Connection and Delivery Points as set out in section 4.2.5.

### 4.2.2 **Overrun Charges**

- (a) The User must pay an Overrun Charge for Overruns at a Delivery Point, except to the extent that Service Provider solely caused the Overrun without the prior approval of the User.
- (b) A different charge applies to Authorised and Unauthorised Overruns, as set out in the Details.
- (c) The Authorised Overrun Charge is the product of:
  - (i) the Authorised Overrun Rate set out in the Details; and
  - (ii) the relevant Authorised Overrun Quantity (expressed in GJ).
- (d) The Unauthorised Overrun Charge is the product of:

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- (i) the Unauthorised Overrun Rate set out in the Details; and
- (ii) the relevant Unauthorised Overrun Quantity (expressed in GJ).
- (e) The Unauthorised Overrun Charge is a pre-estimate of Service Provider's loss or damage (other than Consequential Loss) incurred or suffered by Service Provider in receiving, transporting or delivering Unauthorised Overrun Quantities.
- (f) User also indemnifies Service Provider for all Consequential Loss suffered or incurred by Service Provider in respect of the receipt, transportation or delivery of Unauthorised Overrun Quantities.

#### **4.2.3 Imbalance Charge**

- (a) The provisions relating to Imbalances are set out in clauses 17 to 21 (inclusive) of the Terms and Conditions applying to the Firm Service.
- (b) Service Provider may charge the User an Imbalance Charge for each Day on which an Imbalance, the absolute value of which exceeds the Imbalance Allowance, occurs, calculated by multiplying the Imbalance Rate set out in the Details by the amount which the aggregate of the absolute value of Unauthorised Imbalances for a Day exceed the Imbalance Allowance for the Day.

#### **4.2.4 Daily Variance Charges**

- (a) A **Daily Variance** occurs when the quantity of Gas:
  - (i) received from or on behalf of the User at a Receipt Point during a Day is different from the quantity of Gas Scheduled for that Receipt Point;  
or
  - (ii) delivered to or for the account of the User at a Delivery Point during a Day is different from the quantity of Gas Scheduled for that Delivery Point,  
the quantity of which at each Delivery Point and Receipt Point (as applicable), in GJ, is the **Daily Variance Quantity**.
- (b) The User must pay to Service Provider the Daily Variance Charge, for each Day on which the Daily Variance Quantity:
  - (i) at a Receipt Point exceeds the Daily Variation Allowance; and
  - (ii) at a Delivery Point exceeds the Daily Variation Allowance,  
excluding any portion of that variation that has been caused by Service Provider or a Force Majeure Event.
- (c) The **Daily Variance Charge** for a Day is calculated by multiplying the Daily Variance Rate set out in the Details by the Daily Variance Quantity for that

Day for a Receipt Point or a Delivery Point (as applicable) for which the Daily Variance Charge is payable under paragraph (b) and aggregating the amounts calculated above for each relevant Receipt Point and Delivery Point.

#### **4.2.5 Charges in respect of Connection and Delivery Points**

##### **(a) Connection Charge**

The User must pay to Service Provider for the commencement of a Firm Service, a once-only Connection Charge, payable on the Date of Service Transportation Agreement, being the costs reasonably incurred by Service Provider in establishing the new Connection, including the installation of new facilities associated with the connection of the User's facilities to the Pipeline, for each new Outlet Point and, a once-only Connection Charge for each additional Outlet Point nominated or provided during the Service Period, being the costs reasonably incurred by GGT in establishing the new Outlet Point(s) or additional Outlet Point(s) nominated or provided during the Service Period; and.

##### **(b) Additional Delivery Points during Term of Transportation Agreement**

User must pay to Service Provider a connection charge for each new Delivery Point added during the Term of the Transportation Agreement, being the costs reasonably incurred by Service Provider in establishing the new Delivery Point(s) nominated by User.

Clauses 71 to 76 of the Terms and Conditions applying to the Firm Service make provision for the addition of Delivery Points and the costs involved.

#### **4.2.6 General**

Any charge payable by a User in respect of an Overrun, Imbalance or Daily Variance, or any other charge specified above, is payable in addition to, and not in substitution for, any other charge payable by the User and does not affect the Firm MDQ, Firm MHQ, Receipt Point MDQ or Delivery Point MDQ or Receipt Point MHQ or Delivery Point MHQ (as the case may be) specified in the Transportation Agreement except as provided for in clause 2.2.4 of this Access Arrangement.

all other relevant charges under the Service Agreement.

#### **6.34.3 Multiple Delivery Outlet Points**

For the purposes of the calculation of the Capacity Reservation Charge and the Throughput Charge~~Transportation Tariff~~, the distance ~~calculation is based on the distance is calculated~~ from the ~~Inlet Receipt~~ Facilities, ~~described in 6.2(b)~~. Where a User has more than one Outlet-Delivery Point, the Capacity Reservation Charge and the Throughput Charge will be calculated using the distance between the ~~Inlet Receipt~~ Point and each relevant Outlet-Delivery Point and the corresponding Delivery Point MDQ ~~for the corresponding Outlet Point~~.

#### **6.44.4 Basis of Charges**

Unless otherwise agreed, all charges that rely on measurement are to be computed on measured quantities and qualities of Gas ~~recorded~~generated by the measuring equipment installed at the ~~Inlet Receipt~~ Point and ~~Outlet Delivery~~ Points. The Toll Charge and the Capacity Reservation Charge are fixed charges and are payable monthly during the ~~Term of Transportation Agreement Service Period~~ by the User whether or not the User delivers or ~~accepts~~receives Gas under the ~~Service Transportation~~ Agreement, except in circumstances explicitly provided for under the Terms and Conditions, where:

~~the User is unable to deliver or accept Gas due to an event of Force Majeure claimed by GGT; or~~

~~GGT has interrupted or reduced the Services for a pe~~

~~riod which was not a consequence of an emergency interruption as referred to in clause 8.4 and where GGT did not provide notice as stipulated in clause 8.3(b).~~

#### ~~Incentive Mechanisms~~

~~The Incentive Mechanism adopted in calculation of the Reference Tariff is as follows:~~

- ~~(i) the Reference Tariff will apply during each Year of the Access Arrangement Period regardless of whether the forecasts on which the Reference Tariff was determined are realised<sup>7</sup>;~~
- ~~(ii) the prospect of retaining improved returns for the period to the Revisions Commencement Date provides an incentive to GGT to achieve the forecast volume of sales and to minimise the overall cost of providing Services<sup>8</sup>; and~~
- ~~(iii) in determining Reference Tariffs after the Revisions Commencement Date, Users will benefit from increased efficiencies achieved by GGT up to that date through the recovery through the subsequent Access Arrangement Period of non-capital costs reflecting the efficiencies gained during this Access Arrangement Period.~~

#### **6.54.5 Reference Tariff Variation Mechanism Adjustment to Reference Tariffs**

The Reference Tariff ~~and other charges applicable in respect of~~ or the Reference Firm Service ~~may be varied~~ are not subject to variation or modification during the Access Arrangement Period ~~other than for~~ through the operation of the Reference Tariff Variation Mechanism, which is made up of:

<sup>7</sup> A mechanism of this type is recognised by Section 8.45(a) of the Code

<sup>8</sup> Code Section 8.1(f) provides that one of the objectives that a Reference Tariff and Reference Tariff Policy should be designed to achieve is “providing an incentive to the Service Provider to reduce costs and to develop the market for Reference and other Services”.

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- (a) a Scheduled Reference Tariff Variation Mechanism – which applies in respect of each Quarter of the Access Arrangement PeriodCPI and other adjustments in accordance with the Reference Tariff Adjustment Mechanism as described in Schedule 1 and clause 9.8 of the General Terms and Conditions; and
- (b) a Cost Pass-through Reference Tariff Variation Mechanism – under which Service Provider may seek to vary the Reference Tariff components as a result of occurrence of a Cost Pass-through Eventadjustment for a Change in Imposts in accordance with clause 5.4.

#### **4.5.1 Scheduled Reference Tariff Variation Mechanism**

- (a) Service Provider may vary the Reference Tariff for the Firm Service on the basis of the Scheduled Reference Tariff Variation Mechanism as set out in the Details (Schedule A).
- (b) Before Service Provider varies the Reference Tariff as provided for in clause 4.5.1(a), Service Provider must:
  - (i) provide a written notice (a **Scheduled Reference Tariff Variation Notice**) to the Regulator setting out proposed variations to the Reference Tariff, including evidence that the proposed variations have been calculated in accordance with the Reference Tariff Variation Mechanism, including the formulae, set out in the Details;
  - (ii) provide the Scheduled Reference Tariff Variation Formula Notice to the Regulator at least 25 Business Days before the date that the relevant Reference Tariff is scheduled to be varied.
- (c) The Reference Tariff will be varied in accordance with the Scheduled Reference Tariff Variation Notice on the relevant Scheduled Reference Tariff Variation Date unless one or both of the following occurs:
  - (i) the Regulator considers that it needs additional information from Service Provider to adequately assess the proposed tariff variation, and extends the period for assessment beyond the relevant Scheduled Reference Tariff Variation Date in order to consider additional information;
  - (ii) the Regulator disallows the proposed variation to the Reference Tariff in accordance with clause 4.5.1(d).

In these cases Reference Tariffs will be varied on a date and in a form as determined by the Regulator in accordance with the approved Reference Tariff Variation Mechanism.

- (d) The Regulator may, by notice to Service Provider before a proposed variation to the Reference Tariff is scheduled to take effect, disallow the proposed variation if it considers that the proposed variation does not comply with the approved Scheduled Reference Tariff Variation Mechanism. If the Regulator

disallows a proposed variation, it may specify a variation that is consistent with the Scheduled Reference Tariff Variation Mechanism.

- (e) The Regulator must publish its reasons for seeking an adjustment to a proposed variation at the time that it publishes its decision in relation to an adjustment to a proposed variation. This decision must also set a revised date for the proposed tariff variation (as adjusted) to take effect, and this date must not be later than 20 Business Days after the relevant Scheduled Reference Tariff Variation Notice was originally intended to take effect.

#### **6.5.14.5.2 Cost Pass-through Reference Tariff Variation Mechanism**

### **6.6 Adjustment for Change in Imposts**

- (a) GGT has established the Reference Tariff for the Reference Service on the basis of Imposts applying at 31 December 2009. If one or more a Cost Pass-through Events Change in Imposts occurs or are expected to occur during the Access Arrangement PeriodTerm of the Agreement, GGT Service Provider has discretion to adjust vary the Reference Tariff for the Firm Service to recover the financial impact of the Cost Pass-through Event/s. to the extent that financial impact of these events is not already accounted for in the Reference Tariff. Change in Imposts.
- (b) Before GGT Service Provider adjusts varies the Transportation Reference Tariff as provided for in clause 4.5.25.4(a), Service Provider GGT must:
- (i) provide a written notice (a Cost Pass-through Event Notice) to the Regulator specifying the type of defined Cost Pass-through Event to which the Notice applies, the impact or expected impact of the Cost Pass-through Event, Change in Imposts; the scope of the financial impact; explain how the claim is consistent with clause 5.3(b); indicate the proposed variations to the Transportation Reference Tariff, and an effective date for the changes (a "Impost Notice"); and
- (ii) use reasonable endeavours to provide the Regulator with documentary evidence (if available) which substantiates the financial impact set out in the Impost Cost Pass-through Event Notice.
- (c) The following are Cost Pass-through Events for the purposes of clause 4.5.2(a):
- (i) an insurance cap event;
- (ii) an insurer credit risk event;
- (iii) a natural disaster event;
- (iv) a regulatory change event;
- (v) a service standard event;

(vi) a tax change event; and

(vii) a terrorism event,

where:

**Insurance cap event—means:**

An event whereby:

- (i) Service Provider makes a claim on a relevant insurance policy;
- (ii) Service Provider incurs costs beyond the relevant policy limit; and
- (iii) the costs beyond the relevant policy limit materially increase the costs to Service Provider of providing the Firm Service.

For the purposes of this Insurance cap event:

- (i) the relevant policy limit is the greater of Service Provider's actual policy limit at the time of the event that gives rise to the claim and its policy limit at the time the Regulator made its Final Decision on Service Provider's access arrangement proposal, with reference to the forecast operating expenditure approved in the Regulator's Final Decision and the reasons for that decision; and
- (ii) a relevant insurance policy is an insurance policy held during the Access Arrangement Period or a previous period in which access to the pipeline services was regulated.

**Insurer credit risk event—means:**

An event where the insolvency of the insurers of Service Provider occurs, as a result of which Service Provider:

- (i) incurs materially higher or materially lower costs for insurance premiums than those allowed for in the Access Arrangement; or
- (ii) in respect of a claim for a risk that would have been insured by Service Provider's insurers, is subject to a materially higher or lower claim limit or a materially higher or lower deductible than would have applied under that policy; or
- (iii) incurs additional costs associated with self funding an insurance claim, which, would have otherwise been covered by the insolvent insurer, and

in consequence, the costs to Service Provider of providing the Firm Service are materially increased or decreased.

**Natural disaster event—means:**

Any major fire, flood, earthquake, or other natural disaster beyond the control of Service Provider (but excluding those events for which external insurance or self insurance has been included within Service Provider's forecast operating expenditure) that occurs during the Access Arrangement Period and materially increases the costs to Service Provider of providing the Firm Service.

**Regulatory change event—means:**

An imposition of, a change in, or the removal of a regulatory obligation or requirement that:

- (a) falls within no other category of Cost Pass-through Event; and
- (b) occurs during the course of the Access Arrangement Period; and
- (c) materially increases or materially decreases the costs of providing the Firm Service.

**Service standard event—means:**

A legislative or administrative act or decision that:

- (a) has the effect of:
  - (i) varying, during the course of the Access Arrangement Period, the manner in which Service Provider is required to provide the Firm Service; or
  - (ii) imposing, removing or varying, during the course of an Access Arrangement Period, minimum service standards applicable to the Firm Service; or
  - (iii) altering, during the course of an Access Arrangement Period, the nature or scope of the Firm Service, provided by Service Provider; and
- (b) materially increases or materially decreases the costs to Service Provider of providing the Firm Service.

**Tax change event—means:**

A tax change event occurs if any of the following occurs during the course of the Access Arrangement Period:

- (a) a change in a relevant Tax, in the application or official interpretation of a relevant Tax, in the rate of a relevant Tax, or in the way a relevant Tax is calculated;
- (b) the removal of a relevant Tax;
- (c) the imposition of a relevant Tax; and

in consequence, the costs to Service Provider of providing the Firm Service are materially increased or decreased.

**Terrorism event—means:**

An act (including, but not limited to, the use of force or violence or the threat of force or violence) of any person or group of persons (whether acting alone or on behalf of or in connection with any organisation or government), which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons (including the intention to influence or intimidate any government and/or put the public, or any section of the public, in fear) and which materially increases the costs to Service Provider of providing a Firm Service.

- (d) A Cost Pass-through Event is considered material where the cumulative costs of the event over the remaining Years of the Access Arrangement Period exceed 0.5% of the Total Revenue for the Covered Pipeline in the year in which the Cost Pass-through Event first falls.
- (e) Service Provider GGT may submit one or more Cost Pass-through Event ~~Impost~~ Notices each Year. Each notice may incorporate a number of claims relating to Cost Pass-through Events~~the changes~~. For the purposes of Section 8.3D(b)(i) of the Code ~~+~~ The minimum notice period for a Cost Pass-through Event ~~Impost~~ Notice is 25 Business Days prior to the date on which the proposed variations to the Reference Tariff are intended to take effect.
- (f) The Reference Tariff will be varied in accordance with the Cost Pass-through Event Notice on the next Scheduled Reference Tariff Variation Date identified in accordance with the Cost Pass-through Event Notice unless one or both of the following occurs:
- (i) the Regulator considers that it needs additional information from Service Provider to adequately assess the Cost Pass-through Event Notice, and extends the period for assessment beyond the date that the Cost Pass-through Notice is intended to take effect in order to consider additional information;
- (ii) the Regulator disallows the proposed variation to the Reference Tariff in accordance with clause 4.5.2(h).

In these cases the Reference Tariff will be varied on a date and in a form as determined by the Regulator in accordance with the approved Reference Tariff Variation Mechanism.

- (g) The Regulator may, by notice to Service Provider before the proposed variation to the Reference Tariff is scheduled to take effect, disallow a proposed variation if it considers that the proposed variation does not comply with the Cost Pass-through Reference Tariff Variation Mechanism. If the Regulator disallows a proposed variation, it may specify a variation that is consistent with the Cost Pass-through Reference Tariff Variation Mechanism.

- (h) The Regulator must publish its reasons for disallowing or seeking an adjustment to a proposed variation at the time that it publishes its decision in relation to an adjustment to a proposed variation. Where relevant, the Regulator must also set a revised date for the proposed tariff variation (as adjusted) to take effect, and this date must not be later than 20 Business Days after the proposed variation was originally intended to take effect.
- ~~(d) For the avoidance of doubt, any Reference Tariff variation relating to a Change in Imposts must be conducted in accordance with Sections 8.3B to 8.3H of the Code.~~

#### **4.6 Reference Tariff after 31 December 2019**

In the event that the Revisions Commencement Date is later than 1 January 2020 the tariff in effect at 31 December 2019 shall continue to apply to the provision of the Firm Service between 1 January 2020 and that later Revisions Commencement Date.

#### **4.7 GST**

All tariffs, charges and amounts payable under this Access Arrangement are expressed to be exclusive of GST. In addition to any tariff, charge or amount payable under the Access Arrangement by a User or Prospective User, the User or Prospective User will pay any applicable GST calculated by multiplying the relevant tariff, charge or change by the prevailing GST rate.

## **1 Application for Service**

- ~~(a) A Prospective User that wishes to apply for a Service on the Covered Pipeline must observe the process outlined in the GGT Information Package.~~
- ~~(b) If the Prospective User fails to follow the process outlined in the GGT Information Package then GGT is under no obligation to accept an application for a Service.~~

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### **5.1 Registration of interest**

#### **5.1.1 Registration of interest for Services to be provided by Spare Capacity or Developable Capacity**

- ~~(a) Prospective Users may lodge with Service Provider a registration of interest for Services to be provided by Spare Capacity and/or Developable Capacity. A registration of interest must be made in the form set out in Schedule B.~~
- ~~(b) A registration of interest is valid for 12 months from receipt of the registration of interest by Service Provider.~~
- ~~(c) A Prospective User may submit a revised registration of interest at any time and the registration of interest as revised will be valid for a period of 12 months.~~
- ~~(d) The order of receipt of registrations of interest does not determine and is not relevant to the priority of any request.~~

#### **5.1.2 Service Provider to respond to registrations of interest**

- ~~(a) Within 20 Business Days of receipt of a registration of interest pursuant to clause 5.1.1, Service Provider must:
  - ~~(i) notify the Prospective User that the registration of interest has been received and the date of its receipt;~~
  - ~~(ii) subject to clause 5.1.2(a)(iii), advise the Prospective User of any existing Spare Capacity, or if no Spare Capacity is currently available, why Spare Capacity is not available, and the Service Provider's estimate of when the capacity sought may become available;~~
  - ~~(iii) if Service Provider determines that investigations are required to determine whether Spare Capacity may be available, Service Provider must provide the Prospective User with a proposal for carrying out further investigations in accordance with Rule 112(3)(b) of the NGR;~~
  - ~~(iv) if a Prospective User wishes Service Provider to conduct investigations in accordance with Service Provider's proposal under 5.1.2(a)(iii) (or a~~~~

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modified proposal agreed between Service Provider and the Prospective User), it must provide Service Provider with written acceptance of that proposal in accordance with Rule 112(5) of the NGR;

- (v) if the registration of interest is for Spare Capacity, advise the Prospective user whether the Service sought may be able to be provided by Developable Capacity and any estimate of when that capacity may become available; and
- (vi) provide details of the other registrations of interest Service Provider has received that are valid (without identifying the Prospective Users who have lodged those registrations of interest), including the capacity sought, whether that capacity is sought in relation to Spare Capacity and/or Developable Capacity, and the time period in which the Services are being sought.

### **5.1.3 Service Provider to keep registrations of interest for Services under review**

Service Provider will keep registrations of interest under review in order to determine whether there is likely to be sufficient demand for Services that could be provided by means of Developable Capacity.

## **5.2 Spare Capacity**

### **5.2.1 Spare Capacity – less than 2TJ**

- (a) Where the volume of Spare Capacity that is, or is likely to become, available is less than 2TJ, Service Provider may elect not to run an open season and auction for that Capacity, and if so, Service Provider must make that Spare Capacity available by placing it on the Spare Capacity Register.
- (b) Spare Capacity that is placed on the Spare Capacity Register pursuant to clause 5.2.1(a) will be made available to Prospective Users on a first come, first served basis who will enter into an agreement for that Capacity within 2 months of it becoming Spare Capacity and at a rate which is at or above the Reference Tariff.

### **5.2.2 Spare Capacity – open season**

- (a) Where Spare Capacity is or is likely to become available Service Provider must:
  - (i) provide all Prospective Users who have submitted a registration of interest for Capacity with a **Spare Capacity Notice**; and
  - (ii) publish in a local and national daily newspaper a copy of the Spare Capacity Notice.
- (b) The Spare Capacity Notice must advise that Expressions of Interest for Services to be provided by Spare Capacity are to be received by Service

Provider by a date not less than 30 Days after the date that the Spare Capacity Notice is published in the national daily newspaper (**Open Season Spare Capacity Closing Date**).

- (c) For the avoidance of doubt, where Service Provider and a User have agreed to enter into a new agreement for a Service that is currently being provided to that User pursuant to an agreement or to otherwise extend the term of the existing agreement, Spare Capacity will not be considered likely to become available merely because a current agreement for Capacity is nearing its end date.
- (d) Where all Expressions of Interest for Services to be provided by Spare Capacity can be met with the available Spare Capacity, Service Provider will enter into negotiations with all Prospective Users that lodge Expressions of Interest, for the provision of Services using the available Spare Capacity. Service Provider may deal with complying Expressions of Interest in any order provided that Service Provider uses reasonable endeavours to ensure that no complying Expression of Interest is ultimately disadvantaged as a result.

### **5.2.3 Auction for Spare Capacity**

- (a) In the event Service Provider determines that there is sufficient demand to proceed with an auction for the Spare Capacity (and that the available Spare Capacity is not sufficient to meet the Expressions of Interest for Services to be provided by Spare Capacity), Service Provider will notify all Prospective Users that lodged Expressions of Interest for Spare Capacity in response to the Spare Capacity Notice that Service Provider will accept bids for Spare Capacity (**Notice of Auction for Spare Capacity**).
- (b) The Notice of Auction for Spare Capacity must identify the Capacity that will be the subject of the auction and specify the date by which bids must be lodged. The date for the lodgement of bids must be at least 30 Days after the date of the Notice of Auction for Spare Capacity.
- (c) Service Provider may provide the following documents or information together with the Notice of Auction for Spare Capacity:
- (i) an auction application registration form;
  - (ii) the form of financial security required to participate in the auction, which may take the form of a parent company guarantee, bank guarantee or similar security as reasonably determined by Service Provider and in the amount reasonably determined by Service Provider. The form and amount of security required may vary as between Users, with any variation to be reasonably based; and
  - (iii) the terms and conditions upon which the Spare Capacity may be made available. These terms and conditions may vary depending on the category or categories of Services that may be provided by the Spare

Capacity. Where a Prospective User is seeking access to the Firm Service the Terms and Conditions will be those in Schedule D.

- (d) In order to submit a complying bid, Prospective Users must complete and provide to Service Provider by the date specified in the Notice of Auction for Spare Capacity:
  - (i) the completed auction application registration;
  - (ii) the required financial security in the form and amount specified by Service Provider; and
  - (iii) the terms and conditions relevant to the Service to which the bid applies in a form that is capable of immediate acceptance by Service Provider.
- (e) A Prospective User may consult with Service Provider on potential alternative terms and conditions prior to submitting a bid under section 5.2.3(d).

#### **5.2.4 If complying bids do not exceed Spare Capacity**

- (a) This clause 5.2.4 applies only if the aggregate of all complying bids for Spare Capacity in the auction referred to in 5.2.3 does not exceed the Spare Capacity stated in the Notice of Auction for Spare Capacity.
- (b) In such case, each complying bid for Spare Capacity will be deemed to be an irrevocable request for Spare Capacity capable of immediate acceptance.
- (c) Service Provider may deal with complying bids for Spare Capacity in any order provided that Service Provider uses reasonable endeavours to ensure that no complying bid is ultimately disadvantage as a result.
- (d) Spare Capacity that has not been taken up in the auction will be placed on the Service Provider Spare Capacity Register and will be made available on a first come first served basis to Prospective Users who will contract for that Capacity within 2 months of it becoming unutilised.

#### **5.2.5 If complying bids exceed Spare Capacity**

- (a) This clause 5.2.5 applies if the aggregate of all complying bids received on or before the auction cannot be satisfied by the Spare Capacity stated in the Notice of Auction for Spare Capacity.
- (b) Immediately after the auction, Service Provider will rank the applications on the basis of its assessment of the Net Present Value of the respective applications, from highest to lowest.
- (c) Service Provider will then allocate the Spare Capacity amongst the auction participants on the basis of the ranking performed pursuant to clause 5.2.5(b).

### 5.2.6 Reserve price

Service Provider may set a reserve price for the auction. For the provision of the Firm Service the reserve price will not exceed the Reference Tariff. If a reserve price applies this must be stated in the Notice of Auction for Spare Capacity.

## 5.3 Developable Capacity

### 5.3.1 Service provider to undertake investigations to determine if Developable Capacity is available

(a) If

- (i) a Prospective User requests Service Provider to prepare a proposal to perform an investigation under Rule 112 of the NGR; or
- (ii) Service Provider determines on the basis of the registrations of interest for Services received under section 5.1 and any other available information that there is likely to be sufficient demand for a category or categories of Services that could be provided by means of Developable Capacity, and investigations are required to determine whether Developable Capacity can be made available.

Service Provider will notify each Prospective User that has lodged a registration of interest that Service Provider may commence to undertake such investigations.

- (b) Service Provider may notify Prospective Users that have not lodged a registration of interest that it may be commencing investigations to determine whether Developable Capacity can be made available, and, where the circumstances allow, will publish in a local and national daily newspaper, a Developable Capacity Notice stating that Service Provider may commence to undertake such investigations, and that if a Prospective User may want to acquire Services provided by that Developable Capacity in the event that it becomes available, that the Prospective User should lodge registration of interest in accordance with section 5.1 with Service Provider within 20 Days.
- (c) Where Service Provider decides that it will undertake an investigation to determine whether Developable Capacity can be made available, Service Provider will advise each of the Prospective Users that have lodged registrations of interest of the nature, likely duration and cost of the investigations. Where there is more than one Prospective User considering participating in the investigation, Service Provider will advise each Prospective User of its share of the estimated cost of the investigations. This will be determined as the proportion that their MDQ bears to the total MDQ of all Prospective Users participating in the investigation. The Prospective User may then determine whether it wants Service Provider to undertake the investigation.
- (d) Service Provider is only obliged to undertake investigations if one or more Prospective Users agree to bear the costs of the investigation.

- (e) A Prospective User who has paid for an investigation will, on entering into appropriate confidentiality arrangements, receive a written report that:
- (i) describes the options considered to provide the Developable Capacity; and
  - (ii) describes Service Provider's preferred option to provide the Developable Capacity or provides reasons why no recommendation is made.

### **5.3.2 Procedures when Capacity can be made available with investment in Developable Capacity**

- (a) Where Service Provider has determined on the basis of the investigations undertaken and the registrations of interest for Services that have been lodged that Developable Capacity may be made available, Service Provider may enter into negotiations with any Prospective Users with respect to any part of the Developable Capacity.
- (b) Where there is more than one Prospective User requesting Developable Capacity, concurrent negotiations will be held with all relevant Prospective Users to determine the appropriate scale and scope of any potential investment for any part of Developable Capacity.
- (c) In accordance with Rule 103(3), the outcome and timing of the conclusion of negotiations with each Prospective User will determine the order of priority between Prospective Users in respect of Developable Capacity, and may result in more than one Prospective User gaining access to Developable Capacity at the same time.

### **5.3.3 Service Provider not bound to undertake development of capacity**

Regardless of the outcome of a negotiation for Developable Capacity, Service Provider is not bound to undertake the relevant development.

## **5.4 Compliance reports**

### **5.4.1 Report to the Regulator on auction process**

- (a) Where Service Provider has conducted an auction to determine the allocation of Spare Capacity, Service Provider will provide the Regulator with a report from an independent auditor on the process undertaken and the subsequent allocation of the Capacity within 60 Days of the close of the auction.
- (b) The terms of reference for the auditor's report in relation to an auction for Spare Capacity will be to determine Service Provider's compliance with clauses 5.2.2, 5.2.3 and 5.2.5.

#### **5.4.2 Report to regulator on progress of negotiations for developable capacity**

- (a) Within 90 Days of the close of the consultation period for a Developable Capacity Notice, Service Provider will provide a report to the Regulator that provides the following information:
- (i) the number of Prospective Users that indicated an interest in Developable Capacity by submitting an expression of interest under section 5.1;
  - (ii) whether Service Provider has entered into negotiations with any Prospective Users in respect of Developable Capacity; and
  - (iii) where negotiations have or are taking place, information on whether negotiations have resulted in an agreement with Service Provider to invest in Developable Capacity, or the expected timing for agreement where negotiations are still underway.

~~In this clause 7, an "Application" means an application for Service lodged in accordance with clause 6 of this Access Arrangement.~~

#### **7.1.1 Queuing Policy for Provision of Service**

- ~~(a) As between Prospective Users, the priority for allocation of Spare Capacity and Developable Capacity will be determined on a first come, first served basis when a completed and executed Order Form is received by GGT under clauses 1.3 or 1.4 of the GGT Information Package, as the case may be, on the basis that an Order Form having an earlier receipt date will have priority over an Order Form having a later receipt date.~~
- ~~(b) GGT will ensure that, as between Prospective Users, Order Forms are processed and Spare Capacity will be allocated in the order which reflects their priority or deemed priority under clause 7.1(a).~~
- ~~(c) A Prospective User will cease to maintain its priority for allocation of Spare Capacity or Developable Capacity if:~~
- ~~(i) its Order Form is rejected pursuant to clause 1.8(e) of the GGT Information Package; or~~
  - ~~(ii) its Order Form is rejected pursuant to clause 1.8(f)(2) of the GGT Information Package; or~~
  - ~~(iii) the Prospective User withdraws its Order Form; or~~
  - ~~(iv) the Prospective User fails to comply with the terms of the Service Agreement; or~~
  - ~~(v) an Insolvency Event occurs in relation to the Prospective User.~~

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~~(d) If a Prospective User submits an amended Application pursuant to clause 1.8(a)(1) of the GGT Information Package, subject to clause 1.8(f) of the GGT Information Package, the amended Application or notional supplementary application will have priority according to the date of receipt of the amendments by GGT.~~

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

~~(i) a User gives a notice of exercise of an option under the Service Agreement to extend the initial Termination Date; and~~

~~(ii) the conditions precedent in clause 1.6 of the GGT Information Package continue to be satisfied,~~

~~then the User will be deemed not to be a Prospective User and may continue to be allocated its contracted Capacity for the duration of the extension, subject to continued performance of the terms and conditions of the Service Agreement by the User as though these terms had been incorporated into the existing Service Agreement.~~

~~a. At any time after the Commencement Date of the Service Agreement, a User may, upon giving written notice, apply to GGT for an amendment to the Service Agreement in connection with:~~

~~(i) an increase in the User's MDQ to be applied after the Date of the Service Agreement; or~~

~~(ii) an extension to the Term of the Agreement.~~

**7.1.2 (Application for a Service Contract Variation)**

~~b. Upon receiving an Application for a Service Contract Variation from a User, GGT will treat the Application for a Service Contract Variation as a new Order Form and will advise the User whether or not it will accept the Application for a Service Contract Variation and, if so, on what terms and conditions, including changes to tariffs and charges (if applicable).~~

~~e. GGT is not obliged to accept an Application for a Service Contract Variation if the User does not comply with the provisions of clauses 1.3 or 1.4 of the GGT Information Package, as the case may be or does not satisfy the conditions precedent contained in clause 1.6 of the GGT Information Package.~~

~~d. Any Application for a Service Contract Variation will be accorded priority in accordance with this clause 7 of the Access Arrangement.~~

~~e. If a User:~~

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

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~~(ii) — makes under clause 7.1(f) of this Access Arrangement an Application for Service Contract Variation;~~

~~then~~

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

~~(iv) — the User will be deemed to be a Prospective User and the date GGT receives notice of the exercise of the option or Application for Service Contract Variation will determine the priority accorded to the new application.~~

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

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

**7.1.3 — Investigations to Determine if Capacity is Available**

~~(a) — In the event that investigations are required to determine if Capacity or Developable Capacity is available in the Covered Pipeline ("Investigations"), GGT will, upon request, provide the Prospective User with a general indication of the range of tariffs which may be applicable in relation to any capacity expansion ("Indication"). An Indication will be provided for the sole purpose of assisting Prospective Users to consider whether they share the costs of an Investigation, will be confidential and will not be binding on either party.~~

~~(b) — GGT will not be liable to the Prospective User for any cost, loss, expense or other matter arising from the provision of an Indication, or from the Prospective User's use of or reliance on an Indication, including where any tariff subsequently offered to the Prospective User or any other person is greater or less than the Indication.~~

~~(c) — Where GGT advises a Prospective User that Investigations are required, GGT will also advise the Prospective User of the nature, likely duration and estimated cost of the Investigations. Where there is more than one Prospective User considering participating in the Investigation, GGT will advise the Prospective User of its share of the estimated cost of the Investigations. This will be determined as the proportion that their requested capacity (TJkm) bears to the total requested capacity (TJkm) of all Prospective Users participating in the Investigation. The Prospective User may then determine whether it wants GGT to undertake the Investigations.~~

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- ~~(d) — GGT is only obliged to undertake Investigations if one or more Prospective Users agree to bear the costs of the Investigation.~~
- ~~(e) — Where a Prospective User declines to meet the cost of Investigations that Prospective User's Application will have lower priority than Applications where the Prospective Users have agreed to bear the costs of the Investigation, and will maintain relative priority with other Applications where the Prospective Users have not agreed to bear the costs of the Investigation. For the purpose of sub-clause 7.2(d) a Prospective User is only obliged to bear those costs of the Investigations that are reasonably incurred.~~
- ~~(f) — Where the Investigation identifies that investment is required to make capacity available, clause 7.3 will apply.~~
- ~~(g) — A Prospective User who has paid for an Investigation under clause 7.2 will, on entering into appropriate confidentiality arrangements, receive a written report which describes:
  - ~~(i) — the options considered to provide the capacity; and~~
  - ~~(ii) — GGT's preferred option to provide capacity or provides reasons why no recommendation is made.~~~~
- ~~(h) — Where a Prospective User bears the costs of an Investigation and the Prospective User decides not to proceed with the Application that Prospective User may assign:
  - ~~(i) — the Application to which the Investigation relates; and~~
  - ~~(ii) — information in the possession of that Prospective User relevant to the Investigation,~~to a bona fide assignee and that assignee may use the results of the Investigation provided that the assignment does not disclose confidential information without the consent of persons to whom such information relates including GGT.
  - ~~(i) — Where a Prospective User bears the costs of an Investigation GGT must provide that Prospective User with an itemisation of the costs incurred by GGT as soon as reasonably practicable following the completion of the Investigations and prior to a Prospective User being obliged to pay those costs.~~~~

**7.1.4 — Procedure when Capacity is Available only with Investment in Developable Capacity**

- ~~(a) — Where Investigations identify that investment is required to make Capacity available:
  - ~~(i) — GGT will advise each of the Prospective Users on the Queue of its plans to make capacity available, and the terms and conditions, and indicative price, on which the capacity will be available;~~~~

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- ~~(ii) — prior to the development of capacity, the capacity will be progressively offered to each Prospective User in the Queue in order of priority (notwithstanding that such capacity is not sufficient to meet the needs of that Prospective User);~~
- ~~(iii) — a Prospective User will have 30 days after an offer is made to enter into a Service Agreement (conditional if necessary on GGT entering into Service Agreements with other Prospective Users), failing which the Application will lapse or lose priority to those entering into such a Service Agreement (upon that Service Agreement becoming unconditional). GGT may at its discretion extend the period of 30 days on one or more occasions; and~~
- ~~(iv) — where a Prospective User has indicated that it is not prepared to contribute to the costs of GGT providing Developable Capacity that Prospective User's Application will have lower priority than Applications where the Prospective User has agreed to contribute to the costs of GGT providing Developable Capacity under clause 1.4(f) of the GGT Information Package, and will maintain relative priority as provided for in clause 7.1(a) of the Access Arrangement with other Applications in which the Prospective Users have agreed to bear the costs of the Investigations under clause 1.4(c) of the GGT Information Package but have not agreed to contribute to the costs of GGT providing Developable Capacity.~~

~~(b) — Where a Prospective User is offered part of the capacity in an Application:~~

- ~~(i) — but declines it because the Prospective User wants all the capacity requested or nothing; or~~
- ~~(ii) — accepts the capacity offered but the Prospective User wants to remain in the Queue for the remainder of the requested capacity;~~

~~the Prospective User will not lose priority in respect of any capacity requested but not taken provided that it notifies GGT that it wishes to remain in the Queue(s).~~

## ~~8 — Terms and Conditions of Service~~

### ~~8.1 — Terms of Reference Service~~

~~The terms and conditions on which the Reference Service will be provided by GGT to a Prospective User are those contained in the Service Agreement, which will be constituted by:~~

- ~~(a) — the Order Form executed by the Prospective User and accepted by GGT and all attachments to it, as documented in Items 20 and 21 of the Order Form; and~~

~~(b) — the General Terms and Conditions.~~

## ~~8.2 — Service Agreement~~

~~GGT and the Prospective User become bound to the Service Agreement and bound to satisfy or observe all Conditions from the date mutually agreed by GGT and the Prospective User.~~

## ~~8.3 — Conditions~~

~~(a) — GGT may notify a Prospective User that GGT is prepared to make available:~~

~~(i) — a Reference Service; or~~

~~(ii) — a Negotiated Service,~~

~~subject to specified Conditions being satisfied as conditions precedent.~~

~~(b) — The Conditions may relate to GGT's reasonable requirements in respect of:~~

~~(i) — the occurrence of a defined event including installation and commissioning of equipment, processing facilities or infrastructure;~~

~~(ii) — a Surety being provided by the Prospective User, or any other person acceptable to GGT; and~~

~~(iii) — copies of insurance policies or other evidence reasonably required by GGT being provided, which provide a reasonable indication to GGT that the Prospective User has insurance policies sufficient to satisfy the indemnities which the Prospective User will be required to provide under the proposed Service Agreement.~~

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

## ~~8.4 — Toll and Capacity Reservation Tariff~~

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

## 6 Capacity Trading Policy

### 6.1 Governing provisions

Transfers of Contracted Capacity will be undertaken:

- (a) where the relevant parties are registered as participants in a particular gas market in accordance with rules or procedures governing the relevant market; or
- (b) if the relevant parties are not so registered, or the relevant rules or procedures do not deal with capacity trading - in accordance with Rule 105 and sections 6.2 and 6.3.

## **6.2 Assignment of Contracted Capacity by subcontract**

The User may assign, by way of subcontract, all or any of the User's Contracted Capacity to another person without prior consent of Service Provider in accordance with the terms of the Transportation Agreement.

## **6.3 Other assignments**

Subject to any Pre-existing Contractual Rights affecting the transfer or assignment by GGT-Service Provider or any other party of rights in relation to Capacity, including under the GGP State Agreement and the GGTJV Agreement, a User may, with Service Provider's prior written consent which must not be unreasonably withheld, assign its Receipt Point MDQ or Delivery Point MDQ (or both), other than an assignment under section 6.2, provided that:

- (a) the User pays Service Provider's reasonable costs and expenses (including legal costs, internal costs and other costs as reasonably determined) in respect of application for consent (whether or not the assignment proceeds to completion) and any assignment;
- (b) Service Provider and the assignee execute a Transportation Agreement acceptable to Service Provider in relation to the Receipt Point MDQ or Delivery Point MDQ in a form and substance similar to the User's Transportation Agreement;
  - (i) Where the assignment relates to an existing Firm Service Transportation Agreement, Service Provider and the assignee must execute a replacement Firm Service Transportation Agreement, unless otherwise agreed by Service Provider;
- (c) the Receipt Point MDQ or Delivery Point MDQ to be assigned relates to the User's Receipt Point and Delivery Points under the User's Transportation Agreement or, if different Receipt Points or Delivery Points are proposed, the assignee meets Service Provider's reasonable requirements;
- (d) the assignee agrees with any other User using the relevant Receipt Point and Delivery Points to sharing of the use of facilities and any conditions and charges, at no additional cost to Service Provider;
- (e) the assignee confirms in writing that it has made all necessary arrangements with producers of Gas for the assignee, purchasers of Gas from the assignee and any other party relating to that service, including all Gas purchase, Gas

sale, operating and multi-party Receipt Point and Delivery Point arrangements;

(f) if the assignment of part or all of the Receipt Point MDQ or Delivery Point MDQ to the assignee requires additional facilities at the Receipt Point or Delivery Point, the User or the assignee (or both) agree to pay Service Provider for the cost of construction on terms and conditions reasonably determined by Service Provider;

(g) the User agrees to comply with any other reasonable commercial or technical conditions of Service Provider.

Service Provider may withhold its consent to an assignment under this section 6.3 on reasonable commercial and technical grounds.

An assignment made under this section 6.3 does not affect rights or liabilities that had accrued under, or in relation to, the Transportation Agreement before the relevant assignment took effect.

## **6.4 Changing delivery and receipt points**

The User may, by giving at least 45 Days written notice before the proposed change, request substitution of all or part of an existing Receipt Point MDQ for a Receipt Point or Delivery Point MDQ for a Delivery Point to another Receipt Point or Delivery Point (respectively) provided the proposed substitution is to a Receipt Point or Delivery Point which has all the necessary facilities required to be located at the applicable Receipt Point or Delivery Point.

Service Provider may withhold its consent to all or part of the above request on reasonable commercial or technical grounds or make its consent subject to conditions which are on reasonable commercial or technical grounds.

Service Provider will notify the User, within 30 Days of receiving the User's notice, whether it can consent to all or part of the User's request.

If the Delivery Point MDQ for a Delivery Point is substituted, the amount payable under the Transportation Agreement will be no less than what was payable prior to the substitutions having been made.

## **6.5 Meaning of "reasonable commercial"**

For the purposes of section 6.3 and 6.4, "reasonable commercial grounds" and "reasonable commercial conditions" include allowing Service Provider to deliver the same amount of the Service, receive at least the same amount of revenue and bear no additional capital or non-capital costs, as applied before the assignment or change (as the case may be).

Examples of items that would be reasonable are:

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- (a) Service Provider refusing to agree to a User's request to change its 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 Service Provider's ability to provide Services to the alternative Delivery Point;
- (b) Service Provider specifying that, as a condition of its agreement to a change in the Delivery Point, Service Provider must receive at least the same amount of revenue, and bear the same or a reduced level of costs that it would have received or borne before the change; and
- (c) If the existing Transportation Agreement is for the Firm Service, and the Assignment or change in Receipt Point or Delivery Point means that the new or changed Service no longer resembles the Firm Service (for example because the Assignee does not meet Prudential requirements under the Firm Service, or the change in Receipt or Delivery Point means the new Service is no longer for the Firm Service), Service Provider may require the User or Prospective User (as relevant) to enter into a Transportation Agreement for a Negotiated Service.

Rights to Transfer or Assign for User of Reference Service

Subject to any pre-existing contractual rights affecting the transfer or assignment by GGT or any other party of rights in relation to Capacity, including under the GGP Agreement and the GGTJV Agreement, any User of a Reference Service may transfer or assign all or part of its rights to Capacity in the Covered Pipeline in accordance with clause 20 of the General Terms and Conditions.

Rights to Transfer or Assign for User of Negotiated Service

Subject to any pre-existing contractual rights affecting the transfer or assignment by GGT or any other party of rights in relation to Capacity, including under the GGP Agreement and the GGTJV Agreement, any User of a Negotiated Service may transfer or assign all or part of its rights to Capacity in the Covered Pipeline in accordance with the terms and conditions negotiated between GGT and the User where such terms and conditions must comply with Section 3.10 of the Code.

## **9.7 Extensions and Expansions Policy**

### **9.17.1 Extensions/Expansions**

Other than as required under the ~~Code National Gas Rules~~ or the ~~GGP Agreement~~, ~~GGT Service Provider~~ will not incur capital to expand the Capacity of the Covered Pipeline unless a User:

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

### **9.27.2 Application of Access Arrangement to Pipeline Extensions/Expansions**

- (a) ~~Service Provider GGT~~ must, with the ~~Authority's Regulator's~~ consent, elect at some point in time whether or not a proposed ~~E~~extension to, or ~~E~~expansion of the ~~e~~Capacity of, the Pipeline should be treated as part of the Covered Pipeline for all purposes under the ~~Code National Gas Law~~ or should not be treated as part of the Covered Pipeline for any purpose under the ~~Code National Gas Law~~.
- (b) To avoid doubt, in the event that the ~~Authority Regulator~~ refuses consent to ~~GGT's Service Provider's~~ election, the ~~Authority Regulator~~ must make an express determination whether or not the proposed extension to, or expansion of the Capacity of, the Pipeline should be treated as part of the Covered Pipeline for all purposes under the ~~Code National Gas Law~~ or should not be treated as part of the Covered Pipeline for any purpose under the ~~Code National Gas Law~~.

### **9.37.3 Pipeline Extensions/Expansions and Tariffs**

- (a) Pipeline ~~E~~extensions or ~~E~~expansions to which ~~GGT Service Provider~~ elects that this Access Arrangement will apply to cover under ~~clause section 10.27.2~~ will result in no change to the Reference Tariff applied to a User when those ~~extensions-Extensions~~ or ~~expansions-Expansions~~ have been fully funded by that User's capital contributions except to contribute to ~~Service Provider's~~ ~~GGT's non-capital~~ operating costs in connection with those extensions and expansions. Any change to Reference Tariffs may occur only pursuant to the processes set out in ~~Section Part 28~~ of the ~~Code NGR~~ Tariffs.

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- (b) ~~Incremental~~ Users ~~of Incremental Services as defined in the Code~~ which have not made capital contributions towards ~~capacity investment needed to provide those~~ Incremental ~~Capacity Services as defined in the Code~~ which they use and which ~~have~~ been funded by others ~~will may~~ be liable to pay ~~a Surcharge as provided under Rule 83 of the National Gas Rules.~~ ~~for surcharges as allowed for in Section 8 of the Code.~~
- (c) Pipeline extensions or expansions funded by ~~GGT Service Provider~~ and which ~~Service Provider GGT~~ elects to cover ~~(or which become covered)~~ under ~~clause section~~ 7.240.2 may result in the application of ~~a s~~ ~~Surcharges on Users~~ ~~as allowed for in Section 8 of the Code~~ subject to ~~GGT Service Provider~~ providing written notice to the Regulator, and the Regulator approving the same, in accordance with ~~Rule 83 of the NGR~~ ~~Section 8.25 of the Code.~~

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## ~~2 Capacity Management Policy~~

### ~~2.1 Contract Carriage Pipeline~~

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

## A Details

<b>Pipeline</b>	Covered portion of the Goldfields Gas Pipeline, being the pipeline from Yarraloola to Kalgoorlie described in Pipeline Licence PL24 granted under the Petroleum Pipelines Act 1969 (WA).
<b>Capacity of covered portion of the Pipeline</b>	Approximately 109 TJ/day
<b>Service Provider</b>	Goldfields Gas Transmission Pty Ltd, ACN 004 273 241

### Reference Tariff, rates and allowances

<b>Toll Tariff at 1 January 2015 (\$/GJ):</b>	0.235806
<b>Capacity Reservation Tariff at 1 January 2015 (\$/GJ MDQ km):</b>	0.001459
<b>Throughput Tariff at 1 January 2015 (\$/GJ km):</b>	0.000442
<b>Authorised Overrun Rate</b>	120% of Toll Tariff + Capacity Reservation Tariff + Throughput Tariff
<b>Imbalance Rate</b>	250% of Toll Tariff + Capacity Reservation Tariff + Throughput Tariff
<b>Imbalance Allowance</b>	5% (either positive or negative) of the sum of the MDQ for all Delivery Points
<b>Daily Variance Rate</b>	250% of Toll Tariff + Capacity Reservation Tariff + Throughput Tariff
<b>Daily Variation Allowance</b>	5% (either positive or negative) of the MDQ for the applicable Delivery Point or Receipt Point

### Notes on Tariffs

- 1 Toll, Capacity and Throughput tariffs apply from the date on which the approval of the Regulator takes effect under Rule 62 or Rule 64 (as relevant)*
- 2 These tariffs apply to the Firm Service. For other services and shorter terms, tariffs will be determined by negotiation*
- 3 The minimum term for the Firm Service is Five Years*
- 4 Refer to section 4 of this Access Arrangement for details of the charges to which the above rates apply and the basis upon which upon which they will be adjusted*
- 5 These tariffs are quoted on a GST exclusive basis*

<b>Payment Date</b>	Within 14 Days after the receipt by User of Service Provider's valid Tax Invoice.
<b>Contact Details</b>	Business Development Manager – Goldfields Gas Pipeline (08) 6189 4300 East Point Plaza, Level 5, 233 Adelaide Terrace Perth WA 6000

## Statement of Tariffs and Charges

### 1. ~~Transportation Tariffs~~ (exclusive of Goods and Services Tax)

From 1 April 2012 onward the Transportation Tariff (Reference Tariff) for the Firm Service, when applicable is:

<del>Toll (\$/GJ)</del>	<del>Capacity Reservation (\$/GJ/KM)</del>	<del>Throughput (\$/GJ.km)</del>
<del>0.237193</del>	<del>0.001462</del>	<del>0.000401</del>

~~adjusted in accordance with clause 5 of the Access Arrangement.~~

### 2. ~~Used Gas Charge~~ (exclusive of Goods and Services Tax)

~~The Used Gas Charge is at cost. GGT will make all reasonable endeavours to ensure that the price paid for this Gas is reasonable.~~

### 3. ~~Connection Charge~~ (exclusive of Goods and Services Tax)

~~Users will be charged GGT's direct costs for the installation of facilities associated with the connection of the User's facilities to the Pipeline.~~

### 4. ~~Supplementary Quantity Option Charge~~ (exclusive of Goods and Services Tax)

~~When applied the Supplementary Quantity Option Charge is calculated as follows:~~

$$\underline{\underline{SQQ\_C = SQQQ \times 1000 \times (Trans\_Tariff \times SQQ\_F)}}$$

~~Where:~~

~~SQQ\_C is the Supplementary Quantity Option Charge in \$;~~

~~SQQQ is the Supplementary Quantity Option Quantity in TJs;~~

~~Trans\_Tariff is the applicable tariff in \$/GJ as defined in item 5(a); and~~

~~SQQ\_F is the Supplementary Quantity Option Factor and has the value 1.05, and may be varied by GGT through notice in writing to all Users.~~

### 5. ~~Quantity Variation Charges~~ (exclusive of Goods and Services Tax)

#### (a) ~~Transportation Tariff~~

~~The total Transportation Tariff to be applied to the Daily Overrun Charge, the Hourly Overrun Charge and the Variance Charge and the Supplementary Quantity Option Charge is the aggregate of the following:~~

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$$\text{Trans\_Tariff} = \text{Toll} + \text{CapRes} + \text{Thruput}$$

Where:

Trans\_Tariff is the total Transportation Tariff;

Toll is the Toll Tariff;

CapRes is the Capacity Reservation Tariff multiplied by distance; and

Thruput is the Throughput Tariff multiplied by distance.

Where: in accordance with clause 9.7 of the General Terms and Conditions, distance is the pipeline distance in kilometres between the Inlet Point and Outlet Point(s) which are the furthest apart.

(b) Accumulated Imbalance Charge

If applied the Accumulative Imbalance Charge is calculated as follows:

$$\text{AI\_C} = (\text{abs}(\text{AI}) - \text{AIT}) \times 1000 \times \text{AI\_T}$$

Where:

AI\_C is the Accumulated Imbalance Charge in \$;

AI is the Accumulated Imbalance in TJs;

AIT is the Accumulated Imbalance Tolerance in TJs; and

AI\_T is the Accumulated Imbalance Tariff and has the value \$2.85 per Gigajoule, adjusted by the CPI in accordance with clause 9.8 of the General Terms and Conditions.

(c) Daily Overrun Charge

If applied the Daily Overrun Charge is calculated as follows:

$$\text{DO\_C} = \text{DOQ} \times 1000 \times (\text{Trans\_Tariff} \times \text{DO\_CF})$$

Where:

DO\_C is the Daily Overrun Charge in \$;

DOQ is the Daily Overrun Quantity in TJs;

Trans\_Tariff is the applicable tariff in \$/GJ as defined in item 5(a); and

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~~DO\_CF is the Daily Overtime Charge Factor and has the value 3.5.~~

~~GGT is not able to require a User to pay a Daily Overtime Charge for Daily Overtime Quantities at an Inlet Point. In calculating a Daily Overtime Charge, only quantities delivered at the Outlet Point will be taken into account in calculating the Daily Overtime Charge.~~

~~(d) Hourly Overtime Charge~~

~~If applied the Hourly Overtime Charge is calculated as follows:~~

$$\underline{\underline{\del{HO\_C = HOQ \times 1000 \times (Trans\_Tariff \times HO\_CF)}}}}$$

~~Where:~~

~~HO\_C is the Hourly Overtime Charge in \$;~~

~~HOQ is the Hourly Overtime Quantity in TJs;~~

~~Trans\_Tariff is the applicable tariff in \$/GJ as defined in item 5(a); and~~

~~HO\_CF is the Hourly Overtime Charge Factor and has the value 3.5.~~

~~GGT is not able to require a User to pay an Hourly Overtime Charge for Hourly Overtime Quantities at an Inlet Point. In calculating an Hourly Overtime Charge, only quantities delivered at the Outlet Point will be taken into account in calculating the Hourly Overtime Charge.~~

~~(e) Variance Charge~~

~~If applied the Variance Charge is calculated as follows:~~

$$\underline{\underline{\del{V\_C = (abs(VQ) - VT) \times 1000 \times (Trans\_Tariff \times V\_CF)}}}}$$

~~Where:~~

~~V\_C is the Variance Charge in \$;~~

~~VQ is the Variance Quantity in TJs;~~

~~VT is the Variance Tolerance in TJs;~~

~~Trans\_Tariff is the applicable tariff in \$/GJ as defined in item 5(a); and~~

~~V\_CF is the Variance Charge Factor and has the value 2.0.~~

## Scheduled Reference Tariff Variation Mechanism

## A1 Quarterly Scheduled Variation of Reference Tariffs

The Reference Tariff Components ~~charges of the Reference tariff (as described in section 4.1 of the Access Arrangement)~~ are adjusted for inflation on a Quarterly basis in accordance with the formula below.

$$C_t = C_{t-1} \times \frac{1}{1 + K} \times \frac{CPI_{t-2}}{CPI_{t-3}}$$

where

$C_t$  is the relevant charge in the Quarter t in which the Billing Period adjustment occurs.

$C_{t-1}$  is the charge for the Quarter commencing three months prior to the commencement of Quarter t. For the Quarter commencing 1 April 2015~~2~~,  $C_{t-1}$  is the relevant charge shown above for 1 January 2015~~in clause 1 of the fourth schedule of this Appendix 3~~.

$$K = \left[ 1 + \frac{R}{100} X \right]^{0.25} - 1$$

$RX$  is ~~0.0252-5~~ (2.5% being the forecast annual percentage inflation rate used in the Final Decision).

$CPI_{t-2}$  is the CPI for the Quarter commencing six months prior to the commencement of Quarter t.

$CPI_{t-3}$  is the CPI for the Quarter commencing nine months prior to the commencement of Quarter t.

## A2 Annual Scheduled Variation of Reference Tariffs

~~GGT Service Provider~~ has adopted a 'tariff basket price cap' approach as the manner in which Reference Tariff Components (as described in section 4.1 of the Access Arrangement Clause 5.2(c)(4)) ~~("Tariff Components")~~ may vary within this Access Arrangement Period.

Service Provider has also adopted a 'trailing average' approach to estimate the return on debt used to determine the Reference Tariff. The trailing average approach is a method of the type referred to in Rule 87(9)(b). The change in Total Revenue which results from use of a method of the type referred to in Rule 87(9)(b) must be effected through the automatic application of a formula. That formula, which was specified in the decision on this Access Arrangement for this Access Arrangement Period, is set out below.

The formula effects a change in Total Revenue in each year of the Access Arrangement Period. The change in Total Revenue requires an annual adjustment to the Reference Tariff. That adjustment is to be made using the formulae in this Annual Scheduled Variation of Reference Tariffs (A2).

~~GGT Service Provider may in its discretion will vary any Reference Tariff Components annually (each annual period being a Variation Year) in accordance with the process described below. s~~ Subject to the limit on the varied Reference Tariff Components and the limitation on movement of the weighted average tariff price basket described below, ~~GGT may in its discretion vary any Tariff Component for each Variation Year.~~

~~The following adjustments relate to tariff changes~~ Any annually varied Reference Tariff Component will be effective 1 January of each Year, and ~~are conducted~~ the annual variation in this way will be in lieu of the CPI adjustment specified in A1 above clause 9.8 of the General Terms and Conditions.

### Limit on varied Reference Tariff Components

Each Reference Tariff Component may be varied by Service Provider provided the varied Reference Tariff Component satisfies the following condition:

$$p_t^i \leq p_{t-1}^i \times \frac{SepCPI_{t-1}}{SepCPI_{t-2}} \times (1 + \Delta TREV_t) \times (1 - X) \times (1 + Y)$$

where:

$p_t^i$  is the value of Reference Tariff Component i as varied for Year t;

$p_{t-1}^i$  is the value of Reference Tariff Component i in Year t – 1;

SepCPI<sub>t-1</sub> is the September Quarter CPI for Year t – 1;

SepCPI<sub>t-2</sub> is the September Quarter CPI for Year t – 2;

$\Delta TREV_t$  is the change in the total revenue in Year t resulting from the annual update of the rate of return on debt and from any change in Regulatory Costs and calculated using the formulae set out in below;

X is 0.025 (2.5% being the forecast annual percentage inflation rate used in the Final Decision)

Y is 0.02; and

t is the Variation Year;

### Limit on movement of the weighted average tariff basket

The Reference Tariff Components may be varied by Service Provider provided the varied Reference Tariff Components satisfy the following (tariff basket) condition:

$$\frac{\sum_{i=1}^m p_t^i \times q_{t-2}^i}{\sum_{i=1}^m p_{t-1}^i \times q_{t-2}^i} \leq \frac{SepCPI_{t-1}}{SepCPI_{t-2}} \times (1 + \Delta TREV_t) \times (1 - X)$$

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where:

$p_t^i$  is the value of Reference Tariff Component i as varied for Year t;

$p_{t-1}^i$  is the value of Reference Tariff Component i in Year t – 1;

$q_{t-2}^i$  is the quantity of service (GJ, GJ km MDQ, or GJ km throughput) provided at Reference Tariff Component i in Year t – 2;

$SepCPI_{t-1}$  is the September Quarter CPI for Year t – 1;

$SepCPI_{t-2}$  is the September Quarter CPI for Year t – 2;

$\Delta TREV_t$  is the change in the Total Revenue in Year t resulting from the annual update of the rate of return on debt and from any change in Regulatory Cost and calculated using the formulae set out in below;

X is 0.025 (2.5% being the forecast annual percentage inflation rate in the Final Decision);

Y is 0.02;

t is the Variation Year.

The change in Total Revenue in Year t,  $\Delta TREV_t$ , is calculated for each of the following years 2016, 2017, 2018 and 2019 during the Access Arrangement Period:

(a) for t = 2016:

$$\Delta TREV_t = \frac{\Delta REGCOST_{t-1} \times (1 + NVWACC_t) + \Delta RoD_t}{TREV_t}$$

$\Delta REGCOST_{t-1}$  is the actual Regulatory Cost for Year t – 1 minus the forecast Regulatory Cost for Year t – 1;

$NVWACC_t$  is the allowed rate of return in Year t determined as the nominal vanilla weighted average of the return on equity used in the determination of the Total Revenue, and the rate of return on debt calculated as a trailing average and updated for Year t in the way described below;

$\Delta RoD_t$  is the change in the return on debt for Year t calculated as a trailing average and updated for Year t in the way described below;

$TREV_t$  is the Total Revenue for Year t;

(b) for t = 2017, 2018, or 2019:

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$$\Delta TREV_t = \frac{1 + \frac{\Delta REGCOST_{t-1} \times (1 + NVWACC_t) + \Delta RoD_t}{TREV_t}}{1 + \frac{\Delta REGCOST_{t-2} \times (1 + NVWACC_{t-1}) + \Delta RoD_{t-1}}{TREV_{t-1}}} - 1$$

where:

$\Delta REGCOST_{t-1}$  is the actual Regulatory Cost for Year t – 1 minus the forecast Regulatory Cost for Year t – 1, which is subject to a “deadband” materiality threshold of plus or minus 0.5% of the Total Revenue for Year t – 1;

$NVWACC_t$  is the allowed rate of return in Year t determined as the nominal vanilla weighted average of the return on equity used in the determination of the Total Revenue, and the rate of return on debt calculated as a trailing average and updated for Year t in the way described below;

$\Delta RoD_t$  is the change in the return on debt for Year t calculated as a trailing average and updated for Year t in the way described below;

$TREV_t$  is the Total Revenue for Year t;

$\Delta REGCOST_{t-2}$  is the actual Regulatory Cost for Year t – 2 minus the forecast Regulatory Cost for Year t – 2, which is subject to a “deadband” materiality threshold of plus or minus 0.5% of the Total Revenue for Year t – 2;

$NVWACC_{t-1}$  is the allowed rate of return in Year t – 1 determined as the nominal vanilla weighted average of the return on equity used in the determination of the Total Revenue, and the rate of return on debt calculated as a trailing average and updated for Year t – 1 in the way described below;

$\Delta RoD_{t-1}$  is the change in the return on debt for Year t – 1 calculated in the way described below;

$TREV_{t-1}$  is the Total Revenue for Year t – 1;

The Reference Tariff at 1 January 2015, which is set out in the Details, was determined using an estimate of the rate of return on debt for 2015 ( $RoRD_{2015}$ ) calculated using the formula:

$$RoRD_{2015} = \frac{1}{10} \sum_{t=2005}^{2014} (r_{f,t} + DRP_t + DRC + HC)$$

where:

$r_{f,t}$  is the nominal risk free rate of return for Year t, expressed as a percentage, which is estimated as the average of yields on

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Commonwealth Government bonds with to maturity of 10 years, as published by the Reserve Bank of Australia, the average being calculated for the 40 trading days immediately preceding 30 April in Year t;

DRP<sub>t</sub> is the debt risk premium for Year t, expressed as a percentage, which is estimated as the average of the spreads to CGS for February, March and April in Year t, on the bonds of BBB rated Australian non-financial corporations, for a tenor of 10 years, as published by the Reserve Bank of Australia;

DRC is 0.1250%; and

HC is 0.0250%.

At the end of 2015, and before 1 January 2016, the rate of return on debt is to be updated by deleting the first term of the formula used to calculate RoRD<sub>2015</sub>, the term for 2005, and adding a new term for 2015, so that the rate of return on debt for 2016, RoRD<sub>2016</sub>, is estimated as:

$$RoRD_{2016} = \frac{1}{10} \sum_{t=2006}^{2015} (r_{f,t} + DRP_t + DRC + HC)$$

The return on debt in 2016 is then to be updated using the formula:

$$RoD_{2016} = RoRD_{2016} \times \frac{D}{D + E} \times CB_{2016}$$

where:

$\frac{D}{D+E}$  is the gearing assumed for determination of the Reference Tariff, which was 60%; and

CB<sub>2016</sub> is the projected Capital Base for the Covered Pipeline at 1 January 2016, which was used for determination of the Reference Tariff.

At the end of each year of the Access Arrangement Period (after 2015), and before 1 January of the following year, the rate of return on debt for that following year, is to be updated by deleting the first (earliest) term of the trailing average, and adding a new term for the following year, so that:

$$RoRD_t = \frac{1}{10} \sum_{t=A-9}^A (r_{f,t} + DRP_t + DRC + HC)$$

where:

A is, successively, 2017, 2018, an 2019;

r<sub>i,t</sub> is the nominal risk free rate of return for Year t, expressed as a percentage, which is estimated as the average of yields on Commonwealth Government

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bonds with to maturity of 10 years, as published by the Reserve Bank of Australia, the average being calculated for the 40 trading days immediately preceding 30 April in Year t;

DRP<sub>t</sub> is the debt risk premium for Year t, expressed as a percentage, which is estimated as the average of the spreads to CGS for February, March and April in Year t, on the bonds of BBB rated Australian non-financial corporations, for a tenor of 10 years, as published by the Reserve Bank of Australia;

DRC is 0.1250%; and

HC is 0.0250%.

The return on debt in each successive year, RoD<sub>t</sub>, is to be updated using the formula:

$$RoD_t = RoRD_t \times \frac{D}{D + E} \times CB_t$$

where:

RoRD<sub>t</sub> is the rate of return on debt in Year t;

$\frac{D}{D+E}$  is the gearing assumed for determination of the Reference Tariff, which was 60%; and

CB<sub>t</sub> is, successively, the projected Capital Base for the Covered Pipeline at 1 January in each of 2017, 2018 and 2019, as used for determination of the Reference Tariff.

The term  $\Delta RoD_t$ , the change in the return on debt for Year t, used in this annual scheduled variation of Reference Tariffs, is then calculated as:

$$\Delta RoD_t = RoD_t - RoD_{t-1}$$

where:

RoD<sub>t</sub> is the return on debt in Year t; and

RoD<sub>t-1</sub> is the return on debt in Year t – 1.

**Limit on movement of the weighted average price basket and varied Tariff Components**

~~For each January tariff change, the limitation on movement of the January on-January weighted average price basket is determined as follows:~~

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$$\frac{\sum_{j=1}^m p_t^{ij} * q_{t-2}^{ij}}{\sum_{j=1}^m p_{t-1}^{ij} * q_{t-2}^{ij}}, i=1, \dots, n \leq \frac{SepCPI_{t+1}}{SepCPI_{t+2}} * (1-x) * (1+R_t)$$

And, subject to the limitation on movement of the weighted average price basket, a Tariff Component variation must be in accordance with the following:

$$p_t^{ij} \leq p_{t-1}^{ij} * \frac{SepCPI_{t+1}}{SepCPI_{t+2}} * (1-x) * (1+R_t) * (1+Y)$$

where:

$p_t^{ij}$  is the proposed value for Tariff Component j of Reference Tariff i in calendar Year t;

$p_{t-1}^{ij}$  is the value for Tariff Component j of Reference Tariff i in calendar Year t-1;

$q_{t-2}^{ij}$  is the quantity of Tariff Component j of Reference Tariff i that was sold in calendar Year t-2;

x has the meaning in clause 9.8 of the General Terms and Conditions;

Y is positive 0.02;

$R_t$  is the Regulatory Costs factor for calendar Year t and is calculated in accordance with the process described below;

$SepCPI_{t+1}$  is the September quarter CPI for Year t-1;

$SepCPI_{t+2}$  is the September quarter CPI for Year t-2; and

t is the Variation Year.

The Regulatory Cost factor  $R_t$  is calculated as follows:

(a) for Variation Year 2016:

$$R_t = \frac{1 + \frac{DRC_{t-1} \times (1 + WACC)}{RREV_t}}{1} - 1$$

(b) for Variation Year other than 2016:

$$R_t = \frac{1 + \frac{DRC_{t-1} \times (1 + WACC)}{RREV_t}}{1 + \frac{DRC_{t-2} \times (1 + WACC)}{RREV_{t-1}}} - 1$$

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where:

~~$DRC_{t-1}$  is the actual Regulatory Cost minus the forecast Regulatory Cost for Year  $t-1$ , and is calculated as follows:~~

~~$$DRC_{t-1} = ARC_{t-1} - FRC_{t-1}$$~~

where:

~~$ARC_{t-1}$  is the actual Regulatory Cost for Year  $t-1$ ; and~~

~~$FRC_{t-1}$  is the forecast Regulatory Costs for Year  $t-1$ ; and~~

~~$DRC_{t-2}$  is the actual Regulatory Cost minus the forecast Regulatory Cost for Year  $t-2$ , and is calculated as follows:~~

~~$$DRC_{t-2} = ARC_{t-2} - FRC_{t-2}$$~~

where:

~~$ARC_{t-2}$  is the actual Regulatory Cost for Year  $t-2$ ;~~

~~$FRC_{t-2}$  is the forecast Regulatory Cost for Year  $t-2$ ;~~

~~$WACC$  is the nominal pre-tax Weighted Average Cost of Capital used in the determination of the Total Revenue;~~

~~$RREV_t$  is the Total Revenue applicable to the Covered Pipeline for Year  $t$ ;~~

~~$RREV_{t-1}$  is the Total Revenue applicable to the Covered Pipeline for Year  $t-1$ ;~~

~~$RREV_{t-2}$  is the Total Revenue applicable to the Covered Pipeline for Year  $t-2$ ; and~~

~~$DRC_{t-1}$ ,  $DRC_{t-2}$  are each subject to a "deadband" materiality threshold of plus or minus 0.5% of Total Revenue for the Covered Pipeline for the relevant year.~~

For the purpose of this Scheduled Reference Tariff Adjustment Variation Mechanism, **Regulatory Costs** means a cost connected to or associated with:

- (a) GGT's Service Provider's compliance with new or revised requirements or procedures under the *Petroleum Pipelines Act 1969*, Pipeline Licence 24, the *Energy Coordination Act 1994 (WA)*, the *Gas Standards Act 1972 (WA)*, the *Energy Operators (Powers) Act 1979*, *Environmental Protection Act 1986 (WA)* and all other applicable laws which affect the operation of the Covered Pipeline or the provision of Services;
- (b) Service Provider's ~~GGT's~~ participation in regulatory policy or regulatory reform consultation processes;

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- (c) the pro rata portion of the Emissions-Carbon Costs;
- (d) changes to the GGP Act, GGP State Agreement, ~~Gas Pipelines Access (Western Australia) Act 1998 (WA), the Code~~ or the *Economic Regulation Authority Act 2003 (WA)*;
- (e) the introduction of new or revised requirements under the Code-National Gas Access (Western Australia) Act 2008 or National Gas Rules which are more complex or extensive than those applying at 15 August 2014~~14 June 2014~~;
- (f) participating in legal proceedings before a Court, tribunal, arbitrator or other body of competent jurisdiction relating to this Access Arrangement or revisions (or proposed revisions) thereto; and
- (g) new or increased charges levied by Governmental Authorities.

In this Schedule A4, the following definitions apply:

Abatement means activities undertaken for the purpose of reducing, or reducing the growth in, the emission of Greenhouse Gases including (without limitation) the development, acquisition, modification, repair, replacement, use or exploitation of plant, equipment, land or other assets for that purpose.

Carbon Costs means the costs incurred from time to time by Service Provider or Owners under or in respect of a Greenhouse Gas Law, Abatement, Offset or Pass-Through, including (without limitation) taxes and overheads.

Clean Energy Act means the Clean Energy Act 2011 (Cth) and associated Laws to implement a carbon pricing mechanism.

Direct Costs — see definition of "Enterprise Costs";

Emissions Costs means the Enterprise Costs in respect of:

- ~~(a) the services provided by GGT under the Service Agreement; and~~
- ~~(b) GGT's business operations, to the extent they relate to those services;~~

Emissions Permit means a tradeable certificate, credit, permit or similar right or instrument (however described) required to be held, used or surrendered to satisfy a liability of Service Provider GGT or the Owners under a Greenhouse Gas Law;

Enterprise Costs means

- ~~(a) the value of Emissions Permits required to be held, used or surrendered (the **Direct Costs**); and~~
- ~~(b) all other reasonable costs, charges and expenses (including, without limitation, taxes and internal and external compliance costs) incurred (the **Indirect Costs**);~~

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~~from time to time by GGT or the Owners or a related body corporate under or in respect of a Greenhouse Gas Law;~~

**Greenhouse Gases** means carbon dioxide (CO<sub>2</sub>) and may also include any one or more of methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF<sub>6</sub>) and other atmospheric gases recognised as being responsible for causing or contributing to global warming or climate change under the United Nations Framework Convention on Climate Change;

**Greenhouse Gas Law** ~~means a law relating to the production, storage or emission of Greenhouse Gases, including (without limitation) the NGER Act and the Clean Energy Act means a law relating to any scheme designed to encourage, directly or indirectly, reductions in the emissions of Greenhouse Gases (including laws requiring the reporting as to Greenhouse Gas emissions in respect of or in anticipation of any such scheme) including the NGER Act and the Carbon Pollution Reduction Scheme Bill 2009;~~

**Indirect Costs** — ~~see definition of "Enterprise Costs"; and~~

**NGER Act** means the National Greenhouse and Energy Reporting Act 2007 (Cth) as amended.

**Offset** means ~~activities undertaken for the purpose of offsetting, reducing or avoiding liability under a Greenhouse Gas Law, including (without limitation) the direct or indirect participation in projects for that purpose.~~

**Pass-Through** means ~~liability incurred in respect of third parties' costs, charges and expenses under or in respect of a Greenhouse Gas Law, Abatement or Offset.~~

**A3 Rounding**

- (a) All amounts per GJ to be paid pursuant to this ~~Schedule A clause 9~~ shall be expressed in dollars to 6 decimal places per GJ of Gas.
- (b) All quantities of Gas shall be rounded to the nearest whole Gigajoule.

**A4 ~~Change in Imposts~~ Cost Pass-through Events**

In addition to the tariffs and charges ~~(and associated variations) described above payable under this Service Agreement~~, the User shall pay to the ~~Owners Service Provider~~ an amount for any ~~Cost Pass-through Event~~ Change in Imposts pursuant to ~~clause section 4.5.2 5.3(b)~~ of the Access Arrangement.

## **B Registration of interest for Services to be provided by Spare Capacity or Developable Capacity**

### **1. Prospective User Detail**

Name of Prospective User:

ACN:

Contact Officer:

Title:

Address:

Telephone:

Fax:

Email:

Service Requested:

If requested service is not the Firm Service, then what conditions, different from those available under a Firm Service, are sought?

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Date for Commencement of Service:

Duration of Transportation Agreement sought:

**2. Receipt Point Information**

Receipt Point Location:

Entity Responsible for  
Delivery of Gas to Receipt  
Point:

(if other than the  
Prospective User)

ACN:

Contact Officer:

Title:

Address:

Telephone:

Fax:

Email:

**3. Delivery Point Information:**

Delivery Point Location:

Entity Controlling  
Withdrawal of Gas at  
Delivery Point:

(if other than the  
prospective User)

ACN:

Contact Officer

Title:

Address:

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Telephone:

Fax:

**4. Transportation Information**

Annual Quantity to be Transported (GJ):

Maximum Daily Quantity - MDQ (GJ):

Maximum Hourly Quantity - MHQ (GJ):

Transportation Patterns:

(graphically if possible, to assist with the assessment of the request)

Typical Daily Profile

Typical Weekly Profile

Typical Annual Profile

Examples of Atypical Profiles

Is the transportation service being sought to serve a new load or an existing load on the Pipeline?

**5. Technical Information**

Please provide details on the following:

Compliance with relevant gas quality standards

Any specific connection requirements

Any other detailed connection requirements

## ~~C~~ ~~GGT Information Package~~ ~~Goldfields Gas Pipeline Details~~

### ~~Introduction~~

~~Where a term is defined in Appendix 1 of the Access Agreement it shall, unless the contrary intention is expressed, bear the same meaning in this GGT Information Package.~~

~~The Goldfields Gas Pipeline was constructed by the Goldfields Gas Transmission Joint Venture (**GGTJV**) pursuant to the Goldfields Gas Pipeline Agreement dated 23rd March 1994 between the GGTJV and the State of Western Australia (**GGP Agreement**). This was ratified by the Goldfields Gas Pipeline Agreement Act 1994 (WA).~~

~~The Goldfields Gas Pipeline delivers natural gas from the offshore gas fields in the North West of Western Australia to the mineral resource regions of the inland of the State.~~

~~The gas transportation service provided to Users of the Goldfields Gas Pipeline to date has been transportation of Gas from the Pipeline's Inlet Point at Yarraloola to a User's Outlet Point. It is anticipated that this will continue to be the gas transportation service required by all or most of the Users of the Goldfields Gas Pipeline.~~

~~Should a User or Prospective User of the Goldfields Gas Pipeline have requirements for a gas transportation service which cannot be accommodated by the Reference Service under the approved Access Arrangement, GGT will negotiate with a view to agreeing terms and conditions of a Negotiated Service with a User or Prospective User.~~

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

### ~~B.1~~ ~~Application for Service~~

~~In accordance with clause 6(a) of the Access Arrangement, a Prospective User that wishes to apply for a Service must comply with the procedures outlined in clauses 1.1 to 1.10 of this GGT Information Package.~~

#### ~~B.1.1~~ ~~Enquiry for Service~~

~~A Prospective User applying to GGT for the use of either the Reference Service or a Negotiated Service must provide GGT with a completed Enquiry Form that contains the information required below:~~

- ~~(a) the Prospective User's name, registered business address and Australian Business Number (**ABN**);~~

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- ~~(b) an expected Commencement Date and expected initial Termination Date of the Service requested, together with any proposed option to extend the initial Termination Date, the expected option exercise date and the proposed extended Termination Date;~~
- ~~(c) the proposed Inlet Point;~~
- ~~(d) the proposed Outlet Point(s);~~
- ~~(e) the anticipated MDQ at the proposed Inlet Point and the proposed Outlet Point for each Year of the Service being provided;~~
- ~~(f) any special requirements requested by the Prospective User;~~
- ~~(g) advice whether enquiry is for a Reference Service or a Negotiated Service;~~
- ~~(h) the name of Prospective User's contact and contact details to whom all correspondence should be addressed to in connection with the Service enquiry;~~
- ~~(i) the legal status of the Prospective User together with details of its legal capacity including whether it is acting as a trustee or as agent for any person;~~
- ~~(j) evidence of the Prospective User's creditworthiness or of its beneficiaries or principals (as the case may be); and~~
- ~~(k) if applicable, an indication of the preparedness of the Prospective User to contribute to the reasonable costs of GGT (as determined by GGT acting as a reasonable and prudent pipeline owner) undertaking Investigations and the provision of Developable Capacity understanding that such an indication is not binding on the Prospective User.~~

**B.1.2 Enquiry for Service**

- ~~(a) If Spare Capacity is available and the Prospective User requires capacity of no more than the available Spare Capacity then within 10 days of receipt of a correctly completed Enquiry Form, GGT will provide the Prospective User with an assessment of the availability of Spare Capacity (**Spare Capacity Response**) that will contain the following information:
  - ~~(1) an indication of whether or not capacity exists to satisfy the Prospective User's request for a Service;~~
  - ~~(2) a statement of any Spare Capacity;~~
  - ~~(3) the Conditions to apply to the Service;~~
  - ~~(4) whether an Outlet Point will be required; and~~
  - ~~(5) a statement of proposed tariff components and charges that will apply to the Service requested in the Enquiry Form, including:
    - ~~(A) Toll Tariff;~~
    - ~~(B) Throughput Tariff;~~
    - ~~(C) Capacity Reservation Tariff;~~
    - ~~(D) Connection Charge(s);~~~~~~

- ~~(E) amount of bond/security sum; and~~
- ~~(F) other charges pertaining to the proposed Service.~~
- ~~(b) If the Prospective User requires capacity of more than the available Spare Capacity then GGT within 45 days of receipt of a correctly completed Enquiry Form, GGT will provide the Prospective User with an assessment of the availability of capacity (**Developable Capacity Response**) that will contain the following information:~~
  - ~~(1) an indication of whether or not capacity exists to satisfy the Prospective User's request for a Service;~~
  - ~~(2) a statement of any Spare Capacity and Developable Capacity;~~
  - ~~(3) an indication whether Investigations are required and nature, likely duration and estimated cost of the Investigations;~~
  - ~~(4) the Conditions to apply to the Service;~~
  - ~~(5) whether an Outlet Point will be required; and~~
  - ~~(6) a statement of proposed tariff components (Indication) and charges that will apply to the Service requested in the Enquiry Form, including:~~
    - ~~(A) Toll Tariff;~~
    - ~~(B) Throughput Tariff;~~
    - ~~(C) Capacity Reservation Tariff;~~
    - ~~(D) Connection Charge(s);~~
    - ~~(E) amount of bond/security sum; and~~
    - ~~(F) other charges pertaining to the proposed Service.~~
- ~~(c) Where GGT receives an Enquiry Form from a Prospective User that is deemed to be deficient in some way by GGT acting reasonably then GGT must within 7 days of receipt of the Enquiry Form provide written notice to the Prospective User detailing the reasons and information regarding the deficiency.~~

### ~~B.1.3 Completed Order Form for Spare Capacity~~

- ~~(a) Where the Prospective User receives a Spare Capacity Response under clause 1.2(a) of the GGT Information Package that indicates an Outlet Point is not required and the Prospective User provides advice in writing to GGT that it wishes to proceed to apply for the Service then the Prospective User must submit to GGT, within 30 days of such advice a completed Order Form that contains:~~
  - ~~(1) a restatement of the information required by clause 1.1 of this GGT Information Package together with notification of any changes of the Prospective User's requirements or particulars which may have occurred since the date the Enquiry Form was submitted to GGT; and~~

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- ~~(2) — the tariff components and charges provided by GGT in its Spare Capacity Response together with confirmation by the Prospective User that it understands the tariff components and charges.~~
- ~~(b) — Where the Prospective User receives a Spare Capacity Response under clause 1.2(a) of the GGT Information Package that indicates an Outlet Point is required and the Prospective User provides advice in writing to GGT that it wishes to proceed to apply for the Service and confirms that it will contribute to the costs for GGT to undertake the Outlet Point Investigations then GGT will within 21 days of such advice provide the Prospective User with a letter of intent for execution by the Prospective User for the cost of the Outlet Point Investigations (**Outlet Investigations Letter of Intent**).~~
- ~~(c) — Where the Prospective User receives a Spare Capacity Response under clause 1.2(a) of the GGT Information Package that indicates an Outlet Point is required and the Prospective User provides advice in writing to GGT that it wishes to proceed to apply for the Service but declines to contribute to the costs for GGT to undertake the Outlet Investigations then clauses 7.2(d) and 7.2(e) of the Access Arrangement apply.~~
- ~~(d) — The Prospective User must submit to GGT, within 21 days of receipt of GGT's Outlet Investigations Letter of Intent an executed original of GGT's Outlet Investigations Letter of Intent.~~
- ~~(e) — GGT will complete the Outlet Point Investigations within 30 days of receipt of an executed Outlet Investigations Letter of Intent.~~
- ~~(f) — Within 45 days of receipt of an executed Outlet Investigations Letter of Intent, GGT will provide the Prospective User with the cost and the terms of construction of the Outlet Point or Outlet Facilities, as the case may be.~~
- ~~(g) — The Prospective User must submit to GGT, within 30 days of receipt of the cost and terms provided under clause 1.3(f) of the GGT Information Package a completed Order Form that contains:~~
- ~~(1) — a restatement of the information required by clause 1.1 of this GGT Information Package together with notification of any changes of the Prospective User's requirements or particulars which may have occurred since the date the Enquiry Form was submitted to GGT; and~~
- ~~(2) — the tariff components and charges provided by GGT in its Spare Capacity Response together with confirmation by the Prospective User that it understands the tariff components and charges.~~

**B.1.4 — Completed Order Form for Developable Capacity**

- ~~(a) — Where the Prospective User receives a Developable Capacity Response under clause 1.2(b) of the GGT Information Package that indicates that Developable Capacity is required and the Prospective User provides advice in writing to GGT that it wishes to proceed to apply for the Service and confirms that it will contribute to the costs for GGT to undertake the Developable Capacity Investigations then GGT will within 21 days of such advice provide the Prospective User with a letter of intent for execution by~~

~~the Prospective User for the Prospective User to contribute to the costs of the Developable Capacity Investigations (**Developable Capacity Investigations Letter of Intent**).~~

- ~~(b) Where the Prospective User receives a Developable Capacity Response under clause 1.2(b) of the GGT Information Package that indicates Developable Capacity is required and the Prospective User provides advice in writing to GGT that it wishes to proceed to apply for the Service but declines to contribute to the costs for GGT to undertake the Developable Capacity Investigations then clauses 7.2(d) and 7.2(e) of the Access Arrangement apply.~~
- ~~(c) Where a Prospective user agrees to contribute to the reasonable costs of the Developable Capacity Investigations referred to in clause 1.4(a) then the Prospective User must submit to GGT, within 21 days of receipt of GGT's Developable Capacity Investigations Letter of Intent an executed original of GGT's Developable Capacity Investigations Letter of Intent.~~
- ~~(d) GGT will complete the Developable Capacity Investigations within 60 days of receipt of an executed Developable Capacity Investigations Letter of Intent.~~
- ~~(e) Within 90 days of receipt of an executed Developable Capacity Investigations Letter of Intent, GGT will provide the Prospective User with the report as provided for under clause 7.2(g) of the Access Arrangement that will include the cost and the terms of construction of the Developable Capacity.~~
- ~~(f) The Prospective User must submit to GGT, within 30 days of receipt of the cost and terms provided under clause 1.4(e) of the GGT Information Package a completed Order Form that contains:
  - ~~(1) a restatement of the information required by clause 1.1 of this GGT Information Package together with notification of any changes of the Prospective User's requirements or particulars which may have occurred since the date the Enquiry Form was submitted to GGT; and~~
  - ~~(2) the tariff components and charges provided by GGT in its Spare Capacity Response together with confirmation by the Prospective User that it understands the tariff components and charges.~~~~

#### **B.1.5 Advice of Capacity and Queue**

- ~~(a) If, in the reasonable opinion of GGT, the Order Form submitted by a Prospective User complies with the requirements of either clause 1.3 of this GGT Information Package for an application for Spare Capacity or clause 1.4 of this GGT Information Package for an application for Developable Capacity, or the conditions precedent prescribed by clause 1.6 of this GGT Information Package are or can be satisfied, then, GGT must provide the Prospective User, within 14 days of receipt of the Order Form, written notice of such compliance (**Compliance Notice**).~~

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~~(b) Within 7 days of issuance of a Compliance Notice provided under clause 1.5(a) of this GGT Information Package, GGT shall advise the Prospective User in writing of:~~

- ~~(1) the Spare Capacity that exists to satisfy the Prospective User's request for the Service and the Prospective User's position on the queue, as determined by Clause 7 of the Access Arrangement; or~~
- ~~(2) the proposed schedule for the provision of Developable Capacity by GGT to satisfy the Prospective User's request for Service and the Prospective User's position on the queue, as determined by Clause 7 of the Access Arrangement.~~

**~~B.1.6 Conditions Precedent and Acceptance of Order Form~~**

~~The conditions precedent listed below need to be satisfied before GGT can accept a completed Order Form from the Prospective User:~~

- ~~(a) each Inlet Point and each Outlet Point has or will have sufficient capability to accommodate the requested Service;~~
- ~~(c) the Prospective User can demonstrate (to the reasonable satisfaction of GGT) that it has entered into a gas supply agreement and/or has entered into other gas transportation arrangements and that the gas to be delivered into the Goldfields Gas Pipeline by the Prospective User will comply with the Gas Specification;~~
- ~~(d) the legal status, legal capacity and creditworthiness of the Prospective User complies with the reasonable requirements of GGT;~~
- ~~(e) the Prospective User has demonstrated to GGT (acting reasonably) that it is in a position to perform its obligations under the Service Agreement or the Negotiated Service Agreement (as the case may be) throughout the term of such agreement, including any extensions thereof;~~
- ~~(f) in the case where the Prospective User has applied for a Reference Service the Prospective User has agreed to comply with the requirements of the Fifth Schedule of the General Terms and Conditions; and~~
  - ~~(1) sufficient Spare Capacity is available; or~~
  - ~~(2) where sufficient Spare Capacity is not available:
    - ~~(A) GGT has determined that it is technically feasible and economically viable to install Developable Capacity to provide the requested Service by the Commencement Date; and~~
    - ~~(B) the Prospective User has agreed to contribute to the provision of Developable Capacity (as determined by GGT acting as a reasonable and prudent pipeline owner).~~~~

**~~B.1.7 Notice of Non-Compliance~~**

- ~~(a) If, in the reasonable opinion of GGT, the Order Form submitted by a Prospective User does not comply with the requirements of either clause 1.3 of this GGT Information Package for an application for Spare Capacity or clause 1.4 of this GGT Information Package for an~~

~~application for Developable Capacity or the conditions precedent prescribed by clause 1.6 of this GGT Information Package are not, or can not, be satisfied, then, GGT must provide the Prospective User, within 14 days of receipt of the Order Form, written notice of such non-compliance including details and information as to why the Order Form is non-compliant (**Non-compliance Notice**).~~

- ~~(b) If GGT fails to provide a Non-compliance Notice within the period provided for in clause 1.7(a) of this GGT Information Package then the Prospective User will be deemed to have received a Compliance Notice given under clause 1.5(a) of this GGT Information Package and clause 1.5(b) of this GGT Information Package applies to this Order Form.~~

#### ~~B.1.8 Amended or Rejected Order Form~~

- ~~(a) Upon receipt of a Non-compliance Notice issued by GGT pursuant to clause 1.7(a) of this GGT Information Package, the Prospective User may issue GGT with a notice within 30 days of receipt of the Non-compliance Notice:~~
- ~~(1) stating whether or not the Prospective User intends to re-submit an amended Order Form; or~~
  - ~~(2) stating that the Prospective User disputes the Non-compliance Notice and identifying the matters the subject of the dispute.~~
- ~~(b) Upon receipt of a notice pursuant to clause 1.8(a)(2) of this GGT Information Package, GGT and the Prospective User will designate a representative for the negotiation who will have authority to settle the dispute on behalf of that party and those representatives will meet promptly and use their best endeavours to resolve the dispute by negotiation.~~
- ~~(c) If, after 21 days of receipt of the notice provided pursuant to clause 1.8(a)(2) of this GGT Information Package, GGT and the Prospective User have been unable to resolve the matter, or agree a method of resolving the matter, by negotiation, then either party can refer the matter to the Regulator, as provided for in s.6.1 of the Code.~~
- ~~(d) If the Prospective User notifies GGT pursuant to clause 1.8(a)(1) of this GGT Information Package that it intends to re-submit an amended Order Form, the Prospective User must re-submit the amended Order Form to GGT within 14 days of notifying GGT of its intention to do so.~~
- ~~(e) For the avoidance of doubt, if the Prospective User fails to or does not notify GGT of its intention pursuant to clause 1.8(a) of this GGT Information Package or fails to or does not re-submit an amended Order Form pursuant to clause 1.8(d) of this GGT Information Package, then GGT, in its absolute discretion, may reject the Prospective User's Order Form and any priority that the Prospective User had for allocation of Spare Capacity or Developable Capacity will be lost.~~
- ~~(f) If the amended Order Form submitted by the Prospective User pursuant to clause 1.8(d) of this GGT Information Package is materially different from the Order Form submitted originally (**Original Order Form**), and if~~

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~~due to any amendment, it would cause GGT to be unable to provide a Service to another Prospective User whose Order Form has a date of priority subsequent to the Original Order Form, then:~~

- ~~(1) if it is reasonable to construe the amended Order Form as a combination of the Original Order Form and a notional supplementary Order Form, the Original Order Form will, pursuant to Clause 7 of the Access Arrangement, retain its priority and the notional supplementary Order Form will, pursuant to Clause 7 of the Access Arrangement, have priority as from the date the amended Order Form was received by GGT; or~~
- ~~(2) if it is not reasonable to construe the amended Order Form as a combination of the Original Order Form and the notional supplementary Order Form, the Original Order Form will be rejected and the amended Order Form will have priority as from the date the amended Order Form was received by GGT.~~

**~~B.1.9 Execution of Reference Service Agreement or Negotiated Service Agreement~~**

~~Within 42 days of GGT's advice provided under clause 1.5(b) of this GGT Information Package, GGT must indicate acceptance of the Prospective User's Order Form by executing and delivering the Reference Service Agreement or Negotiated Service Agreement as the case may be to the Prospective User and notify the Prospective User of the likely Commencement Date.~~

**~~B.1.10 Confidential Information~~**

~~The parties acknowledge and agree that in the course of negotiations each party will disclose to each other confidential information and therefore agree to enter into a mutual confidentiality agreement as a condition precedent prior to entering into such negotiations.~~

## **DC** Definitions and Interpretation

### **C.1** Definitions

Expressions used in the Access Arrangement have the following meanings, unless the context otherwise requires. Capitalised terms used in this Access Arrangement which are not defined have the meaning given to those terms in the National Gas Rules.

**Access Arrangement** has the meaning given to it in the NGL, and refers to this Access Arrangement as varied or replaced from time to time;

**Access Arrangement Information** has the meaning given to it in the NGL and refers to the 'Access Arrangement Information' approved by the Regulator for the Covered Pipeline;

**Access Arrangement Period** has the meaning given to it in the Rules and refers to the Access Arrangement Period currently scheduled to commence on 1 January 2015, unless the context requires otherwise;

**Adjustment Note** has the meaning in the GST Law;

**As Available Service** means the provision of Gas pipeline services by Service Provider on an as available basis;

**Authorised Imbalances** means one or more of the following:

- (a) any Imbalance caused by the User providing User's Line Pack share in accordance with the Transportation Agreement; or
- (b) any Imbalance caused by the User providing System Use Gas in accordance with the Transportation Agreement;

**Authorised Overrun** has the meaning given to it in section 2.2.4 of the Access Arrangement;

**Authorised Overrun Charge** is calculated in accordance with section 4.2 of the Access Arrangement;

**Authorised Overrun Quantity** means the amount of an Overrun Quantity which is attributable to an Authorised Overrun;

**Authorised Overrun Rate** has the meaning in Schedule A (Details) of the Access Arrangement;

**Base Line Pack** has the meaning given in clause 27 of the Terms and Conditions;

**Business Day** means a day that is not a Saturday, Sunday or a gazetted public holiday in the capital city of Western Australia;

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**Capacity** means the measure of the potential of the Covered Pipeline as currently configured to deliver a particular Service between a Receipt Point and a Delivery Point at a point in time;

**Capacity Reservation Charge** is calculated in accordance with section 4.1 of the Access Arrangement;

**Capacity Reservation Tariff** has the meaning in Schedule A (Details) of the Access Arrangement;

**Capital Base** has the meaning given in the NGR;

**Capital Contribution** is a contribution made by a User under Rule 82;

**Change in Control** of an entity occurs if a person who did not previously do so acquires or holds, directly or indirectly:

- (a) securities conferring 50% or more of the voting or economic interests in the entity;
- (b) the power to control the appointment or dismissal of the majority of the entity's directors; or
- (c) the capacity to control the financial or operating policies or management of the entity.

**Charge** means tariffs, charges and other amounts pursuant to the Firm Service as set out in section 4 of the Access Arrangement, and includes the Overrun Charge;

**Conditions** means the conditions to apply to the Service referred to in section 2.1.3 of the Access Arrangement;

**Confidential Information** means information (whether or not recorded in a material form) that is not publicly available and that becomes available to a Party in respect of the Transportation Agreement including (without limitation) the terms and conditions of the Transportation Agreement;

**Connection** means the service of connecting the User's facilities to the Pipeline;

**Connection Charge** means the amount payable by a User to enable Delivery Facilities to be connected to the Pipeline in accordance with section 4.2.5 of the Access Arrangement;

**Consequential Loss** means any of the following, however arising and even if it is reasonably contemplated by the Parties, at the date of the Transportation Agreement, as a probable result of breach of the Transportation Agreement:

- (a) loss or damage which does not arise directly or naturally from a breach of the Transportation Agreement;
- (b) indirect, incidental, special, remote, unforeseeable or consequential loss or damage;

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- (c) direct or indirect loss of revenue, profit, income, bargain, opportunity or anticipated savings;
- (d) costs or expenses incurred to prevent or reduce loss or damage which otherwise may be incurred or suffered by a third party; or
- (e) direct or indirect loss or damage incurred or suffered by a third party.

**Contracted Capacity** means that part of the Capacity of the Pipeline which has been reserved by a User or Users pursuant to a Transportation Agreement entered into with Service Provider;

**Contract Year** means the period of a Year commencing on the first Day of the Term of a Transportation Agreement (which shall be the first Day of a Month), or on the anniversary of the first Day of the Term;

**Corporations Act** means the *Corporations Act 2001 (Cth)*;

**Cost Pass-through Event/s** has the meaning given to it under section 4.5.2(c) of the Access Arrangement;

**Cost Pass-through Event Notice** means a Notice provided to the Regulator in accordance with section 4.5.2 of the Access Arrangement;

**Cost Pass-through Reference Tariff Variation Mechanism** means the mechanism for adjustment of the Reference Tariff set out in section 4.5 of the Access Arrangement;

**Covered Pipeline** means that part of the Pipeline to which this Access Arrangement relates, and is described in the Access Arrangement Information (System Description);

**CPI** means the Consumer Price Index (All Groups Weighted Average of Eight Capital Cities) as published by the Australian Bureau of Statistics for any Quarter and if such index ceases to be published, any official replacement index published by the Australian Bureau of Statistics and, in the absence of any official replacement index, an index nominated by Service Provider which is prepared and published by a Governmental Authority or independent third party and which most closely approximates the Consumer Price Index;

**Cubic Metre** or  $m^3$  means the amount of gas which will occupy a volume of one cubic metre when such gas is at a temperature of 15°C and at a pressure of 101.325 kPa;

**Daily Variance, Daily Variance Charge, Daily Variance Quantity** have the meanings given in section 4.2.4 of the Access Arrangement;

**Daily Variance Allowance** has the meaning given to it in the Details of the Access Arrangement;

**Daily Variance Rate** has the meaning given to it in the Details;

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**Date of Transportation Agreement** means the date the last party signs the Transportation Agreement;

**Day** means a period of 24 consecutive hours beginning at 8:00 am Australian Western Standard Time;

**Default Rate** means the Commonwealth Bank corporate overdraft reference rate plus two percentage points;

**Delivery Facilities** means the facilities to be nominated by or provided for the User in the vicinity of the Delivery Point in accordance with clause 51 of the Terms and Conditions;

**Delivery Point** means the point at which Service Provider delivers Gas to the User, being:

- (a) the flange on the outlet or downstream side of the Delivery Facilities in the case where the Delivery Facilities are owned by Service Provider; or
- (b) the flange on the outlet or downstream side of the offtake constructed by Service Provider in the case where the Delivery Facilities are owned by the User or a third party,

**Delivery Point MDQ** means the MDQ applicable to a particular Delivery Point;

**Delivery Point MHQ** has the meaning in section 2.2.2 of the Access Arrangement;

**Details** means the details set out in Schedule A of this Access Arrangement;

**Developable Capacity** means Pipeline Capacity which, in Service Provider's opinion, is economic to develop taking into account its operational and technical requirements;

**Developable Capacity Notice** means a notice pursuant to section 5.3.1 of the Access Arrangement;

**Existing Contracts** means all contracts for the provision of Gas transportation services whether or not in conjunction with other services entered into before the Relevant Date;

**Expansion** means additions of plant or pipeline made by Service Provider to the Covered Pipeline which result in a difference in Capacity;

**Extension** means an extension in the geographic range of the Pipeline that is not an Expansion; **Firm MDQ** means the maximum quantity of Gas which the Service Provider is from time to time obliged to deliver across all Delivery Points to or on account of Users on any Gas Day under a Firm Service;

**Final Decision** means the decision made by the Regulator under either of Rule 62 or Rule 64 of the NGR (as the case requires) or, where relevant, a variation to that decision made under Rule 67 of the NGR;

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**Firm MHQ** means the maximum quantity of Gas which the Service Provider is from time to time obliged to deliver across all Delivery Points to or on account of the User in any Hour under the Firm Service;

**Firm Service** is the Reference Service, and has the meaning in section 2.2 of the Access Arrangement, except in the context of Scheduling and Curtailment under clauses 11 to 14 (inclusive) and 15 to 16 (inclusive) of the Terms and Conditions

**Firm Service Reserved Capacity** means that part of the Capacity of the Covered Pipeline which has been contracted for Firm Service and for the avoidance of doubt excludes the Initial Committed Capacity;

**Forecast Capital** has the meaning given to it in section 3.2;

**Force Majeure Event** means any event or circumstance, or a combination of events or circumstances, which is beyond the reasonable control of a Party, which by the exercise of due diligence that Party is not reasonably able to prevent or overcome and which has the effect of preventing the Party from performing an obligation under the Transportation Agreement, including, without limitation (provided that they meet the foregoing criteria):

- (a) acts of God, including without limitation, earthquakes, floods, washouts, landslides, lightning, storms and other acts caused by the elements;
- (b) strikes, lockouts, bans, slowdowns or other industrial disturbances;
- (c) acts of enemy, wars (declared or undeclared), acts of terrorists, blockades or insurrections, riots and civil disturbances, arrest and restraint of rulers and peoples;
- (d) fire or explosion;
- (e) epidemic or quarantine;
- (f) any order or direction of any Governmental Authority, or omission or failure to act by any Governmental Authority; or the failure to obtain or maintain any necessary Approval;
- (g) in respect of the Pipeline, and any lateral pipelines owned or operated by the Service Provider and related machinery, equipment or facilities (including Interconnection Facilities), accidents, breakdown, or the necessity to undertake alterations, repairs or maintenance (other than routine maintenance for which notice has not been given).

The following events:

- (a) lack of finances;
- (b) changes in market conditions for the transportation, purchase or sale of Gas;

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- (c) the inability of the User or a person supplying Gas at or upstream of the Receipt Point to provide Gas at a Receipt Point for transportation under the Transportation Agreement; or
- (d) the inability of the User or a person consuming the Gas at or downstream of the Delivery Points to take Gas,

will under no circumstances constitute or cause a Force Majeure Event.

**Gas** means natural gas meeting the Gas Specification, and Non-Specification Gas knowingly accepted for receipt as Non-Specification Gas by Service Provider pursuant to clauses 46 and 47 of the Terms and Conditions;

**Gas Day** means a period of 24 consecutive hours, beginning and ending at 8:00 am. When referring to a particular Gas Day the date of that Gas Day shall be the date on which that Gas Day begins;

**Gas Specification** means the 'Receipt Gas Specification' and 'Delivery Gas Specification' set out in the Second Schedule of the Terms and Conditions and any amendments to the Second Schedule of the Terms and Conditions subsequently approved by the Regulator;

**GGP Act** means the *Goldfields Gas Pipeline Agreement Act 1994* (WA);

**GGP State Agreement** means the agreement scheduled to the GGP Act;

**GGT** has the meaning in clause 1.3 of the Access Arrangement;

**GGTJV** or **Goldfields Gas Transmission Joint Venture** means the unincorporated joint venture between the Owners known as the Goldfields Gas Transmission Joint Venture;

**GGTJV Agreement** means the agreement entered into between the Owners in respect of the joint venture relating to the Pipeline;

**GJ** or **Gigajoule** means one gigajoule and is equal to one thousand MJ;

**Good Engineering and Operating Practice** means generally accepted practices, methods, acts and omissions practised in the Australian pipeline industry at the relevant time to operate, maintain and repair a pipeline, exercising reasonable judgement, lawfully, safely, reliably, efficiently and economically, having regard to the type, size, design, configuration, location and other attributes and operating conditions of the Pipeline;

**Goods and Services Tax** or **GST** means the tax payable on taxable supplies under the GST Law;

**Governmental Authority** means a government, governmental authority or department, statutory authority, administrative authority or regulatory agency;

**Gross Heating Value** or **GHV** expressed in MJ/m<sup>3</sup> means the energy produced by the complete combustion of one Cubic Metre of Gas with air, at a temperature of 15°C and at an absolute pressure of 101.325 kPa, with the Gas free of all water vapour, the products of combustion cooled to a temperature of 15°C and the water vapour formed by combustion condensed to the liquid state;

**Gross Negligence** means a negligent act or omission, committed with reckless disregard for the consequences and the circumstances where the negligent party knows or ought to know that those consequences would likely result from the act or omission, an which is not due to an honest mistake, oversight, error of judgement or accident;

**GST Law** means *A New Tax System (Goods and Services Tax) Act 1999* (Cth)

**Hour** means a period of 60 consecutive minutes, beginning on the hour, in any Day;

**Imbalance** means, in respect of a period of time, the difference between the quantity of Gas received from or on account of the User at the Receipt Point during that period and the aggregate of the quantity of Gas transported to or on account of the User at the Delivery Point(s) during that period. For any period, an Imbalance is **positive** when receipt quantities exceed delivery quantities, and **negative** when delivery quantities exceed receipt quantities, during the period;

**Imbalance Allowance** has the meaning given to it in the Details;

**Imbalance Rate** has the meaning given to it in the Details;

**Imbalance Charge** means the charge payable by User in accordance with clause 4.2 of the Access Arrangement;

**Incremental Services** means a Service relating to capacity above the Capacity;

**Individual Share** means the Owners' respective interests in the GGTJV;

**Information Interface** means any secure, digital interface operated by Service Provider and used by the User for:

- (a) submitting Nominations under the Transportation Agreement; and
- (b) obtaining access to information regarding receipts, delivery, balances and gas flows under the Transportation Agreement;

**Initial Committed Capacity** has the meaning in subclause (3) of clause 8 of the GGP State Agreement and for the avoidance of doubt such capacity may from time to time be utilised or unutilised;

**Initial Customers Agreements** means:

- (a) any agreements of the kind referred to in subclause (1) of clause 8 of the GGP State Agreement by which each Joint Venturer reserved to itself, for such period and on such terms as the Joint Venturers agreed, access to such

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of the transmission capacity of the Pipeline as it requires for the transmission of such gas as each Joint Venturer or its associates (as defined in the GGP State Agreement) may require;

- (b) any commitments procured under subclause (2) of clause 8 of the GGP State Agreement by which Third Parties (as defined in the GGP Agreement and including (but not limited to) any one or more of the Joint Venturers, acting independently of the other Joint Venturers and outside the scope of the joint venture between them) gave binding commitment to purchase transmission capacity on terms and conditions acceptable to the Joint Venturers; and
- (c) any amendments, modifications, restatements or substitutions to each of the foregoing, including by way of any assignment or novation, made prior to the Relevant Date;

**Insolvent** means in relation to a Party:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); or
- (b) it has had a controller appointed or is in liquidation, in provisional liquidation, under administration or wound up or has had a receiver or receiver and manager appointed to any part of its property; or
- (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other Party); or
- (d) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above; or
- (e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; or
- (f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which another party to this Agreement reasonably deduces it is so subject); or
- (g) it is otherwise unable to pay its debts when they fall due; or
- (h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the Law of any jurisdiction.

**Interconnect Party** means the User or another person, as the case may be, that operates Interconnection Facilities;

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**Interconnection Facilities** means those pipeline facilities that are required to connect the Pipeline to the facilities of another person, and includes the Receipt Facilities and the Delivery Facilities;

**Interruptible Service** means the provision of Gas pipeline services by Service Provider, on a basis which in the sole discretion of Service Provider acting reasonably may be curtailed or interrupted from time to time.

**Joint Venturers** has the meaning in the GGP State Agreement and at the Relevant Date means the Owners and includes their respective predecessors in title;

**Joule** or **J** means the amount of work done when the point of application of a force of one newton is displaced a distance of one metre in the direction of the force;

**kPa** means one kilopascal and is equal to one thousand Pascals absolute;

**Line Pack** means the quantity of Gas, other than quantities of Gas being transported and System Use Gas, which the Service Provider determines is necessary to be in the Pipeline for the physical operation of the Pipeline from time to time in order to ensure that the Service Provider meets its obligations under all Transportation Agreements;

**Maximum Daily Quantity** or **MDQ** means the maximum quantity of Gas which Service Provider is from time to time obliged to receive at the Receipt Point and/or deliver at a Delivery Point (as applicable) to or on account of the User on any Day, and if in respect to a particular Service the quantity for that particular Service. Where the term is used in relation to a Transportation Agreement other than the User's Transportation Agreement, the term means the maximum quantity of Gas which the Service Provider is obliged to deliver on any Gas Day under that Transportation Agreement or the relevant Service under the Transportation Agreement (as applicable);

**Maximum Hourly Quantity** or **MHQ** means the maximum quantity of Gas which Service Provider is from time to time obliged to receive at a Receipt Point and/or deliver at a Delivery Point (as applicable) to or on account of the User in any Hour, and if in respect to a particular Service, the quantity for that particular Service. Where the term is used in relation to a Transportation Agreement other than the User's Transportation Agreement, the term means the maximum quantity of Gas which the Service Provider is obliged to deliver in any Hour under that Transportation Agreement.

**Metering and Measurement Requirements** means specifications published by Service Provider from time to time for metering and measurement in relation to the Pipeline and which have been made available to the User;

**MJ** means one megajoule and is equal to one million Joules;

**Month** means the period beginning on the first Gas Day of a calendar month and ending at 8:00 am on the first Gas Day of the next calendar month;

**National Gas Access (Western Australia) Law** has the meaning given in section 3 of the *National Gas Access (WA) Act 2009 (WA)*;

**National Gas Law** or **NGL** means the *National Gas Access (Western Australia) Law* applying pursuant to the *National Gas Access (WA) Act 2009 (WA)*;

**National Gas Rules** or **NGR** means the National Gas Rules referred to in section 294 of the NGL;

**Negotiated Service** has the meaning in section 2.3 of the Access Arrangement;

**Negotiated Service Reserved Capacity** means that part of the Capacity of the Covered Pipeline which has been contracted for a Negotiated Service and for the avoidance of doubt excludes the Initial Committed Capacity;

**Negotiated Transportation Agreement** means an agreement between Service Provider and the User for the provision of a Negotiated Service, which arises under and in accordance with the Access Arrangement;

**New Capital Expenditure** has the meaning given to it under Rule 79;

**Nomination** means a request by the User to the Service Provider for a Service under a Transportation Agreement, given in accordance with the Transportation Agreement, in the manner and form (which may include by digital interface) advised by Service Provider from time to time. **Nominate** has a corresponding meaning;

**Nomination Deadline** means 4.00 pm Australian Western Standard Time on the Day prior to which the Nomination relates (or such other time as the Service Provider advises the User in writing from time to time);

**Non-Specification Gas** means substances with one or more characteristics outside the limits defined in the Gas Specification;

**Notice of Auction for Developable Capacity** means a notice issued in accordance with clause 5.3.2 of the Access Arrangement;

**Notice of Auction for Spare Capacity** means a notice issued in accordance with clause 5.2.3 of the Access Arrangement;

**Opening Capital Base** has the meaning given to it under Rule 77;

**Open Season Existing Capacity Closing Date** has the meaning given to it under clause 5.2.2 of the Access Arrangement;

**Other Tariff Charges** has the meaning given in section 4.2.1 of the Access Arrangement;

**Overrun** means an Authorised Overrun or an Unauthorised Overrun (as the case may be);

**Overrun Charge** means an Authorised Overrun Charge or an Unauthorised Overrun Charge (as the case may be);

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**Overrun Quantity** means each quantity of Gas which is delivered to or on account of the User at each Delivery Point:

- (a) on a Day in excess of:
  - (i) if Service Provider curtails deliveries in accordance with clauses 15 and 16 of the Terms and Conditions, the quantity of Gas (if any) Scheduled for transportation on a firm basis up to the Delivery Point MDQ and not curtailed; or
  - (ii) otherwise, the lesser of the Delivery Point MDQ and the quantity of Gas (if any) Scheduled to be delivered at that Delivery Point on that Day to or on account of User; or
- (b) at a rate per Hour in excess of the Delivery Point MHQ for the relevant Delivery Point (or, if Service Provider curtails deliveries in accordance with clauses 15 and 16 of the Terms and Conditions, at a rate per Hour in excess of the curtailed rate);

**Owners** has the meaning in section 1.3 of the Access Arrangement;

**Party** means Service Provider and the User, respectively;

**Pipeline or Goldfields Gas Pipeline** means the pipeline as defined in Pipeline Licence 24 issued under the *Petroleum Pipelines Act 1969 (WA)*, being the pipeline or pipeline system for the transmission of natural gas from the North-West of Western Australia into the inland Pilbara and Goldfields regions, together with all structures for protecting or supporting the pipeline or pipeline system and associated facilities for the compression of gas, the maintenance of the pipeline and the receipt and delivery of gas and all fittings, appurtenances, appliances, compressor stations, scraper stations, mainline valves, telemetry systems (including communication towers) works and buildings used in connection with the pipeline or pipeline system and includes the lateral pipeline to Newman;

**Pipeline Licence** means the pipeline licence issued by the relevant Governmental Authority, as amended or replaced, to construct and operate the Pipeline;

**Pre-existing Contractual Right** has the meaning given to '*relevant protected contractual right*' in section 321 of the National Gas Law, and the date referred to therein as the "*date that (proposed) access arrangement was submitted (or required to be submitted) for approval*" for the purposes of the Access Arrangement is the Relevant Date, and for avoidance of doubt includes any contractual right (other than a '*relevant exclusivity right*' as defined in section 321 of the National Gas Law, as evidenced by the Initial Customers Agreements and the Existing Contracts);

**Prospective User** has the meaning given to it in the National Gas Law;

**Prudential Requirements** has the meaning given in section 2.1.2 of the Access Arrangement and clause 10 of the Terms and Conditions;

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**Quarter** means a period of 3 Months commencing on the first day of the Months of July, October, January and April and **Quarterly** has a corresponding meaning;

**reasonable and prudent pipeline operator** means a person, firm or body corporate who, in the conduct of its undertaking, exercises that degree of diligence, prudence and foresight reasonably and ordinarily exercised by skilled and experienced operators engaged in the same type of undertaking under the same or similar circumstances and conditions in accordance with applicable laws, regulations and standards, and any reference to the **standard of a reasonable and prudent pipeline operator** shall mean such degree of diligence, prudence and foresight;

**Receipt Facilities** means the facilities referred to in clause 51 of the Terms and Conditions.

**Receipt Point** is a point in the Pipeline where gas is received into the Pipeline. In respect of the Reference Service, the Receipt Point is the existing Receipt Point at Yaraloola;

**Receipt Point MDQ** means the applicable MDQ at the particular Receipt Point;

**Receipt Point MHQ** has the meaning in section 2.2.2 of the Access Arrangement;

**Reference Service** has the meaning in section 2.2 of the Access Arrangement, and is also referred to as the Firm Service;

**Reference Tariff** has three components, being the Toll Charge, the Capacity Reservation Charge, and the Throughput Charge;

**Reference Tariff Component** means the Toll Charge, the Capacity Reservation Charge, and the Throughput Charge that make up the Reference Tariff;

**Reference Tariff Variation Mechanism** is the mechanism to vary Reference Tariffs referred to in section 4.5 of the Access Arrangement;

**Registration of Interest** means a registration of interest lodged in accordance section 5.1.1 of the Access Arrangement;

**Regulator** means the relevant Regulator for Western Australia under the National Gas Access (Western Australia) Law;

**Related Body Corporate** in relation to a body corporate, means a body corporate that is related to the first mentioned body by virtue of section 50 of the Corporations Act;

**Relevant Date** means 15 August 2014;

**Review Commencement Date** has the meaning in section 1.7 of the Access Arrangement;

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**Revisions Submission Date** has the meaning in section 1.7 of the Access Arrangement;

**SCADA** means the supervisory control and data acquisition system for data gathering, monitoring and controlling of the Pipeline operations;

**Schedule** has the meaning in clauses 11 to 14 (inclusive) of the Terms and Conditions;

**Scheduled Reference Tariff Variation Date** means the dates on which the Scheduled Reference Tariff Variation Mechanism allows for the Reference Tariff to be varied, in accordance with Schedule A;

**Scheduled Reference Tariff Variation Mechanism** is the Reference Tariff Variation Mechanism described in section 4.5.1 of the Access Arrangement;

**Scheduled Reference Tariff Variation Notice** is a notice provided to the Regulator in accordance with section 4.5.1 of the Access Arrangement;

**Service** means:

- (a) a Reference Service; or
- (b) a Negotiated Service;

**Service Provider** has the meaning in section 1.4 of the Access Arrangement and includes Service Provider's successors and permitted assigns;

**Spare Capacity** in respect of the Covered Pipeline means at any time the aggregate of:

- (a) any difference between:
  - (i) the Capacity of the Covered Pipeline; and
  - (ii) the total of:
    - (A) the Firm Service Reserved Capacity;
    - (B) the Negotiated Service Reserved Capacity; and
    - (C) the Initial Committed Capacity; plus
- (b) any difference between:
  - (i) the Firm Service Reserved Capacity; and
  - (ii) the Firm Service Reserved Capacity then being used; plus
- (c) any difference between:
  - (i) the Negotiated Service Reserved Capacity; and

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- (ii) the Negotiated Service Reserved Capacity then being used; plus
- (d) any difference between:
  - (i) the Initial Committed Capacity; and
  - (ii) the Initial Committed Capacity then being utilised,

to the extent that this does not deprive any person of a Pre-existing Contractual Right;

**Spare Capacity Notice** means a notice pursuant to section 5.2.2 of the Access Arrangement;

**Spare Capacity Register** has the meaning in Rule 111.

**Speculative Capital Expenditure Account** has the meaning given in Rule 84.

**State** means the State of Western Australia;

**Surcharge** has the meaning given to it in Rule 83.

**System Use Gas** means the quantities of gas:

- (a) used as compressor fuel and for other purposes necessary for the management, operation and maintenance of the Pipeline; or
- (b) otherwise lost and unaccounted for in connection with the operation of the Pipeline,

other than Line Pack and Gas lost through the negligence of the Service Provider;

**Tax or Taxes** means any tax, levy, impost, deduction, charge, rate, rebate, duty, fee or withholding which is levied or imposed by a Governmental Authority;

**Tax Invoice** has the meaning in the GST Law;

**Term of Transportation Agreement** or **Term** means the period from the Date of Transportation Agreement until the Termination Date, subject to early termination pursuant to relevant provisions of the Transportation Agreement;

**Terms and Conditions** refer to the terms and conditions for the Firm Service set out in Schedule D;

**Throughput Charge** is calculated in accordance with section 4.1 of the Access Arrangement;

**Throughput Tariff** has the meaning in Schedule A (Details) of the Access Arrangement;

**TJ** means one terajoule and is equal to one thousand GJ;

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**Toll Charge** is calculated in accordance with section 4.1 of the Access Arrangement;

**Toll Tariff** has the meaning in Schedule A (Details) of the Access Arrangement;

**Total Revenue** is the total revenue for the Access Arrangement Period for the Covered Pipeline determined in accordance with Rule 76 of the National Gas Rules, and can be varied during the Access Arrangement Period as Reference Tariffs are varied through the operation of the Reference Tariff Variation Mechanism as set out in section 4.5 of the Access Arrangement.

**Transportation Agreement** means any contract entered into between the Service Provider and a User for Services for that User;

**Unauthorised Imbalance** means any Imbalance which is not an Authorised Imbalance;

**Unauthorised Overrun** has the meaning given to it in section 2.2.4.

**Unauthorised Overrun Charge** has the meaning given in section 4.2 of this Access Arrangement;

**Unauthorised Overrun Quantity** means the amount of an Overrun Quantity which is attributable to an Unauthorised Overrun.

**Unauthorised Overrun Rate** has the meaning given in the Details of the Access Arrangement;

**User** means, as the context requires:

- (a) the 'User' of a Reference Service having the meaning given to it in the National Gas Law; and/or
- (b) a person who is a party to a Transportation Agreement with the Service Provider on the Pipeline who is provided services other than Reference Service;

**User's Line Pack** means the quantity of Gas, in the Pipeline at any time, received by the Service Provider on account of the User under the Transportation Agreement, other than quantities of Gas Scheduled for transportation and System Use Gas;

**Variation Year** has the meaning in Schedule A to the Access Arrangement;

**Wilful Misconduct** means any act or omission done or omitted to be done with deliberate or reckless disregard for foreseeable, harmful and avoidable consequences which is not otherwise an act or omission done in good faith;

**Year** means a period of 365 consecutive Days but, for any Year which contains a date of 29 February, means 366 consecutive Days.

## **C.2 Interpretation**

Subject to the definitions above, the terms used in the Details (such as Pipeline) have the meaning set out in the Details.

Unless the context requires otherwise:

- (a) a reference to a 'Rule' is a reference to a Rule of the NGR;
- (b) a reference to a 'section' or a 'schedule' is a reference to a section in, or schedule to, this Access Arrangement;
- (c) a reference to a 'clause' or to an 'appendix' is a reference to a clause in, or appendix to, Schedule D;
- (d) the singular includes the plural and the opposite also applies;
- (e) references to any statute, regulations or other statutory instrument, standard or by-laws are deemed to be references to the statute, regulations, statutory instrument, standard or by-laws as are from time to time amended, consolidated, re-enacted or replaced, including substituted provisions that substantially correspond to those referred to; and
- (f) all definitions above, have the same meaning in the Access Arrangement Information.

## **ED** Terms and Conditions applying to the Firm Service

### **Obligation to provide the Firm Service**

1. These are the General Terms and Conditions applicable to the provision by Service Provider of the Firm Service to the User under and for the purposes of the Access Arrangement and a Transportation Agreement.
2. The definitions and interpretation provisions in Schedule C to the Access Arrangement form part of the Transportation Agreement (including these Terms and Conditions).
3. The Reference Service which Service Provider offers to provide to the User is a Firm Service.
4. Service Provider will provide the Firm Service to Users with whom it has a Transportation Agreement to provide the Firm Service, in accordance with these Terms and Conditions.

### **Prudential Requirements**

5. Service Provider may:
  - a. require the User to provide, prior to commencement of the Firm Service and thereafter as reasonably required, financial security in the form of a parent company guarantee or a bank guarantee in a form acceptable to Service Provider (acting reasonably) issued by a bank which has an office in Australia and has a credit rating of at least A by S&P or A2 by Moody's and is for an undrawn amount equal to a minimum of 6 months of Charges payable and User must maintain it for 6 months after termination of the Transportation Agreement, for the performance of the User's obligations under the Transportation Agreement; and
  - b. where the User:
    - i. fails to pay when due any amounts payable under the Transportation Agreement, excepting any contested amounts; or
    - ii. fails to obtain and maintain any Approvals required to meet its obligations under the Transportation Agreement; or
    - iii. has a material adverse change to its credit rating or credit worthiness during the term of the Transportation Agreement and does not provide Service Provider with additional financial security as reasonably required to reflect this change in circumstance,

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subject to providing at least 7 Days written notice to the User, refuse to provide or suspend the provision of the Firm Service, without liability to the User.

**Nominations**

6. Not later than 3 Days prior to the start of each Month, the User will give to Service Provider a completed Nomination of the quantities of Gas required by the User to be received at the Receipt Point and delivered at each Delivery Point, on each Gas Day of that Month, which quantities shall not exceed the MHQ or the MDQ for that Receipt Point or that Delivery Point, respectively. If the User fails to make a Nomination then the User's previous valid nomination shall apply.
7. The User may revise its Nomination:
  - a. for the Firm Service for a Day; or
  - b. for the Receipt Point for a Day in order to correct an Imbalance,by giving Service Provider an updated Nomination for that Day prior to the Nomination Deadline.
8. Service Provider is not liable to provide Services Nominated by the User (other than to process that Nomination in accordance with the relevant nomination provisions of the Transportation Agreement) except to the extent that Service Provider Schedules the Firm Service for the User in accordance with the Transportation Agreement.
9. Service Provider will not be obliged to receive or deliver on any Day a quantity of Gas in excess of the quantities Scheduled.
10. The User must promptly comply with all reasonable directions of Service Provider, including by making or varying Nominations, given in order to facilitate compliance with any direction or requirement of a Governmental Authority.

**Scheduling**

11. Following the receipt of the User's Nomination, Service Provider must (subject to any adjustments Service Provider (acting reasonably) deems necessary to maintain the operational integrity of the Pipeline or to comply with any laws and subject to certain other exceptions specified in these Terms and Conditions) Schedule for acceptance at the Receipt Point and Delivery Points the lesser of:

in respect of the Receipt Point,

- a. the quantity of Gas Nominated by the User at the Receipt Point; and

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- b. the aggregate quantity of Gas confirmed for supply on account of the User at the Receipt Points by Interconnect Parties at the Receipt Point; and
- in respect of Delivery Points,
- c. the quantity of Gas Nominated by the User for delivery at the Delivery Points; and
  - d. the quantity of Gas confirmed for acceptance on account of the User at the Delivery Points by the Interconnect Parties at the Delivery Points.
12. If there is not sufficient Capacity to transport all the quantities of Gas Nominated by all Users on a Day, then Service Provider will (subject to any laws and the operability of applicable gas markets and pipeline networks) Schedule the quantities nominated by Users (including the User) in the following priority and sequence:
- a. First – quantities nominated by Users under Firm Service Transportation Agreements, not to exceed their respective MDQs for firm transportation services. If the capacity available is not sufficient to serve all such Firm Service Users' nominated quantities, then the available capacity will be allocated among those Users pro rata on the basis of their respective MDQs. To the extent reasonably practicable, such Scheduling limitations will be applied only to the portion or portions of the Pipeline that are capacity constrained.
  - b. Second – quantities nominated by Users with Transportation Agreements for Negotiated Services, not to exceed their respective MDQs for Negotiated Services. If the capacity available is not sufficient to serve all Users' Nominations pursuant to those Negotiated Services, then the available capacity will be allocated among those Users pro rata based on their Nominations for those Negotiated Services.
  - c. Third – quantities accepted for transportation by Service Provider from Users as an Authorised Overrun under the User's Transportation Agreement or Authorised Overruns under other Transportation Agreements for Firm Services or Negotiated Services (as the case may be). If the capacity available is not sufficient to serve all Users' Nominations pursuant to Authorised Overruns, then the available capacity will be allocated among those Users pro rata based on their Nominations for those Authorised Overruns.
  - d. Fourth – quantities accepted for transportation by Service Provider from Users under Transportation Agreements for Negotiated Services in excess of their respective MDQs for Negotiated Services, (otherwise referred to as Interruptible Services). If the capacity available is not sufficient to serve all Users requesting that service, then Service Provider will allocate the available capacity first on the basis of the highest tariff being paid, second on a first-come, first-served basis,

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based upon the date of execution of the Transportation Agreement for Negotiated Services and third on a pro rata basis among Users who have entered into a Transportation Agreement for Negotiated Services on the basis of Nominated quantities.

13. In accordance with clauses 11 to 14 (inclusive) of these Terms and Conditions, Service Provider may Schedule or re-Schedule at any time receipts and deliveries Nominated by the User, without liability to the User.
14. If on Service Provider's request, the User does not provide a schedule of its nomination priorities for the purpose of Scheduling then Service Provider may, without liability to the User, select which Nominated receipts or deliveries will not be Scheduled to balance the User's Scheduled receipts and deliveries.

**Curtailment**

15. If on any Day the Capacity of the Pipeline or any portion of it, or the capacity of the Receipt Point or any Delivery Point, is insufficient to serve all the quantities of Gas Scheduled for all Users, then Service Provider may curtail or interrupt the receipt, transportation or delivery of Gas (as the case may be) in accordance with the sequence and priorities set out below to the extent necessary to provide transportation services within the capacity of the Pipeline on the Day (subject to any laws and the operability of applicable gas markets and pipeline networks);
  - a. First – Unauthorised Overrun Quantities under the User's Transportation Agreement and unauthorised overrun quantities under other Transportation Agreements.
  - b. Second – quantities Scheduled pursuant to Transportation Agreements for Negotiated Services for Users in excess of their respective MDQs for Negotiated Services (namely for Interruptible Services), except for quantities referred to in paragraph (c). If the capacity available is not sufficient to serve all the Users requesting such service, then Service Provider will allocate the available capacity first on the basis of the highest tariff being paid, second on a first-come, first-served basis, based upon the date of execution of the Transportation Agreement for such Negotiated Services and third on a pro rata basis among the Users who have entered into Transportation Agreements for Negotiated Services on the basis of Scheduled quantities.
  - c. Third – quantities accepted for transportation by Service Provider from Users as an Authorised Overrun under the User's Transportation Agreement or Authorised Overruns under other Transportation Agreements, for Firm Services or Negotiated Services (as the case may be). If the capacity available is not sufficient to serve all Users' Authorised Overruns then the available capacity will be allocated among those Users pro rata based on Scheduled Authorised Overruns.

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- d. Fourth – quantities for transportation for the Users with Transportation Agreements for Negotiated Services, up to their respective MDQs for those Negotiated Services (other than quantities referred to in paragraph (e)). If the capacity available is not sufficient to serve all such Users' Negotiated Service quantities (other than those referred to in paragraph (e)), then the available capacity will be allocated among those Users pro rata based on the Scheduled quantities.
  - e. Fifth – quantities Scheduled for transportation to Users pursuant to Firm Service Transportation Agreements, not to exceed their respective MDQs for firm transportation services. If the capacity available is not sufficient to serve all such Users' quantities then the available capacity will be allocated among those Users' pro rata on the basis of their respective MDQs for firm transportation services.
16. If Service Provider does not Schedule or interrupts or curtails receipts or deliveries of quantities of Gas under clause 15 of these Terms and Conditions, Service Provider is not liable to the User if the failure to Schedule, interruption or curtailment:
- a. results from planned or unplanned maintenance in respect of the Pipeline and Service Provider acts in accordance with clause 32 of these Terms and Conditions; or
  - b. is, in Service Provider's opinion (acting reasonably), necessary in accordance with Good Engineering and Operating Practice to ensure the safe and efficient operation or integrity of the Pipeline and Service Provider provides to the User as much notice of the failure to Schedule, interruption or curtailment as is reasonably practicable; or
  - c. results from circumstances under which Service Provider is not obliged under the Transportation Agreement to provide the service; or
  - d. is a result of a Force Majeure Event; or
  - e. results from damage to adjoining/interconnecting pipelines or facilities used to provide the Service and such damage is not caused by Service Provider's breach of the Transportation Agreement, negligence or wilful misconduct and Service Provider provides to the User as much notice of the failure to Schedule, interruption or curtailment as is reasonably practicable.

**Imbalances**

- 17. The User must use reasonable endeavours to ensure that receipts of Gas at the Receipt Point and deliveries of Gas at Delivery Points are equal, adjusted for any Authorised Imbalances.
- 18. The User must promptly take steps to correct Unauthorised Imbalances or potential Unauthorised Imbalances by adjusting Nominations and co-ordinating receipts and deliveries with Service Provider.

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19. If Service Provider believes on reasonable grounds that its ability to transport the quantities of Gas Scheduled under the User's Transportation Agreement or any other Transportation Agreement may be impaired by an Unauthorised Imbalance and the User does not, within 4 Hours of receipt of a notice from Service Provider, take all steps reasonably practicable to correct such Unauthorised Imbalance as soon as possible, then Service Provider may (but is not obliged to) correct such Unauthorised Imbalance by reducing the User's receipts and/or deliveries of quantities of Gas or buying or selling sufficient quantities of the User's Gas or a combination of both, to the extent necessary to enable Service Provider to transport the quantities of Gas Scheduled under the User's Transportation Agreement or any other Transportation Agreement, or to operate the Pipeline in accordance with Good Engineering and Operating Practice.
20. The User will indemnify the Service Provider for all costs and expenses reasonably incurred by Service Provider in purchasing or selling Gas or re-Scheduling when making the correction contemplated in clause 19 of these Terms and Conditions.
21. Service Provider is not responsible for eliminating any imbalances between the User and an Interconnect Party or any other person operating Interconnection Facilities and, except in certain circumstances (eg as required by Good Engineering and Operating Practice), is not obliged to adjust or deviate from its standard operating and accounting procedures in order to alleviate those imbalances.

**Adjustments to Rates and Charges/Additional Payments**

22. The Reference Tariff payable under a Transportation Agreement may be varied in accordance with the Reference Tariff Variation Mechanism set out in section 4.5 of the Access Arrangement.
23. Where the flow of Gas is restricted in accordance with these Terms and Conditions, all tariffs and charges will continue to apply.

**System Use Gas and Line Pack**

24. The User must supply, at no cost to Service Provider and at times and in the manner notified by Service Provider, the quantity of System Use Gas required by Service Provider at that time to operate the Pipeline, as determined by Service Provider (acting reasonably but at its discretion).
25. In making its determination, Service Provider may have regard to the total quantity of System Use Gas that is required by Service Provider from time to time in order to operate the Pipeline, the total quantities of Gas to be received or delivered on the Pipeline on account of all Users during the relevant period and compressor fuel, necessary for the management, operation and maintenance of the Pipeline, which is reasonably attributable to the User's Services. However, Service Provider must allocate System Use Gas equitably (that is, on a User pays basis, a total share basis or such other

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basis as Service Provider reasonably determines) between all Users on the part of the Pipeline to which its determination relates.

26. Service Provider will own the System Use Gas supplied in the above manner.
27. Service Provider will provide (and retain ownership of) an amount of Gas to ensure that Service Provider can operate the Pipeline in accordance with Good Engineering and Operating Practice (“Base Line Pack”).
28. The User will provide Line Pack in addition to the Base Line Pack provided by Service Provider on the first Day the User uses the Firm Service and otherwise when advised by Service Provider from time to time, in such proportion, as determined by Service Provider from time to time, equal to the proportion that the User’s Firm MDQ bears to the total of all Users’ MDQ (including the User’s Firm MDQ). The Service Provider will provide to the User a monthly statement showing the amount of User’s Line Pack.
29. The User must give Service Provider directions about the delivery of the User’s Line Pack on or before the end of the Term, otherwise title to the User’s Line Pack transfers to Service Provider, and Service Provider must comply, if reasonably able to do so, with such directions at no cost to the User.

**Operation of Pipeline**

30. Subject to its obligations at law, Service Provider reserves the right to decide the manner in which it may operate, shut in, enhance, maintain or expand all or any part of the Pipeline.
31. Subject to clause 32, in addition to the rights of Service Provider otherwise provided for in the Transportation Agreement, Service Provider may without penalty or cost interrupt or reduce the Service either totally or partially for any period which, in its opinion as a reasonable and prudent pipeline operator, is necessary for the purposes of testing, adding to, altering, repairing, replacing, cleaning, upgrading or maintaining any part of the Pipeline (including without limitation, pipelines, compressors, valves and monitoring equipment) or for any other purpose which in Service Provider’s opinion as a reasonable and prudent operator requires interruption or reduction of the Service.
32. Service Provider shall:
  - a. be non-discriminatory in the interruption of the Service effected as a result of clause 31;
  - b. use all reasonable endeavours to give the User notice when any of the activities in clause 31 are likely to interrupt or reduce the Service which shall be:
    - i. in the case of planned activities, then the User will be given at least 30 days notice; and

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- ii. in the case of unplanned or emergency activities, then the User will be given notice as early as reasonably practicable, consistent with the standard of a reasonable and prudent pipeline operator;
  - c. use all reasonable endeavours consistent with the standard of a reasonable and prudent pipeline operator to minimise the period of interruption or reduction of the Services; and
  - d. when practicable, consult with the User regarding the timing of the interruption or reduction so as to minimise the disturbance to the User's business and other Users' businesses.
- 33. Service Provider shall have the right without penalty or cost to immediately interrupt or reduce the Services in situations of emergency or risk of injury or damage to any person or property, including the Pipeline, without notice and for such period as in the opinion of Service Provider is necessary.
- 34. Service Provider shall as soon as reasonably practicable inform the User and other Users of the circumstances giving rise to the interruption or reduction.
- 35. The User will ensure its arrangements for Gas supply to the Receipt Point and Gas acceptance at the Delivery Points are compatible with Service Provider's Pipeline operations.
- 36. The User must facilitate the Service Provider's access as reasonably required by the Service Provider to relevant charts, electronic and other data and records, including (without limitation) access to relevant measurement and SCADA information, at no cost to Service Provider.

**Metering**

- 37. The Service Provider will provide reasonable notice to the User of any changes to the Metering and Measuring Requirements and such changes are to be reasonably determined by the Service Provider.
- 38. The Service Provider will install, operate and maintain metering equipment at Receipt and Delivery Points unless otherwise agreed. If the User or another Interconnect Party owns equipment used for measuring or monitoring Gas at a Receipt Point or a Delivery Point, the User must, or must cause the Interconnect Party to, install Metering Equipment or upgrade its equipment to conform to the Metering and Measurement Requirements.
- 39. The User will, at its cost, cause to be provided, operated, validated and maintained all Metering Equipment required for the purposes of the Transportation Agreement other than that which measures the quantity of Gas used at each of Service Provider's compressor stations on the Pipeline.
- 40. The User must use reasonable endeavours to cause to be installed, at the Receipt Points and the Delivery Points, facilities which will permit co-ordination of activities by Service Provider and the User in the metering,

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Nomination, Scheduling and transportation of Gas under the Transportation Agreement.

41. The Parties must take all action reasonably necessary to ensure that access to their respective Metering Equipment is provided to permit inspections and tests to be carried out as required in the Metering and Measurement Requirements.
42. The Metering and Measuring Requirements govern the measurement of Gas for the purposes of the Transportation Agreement, unless otherwise negotiated by the Parties.

**Quality**

43. Subject to clauses 44 to 48 (inclusive), all Gas received at the Receipt Point pursuant to the Transportation Agreement must be in accordance with the quality required by the Gas Specification, any lawful additional parameters agreed between the User and Service Provider or any other quality as the law in Western Australia requires. Service Provider may, by notice to the User, vary the above specifications if it is authorised or required to do so by law or any Authority.
44. All Gas delivered to the Delivery Point(s) pursuant to the Transportation Agreement shall conform with the Gas Specification modified to reflect any change in the gas quality arising from the odourisation, compression or transmission of the Gas or the injection of other additives necessary for the operation of the Pipeline.
45. The User and Service Provider must each notify the other immediately on becoming aware that Gas offered for transportation is or may be Non-Specification Gas.
46. Service Provider may refuse to accept or transport or delivery all or any portion of Non-Specification Gas and must advise the User as soon as is practicable after such refusal. Such refusal, or the Service Provider not transporting or delivering Non-Specification Gas after acceding to an instruction or request from the User to reject receipts of such Gas, does not relieve the User from its obligation pay any tariff or charge.
47. Subject to the responsibilities of Service Provider in clause 48 of these Terms and Conditions, if the User requests that Service Provider agrees to receive, transport and delivery Non-Specification Gas, and Service Provider accedes to that request, then the User is responsible for and indemnifies and holds harmless the Service Provider from and against any loss or damage suffered or incurred by the Service Provider to the extent it results from the receipt, transportation and delivery of that gas by the Service Provider.
48. If the User instructs the Service Provider in writing not to receive, transport and delivery Non-Specification Gas, and Service Provider continues to receive, transport and deliver the Non-Specification Gas notwithstanding the instruction, Service Provider is responsible for any loss or damage suffered or

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incurred by itself, the User or any other person as a result of the continued receipt, transportation or delivery of the Gas after the time at which the Service Provider, in accordance with Good Engineering and Operating Practice, could reasonably have stopped receipt, transportation or deliveries.

49. The User acknowledges and accepts as one of a number of users' of the Pipeline, Gas delivered to it at the Delivery Point(s) may not match exactly the specifications of the Gas provided by the User at the Receipt Point.
50. The Service Provider makes no warranty regarding the reliability of the supply of Gas to be delivered at the Delivery Point(s), or the merchantability or suitability for any purpose of Gas delivered at the Delivery Point(s) and all implied warranties are hereby excluded to the extent permitted by law from the Transportation Agreement and in respect of the subject matter thereof.

**Connection to the Pipeline**

51. Service Provider will at the User's expense connect the User's Receipt Facilities and the Delivery Facilities to the Pipeline. In this regard, Service Provider will provide for the benefit of the User at the User's cost unless otherwise specified:
  - a. advice in respect of the engineering and planning for the connection of the User's facilities to the Pipeline;
  - b. a remotely actuated shut off valve and a remotely actuated flow control valve at the Delivery Facilities at each Delivery Point;
  - c. supervision of connection activities for connection to the Pipeline or to the Delivery Facilities;
  - d. services related to the commissioning of the Delivery Facilities; and
  - e. access to data as specified by Service Provider acting reasonably and supplied from Service Provider 's SCADA and other systems in a manner as determined by Service Provider acting reasonably,as necessary for the commencement and provision of the Service to the User.

**Receipt Pressures**

52. The User must supply Gas to Service Provider at the Receipt Point at the pressure nominated by Service Provider from time to time as being sufficient to allow Gas to enter the Pipeline, but in no case greater than the maximum allowable Receipt Point pressure advised by Service Provider.
53. The User must indemnify Service Provider for all loss and damage suffered or incurred by Service Provider as a result of the User breaching the above obligation to the extent that the loss or damage was not caused or contributed to, by the negligence of Service Provider.

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54. Service Provider is under no obligation to install inlet compression or other facilities to permit the entry of User's Gas into the Pipeline.

**Possession of gas and responsibility**

55. Control and possession of Gas shall pass from the User to Service Provider upon delivery of the Gas at the Receipt Point, net of any System Use Gas provided by the User. At the Delivery Point, control and possession of the Gas shall pass from Service Provider to the User.
56. Whilst Gas is in the control and possession of Service Provider the User shall not interfere or seek to interfere with the manner in which Service Provider may compress, clean, process, transmit, heat, cool or control the storage or flow of Gas in the Pipeline.
57. In the absence of Service Provider's negligence, breach of the agreement or Wilful Misconduct, Service Provider is not responsible for losses of the User's Gas while Gas is in the Service Provider's control and possession.
58. Service Provider will have no responsibility or liability with respect to any Gas prior to its supply to Service Provider at the Receipt Points or after its delivery to the User at the Delivery Points on account of anything which may be done, happen or arise with respect to that Gas prior to receipt at the Receipt Points or after delivery at the Delivery Points.
59. The Gas received by Service Provider at the Receipt Points may be commingled with other Gas in the Pipeline and with other elements for the operation and maintenance of the Pipeline in accordance with Good Engineering and Operating Practice. Subject to certain obligations of Service Provider regarding the quality of Gas delivered, Service Provider may commingle Gas received and deliver it in a commingled state to the User.

**Warranties & Representations**

60. The User represents and warrants as follows:
- a. it has in full force and effect all Approvals necessary to enter into the Transportation Agreement and to observe obligations under it and allow them to be enforced;
  - b. at the time of supply of any Gas to Service Provider at the Receipt Point it has unencumbered title to the Gas;
  - c. neither the User nor any of its Related Bodies Corporate is in default under a law, regulation, official directive, instrument, undertaking or obligation affecting any of them or their respective assets and which will or is likely to materially affect User's ability to perform its obligations under this Agreement; and
  - d. there is no pending or threatened action or proceeding affecting the User or any of its Related Bodies Corporate or any of their respective

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assets before a court, governmental agency, commission or arbitrator which will or may materially affect its ability to perform its obligations under the Transportation Agreement.

61. These representations and warranties are taken to be also made on each Gas Day on which any Gas is delivered by the User to Service Provider or any amount is or may be outstanding under the Transportation Agreement.
62. The User shall at all times have the obligation to make settlements or cause settlements to be made for all royalties and overriding royalties due and payments to royalty owners under the authority of which the Gas delivered under the Transportation Agreement is produced and in accordance with the terms of the relevant production licences and related documents and to make settlements with all other persons having any interest in the Gas delivered under the Transportation Agreement.
63. The User agrees to fully indemnify and defend the Service Provider against all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims of any or all persons relating to:
  - a. any Gas received, transported or delivered by Service Provider under these Terms and Conditions for the User, or
  - b. royalties, taxes, or other charges thereon which may be levied and assessed upon delivery of the Gas to Service Provider.
64. In the event of any adverse claim of any character whatsoever being asserted in respect to any of the Gas, Service Provider may not deliver and may retain, as security for the performance of the User's obligations with respect to such claim under this clause, the Gas to be delivered to the User at the Delivery Point without incurring liability and until such claim has been finally determined or until the User shall have furnished to Service Provider a form of security reasonably acceptable to Service Provider for the protection of Service Provider with respect to such claim.

**Title**

65. On the termination of a Transportation Agreement, the User will be entitled to:
  - a. recover a quantity of gas equivalent to any quantity delivered by or on behalf of the User into the Pipeline (net of System User Gas) and not delivered to or for the account of the User; or
  - b. sell the Gas referred to in subparagraph (a) to another User and advise the Service Provider of the quantity and identity of that User, provided that the purchaser of the Gas from the User has a Transportation Agreement in place with Service Provider.
66. Title to the Gas received from the User by Service Provider at the Receipt Point does not pass to Service Provider except for:

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- a. any liquid hydrocarbons which, during normal transportation operations and in accordance with Good Engineering and Operating Practice, separate or condense from the gas stream after receipt of the Gas and before its delivery by Service Provider; and
- b. System Use Gas the User is required to supply to Service Provider under a Transportation Agreement.

**Allocation of receipts and deliveries**

67. If the quantities of Gas actually received at the Receipt Point or delivered at the Delivery Points do not equal the quantities Scheduled by Service Provider in accordance with the Transportation Agreement for a particular Hour on any Day, then those quantities actually received or delivered by Service Provider (as the case may be) must be allocated among Users for a particular Hour or on a particular Day on a pro rata basis according to each User's Scheduled receipts for the Receipt Point or Scheduled deliveries for a Delivery Point (as the case may be) as a proportion of all Users' Scheduled receipts at the Receipt Point or Scheduled deliveries at the relevant Delivery Point (as the case may be).
68. If all Users for the Receipt Point or a Delivery Point agree on an alternative allocation methodology then Service Provider may (but is not obliged to) apply such alternative methodology.
69. Without limiting its other rights under this Access Arrangement, Service Provider may, contrary to User's Nomination (if any) and without liability to User comply with any lawful directions or requirements of a Governmental Authority, including to act or refrain from acting in a particular manner.
70. The Service Provider may revise its allocation methodology set out above from time to time to reflect, as far as reasonably practicable, any allocation methodologies imposed on Service Provider by a third party in respect of a particular Receipt Point or Delivery Point.

**Addition of Delivery Points**

71. The User may by notice to the Service Provider request that Service Provider provide Services under the Transportation Agreement to delivery points on the Pipeline in addition to those set out in the Transportation Agreement.
72. The User's notice must specify certain proposed details regarding the proposal for an additional delivery point, such as the proposal for location, Delivery Point MDQ and MHQ for the additional delivery point, changes to existing Delivery Point MDQs and Delivery Point MHQs, date of commencement and period required (which must be not less than 12 Months from the date of the notice). The User must also supply Service Provider with any additional information that Service Provider reasonably requires to evaluate the User's request.

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73. The Service Provider will determine acting reasonably, whether and the extent to which it is able to meet the User's request and, if so, any conditions on which it will offer to accommodate the request. The User will pay the Service Provider's reasonable costs incurred in evaluating the request.
74. The Service Provider will not be required to agree to a request for an additional delivery point if:
- a. in its reasonable opinion, taking into account the capacity of the Pipeline, to do so may reduce the Service Provider's ability to meet its obligations under other Transportation Agreements;
  - b. the Parties are unable to agree in respect of payment by the User of the associated costs;
  - c. the User has not made all appropriate arrangements with Interconnect Parties necessitated by the additional delivery point; or
  - d. in its reasonable opinion, it will be unable to secure any necessary amendment to the Pipeline Licence or obtain any other necessary Approval.
75. If the User requests an additional delivery point that:
- a. does not exist; or
  - b. in the opinion of Service Provider, does not meet the specifications and standards published by Service Provider from time to time,
- so that the additional delivery point needs to be constructed or modified then:
- c. the User may undertake construction itself or request that Service Provider undertake construction;
  - d. if the User undertakes construction itself then it must undertake construction under the supervision and in accordance with any reasonable directions of the Service Provider, in accordance with designs and specification reasonably required by the Service Provider and must connect the additional delivery point to the Pipeline on terms acceptable to the Service Provider;
  - e. the User must pay only the incremental costs that are incurred by the Service Provider in:
    - i. designing and constructing the additional delivery point;
    - ii. obtaining a reasonable rate of return on capital expended to make the additional delivery point available to the User, where the costs are being recovered over time;

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- iii. reviewing the designs and specification for, and supervising construction of, the additional delivery point;
  - iv. constructing improvements for increases in the capacity of the Pipeline reasonably required as a result of an additional delivery point (including the regulation, metering and quality monitoring facilities); and
  - v. operating and maintaining any of the above improvements.
76. If a delivery point is added, the amount payable under the Transportation Agreement will be no less than what was payable prior to the additions having been made.

**Dispute Resolution**

77. If a dispute arises in respect of the Transportation Agreement, a Party must not commence legal proceedings in relation to the dispute (except proceedings seeking interlocutory relief) unless and until it complies with the procedures set out in clauses 77 to 83 (inclusive).
78. A Party may refer a dispute for resolution by written notice to the other parties (Dispute Notice).
79. Representatives of the User and Service Provider must promptly meet on a without prejudice basis to endeavour to resolve the dispute within 10 Business Days of the date of the Dispute Notice.
80. Failing resolution under clause 78, a more senior representative of each of the User and Service Provider must meet on a without prejudice basis to endeavour to resolve the dispute within a further 10 Business Days.
81. The User and Service Provider must act in good faith and use reasonable endeavours to resolve the dispute in all meetings conducted in accordance with clauses 79 and 80.
82. Clause 77 ceases to apply to the dispute if either the User or Service Provider fails to participate in the procedures set out in these 77 to 83 (inclusive).
83. Despite the existence of a dispute, the User and Service Provider must continue to perform their obligations under the Transportation Agreement.

**Default**

84. The Transportation Agreement may, by written notice, be terminated or suspended for default by a Party, after a 7 Business Day cure period for a financial default (including if a Party is Insolvent) and after a 21 Business Day cure period for a non-financial default. If a non-financial default is not capable of remedy then a non-defaulting Party may terminate or suspend the Transportation Agreement, after the 21 Business Day cure period, if the defaulting Party does not:

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- a. take the steps and do the things that the non-defaulting Party, acting reasonably, requires to ensure that the event of default will not be repeated; and
  - b. pay the non-defaulting Party the sum (if any) that the non-defaulting Party reasonably determines is required to compensate the non-defaulting Party for the event of default and its consequences.
85. In addition to the above right to terminate or suspend the Transportation Agreement, a non-defaulting Party may also sue for damages or exercise any other available legal or equitable remedy.
86. Termination by a Party shall be without prejudice to any accrued rights or remedies of either Party as at the Termination Date.

**Billing & Payment**

87. Service Provider shall render monthly invoices in the form of Tax Invoices to the User in respect of the Charges and any other amounts payable to Service Provider under the Transportation Agreement or Access Arrangement.
88. The User shall pay the Service Provider's Tax Invoices within 14 Days of receipt of the invoice. Late payment will attract an interest charge at the Default Rate.
89. Any disputed amount which is subsequently found to be payable by or repayable to the User will be due and payable no later than 14 Days after issue of an Adjustment Note by Service Provider (such note must be issued within 28 Days of resolution regarding the disputed amount), together with interest charged at the Default Rate.
90. If an error is discovered in any Tax Invoice, then the error will be adjusted, with interest at the Default Rate, on the next Tax Invoice provided to the User after the error is discovered. However, no adjustment will be made for errors discovered more than 12 Months after the date of the delivery of Gas to which the erroneous Tax Invoice relates.

**Information Interface**

91. Service Provider retains ownership of and all intellectual property rights in the Information Interface and grants the User a non-exclusive, non-assignable, non-transferable right to access the Information Interface solely for the purposes of submitting Nominations and for receiving information regarding receipts, deliveries, balances and Gas flows under the Transportation Agreement.
92. Only the User's employees authorised by the Service Provider may use the Information Interface pursuant to the above right of access. The User is liable for any loss incurred by the Service Provider resulting from use of the Information Interface other than to the extent such loss is caused by the negligence of the Service Provider.

### **Limitation of Liability & Indemnity**

93. Unless otherwise agreed by the Parties and set out in the Transportation Agreement, to the extent permitted by law, neither Party (including Service Provider's Related Bodies Corporate) is liable to the other Party for Consequential Loss or for punitive or exemplary damages arising in respect of the Transportation Agreement except where such Consequential Loss or punitive or exemplary damage arises out of:
- a. Gross Negligence or Wilful Misconduct by either the Service Provider or the User;
  - b. the Service Provider's or the User's liability relating to rates, Charges and other payments under the Transportation Agreement; or
  - c. the User's liability relating to:
    - i. Imbalances;
    - ii. the receipt, transportation or delivery of Overrun Quantities;
    - iii. the User's obligation to deliver Gas which meets the quality required by the Gas Specification or any other quality as the law in Western Australia requires;
    - iv. a failure to supply Gas at Receipt Points within a specified pressure range;
    - v. the indemnity described in clause 95 of these Terms and Conditions; or
    - vi. the use of the Information Interface by the User's employees who have been authorised for use by the Service Provider.
94. The aggregate liability of Service Provider and its Related Bodies Corporate in respect of the Transportation Agreement, excluding for the Gross Negligence or Wilful Misconduct of Service Provider or its Related Bodies Corporate, will be limited to a monetary liability cap of 10 per cent of the contract value over the life of the Transportation Agreement.
95. The User indemnifies Service Provider and its Related Bodies Corporate from and against any liability, claim, action, loss, damage, cost or expense Service Provider or its Related Bodies Corporate sustains or incurs, whether during or after the expiry of the Transportation Agreement, because of any of the following:
- a. a customer or contract counterparty of the User suffers, or claims to suffer, loss or damage in respect of Service Provider's or its Related Bodies Corporate acts or omissions under the Transportation Agreement, except that the obligation to indemnify will be reduced in proportion to the extent that the loss or damage is caused by the Gross

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- Negligence or Wilful Misconduct of the Service Provider or its Related Bodies Corporate; or
- b. a third party (including another User and a customer or contract counterparty of the User or another User) suffers, or claims to suffer, loss or damage in respect of the User's acts or omissions under the Transportation Agreement.
96. Each Party indemnifies the other for any loss arising out of its Gross Negligence or Wilful Misconduct.
97. Each limitation or exclusion of the above clauses and any statutory limitation or exclusion of liability are to be construed as a separate limitation or exclusion applying and surviving even if for any reason any of the provisions is held inapplicable in any circumstances and may limit each other.

**Force Majeure**

98. Subject to certain exceptions as specified under clause 100 of these Terms and Conditions, the obligations of a Party under the Transportation Agreement will be suspended during the time, and to the extent, that their performance is prevented, wholly or in part, by a Force Majeure Event and no liability to the other Party accrues for loss or damage of any kind arising out of, or in any way connected with that non-performance.
99. Such suspension referred to in clause 98 does not relieve the User of its obligation to pay the Toll Charge or the Capacity Reservation Charge unless during a Month the Service Provider fails to deliver quantities of Gas Scheduled under the Firm Service as a result of a Force Majeure Event affecting the Service Provider in which case any Toll Charge or Capacity Reservation Charge for that Month for the Firm Service will be reduced by the Service Provider, acting reasonably, having regard to the proportion of the Month in which the Service Provider fails to deliver quantities of Gas to the User as a result of the Force Majeure Event.
100. Force Majeure Events do not relieve a Party of liability:
- a. if and to the extent that its negligence, Gross Negligence, Wilful Misconduct or breach of contract caused or contributed to its failure to perform under the Transportation Agreement;
- b. if and to the extent that it fails to use all reasonable endeavours to remedy the situation and to remove the circumstance giving rise to the Force Majeure Event adequately and promptly; or
- c. to make payments of amounts then due in respect of Gas previously delivered.
101. If performance of an obligation under the Transportation Agreement is prevented for a period of 12 Months as a result of a Force Majeure Event then, after a 7 Day period of consultation between the Parties, either Party

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may terminate the Transportation Agreement by giving no less than 2 Months written notice.

**Assignment**

102. A Party must not assign, novate, transfer or otherwise dispose of (in this clause 102 “assign”) all or part of its rights or obligations arising under the Transportation Agreement, without the prior consent in writing of the other Party, which consent must not be withheld unreasonably in the case of an assignee that is technically and financially capable of performing the assigned rights and obligations.
103. Notwithstanding clause 102, an Owner may at any time without the consent of the User (but having first notified the User) assign all or part of its rights and obligations under the Transportation Agreement to:
  - a. any one or more of an Owner’s Related Bodies Corporate; or
  - b. any one or more of the other Owners; or
  - c. to any assignee who has acquired the whole or any part of the Owner’s right or interest in and to the GGTJV.
104. Any assignment pursuant to clauses 102 or 103 shall not take effect until the assignee has executed in favour of the non-assigning Party a covenant under which the assignee agrees to be bound by the Transportation Agreement in regard to the matters the subject of the assignment, in favour of the User.
105. Service Provider may without the consent of the User:
  - a. delegate to one or more third parties that are technically competent and reputable the performance of all or any of its functions under the Transportation Agreement but will remain responsible for the performance of those obligations; and
  - b. assign all or part of its rights obligations and interests arising under the Transportation Agreement where:
    - i. it is replaced as operator and manager for the GGTJV;
    - ii. it is replaced as the Service Provider under the Access Arrangement; or
    - iii. the Owners resolve this is desirable for the better administration of the Pipeline or of the Owners' obligations under the NGR or for a corporate reorganisation of the Service Provider or the GGTJV or both,

provided it first notifies the User in writing.

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106. Notwithstanding the foregoing provisions, Service Provider may at any time without the consent of the User assign in whole or in part any right to payment arising under the Transportation Agreement. Notice of any such assignment must be given by Service Provider to the User as soon as reasonably practicable thereafter.
107. If there is a Change in Control of a Party (Affected Party) or its ultimate holding company, neither the Affected Party or its ultimate holding company is listed on a recognised public securities exchange and the Change in Control is not imposed by law, then the Affected Party cannot enforce the Transportation Agreement unless and until it procures the written consent of the other Party (which consent must not be unreasonably withheld) and the other Party may terminate the Transportation Agreement if consent is not obtained within 60 Business Days of the earlier of the date on which the Affected Party first notifies the other Party of the Change in Control and the date on which the other Party becomes aware of the Change in Control.
108. User may, without Service Provider's consent, assign, by way of subcontract, all or any of User's contracted capacity under this Agreement to another person (the third party) with the following consequences:
  - a. User's rights against, and obligations to, Service Provider are (subject to clause 108(b)) unaffected by the assignment; and
  - b. User must immediately give notice to Service Provider of:
    - i. the subcontract and its likely duration; and
    - ii. the identity of the third party; and
    - iii. the amount of the contracted capacity assigned and any other details (other than price) reasonably requested by Service Provider.
109. Service Provider is not under any obligation to User or the third party in respect of an assignment under clause 108 unless and until the User notifies Service Provider in accordance with clause 107(b).
110. User may, with Service Provider's prior written consent which must not be unreasonably withheld, assign its Receipt MDQ or Delivery MDQ (or both), other than an assignment under clause 108 provided that:
  - a. User pays Service Provider's reasonable costs and expenses (including, without limitation, legal costs and internal costs) in respect of application for consent (whether or not the assignment proceeds to completion) and any assignment;
  - b. Service Provider and the assignee execute a Firm Transportation Agreement acceptable to Service Provider in relation to the Receipt MDQ or Delivery MDQ (that is being assigned);

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- c. the Receipt MDQ or Delivery MDQ to be assigned relates to the Receipt Point and Delivery Points or, if different receipt points or delivery points are proposed, the assignee meets Service Provider's reasonable requirements;
- d. the assignee agrees with any other User using the relevant Receipt Points and Delivery Points to sharing of the use of facilities and any conditions and charges, at no additional cost to Service Provider;
- e. the assignee confirms in writing that it has made all necessary arrangements with producers of Gas for the assignee, purchasers of Gas from the assignee and any other party relating to that service, including all Gas purchase, Gas sale, operating and multi-party Receipt Point and Delivery Point arrangements;
- f. if the assignment of part or all of the Receipt MDQ or Delivery MDQ (as the case may be) to the assignee requires additional facilities at the Receipt Point or Delivery Point, User or the assignee (or both) agree to pay Service Provider for the cost of construction on terms and conditions reasonably determined by Service Provider; and
- g. User is not in default under the Transportation Agreement.

**Confidentiality**

- 111. A Party receiving Confidential Information may use it solely for the purposes of performing its obligations under the Transportation Agreement or for internal purposes related to the governance of the Party or its Related Bodies Corporate.
- 112. A Party must obtain the prior written consent of the other Party in order to use or disclose Confidential Information for any other purpose except where:
  - a. disclosure is required by law or lawfully required by a Governmental Authority; or
  - b. if the information is at that time lawfully generally available to the public, other than as a result of a breach of the Transportation Agreement; or
  - c. disclosure is required in order to comply with the listing rules of a recognised stock exchange; or
  - d. to the extent required by an order of a court of competent jurisdiction for the purposes of any litigation or arbitration.
- 113. The Service Provider must comply with any confidentiality requirements imposed on it pursuant to the NGL and the NGR (Part 16).

## Appendix One

### TEST PROCEDURES

1. A gas chromatograph or other device used for the determination of Gross Heating Value shall be deemed to be accurate if such equipment shall have an accuracy of +/- 0.5%. Pressure, differential pressure, temperature, specific gravity and density transducers shall be deemed to be accurate if such equipment shall have an accuracy of +/- 1.0%. Meters and correcting instruments shall be deemed to be accurate if such equipment shall have an accuracy of +/- 2.0%. For the purposes of Section 1:
  - (a) the accuracy of any measurement equipment shall be taken to mean the difference in the output reading or signal of the device with respect to that of a suitable calibration standard, expressed as a percentage; and
  - (b) a correcting instrument is any device connected to a meter either directly or indirectly and which incorporates means to convert actual quantities or volume as measured by the meters into quantities or volume at some standard conditions.
2. If, upon testing, any measuring equipment is found to be accurate within the meaning of Section 1, all previous recordings or output of such equipment shall be considered accurate in computing the acceptance, transmission, and delivery of Gas. To the extent that the accuracy of the measuring equipment is not zero the equipment shall be adjusted immediately such that its accuracy is as close as practicable to zero. No adjustment to User's account shall be made.
3. If, upon testing, any measuring equipment shall be found to be inaccurate within the meaning of Section 1, any previous recordings or output of such equipment shall be corrected by the full magnitude of the inaccuracy found for any period wherein it is known definitely that and to what extent the measuring equipment was operating inaccurately. In the event the period or degree of inaccuracy is not known or not agreed upon and no superior information is available from check measuring of other appropriate equipment, such correction shall be for a period extending over one half of the time elapsed since the date of the preceding test. The extent of the adjustment shall be based on procedures incorporating good pipeline industry practice in regard to estimating the circumstances in which meters fail. The equipment shall be adjusted immediately such that its inaccuracy is as close as practicable to zero.
4. To determine the accuracy of any measurement device it shall be tested so that the output signal or reading of the device is as close as possible to the normal operating point or, if the device normally operates within a particular range, at points within that range. In the latter case the accuracy shall be an average across the range.

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5. For the purposes of Section 1 a suitable calibration standard shall be any facility or testing device with traceability to a primary standard, or a testing laboratory or facility having appropriate National Association of Testing Authorities (NATA) or other accreditation recognised by Service Provider.

As far as possible, the accuracy of the calibration standard should be at least twice that achievable from the measuring equipment installed in the field.

## Appendix Two

### GAS SPECIFICATION

The quality of Gas supplied hereunder at the Receipt Point and delivered to the Delivery Point shall conform to the following.

#### 1. Merchantable Gas

The gas shall be merchantable natural gas comprised primarily of methane and free of impurities, objectionable odours, solid and liquid matters, trace metals, waxes, gums and gum-forming constituents, hydrogen, carbon monoxide, helium, aromatic hydrocarbons, mercury, crude oils, lubricants (including compressor lubricant) which may be injurious to, or unsuitable for use in, pipelines, control equipment, gas turbine or reciprocating engines and associated auxiliaries and equipment and to commercial and domestic appliances which are designed to use natural gas.

#### 2. Additives

##### (a) Glycols

The gas will not contain glycols in concentration detectable by the test method, unless otherwise agreed.

##### (b) Methanol

The gas will not contain methanol in concentration detectable by the test method, unless agreed otherwise.

#### 3. Gas Properties

##### (a) Wobbe Index

The Wobbe Index is defined as the Gross Heating Value of the gas (MJ/m<sup>3</sup>) divided by the square root of the specific gravity of the gas.

The specific gravity of the gas is relative to air and is to be determined at a temperature of 15oC and a pressure of 101.325 kPa absolute.

##### (b) Flammability Limit

The ratio of higher flammability limit to lower flammability limit shall exceed 2.2:1 for the gas.

Flammability limits are the upper and lower extremes of fuel air ratio that will permit ignition and sustain combustion of the fuel air mixture at a temperature of 15oC and a pressure of 101.325 kPa absolute.

#### 4. Test Methods

The suggested methods for testing that gas supplied at the Receipt Point complies with the agreed specification are detailed below.

#### 4.1 Fuel Components

(a) Merchantable Gas

Not applicable.

(b) Oxygen

ASTM D 1945 Chemical analysis of natural gas by gas chromatography

ASTM D 7607 – 11e1 Standard Test Method Analysis of Oxygen in Gaseous Fuels (Electrochemical Sensor Method)

(c) Total Inert Gases

To be agreed.

#### 4.2 Gas Contaminants

(a) Total Sulphur

ASTM D 1072 Test method for total sulphur in fuelled gases

D4468-95 Standard Test Method for Total Sulfur in Gaseous Fuels by Hydrogenolysis and Rateometric Colorimetry

(b) Hydrogen Sulphide

ASTM D 2385 Hydrogen sulphide content by methylene blue method;

ASTM D4084-94 Standard test method for analysis of Hydrogen Sulphide in gases fuels (lead acetate reaction rate method)

ASTM D4323-97 Standard Test Method for Hydrogen Sulphide in the Atmosphere by Rate of Change of Reflectance

(c) Water

ASTM D 1142 Water vapour content of gas fuel by measurement of dew point temperatures

(d) Carbon Dioxide

ISO 6976:1995. Natural gas -- Calculation of calorific values, density, relative density and Wobbe index from composition

ISO 6974-(1-5): Natural gas -- Determination of composition and associated uncertainty by gas chromatography.

#### 4.3 Additives

##### (a) Glycols

Thermal desorption Perkin-Elmer Model ATD-50.

##### (b) Methanol

Limits and test method to be advised where use of methanol is agreed.

#### 4.4 Gas Properties

##### (a) Gross Heating Value

ISO 6976:1995. Natural gas -- Calculation of calorific values, density, relative density and Wobbe Index from composition

ISO 6974-(1-5) : Natural gas -- Determination of composition and associated uncertainty by gas chromatography

##### (b) Wobbe Index

ISO 6976:1995. Natural gas -- Calculation of calorific values, density, relative density and Wobbe Index from composition.

ISO 6974-(1-5): Natural gas -- Determination of composition and associated uncertainty by gas chromatography.

#### Receipt Gas Specification<sup>9</sup>

Component	Units	Minimum	Maximum
Carbon Dioxide	mol %		4.0
Total Inerts	mol %		7.0
Hydroc. Dewpoint 102 to 10,000 kPa	Deg C		0
Oxygen by Volume	mol %		0.2
Total Sulphur	mg/m <sup>3</sup>		10.0 <sup>10</sup>
Hydrogen Sulphide	mg/m <sup>3</sup>		2.0
Wobbe Index	MJ/m <sup>3</sup>	46.5	51.0
Water Vapour	mg/m <sup>3</sup>		48.0
Gross Heating Value	MJ/m <sup>3</sup>	37.0	42.3
Radioactive Components	Becq/m <sup>3</sup>		600

<sup>9</sup> Separate gas specifications for the Inlet and Delivery as it is expected that there may be different gas specifications for Inlet and Delivery.

<sup>10</sup> Including hydrogen sulphide and mercaptans.

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**Delivery Gas Specification**

<b>Component</b>	<b>Units</b>	<b>Minimum</b>	<b>Maximum</b>
Carbon Dioxide	mol %		4.0
Total Inerts	mol %		7.0
Hydroc. Dewpoint 102 to 10,000 kPa	Deg C		0
Oxygen by Volume	mol %		0.2
Total Sulphur	mg/m <sup>3</sup>		10.0 <sup>11</sup>
Hydrogen Sulphide	mg/m <sup>3</sup>		5.0
Wobbe Index	MJ/m <sup>3</sup>	46.5	51.5
Water Vapour	mg/m <sup>3</sup>		48.0
Gross Heating Value	MJ/m <sup>3</sup>	37.0	42.5
Radioactive Components	Becq/m <sup>3</sup>		600

<sup>11</sup> Including hydrogen sulphide and mercaptans.

## **Appendix Three**

### **TECHNICAL REQUIREMENTS FOR DELIVERY FACILITIES**

#### **Delivery Facilities to Comprise**

In this Transportation Agreement, Delivery Facilities are the facilities to be located at the Delivery Point(s), which meet the technical description in this Schedule and include reverse flow protection, Gas quality monitoring, Gas measurement, pressure enhancement and regulation.

The parties recognise that other facilities may be installed upstream of the Delivery Facilities to perform a number of functions including gas conditioning and flow control and that those facilities are not Delivery Facilities for the purpose of this Transportation Agreement.

#### **Delivery Point**

The Delivery Point has the meaning in Schedule C – Definitions and Interpretation.

#### **Standards**

The design and construction of the Delivery Facilities will be in accordance with all relevant Acts, Regulations and Australian Standards applicable at the time of construction, and will be in accordance with good pipeline industry practice.

#### **Site**

The site on which the Delivery Facilities are located will be fully enclosed with security fencing, suitable vehicular and personnel access. The Delivery Facilities will be separately fenced from any other User or third party facilities located on the site.

The ground at the site will be concrete, sealed, or gravel to enable access in all weather conditions to the Delivery Facilities.

Telemetry, power supply and other sensitive equipment will be located in a weatherproof, secure, ventilated enclosure, with provision to allow for maintenance of equipment in all weather conditions.

#### **Electrical Equipment**

All electrical and electronic equipment on site will comply with the requirements for hazardous locations pursuant to Australian Standards.

#### **Electrical Isolation and Earthing**

The Delivery Facilities will include an isolating joint to isolate the Delivery Facilities from the Pipeline. The isolating joint will be fitted with a surge diverter or other approved means of discharging pipeline potentials.

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All Delivery Facilities will be connected to an effective earthing system of a type that meets all relevant Acts, Regulations and Australian Standards.

**Excess Flow Protection**

The Delivery Facilities will include a flow control device. This device will be used by Service Provider to prevent excess quantities of Gas from being delivered to the User.

The device is to be located on the upstream side of the Delivery Facilities.

**Reverse Flow Prevention**

The Delivery Facilities will include a reverse flow prevention device designed to prevent the flow of Gas in the reverse direction through the Delivery Facilities.

**Gas Quantity Measurement**

The Delivery Facilities may include a gas quantity measurement system, comprising a primary volume or mass measurement device (Meter), temperature, pressure, and density measuring devices, and a device for the correction of primary measurements to standard conditions.

Provision will be made for redundancy to enable calibration of each component of the measurement system without interruption of measurement. Where the Meter is a mechanical device, such as a turbine meter, provision will be made for in-situ series testing with a calibrated standard meter.

A gas filter will be installed upstream of the measurement system to prevent contamination of the measurement system, and in particular the Meter.

Where a Meter is installed in-line with other components which may result in automatic closure of the Meter piping, systems will be installed to automatically transfer to an alternative Meter.

Service Provider will require SCADA access to metering and measurement information and access to the metering and measurement facilities for verification purposes, witnessing calibration processes; and access and provision of the results in a form suitable for Service Provider.

**Gross Heating Value Measurement**

The Delivery Facilities may include a device for the measurement of Gross Heating Value of the Gas (GHV Device). The GHV Device shall be an on-line gas chromatograph.

The tapping point for the GHV Device will be midstream in the vicinity of the Meter. The stream for the GHV Device will not be filtered or treated in any way which could alter the effective GHV of the stream.

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Where a gas chromatograph is used, only Alpha grade reference standards shall be used for calibration.

Service Provider may excuse certain smaller Delivery Facilities from GHV measurement at its sole discretion.

### **Gas Quality Monitoring**

The Delivery Facilities will include devices for the monitoring of the quality of the Gas. Depending on the Gas composition, such devices may include a gas chromatograph, CO2 monitor, moisture analyser, automatic gas sampler, and other devices.

The tapping point for such devices shall be midstream, in the vicinity of the Meter.

Service Provider may excuse certain smaller Delivery Facilities from specific Gas quality measurement at its sole discretion.

### **Instruments**

The Delivery Facilities are to be fitted with electronic instrument systems to permit remote monitoring and control of the Delivery Facilities. Instruments must be sufficient to monitor and permanently record:

- meter output;
- pressure, temperature, density, and other measurement input signals;
- GHV;
- corrected instantaneous and totalised Gas volume, mass and energy;
- Gas composition, moisture, and other Gas quality signals; and
- such other parameters as Service Provider may reasonably require.

Control systems are to control:

- meter run selection (where appropriate); and
- excess flow protection device position.

### **SCADA**

The Delivery Facilities will include a system for transmitting to Service Provider 's SCADA those parameters monitored by the instruments, and receiving from Service Provider 's SCADA signals to adjust those settings which are under the control of Service Provider.

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Service Provider may require that other parameters and control facilities be available through the SCADA link that are reasonably necessary for the safe and efficient operation of the Pipeline.