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1	**B1 Service** is defined as a "Back Haul service which, under the terms of a contract for the Back Haul Service, is specified to rank equally to a R1 Service in the Curtailment Plan".	The B1 Service ranks ahead in priority to the R1 Service in the Curtailment Plan in Schedule 6. The definition of B1 Service is not correct.	In the definition of "B1 Service", DBP does not object to the words "*is specified to rank equally to a R1 Service in the Curtailment Plan*" being deleted and replaced with the words "*with priority as set out in the Curtailment Plan*".
1	The definition of **Force Majeure** has been amended to include an Insolvency Event in relation to a third party supplier of the Operator	The amendment should be deleted as the Operator should be able to and required to take steps in those circumstances to ensure its ability to perform its obligations under the Contract is not affected.	It is important to note that the substantive part of the definition has not been changed – ie – it still must be an event or circumstance not within a party's control an which the party is not able to prevent or overcome (acting as a reasonable and prudent person) The only change has been the addition of a further example – but this does not change the fact that the event or circumstance must still meet the substantive part of the definition. Due to the limited nature of the market in Western Australia for certain goods required by the Operator to operate the DBNGP, the Operator, acting as a Reasonable and Prudent Person, may not always be in a position to ensure it can perform its obligations under the Contract if a critical third party supplier is subject to an Insolvency Event. Accordingly, DBP submits that the proposed drafting should be accepted.

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1	The definition of **Major Works** now includes the defined term **Planned Maintenance**. This means that Planned Maintenance is an additional exculpation from the Operator being liable for curtailing for more than 2% each year.	The definition should exclude Planned Maintenance from Major Works.	The intention of this change to the definition of Major Works was to ensure that work such as overhauls of turbines would be covered by major works. The definition was therefore intended to reflect what occurs in practice. Accordingly, DBP submits that the proposed drafting should be accepted.
1	The definition of **Previous Verification** includes the capitalised term "Accurate" which is not defined.	The existing definition of Accurate should be reinstated.	DBP propose to include: ***"Accurate*** means, with respect to any measurement of a quantity of Gas, that the measurement is inaccurate to a lesser extent than the relevant limit prescribed by clause 15.13(a)(i) or 15.13(a)(ii) (as the case may be).".
1	Definitions of a **Related Body Corporate** and **Related Entity** have the meanings given to them in the Corporations Act as at the Execution Date.	Definitions incorporating terms as defined in the Corporations Act should incorporate those terms as they apply from time to time, and not as limited to a point in time. Limiting the definition to a point in time is difficult to administrate for Shipper and Operator.	The T1 SSCs define these terms by reference to the version of the Corporations Act at a fixed point in time. In DBP's experience, with the SSCs, the definition to a point in time is not difficult to administer for either party.
1	**Retail Market Rules** is defined to mean the retail	The Retail Market Rules are already operative.	DBP does not object to the words "*or will*

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	market rules that govern, or will govern when operative, the Retail Gas Market in Western Australia.		*govern when operative*" being deleted from the definition of "Retail Market Rules".
1	The definition of **T1 Service** has been deleted.	T1 Service is still a term used in the Terms and Conditions (including in the Curtailment Plan) and a definition of the T1 Service should be retained. That Service should be, Verve submits the service the subject of the Terms and Conditions. Firm Service has been retained as a definition and as an Other Reserved Service, when it is doubtful that any shipper has contracted for such service.	DBP does not object to a definition of "T1 Service" for the purposes of references in the R1 Contract to T1 Services (e.g. in the Curtailment Plan) being included and that the definition being "the service known as the T1 Service in the Standard Shipper Contract". A new definition will also needs to be added for Standard Shipper Contract to mean the contract of that nature required to be made available on DBP's website. See Operator's Submission #3, paragraph 5.3 in relation to why the T1 Service is not the subject of the Terms and Conditions. "Firm service" and "Other Reserved Service" are necessary definitions because they are referenced in the curtailment plans that DBP has agreed to with shippers under existing contracts. DBP must have consistent curtailment plans for all of its shippers otherwise it will place itself in breach of contract. Moreover, a third party is not best placed to comment on whether the Operator has contracted with other parties for Firm

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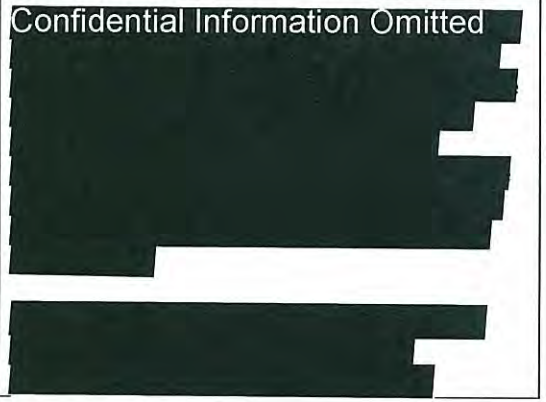
			Services or Other Reserved Services.
1	**Tp Service** is defined simply as an Other Reserved Service.	The definition does not actually identify or describe the Tp Service itself which should be identified by its essential characteristics, and that it was only available to Stage 5A shippers.	A more detailed definition of "TP Service" is not relevant or necessary for the purposes of administering or interpreting the R1 Service. Moreover, the Tp Service is not available to prospective shippers. Accordingly, DBP submits that no change is warranted to the terms and conditions.
2.5(e)	The Operator must procure that the System operator complies with the requirements of section 4 (Ring Fencing Arrangements) of the *National Third Party Access Rules for Natural Gas Pipeline Systems*	The reference to the Code should be to Part 2 of Chapter 4 (Structural and operational separation requirements (ring fencing)) of the National Gas Access (Western Australia) Law.	In clause 2.5(e), the words "*section 4 (Ring Fencing Arrangements) of the National Third Party Access Rules for Natural Gas Pipeline Services*" should be deleted and replaced with the words "*Part 2 of Chapter 4 (Structural and operational separation requirements (ring fencing)) of the National Gas Access (Western Australia) Law*".
2.6	Gas delivered to the BEP Inlet Point in excess of the BEP Inlet Point Capacity is deemed not to have been delivered.	DBP do not explain why this result is required. What happens if the Gas is out of specification, or the deeming results in an imbalance?	Confidential Information Omitted 

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			Confidential Information Omitted [redacted]
2.7	To avoid doubt, any provisions of the Access Regime and any requirements of the Regulator that prevail by force of law over an inconsistent clause of this Contract are Laws for the purposes of this Contract, but neither Party may seek to procure an amendment to an access arrangement under the Access Regime if the purpose for which such amendment is sought is to affect materially and adversely any of the other Party's rights and obligations under this Contract that are not general rights and obligations applicable to all shippers.	Amendments to the Access Regime must not be sought to affect materially and adversely any of the other Party's rights and obligations under the Contract regardless of their nature – "that are not general rights and obligations applicable to all shippers" must be deleted.	The Operator should not be prevented from seeking amendments to an access arrangement on commercial grounds which are non-discriminatory as between shippers, simply because it may have a material and adverse effect on shippers. The Access Regime provides an appropriate forum to enable shippers to lodge an objection with the regulator in relation to any such amendment.
3.2(a)	The R1 Service is described as a Gas transportation service that gives the Shipper a right of access to Gas Transmission Capacity which (subject to clause 17.9) is treated the same in the Curtailment Plan as all other shippers with a R1 Service, P1 Service or a B1 Service and in the order of priority with respect to other Types of Capacity Services set out in clause 17.9.	The drafting in this provision is incorrect. The R1 Service is a different Type of Capacity Service and is lower in priority in the Curtailment Plan than the P1 and B1 Services, and it is therefore not correct to say the R1 Service is "treated the same in the Curtailment Plan". Clause 3.2(a)(ii) also states that the R1 Service is treated the same in the Nominations Plan as all other shippers with a R1, P1 or B1 Service which statement is also incorrect, as the Nominations Plan is based on the Curtailment Plan.	DBP submits that in each of clauses 3.2(a)(i) and (ii), the words "*a P1 Service or a B1 Service,*" should be deleted.

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3.2(b)	R1 Capacity is quantified by reference to the Gas throughput at Kwinana Junction in January with the most critical compressor offline.	Verve assumes that "critical" means the most important compressor in maximising Gas transmission capacity and this should be clarified. DBP has not provided any support for this quantification methodology such as the amount of capacity it will capture in addition to the T1 Capacity already captured by the quantification methodology in the existing shipper contracts, what is the likely annual percentage of curtailments (as it is curtailed before T1, P1 and B1) and how much does the average throughput in January (why January without evidence that it is the hottest month?) vary from the highest and lowest throughput which of course are dependent on gas demand downstream of Kwinana Junction?	See Operator Submission #3, paragraph 4.7(b) as to the reasons for the methodology for determining the availability and reliability of the R1 Service. DBP further submits that the use of average throughput in January is consistent with the methodology used to calculate the T1 capacity of the pipeline. DBP also submits that the use of the term "critical" is sufficiently certain.
3.5	The Spot Capacity service has been deleted from the R1 Service Contract.	The Operator has stated in its supporting submissions that the Spot Capacity service has been removed from the reference R1 Service as Rule 109 of the National Gas Rules prohibits bundling of services. Verve does not consider Rule 109 requires the removal of Spot Capacity from the reference service, as Rule 109 is intended to prohibit shippers having to pay for services they do not need. Spot Capacity is actually a service that most (if not all) shippers would like to use if and when it is available, which supports its inclusion in the reference service contract. Having a published and approved pricing structure and terms and conditions for Spot Capacity set out in the approved R1 Service Contract is beneficial for shippers. If Spot Capacity is not included in the	See Operator Submission #5, section 2 in relation to the reasons why Spot Capacity is not included (and not required to be included under the NGR) in the R1 Service. See also Operator Submission #6 section 2 in relation to how access to Spot Capacity may be obtained. DBP further submits the following reasons exist for not including the Spot Capacity Service as a reference service: • The level of utilisation of the pipeline capacity (which is expected to continue during the access arrangement period) means that spot

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		reference service then there is no clarity at all as to the terms and conditions upon which Spot Capacity may be made available in the future – while there are Spot Capacity Service principles set out in the Revised Access Arrangement itself, they are stated to apply only "until otherwise advised by Operator". Additionally, the principles change a fundamental aspect of the Spot Capacity Service in that it is now take-or-pay once allocated. The present terms (in the T1 contract) provide that the Shipper must pay only when it uses the capacity unless the Operator would have sold the Spot Capacity to another shipper.	capacity is not likely to be accessed • The terms and conditions of spot capacity (including tariff) as a non reference service will be the same as if it were part of the reference service because of DBP's non discrimination obligations. • Separating spot capacity from the reference service will enable parties who seek interruptible capacity to access such capacity without needing to also access a reference service. • Creating a separate service will ensure a more efficient allocation of spot capacity across the market.
3.6		There are also erroneous references to Westnet in the description of Spot Capacity in section 3.6 of the Access Arrangement.	Clause 3.6 is not included in the R1 Service so no correction is required.
4.1(a) and 4.2(a)	The Capacity Start Date is 08:00 hours on the date specified in the Access Request Form, and the Capacity End Date is 08:00 hours on the date specified in the Access Request Form.	The only relevant dates in the Access Request Form are referred to as the "Requested Reference Service Start Date" and the "Requested Reference Service End Date". There are several drafting problems with this clause. First the defined term "Access Request Form" is the form in the Schedule, which does not specify any dates, and does not link the contract for R1 Service with the form in which	The Access Request Form will, when completed (and executed by the Operator), include the dates on which the R1 Service is to start and end (at section 3) and it also states at section 6 that the R1 Shipper Contract Terms and Conditions apply to the Reference Service which is being requested (the R1 Shipper Contract terms and conditions are not negotiated in relation to a

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		the request was made. Secondly the date requested in the form on which the request is made may not be the date agreed by the Operator on which Capacity starts. Thirdly the terminology is inconsistent between this clause and the form; the form refers to "Reference Services" and the clause refers to "Capacity".	R1 Service - see Revised Access Arrangement at clause 5.2(c)(vii)(A)). Section 8 provides the necessary link between the R1 Shipper Contract terms and conditions and the Access Request Form. To reduce any possible ambiguity, the words "*as the Requested Reference Service Start Date*" could be added to the end of the sentence in clause 4.1(a) and the words "*as the Requested Reference Service End Date*" could be added to the end of the sentence in clause 4.2(a). In addition, the definition of "Access Request Form" could be amended to read "*means the access request form in the form set out in Schedule 1 entered into between the Operator and the Shipper to which these R1 Terms and Conditions are appended*"
4.5	Notice 30 months in advance for exercising Option.	Excessive notice period.	DBP would be prepared to consider reducing the period to 12 months, so long as the shipper has not, in the preceding 18 months, rejected a request from DBP to relinquish capacity so as to enable an expansion to occur
4.6 and 4.7	Provisions relating to the first and second option periods are based on the original Term being 15 years.	Why do the references to Term and Capacity End Date not simply refer to a 15 year period?	The clause provides flexibility for the shipper.
5.3(e) and 5.6(b)	This clause is now a basis on which the Operator can refuse to accept/deliver Gas rather than a basis on which the Operator can Curtail. It is therefore now outside the 2% allowance of	The provision should be deleted from clauses 5.3 and 5.6 and reinstated in clause 17.2.	These instances were never included in the calculation of the 2% curtailment limit. Nevertheless, it is important to clarify what circumstances give rise to a curtailment and

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	Curtailments.		what should be a refusal to deliver/receive. Accordingly, there should be no change to the proposed drafting.
5.3(g)	The provision relates to the Operator's refusal to Receive Gas in certain circumstances.	The clause does not make sense. The words "the following" should be deleted and the words "all of the Shipper's Contracted Capacity" moved up to replace them.	DBP agrees that the amendment is required.
5.5 and 5.9 (in the 2005 approved T1 Contract)	Clauses 5.5 and 5.9 from the T1 Contract have been deleted. These clauses provided that in certain circumstances where Operator could have taken steps to avoid or minimise the magnitude and duration of a refusal to Receive and/or Deliver Gas then such refusal to Receive and/or Deliver Gas constitutes a Curtailment for the purposes of the Contract and shall be taken into account in determining whether Curtailments aggregated over a Gas Year cause the Permissible Curtailment Limit to be exceeded.	There is no reason for these protections for the Shipper to be removed under the new R1 Contract. The provisions are important in protecting against the impact of an unreasonable refusal by Operator to Receive and/or Deliver Gas and should be reinstated.	This is not a T1 Service and the differences are explained in Operator's Submission #3. These clauses have never been invoked in practice. Accordingly, it is appropriate that they are not retained.
5.9	This clause provides that a refusal to Deliver Gas under clause 5.6 does not affect the calculation of Charges payable by the Shipper.	Clause 5.9(a) should be subject to the reinstated clause 5.9 (from the T1 Contract) where refusal to Deliver Gas is a Curtailment in certain circumstances. Clause 5.9 should therefore be amended to reflect situations where the Capacity Reservation Charge must be refunded under clause 17.4 for a refusal to Deliver.	This is not a T1 Service and differs from the T1 Service in a number of respects, including in relation to behavioural rights which is Operator's Submission #3. Moreover, it is important to clarify what circumstances give rise to a curtailment and what should be a refusal to deliver/receive. Accordingly, there should be no change to the proposed drafting.
5.10	This clause provides an indemnity by the Shipper	The auditor should be nominated by the Shipper	There is no detriment to the Shipper in the

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	in favour of the Operator in respect of the cost of additional Gas incurred by the Operator in supplying System Use Gas in circumstances where the Shipper takes Overrun Gas or breaches the Accumulated Imbalance Limit or the Hourly Peaking Limit to the extent that the costs are not recovered by the Operator by Other Charges or Direct Damages paid by the Shipper. An independent verification process is established to confirm the relevant costs.	(and agreed by the Operator) and the auditor should be required to hand down his or her decision within 30 days after having received all relevant information from the Operator in accordance with clause 5.10(g). A new provision should be inserted clarifying that the verification process in clause 5.10 is not a dispute over a Tax Invoice for the purposes of clause 21.5, and that no interest is payable by the Shipper in any circumstances for the period prior to the handing down of the auditor's decision.	auditor being an independent third party agreed between the parties (with a mechanism for appointment if there is no agreement).
5.10(a)	The Operator must supply the Shipper's share of System Use Gas (**SUG**).	Should be clarified as being for no charge, as the SUG cost is included in the R1 Reference Tariff. Shippers should be entitled, but not obliged, to supply their own SUG.	DBP considers that it is not necessary because the drafting is already abundantly clear that the SUG costs are included in the reference tariff (subject to the Cost Pass Through Mechanism under the Access Arrangement) and therefore the Operator cannot charge for the SUG as a separate charge. In line with the nature of the R1 Service, the requirement that the Operator supply the Shippers SUG (rather than an option for the Shipper to provide) simplifies the operation of the service. However, If a shipper is to be given the right to supply its own share of SUG, then: -it must be for a minimum term equal to the

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			term of the reference service contract or for a term that "back to backs" with the term of DBP's own SUG supply arrangements - the costs that DBP incurs under any pre-existing SUG agreement must still be able to be included in the reference tariff calculation.
5.10(c)	The Shipper must indemnify the Operator in respect of the cost of additional Gas incurred by the Operator in supplying System Use Gas in accordance with this Contract to the extent to which that System Use Gas is required to be supplied, in accordance with Good Gas Industry Practice, because of the Shipper taking Overrun Gas or breaching the Accumulated Imbalance Limit or the Hourly Peaking Limit on any Gas Day, aggregated over a Contract Year, but only if that cost is not recovered by the Operator during that Contract Year by Other Charges or Direct Damages paid by the Shipper.	The concept of "share of System Use Gas" defined in clause 5.10(c) has no role in clause 5.10. Further there is no basis upon which the Operator is to determine whether System Use Gas is required to be supplied because of the shipper's identified conduct, other shippers' conduct or other operating conditions, such as exceptionally hot days or higher unaccounted for gas. System Use Gas is simply Gas used in the operation and maintenance of the DBNGP. Any attempt to allocate additional costs of System Use Gas to isolated episodes of one shipper's conduct will be artificial, arbitrary and unsupportable. This provision allows the Operator to include in a Tax Invoice the amount it considers it should be indemnified, and will be a source of constant dispute based on doubts as to the cause of the need for System Use Gas. In summary, the additional indemnity over and above the obligation to pay relevant "Other Charges" and Direct Damages is contentious, unnecessary and unreasonable and should be deleted.	The concept of "share of System Use Gas" does have a role in clause 5.10 because it is the basis upon which the indemnity is to be calculated. With no obligation on the shipper to nominate, DBP can not meaningfully plan for its SUG requirements (coupled with the extensive overrun and peaking rights under the SSCs)

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5.11	An additional paragraph has been added referring to the Emergency Management Act 2005 (WA) which refers to the Minister or other persons declaring a state of emergency.	This paragraph should be amended to replace the reference to "the Minister or any other person, regulatory authority or body" with "a hazard management agency", and "a state of emergency" with "an emergency event"; and to delete "or any successor, supplementary or similar Law" which words are superfluous in the light of clause 2.1(e).	The clause as drafted is sufficiently clear and uses appropriate language.
5.12	The Shipper is obliged to arrange inspections of certain gas installations installed or altered by the Shipper. The Operator should only be interested in policing this statutory requirement where gas is supplied directly to the gas installation from the DBNGP, as provided in section 13(1) of the Gas Standards Act 1972 (WA).	The words "to which Gas is supplied directly from the DBNGP" should be added after the words "gas installations" in 3 places in clause 5.12(b).	The suggested words are not necessary because it is specified that the gas installation is to be inspected "prior to the commencement of Delivery of Gas by the Operator" which implies that the Gas is supplied directly from the DBNGP.
6.1(a)	The Inlet Points for the Contract are set out in the Access Request Form.	A previously commented, (eg, in relation to Capacity Start Date and Capacity End Date) the Access Request Form is not defined in any way which connects it to the request which resulted in the Contract. This connection must be established.	The Terms and Conditions will be appended to the Access Request Form which, when executed, will constitute the contract between the parties. See comment above in relation to clause 4.1(a) and 4.2(a).
6.4(d)	Gas Delivered by the Shipper to an Inlet Point is deemed to be Received by the Operator in the order specified generally or for a particular Gas Day by the Shipper, and if the Shipper fails to specify for any Gas Day, then firstly Gas is deemed to be Received for any available R1 Service.	This provision provides that R1 Service will in the absence of a Shipper specification be treated as a priority to T1 Service, which is not acceptable as a Shipper may have contracts for T1 and R1 Services.	This is a typo and needs to make it clear that the order will be the same order as per the curtailment plan
6.7(d)	The issue, design and installation of Inlet Point Connection Facilities.	Clause 6.7(d) refers to a right of access for the purpose of maintaining and operating an Outlet	Agreed.

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		Station – this should be a reference to an Inlet Station.	
6.12(a)	Maintenance Charge means, with respect to a particular Inlet Station, Outlet Station or Gate Station Associated with a Sub-network, a charge determined by the Operator (acting as a Reasonable and Prudent Person) as being sufficient to allow the Operator (across all shippers who pay a charge for substantially the same purpose)…	"…across all shippers who pay a charge for substantially the same purpose" should be replaced with "…across all shippers who use the Inlet Station, Outlet Station or Gate Station Associated with a Sub-network…"	The Operator does not accept that the suggested amendment is required to improve interpretation in this clause. The Operator intended to use the words as drafted.
7.2	Gas Delivered at an Inlet Point or an Outlet Point must be free, by normal commercial standards (as determined by the Operator), from dust and certain other constituents.	The test should be an objective one, and reference to "as determined by the Operator" should be deleted.	The Operator has ultimate responsibility for the safety and integrity of the DBNGP and therefore is in the best position to determine what "normal commercial standards" are as that term relates to the DBNGP.
7.4(c)(ii)	If at any time the Shipper Delivers Gas to the Operator at that Inlet Point or the Shipper Receive Gas from Operator at that Outlet Point.	Typographical error – "Receive Gas" should be "Receives Gas".	Typographical error should be amended.
7.9(b)	If any Out-of-Specification Gas is delivered to the Shipper at an Outlet Point without the Shipper's agreement under clause 7.9(a), then except to the extent that the Shipper caused the Gas in the DBNGP to be Out-of- Specification Gas the Operator is liable to the Shipper for Direct Damage arising in respect of the Out-of-Specification Gas.	The words "by Delivering Out-of-Specification Gas to the Inlet Point" should be added after the words "to be Out-of-Specification Gas".	The suggested additional words could assist with interpretation.
7.12	The Operator will Deliver Gas to the Shipper at each Outlet Point at which odorising occurred as at 27 October 2004.	The Operator should also be required to Deliver odorised Gas at Outlet Points agreed in writing with the Shipper.	The Operator has not previously been required to Deliver odorised Gas at Outlet Points as agreed with the Shipper. Further, if the Parties agree to such a Delivery then

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			there is no need to include such a "requirement" in the Terms and Conditions.
8.9	The clause refers to "Capacity Services for" and "Capacity Services in respect of the Shipper's Daily Nomination for"	As the only Capacity Service being scheduled under clause 8.9 is the R1 Services all these references are confusing, redundant and should be deleted.	This clause needs to remain because there is a need for consistent drafting across all services in this regard
8.10	The Operator may schedule a Capacity Service for R1 Service to the Shipper which is less than the Shipper's Initial Nomination for R1 Service at an Inlet Point or an Outlet Point.	A new clause 8.10(c) should be inserted, where Operator must endeavour as a Reasonable and Prudent Person to ensure that where the scheduled Capacity Services in respect of Daily Nominations is less than the Initial Nomination (calculated across all of the Shipper's R1 Contracts) the difference is kept to the smallest amount possible.	DBP does not agree that such a clause is appropriate from an operational perspective. In the absence of an appropriate and workable methodology for measuring what is "the smallest amount possible" for any given shipper, such a clause would likely lead to disputes between the parties. The clause provides an appropriate curtailment and nomination process based on "Operationally Feasibility".
8.15 and 8.16 (in the 2005 approved T1 Contract)	The T1 Contract contemplated an Aggregated T1 Service for Services above Contracted Capacity at specific Inlet Points and Outlet Points.	There is no equivalent "Aggregated R1 Service". In the absence of provisions which govern the nomination, scheduling and curtailment of R1 Service at Outlet Points at which the Shipper does not have Contracted Capacity, or nominates in excess of its Contracted Capacity, it is unclear how the contract operates. For example there appears to be no restriction on nominating and being scheduled R1 Service at Outlet Points at which the shipper does not have Contracted Capacity or in excess of its Contracted Capacity (provided it does not exceed its Contracted Capacity across all Outlet Points) but in a Point Specific Curtailment such a scheduled R1 Service does not feature at all	This is not a T1 Service and does not provide all the rights of a T1 Service. The reasons for the differences between the R1 Service and T1 Service are explained in the Operator's Submission #3.

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		in the Curtailment Plan. Is this intended? If so, the value of the R1 Service is on this characteristic alone significantly less than the T1 Service, which must be reflected in the R1 tariff, being lower than the T1 tariff.	
9	The Imbalance regime has been substantially amended from that which is contained in most shippers' 2004 Shipper Contracts and from that which was approved in 2005.	There was a threshold condition in the approved 2005 T1 Contract underpinning the Imbalance regime, which was the requirement that the Operator must first consider that: (i) a continuation of the Imbalance condition will have a material adverse impact on the integrity or operation of the DBNGP; or (ii) will adversely impact, or is likely to adversely impact, on any shipper's entitlement to its Daily Nomination for Capacity before the Operator may issue a notice requiring the shipper to reduce the Accumulated Imbalance and/or refuse to Receive or Deliver Gas. The threshold condition has been deleted. Deletion of the condition can result in the situation where the pipeline is in perfect balance on a Gas Day, with all shippers having a zero imbalance except two, which have equal offsetting positive and negative imbalances above the 8% threshold – and the Operator can levy Excess Imbalance Charges against the two shippers and/or refuse to Receive/Deliver Gas.	The R1 Service is not the T1 Service. See Operator Submission #3, section 4 in relation to the reasons for not including behavioural features in the R1 Service, including imbalance rights.

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		Verve considers this right of the Operator to be completely unacceptable, as it effectively provides for payments to be made to Operator where no possible loss has been incurred by Operator nor any adverse impact to the integrity or operation of the pipeline suffered nor to any other shipper. The Shipper could not agree to provide the statement in clause 20.4(a) that the Excess Imbalance Charges are genuine pre-estimates of the unavoidable additional costs, losses and damages that the Operator will incur as a result of the conduct entitling the Excess Imbalance Charges to be levied in those circumstances. Further, Operator is given the discretion in clause 9.5(c) to levy (or not) the Excess Imbalance Charge where the absolute value of the Shipper's Accumulated Imbalance is still above, but closer to, the Accumulated Imbalance Limit. There are no conditions at all placed on the exercise of the Operator's discretion – again this is not acceptable. The obligation on the Operator to endeavour to cooperate with the Shipper to ameliorate the impact of exceeding the Accumulated Imbalance Limit has also been deleted, as has the concept of the Outer Accumulated Imbalance Limit of 20%. These elements should be reinstated. The changes to the exceptions to the imposition of the Excess Imbalance Charge are not acceptable. Curtailment must remain an exception, and the Daily and Accumulated Imbalances must be	

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		calculated. Overall the existing Imbalance regime has been replaced with one that is very penal in its nature, and entirely out of keeping with the arrangements that have been in place since the introduction of third party access to the DBNGP. The cashing out of imbalances on a monthly basis is unfair and unreasonable. The provision penalises the Shipper by mandating a sale of gas to the Operator at a hugely discounted price, unless the Shipper takes a Storage Service. On the other hand, the price at which the Shipper must buy the imbalance quantity is a commercial price, and the Shipper may have no capability (within the physical constraints of the DBNGP) to deliver Gas to the Operator at a sufficient rate to restore the imbalance to zero.	
10	The provisions governing Hourly Peaking Limits and Hourly Peaking Charges have been amended in much the same way as the Imbalance provisions in clause 9 discussed above.	The changes to the Hourly Peaking provisions, including the deletion of any conditions related to adverse impacts on the integrity and operation of the DBNGP before Hourly Peaking Charges can be levied and the removal of the Outer Hourly Peaking Limit, result in the Hourly Peaking regime becoming penal in nature – as discussed in relation to Imbalances above. In circumstances where breaching the Hourly Peaking Limit does not in any way impact on the integrity nor operation of the DBNGP, nor on any Capacity Services provided to any other Shipper, a charge for breaching such limit cannot be a genuine pre-estimate of the loss or damage resulting from breaching the relevant	The R1 Service is not the T1 Service. See Operator Submission #3, section 4 in relation to the reasons for not including behavioural features, including peaking rights.

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		threshold and should not be approved. DBP does not currently provide accurate hourly data. It is offering a Peaking Service and a Metering Information Service as non-reference services. The draconian approach to Hourly Peaking Limits and Hourly Peaking Charges for the R1 Service seems designed to create a paying market for its non-reference services; which services are unnecessary at present.	
14.2(c)(ii) & 14.2(d)(ii)	New Inlet Points to satisfy the Operator's technical and operational requirements.	The references to "proposed" should be replaced by "planned" in both sub clauses. Also, the Operator's technical and operational requirements should be set out in detail or reference made to the specific provisions of the Contract in which the requirements are set out.	The Operator intentionally used the word "proposed" and considers that to be a more appropriate word than "planned" in the context of this clause. It may not feasible to set out the detail of what may be the Operator's technical and operational requirements in a particular circumstance at a future date.
14.2(d)(i)	A Requested Relocation to a New Outlet Point is an Authorised Relocation under the Contract if the Requested Relocation would result in a New Outlet Point being upstream of the Existing Outlet Point.	A New Outlet Point should be an Authorised Relocation if the New Outlet Point is upstream of the Existing Outlet Point or no greater than 2kms downstream of the Existing Outlet Point.	DBP can not agree with this change.
15.3(a)(i)(A)	Maximum metering uncertainty has been reduced to 0.75%	Verve considers that the previous maximum uncertainty of 1% should be retained.	The change was made to apply a more internationally accepted approach to uncertainty. DBP believes more accurate metering would benefit Shippers and allow DBP to have a better control of Gas Unaccounted For (GUF).

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15.4(a)(i)(C)	Primary Metering Equipment must continuously compute and record any information required by the Operator from time to time to assist the Operator to comply with any Law.	This should be at Operator's cost.	This is a necessary and reasonable operating expense which should be recoverable from the Shipper.
15.5(e) & 15.5(f)	These provisions which relate to the availability of information to Distribution between Shippers have been deleted.	These provisions should be reinstated for the benefit of Distribution Network Shippers.	If shippers want this information, they should negotiate a data services agreement. To date, all data that has been requested by a shipper has been provided by DBP under a data services agreement.
15.13(b) & 15.13(c)	Primary Metering Equipment in accuracy and Verification.	Clause 15.13(a)(i) is referred to twice in clauses 15.13(b) and (c) – one of the references in each clause should be deleted.	Agreed.
17.2(c)	The removal of this basis for curtailment and constituting it as a basis for refusing to accept or deliver Gas is a significant change in the characteristics of the R1 Service from the T1 Service.	The approach should be retained otherwise the R1 Service is devalued, which must be reflected in a lower tariff than the T1 tariff.	See Operator Submission #3, section 4 in relation to the reasons for the difference between the R1 and T1 behavioural rights.
17.3(b)(ii)	Curtailment without liability includes a Curtailment for Major Works, which now includes Planned Maintenance.	Curtailment for Planned Maintenance has previously counted towards the Permissible Curtailment Limit and to change this is a significant devaluation of the R1 Service. Planned Maintenance should be treated separately to Major Works in relation to Curtailments without liability.	See above discussion on the definition of major works
17.7(b)	An Initial Notice must specify the Operator's estimate of the starting time of the Curtailment and the portion of the Shipper's Contracted Capacity that is to be Curtailed.	An Initial Notice should also be required to include the reasons for the Curtailment, and if the Operator is not able to provide reasons at that time an explanation as to why not. Given the planning involved in Major Works the	The reason for the Initial Notice is known in that it is for Major Works (otherwise an Initial Notice would not be required).

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		Operator will have information that it is able to provide to the Shipper as to why the Shipper's Capacity is to be Curtailed.	
17.8(f) (in 2005 T1 Contract)	The existing T1 provision where Operator is obliged, other than when due to Force Majeure or by reason of an emergency it is unable to do so, to give effect to a Curtailment by a Curtailment Notice instead of, or prior to, doing so physically under clause 17.8(c) has been deleted.	This provision should be reinstated.	This is not a T1 Service and does not provide all the rights of a T1 Service. The reasons for the differences between the R1 Service and T1 Service are explained in the Operator's Submission #3.
17.10(a)	Operator may apportion refusals to Receive or Deliver Gas or to Curtail in its discretion.	The apportionments should be made as determined by the Shipper, unless standing requirements under clause 17.10(b) have been proposed by the Shipper.	This is not a T1 Service and does not provide all the rights of a T1 Service. The reasons for the differences between the R1 Service and T1 Service are explained in the Operator's Submission #3. In circumstances of curtailment or refusal to deliver, a shipper is not going to be incentivised to cooperate with DBP, as DBP has encountered in the past. Also, DBP needs to have operational control – if a shipper has overrun at a particular outlet point, that could have a worse impact than had it been elsewhere
17.10(e)	If no apportionment mechanism has been proposed by the Shipper or agreed or determined under clause 17.10(c), and it becomes necessary to effect an apportionment of the kind referred to in clause 17.10(b), the apportionment may be effected by the Operator acting as a Reasonable and Prudent Person and must in that case be notified by the Operator to the Shipper as soon as	Amendments to 17.10(a) suggested above make 17.10(e) redundant and it should be deleted.	The Operator does not accept the need for the suggested amendments to clause 17.10(a).

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	practicable after the end of the relevant Gas Day.		
18(d) & 18(e)	At the Shipper's request, the Operator must provide the Shipper with its estimate of the Curtailment to Capacity available to the Shipper on each day of the planned outages specified in the Annual DBNGP Maintenance Schedule.	Any information provided by the Operator following a request under clause 18(d) should not limit the Operator's obligation to give an Initial Notice within the timeframes required by clause 17.6(b)(i)(A) and this should be clarified.	No limit is imposed, either express or implied, on the Operator's obligation to issue an Initial Notice in circumstances where the Operator has provide under clause 18(d). Therefore no clarification is required.
18(g)	Despite clause 18(b), but subject to clauses 18(e) and 18(f), the Operator may determine the timing and extent of any Curtailment necessitated by Major Works in its discretion.	Curtailment for Major Works should also be expressed to be subject to clause 17.6(b)(b)(i)(A), and the obligation to give an Initial Notice not less than 60 days in advance of the Curtailment.	Curtailment for Major Works is subject to clause 17.6(b)(i)(A). It does not need to be stated as such in clause 18(g) for the obligation to be effective.
20.4(b)	The Parties agree that the Other Charges are genuine pre-estimates of the unavoidable additional costs, losses and damages that the Operator will incur as a result of the conduct entitling such charges to be levied. The Shipper will not be entitled to claim or argue (in any proceeding or otherwise), that any Other Charge is not a genuine pre-estimate of loss or damage that may be incurred by the Operator or is otherwise a penalty or constitutes penal damages. The Operator is not required to return "Other Charges" levied in excess of the cost the Operator incurs as a result of the conduct entitling such charge to be levied.	See comments above in relation to the statement that the Excess Imbalance Charge, Hourly Peaking Charge and Overrun Rate are genuine pre-estimates of additional costs, losses and damages. Clause 20.4(b) to be deleted unless each of the imbalance, peaking and overrun regimes is returned to the position under the T1 Shipper Contract. The Operator should only be able to retain an amount of revenue from the Other Charges equal to the cost the Operator incurs as a result of the conduct entitling such charge to be levied. The remainder of the revenue from the Other Charges should be redistributed to the non-offending shippers. If this is not done, the Operator will make a profit over and above the regulated return. Allowing the Operator to do so is contrary to the national gas objective.	See above comments

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		Consistent with this submission, in a recent decision the Regulator noted that it was not reasonable for GGT to delete the rebate mechanism and thereby retail all of the Quantity Variation Charges if this revenue was not taken into account when determining the Reference Tariff	
21.4(a) and 21.6(a)	Interest on unpaid amounts and incorrect amounts to be compounded.	Interest should not be compounded.	This clause should remain as proposed.
22.2 and 22.6	Default Notices previously needed to be given by certified mail.	Given their importance, the requirement to give Default Notices by certified mail should be reinstated.	If the issue is important, it needs to be sent immediately . However, DBP could look at requiring the notice to be couriered.
22.9	The right of termination (with the right to recover Direct Damages) are the Shipper's sole and exclusive remedy in respect of a repudiation or disclaimer and the Operator (despite any provision of clause 23) is not liable to the Shipper for any other Indirect Damage arising in respect of a repudiation or disclaimer.	This is not satisfactory and should be deleted.	It is commercially unreasonable and in the Operator's experience most unusual to expect a party to a contract such as this to accept liability for "consequential" loss. Such liabilities are not insurable.
23.6 and 23.7	Liability for death or injury to Party's personnel or damage to Party's property lies with the Party – the exception for liability for acts or omissions of the other Party has been deleted	The exception is an appropriate allocation of liability and should be reinstated.	The Operator is of the view that a knock-for-knock insurance regime is more efficient than a fault-based regime. In addition, knock-for-knock insurance is commonplace in the oil and gas industry.
25.1	Subject to this clause 25 and to clause 27, neither Party may assign any right, interest or obligation under this Contract (but this clause 25 does not prevent the creation of an interest for the Shipper).	What does "creation of an interest for the Shipper" mean in this context? This should be amended to read "(but this clause 25 does not prevent the Shipper from creating equitable or other interests in relation to its rights under the	These words are included in error and should be deleted (in the T1 SSC the words are but this clause 25 does not prevent the creation of an interest for the Shipper or its nominee under clause 16.10" —clause 16

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		Contract)".	has been deleted in the R1 Shipper Contract).
25.2	Parties may charge their interests under the Contract subject to entering into a tripartite deed in the form published on DBP's website from time to time.	The form of tripartite should be appended to the Contract itself. By requiring the tripartite deed to be in a form which is published on the Operator's website from time to time (rather than the form approved by the Regulator in the Terms & Conditions) therefore giving the Operator unilateral discretion as to the terms of the deed, this makes it harder for shippers to grant security.	Referring to the tripartite deed on the Operator's website provides greater flexibility and enables changes and updates to be made to the tripartite deed as required and appropriate and independent of the Terms and Conditions. It is not in the Operator's interest to make it harder for shippers to grant security, so it does not follow that the terms of the deed on the Operator's website are to be any more onerous than conditions which would otherwise have been approved by the Regulator.
25.3(a)(iii)	A Party may assign all or part of its rights and interests under the Contract without obtaining the consent of the other Party where that assignment is to a Related Body Corporate provided that: (i) where the assignor is the Shipper, such assignment does not release the assignor from liability; (ii) where the assignor is the Operator, such assignment does not release the assignor prior to the assignment date.	There is no reason for the treatment of liability following assignment to be different between the Shipper and the Operator. If the Operator as assignor is to be released from liability then it must be by way of a formal deed of assumption or novation which the Shipper has approved or is a party to. This is consistent with the operation of clause 25.4(a). The changes go beyond what [would] be accepted in a competitive market and therefore contrary to the national gas objective as they do not promote efficiency.	The operator disagrees. It is quite usual for the owner of an asset of this kind and scale used to provide a service to have the right to deal with that asset on a reasonable basis without each of its individual customers having the right to veto the transaction. On the other hand, the owner of the asset is critically dependent on the creditworthiness of its customers and requires the right to vet the creditworthiness of its counterparties.

Clause Number	Provision/Issue	Third Party Comment	DBP Response
25.6	The ability of the Shipper to use its Daily Nominations on behalf of other shippers is now subject to the Shipper entering into an Inlet Sales Agreement, under which the Shipper will no doubt pay additional charges.	The provision should be reinstated as previously drafted, or this is a further devaluation of the R1 Service from the T1 Services, which must be reflected in a lower R1 tariff.	This is not a T1 Service and does not provide all the rights of a T1 Service. The reasons for the differences between the R1 Service and T1 Service are explained in the Operator's Submission #3. Shipper needs to be able to warrant that it has custody and title to the gas at the inlet point. This is what is achieved by an inlet sales agreement
26 and 27.12 (in 2005 T1 Contract)	Relinquishment provisions have been deleted.	The provision enabling the Shipper to offer to relinquish Contracted Capacity should be reinstated. Why has it been deleted? The changes may impact the ability to effectively utilise unutilised capacity and therefore reduce efficiency.	This is not a T1 Service and does not provide all the rights of a T1 Service. The reasons for the differences between the R1 Service and T1 Service are explained in the Operator's Submission #3. Shippers already have the right to a shorter term of contract than a T1 contract. Giving them a relinquishment right as well as the short term creates uncertainty for the service provider
27.1(b)	The clause is subject to clause 25.6.	The reference to clause 25.6 should be deleted.	The reference to clause 25.6 should remain because it clarifies that an Inlet Sales Agreement is required.
27.4(a)	If the Shipper desires to transfer all or part of its Contracted Capacity to a Replacement Shipper, the Shipper must, prior to transferring or agreeing to transfer that Contracted Capacity (Tradeable Capacity), make a written request to the Operator	In the T1 Contract the Shipper could request that the transfer be for a duration less than or equal to the remaining duration of the Period of Supply. This should be reinstated.	The duration of the transfer is to be negotiated between the Shipper and the Operator at the time of the request for transfer.

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	for the approval of the Transfer of that Tradeable Capacity (Request for Approval).		
27.11 (in 2005 T1 Contract)	Operator could, if requested by Shipper, agree to provide marketing services for tradeable Capacity. This has been deleted.	This provision does not represent an onerous obligation on Operator and should be reinstated.	It is not appropriate for the type of service that the R1 Service is. See Operator's Submission #3 and #5 as to the reasons for not providing all the rights available under the T1 Service.
28.2(j)	Either Party may disclose Confidential Information which is requested by an operator of a pipeline which is inter-connected with the DBNGP.	The disclosure of Confidential Information must relate to and be necessary for the operation of the interconnected pipeline.	Agreed.
28.3	Either party may disclose Confidential Information to its Related Bodies Corporate which, for the purposes of the Operator, expressly includes Alcoa of Australia Limited (Alcoa). Alcoa is currently a shipper on the DBNGP.	The Operator should be prohibited from disclosing Confidential Information to a third party shipper who is also an owner on the basis that it is anti-competitive and contrary to the national gas objective focus of efficiency.	The Operator is required to comply with ring-fencing provisions under the NGL and NGR. Therefore, a prohibition on disclosures not permitted under the law is not required.
30.1(a)(i)	The Operator's warranty that it has complied with Environmental and Safety laws has been deleted.	This is an important warranty and should be reinstated.	The Operator is required to comply with Environmental and Safety laws independent of any contractual obligation and such compliance is appropriately managed under those regimes. There is no need for a Shipper to have the benefit of an action against the Operator for breach of a statutory liability such as this. The Operator continues to warrant that it has it has all necessary approvals etc under Environmental and Safety Laws in order to meet its obligations under the Contract and to allow those obligations to be enforced.

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30.4	DBNGP Trustee's warranties have been deleted.	The representations and warranties given by the DBNGP Trustee should be reinstated.	The DBNGP Trustee warranty cannot be, and should not be, included because the DBNGP Trustee is not a party to the R1 Terms and Conditions
31(b) (in 2005 T1 Contract)	Shipper's right to request information on planned expansions has been deleted.	This right should be reinstated. The deletion should be rejected on the grounds that the information is necessary for the efficient investment in and efficient operation and use of natural gas services as it allows shippers some scope to plan their own future gas consumption, operations and expansions.	This is not a T1 Service and does not provide all the rights of a T1 Service. The reasons for the differences between the R1 Service and T1 Service are explained in the Operator's Submission #3. The reason why it exists under the T1 SSC is because under that SSC, a shipper has a right to expansion under cl 16. But clause 16 doesn't exist under the reference service. Also, all existing shippers will be notified under the SSCs
45 (in 2005 T1 Contract)	Clause 45 in relation to non-discrimination has been deleted.	The deletion should be rejected because the clause is clearly required to ensure that the national gas objective and concepts of fair competition are met give that key shippers on the DBNGP are related to the DBNGP owners.	The Operator is required by law to operate the DBNGP on a non-discriminatory basis. The contractual obligation is therefore not necessary.
	The Proposed Access Arrangement does not contain any incentive or obligation for the Operator to operate the DBNGP as efficiently as possible.	The Access Arrangement should contain an incentive mechanism which seeks to ensure that the DBNGP is run as efficiently as possible, consistent with the national gas objective. This is particularly important given the proposed pass through of carbon taxes.	The reference tariff is set by the regulator and not the Operator and is based on the NGL and NGR requirements in relation to efficiency. The Operator has a commercial imperative to run the DBNGP as efficiently as possible to maximise wherever possible return on the Operator's owners investment in the DBNGP.

Clause Number	Provision/Issue	Third Party Comment	DBP Response
			The cost pass through of carbon emission-related costs does not reduce or detract from the Operator's other commercial incentives to improve fuel gas efficiency.