

Gas Access Arrangement Revision

2008 - 2012

2013 - 2017

Part A of the Access Arrangement for the Distribution System

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~~National Third Party Access Code for Natural Gas Pipeline Systems~~

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SP AusNet

~~National Third Party Access Code for Natural Gas Pipeline
Systems~~Part A

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Gas Access Arrangement Revision ~~2008-2012~~2013-2017

This document is the responsibility of the ~~Regulatory and Business Networks~~ Strategy and Development Division, SP AusNet.

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1 Introduction

1.1 Purpose of this Document

This document is SP AusNet's proposed revision to its Access Arrangement dated January ~~2003~~2008, in accordance with ~~Section 2.28~~the rule 52 of the National ~~Third Party Access Code for Natural Gas Rules, Pipeline Systems (the "Access Code")~~. For ease of reference, the ~~remainder~~remainder of this document refers to the proposed revision to the Access Arrangement as the "Access Arrangement".

The Access Arrangement sets out the terms and conditions on which the ~~service~~Service Provider will grant access to its Distribution System.

1.2 Composition of Access Arrangement

This Access Arrangement is in three parts:

- Part A** this document including *Part A Schedule 1 Ancillary Reference Services & Part A Schedule 2 Access Arrangement Glossary*;
- Part B** *Reference Tariffs & Reference Tariff Policy* including *Part B Schedule 1 Initial Haulage Reference Tariffs & Part B Schedule 2 Initial Ancillary Reference Tariffs*; and
- Part C** *Terms & Conditions*.

The Access Arrangement also includes the plans of the Distribution System lodged with the Regulator. ~~Access Arrangement Information for the revisions to this Access Arrangement was submitted together with the revisions in accordance with Section 2.28 of the Access Code.~~

1.3 Effective Date

The Access Arrangement first came into effect on 1 January 1999. ~~The~~Revisions to the Access Arrangement came into effect on 1 January 2003 for the Second Access Arrangement ~~as revised will come into effect from 1 January 2003. This Access Arrangement will~~Period. Further revisions to the Access Arrangement came into effect on 1 January 2008 for the Third Access Arrangement Period. ~~These revisions to the Access Arrangement for the Fourth Access Arrangement Period shall come into effect on 1 January 2008 or otherwise in accordance with section 2.48 of the Access Code January 2013.~~

2 Definitions and Interpretation

In this Access Arrangement and supporting documents, where a word or phrase is capitalised ~~it has~~:

- (a) ~~the definition given to that word or phrase in the Access Code (unless the word or phrase is also defined in the Glossary which is contained in Schedule 2 of Part A of this Access Arrangement, in which case the word or phrase~~it has the definition given to that word or phrase in the Glossary); ~~contained in Schedule 2 of Part A of this Access Arrangement;~~
or

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- (b) if the word or phrase is not defined in the ~~Access Code~~Glossary, the ~~definition meaning~~ given to that word or phrase in the ~~Glossary;~~National Gas Rules or National Gas Law,

unless the context otherwise requires.

If, during the ~~Third~~Fourth Access Arrangement Period, the ~~Access Code~~National Gas Rules, as in force at the date of the approval of the revisions to the Access Arrangement ~~submitted on 30 March 2007 (Existing Access Code), is, are~~ substantially amended or replaced (~~New Access Code~~) and, as a result, a word or phrase defined ~~in the Existing Access Code is no longer defined in the New Access Code, for the purpose of~~under this Access Arrangement ~~is no longer defined, to the extent permitted by law~~, that word or phrase shall continue to have the definition given to it in the ~~Existing Access Code~~National Gas Rules in force as at the date ~~this Access Arrangement was approved~~ for the duration of the ~~Third~~Fourth Access Arrangement Period.

3 Contact Details

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

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~~Manager, Distribution Regulation~~

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4 Prior Contractual Rights

No provision in this Access Arrangement deprives any person of a contractual right which was in existence prior to:

- (a) 3 November 1997 (when the ~~First~~ Access Arrangement was first submitted to the Regulator);
- (b) 28 March 2002 (when the revisions to the Access Arrangement for the Second Access Arrangement ~~was~~Period were submitted to the Regulator); ~~or~~;
- (c) 30 March 2007 (when the revisions to the Access Arrangement for the Third Access Arrangement ~~was~~Period were submitted to the Regulator); ~~and~~

~~5 Elements set out Section 3 of the Access Code~~

- (d) 30 March 2012 (when the revisions to the Access Arrangement for the Fourth Access Arrangement Period were submitted to the Regulator).

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5 Requirements of National Gas Rules

This section, ~~in compliance with section 2.29 of the Access Code,~~ includes the elements set out in ~~sections 3.1 to 3.20~~Rule 48 of the ~~Access Code~~National Gas Rules which are applicable to the Service Provider.

5.1 Pipeline

This Access Arrangement applies to the Service Provider's Distribution System, further details of which can be inspected at the Service Provider's website: www.sp-ausnet.com.au.

5.15.2 Services Policy

5.12.1 The Service Provider will make Haulage Reference Services and Ancillary Reference Services, available to Users or Prospective Users of the Distribution System at the Reference Tariffs and in accordance with the Reference Tariff Policy set out in section 5.23 below. The Reference Services are likely to be sought by a significant part of the market.

The Tariff V Haulage Reference Service is the Haulage Reference Service where the withdrawal of Gas is at a Tariff V Distribution Supply Point.

The Tariff M Haulage Reference Service is the Haulage Reference Service where the withdrawal of Gas is at a Tariff M Distribution Supply Point but does not include Tariff M Connection.

The Tariff D Haulage Reference Service is the Haulage Reference Service where the withdrawal of Gas is at a Tariff D Distribution Supply Point but does not include Tariff D Connection.

The Ancillary Reference Services are those services as described in Schedule 1 of Part A.

5.12.2 The Service Provider will provide the Reference Services in accordance with the Regulatory Instruments.

5.12.3 The Service Provider will make Distribution Services other than Reference Services available to Users or Prospective Users as agreed or as determined in accordance with ~~section 6 of the Access Code~~any applicable Regulatory Instruments.

Distribution Services other than Reference Services include Tariff D Connection and Tariff M Connection.

5.2.4 Upon that Part coming into operation in Victoria, the procedures for the provision of Connection Services will be set out in Part 12A of the National Gas Rules.

An application for a Connection Service may be made by a Customer of the User but, except where Rule 119O(2) of the National Gas Rules ("Payment of connection charges") applies, the charges for that service are payable by the User.

The charges for Connection Services will be determined in accordance with any applicable requirements of relevant Regulatory Instruments (including where provided for by those Regulatory Instruments by negotiation between the Customer and the Service Provider or

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between the User and the Service Provider in accordance with those Regulatory Instruments).

5.2.5 The amounts payable for Reference Services and Distribution Services other than Reference Services constitute distribution service charges for the purposes of Rule 503 of Part 21 of the National Gas Rules ("Obligation to Pay").

5.25.3 Reference Tariffs and Reference Tariff Policy

Reference Tariffs and the Reference Tariff Policy applicable to this Access Arrangement are set out in Part B.

5.23.1 Reference Tariffs

Section 1 of Part B describes the application and assignment of Reference Tariffs to Distribution Supply Points. The Reference Tariffs for Haulage Reference Services and Ancillary Reference Services applicable from 1 January ~~2008~~2013 are set out in ~~the schedules attached to~~clauses 9 and 10 of Part B.

5.23.2 Haulage Reference Tariff Control Formula

Section 3 of Part B describes the formula to be applied in varying, withdrawing or introducing new Haulage Reference Tariffs.

5.23.3 Processing changes to Reference Tariffs

Section 4 of Part B describes the processes for varying, withdrawing or introducing new Reference Tariffs.

5.23.4 Calculation of Charges for Haulage Reference Tariffs

Section 5 of Part B describes the calculation of Charges from the application of Haulage Reference Tariffs.

5.23.5 Reference Tariff Policy

Section 6 of Part B sets out the Reference Tariff Policy describing the principles used to determine a Reference Tariff. The policy includes:

- 6.1 CPI-X Price path
- 6.2 New Facilities Investment
- 6.3 Speculative ~~Investment Fund~~Capital Expenditure Account
- 6.4 Efficiency Incentive and Carryover Mechanism

Gas Access Arrangement Revision ~~2008-2012~~2013-2017**5.23.6** Fixed Principles

Section 7 of Part B describes a range of Fixed Principles that are to apply to the Access Arrangement. ~~Section 7.1 sets out General Fixed Principles while section 7.2 describes the Efficiency Incentive and Carry-over Mechanism.~~

5.23.7 ~~Change in Tax-Relevant Pass-Through Event~~

Section 8 of Part B describes the procedures to apply as a result of a ~~new Relevant Tax or a change in a Relevant Tax Section~~ Pass Through Event.

5.35.4 **Terms and Conditions**

5.34.1 The terms and conditions on which the Service Provider will supply each Reference Service are set out in Part C.

5.34.2 The terms and conditions on which the Service Provider will supply each Distribution Service other than a Reference Service are set out in Part C.

5.4.3 ~~Notwithstanding clauses 5.4.1 and 5.4.2 above, where appropriate and as a relevant matter in accordance with section 2.29 of permitted under the Access Code National Gas Law, the Service Provider and User may negotiate amendments to the terms and conditions set out in Part C on which the Service Provider will provide Distribution Services. In particular, amendments will be required for any non-retailer Users requiring Distribution Services to reflect the service requirements for any such User.~~

5.4—Capacity Management Policy

~~5.4.1—The Distribution System is a Market Carriage Pipeline.~~

5.5—Queuing Policy**5.5** **New connections and modifications****5.5.1** Applicability

~~This Queuing Policy is~~ These queuing arrangements are applicable to requests for new Connections or modifications to existing Connections and ~~is~~ are subject to the Extensions and Expansions Policy.

5.5.2 Procedure

- (a) The Service Provider will administer requests by Prospective Users for Connection or a request by a User or Prospective User for a modification to an existing Connection in the following manner:
- (1) ~~The~~ the Service Provider will administer requests in the order they are received (on a “first come, first served” basis), including advising the Prospective User as to the charge (if any) for undertaking or modifying the Connection; and
 - (2) ~~The~~ the Service Provider may amend the charge first specified pursuant to clause 5.5.2(a)(1) prior to the Connection being made, if additional requests for

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undertaking or modifying a Connection are received and those additional requests allow the recovery of the charge over a larger or different group of Prospective Users or Users.

Gas Access Arrangement Revision ~~2008-2012~~2013-2017**5.6 Extensions/Expansions Policy**5.6.1 ~~Coverage~~Extensions~~{High pressure extensions~~

~~If SP AusNet proposes a) — Subject to clauses 5.6.1(b), an high pressure pipeline Extension or Expansion to the Distribution System of the covered pipeline, it must apply to the AER in writing to decide whether the proposed Extension will be taken to form part of the covered pipeline and will be covered by this Access Arrangement where that Extension or Expansion is owned.~~

~~A notification given by the Service Provider, SP AusNet under this clause 5.6.1 must:~~

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~~An Extension will not (a) be in writing:~~

~~(b) (b) state whether SP AusNet intends for the proposed high pressure pipeline Extension to be covered by this Access Arrangement;~~

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~~where the (c) describe the proposed high pressure Extension is considered by the Service Provider to be a significant and describe why the proposed Extension is being undertaken; and the Service Provider gives written notice~~

~~(1) (d) be given to the Regulator AER before the Extension proposed high pressure pipeline extension comes into service that the Extension will not form part of this Access Arrangement; or,~~

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~~(2) where the Extension SP AusNet is not a significant Extension, and required to notify the Regulator agrees,~~

~~unless AER under this clause 5.6 to the Extension was extent that the cost of the proposed high pressure pipeline Extension has already been included and approved by the AER in the calculation of the Reference Tariffs.~~

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~~After considering SP AusNet's application, and undertaking such consultation as the AER considers appropriate, the AER will inform SP AusNet of its decision on SP AusNet's proposed coverage approach for the high pressure pipeline extension.~~

~~The AER's decision referred to above may be made on such reasonable conditions as determined by the AER as will have the effect stated in the decision.~~

~~Other extensions and expansions~~

~~Any Extensions to the Distribution System which are not high pressure pipeline Extensions within the meaning of this clause will be covered by this Access Arrangement. Any Expansions in the Distribution System will be covered by this Access Arrangement.~~

~~For the purposes of clause 5.6.1(b), a significant Extension is an Extension which will service a minimum of 5,000 customers: this clause, high pressure has the meaning given in the Distribution System Code.~~

~~(e)~~

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5.6.2 Effect of Extension/Expansion on Reference Tariffs

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- (a) This clause 5.6.2 describes how Users will be charged for a Reference Service where the provision of the Reference Service requires ~~New Facilities Investment~~Capital Expenditure constituted by an Extension or Expansion covered by this Access Arrangement (such Users are "Incremental Users;"). Where ~~New Facilities Investment~~Capital Expenditure is required to provide a Distribution Service other than a Reference Service, the Service Provider will negotiate the charge in good faith with the relevant Users (subject to the relevant provisions of the ~~Access Code~~National Gas Rules).
- (b) Where ~~New Facilities Investment~~Capital Expenditure passes the Economic Feasibility Test, Incremental Users will be charged at the prevailing Reference Tariffs and as permitted by ~~section 8.15 of the Access Code~~National Gas Rules, the Service Provider will seek to include the ~~New Facilities Investment~~Capital Expenditure in the Capital Base at the next review of the Access Arrangement. The Service Provider may, at its discretion, seek the Regulator's agreement prior to the next review of the Access Arrangement that the ~~New Facilities Investment passes the requirements of section 8.16 of~~Capital Expenditure meets the New Capital Expenditure Criteria under the Access CodeNational Gas Rules.
- (c) Where ~~New Facilities Investment~~Capital Expenditure does not pass the Economic Feasibility Test:
- (1) the Service Provider will seek to include the relevant part of the ~~New Facilities Investment~~Capital Expenditure in the Capital Base at the next review of the Access Arrangement. The Service Provider may, at its discretion, seek the Regulator's agreement prior to the next review of the Access Arrangement that the relevant part of the ~~New Facilities Investment passes the requirements of section 8.16 of the Access Code (as permitted by section 8.21 of the Access Code);~~Capital Expenditure meets the New Capital Expenditure Criteria;
 - (2) the remaining ~~New Facilities Investment~~Capital Expenditure may be (subject to the ~~Access Code~~National Gas Rules):
 - (A) recovered by charging Incremental Users according to the prevailing Reference Tariffs plus a ~~Surcharge~~surcharge approved by the Regulator under ~~section 8.25~~Rule 83 of the ~~Access Code~~National Gas Rules;
 - (B) included in a Speculative ~~Investment Fund~~Capital Expenditure Account under the Reference Tariff Policy in Part B, (in which case Incremental Users would be charged according to the prevailing Reference Tariffs); or
 - (C) recovered by a combination of these approaches (in which case Incremental Users would be charged according to the prevailing Reference Tariffs plus a ~~Surcharge~~surcharge approved by the Regulator under ~~section 8.25~~Rule 83 of the ~~Access Code~~National Gas Rules); and
 - (3) the Service Provider will notify the relevant Users of its choice between these approaches prior to the relevant New Facility entering in to service.
- (d) The Service Provider may, at its discretion, negotiate a ~~Capital Contribution~~capital contribution with a specific User or Users in respect of a New Facility, in which case, the charge for the User or Users shall be as agreed between the parties (for the purposes of determining Reference Tariffs, this ~~New Facilities Investment~~Capital Expenditure shall be treated as if it were funded by the Service Provider and the User or Users shall be assumed to be paying a ~~Surcharge~~surcharge (if any) that would be

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approved by the Regulator under ~~section 8.25~~Rule 83 of the ~~Access Code~~National Gas Rules).

- (e) Notwithstanding clauses 5.6.2(c) to 5.6.2(d) above, where the Service Provider considers that some or all of the ~~New Facilities Investment~~Capital Expenditure that does not pass the Economic Feasibility Test may pass the System Wide Benefits Test, the Service Provider may propose revisions to the Access Arrangement which have the effect of raising Reference Tariffs immediately (and thus permitting the part of the ~~New Facilities Investment~~Capital Expenditure that would pass the System Wide Benefits Test to be included in the Capital Base and recovered through Reference Tariffs immediately). ~~These revisions will be proposed and considered according to the process in section 2 of the Access Code and, if accepted, would amount to a change to this Access Arrangement.~~

5.6.3 Unreticulated Townships

The Service Provider's policy for Extensions to unreticulated townships where the Extension was not included in the calculation of the Reference Tariffs or the subject of a competitive tender is as follows:

- 1) any proposal to reticulate a township, or request to the Service Provider to consider reticulation of a township, will undergo an initial feasibility assessment.
- 2) If the feasibility assessment indicates that the Extension may be economic, the Service Provider will conduct further investigation that may include proposals for the regulatory treatment of the extension project.
- 3) The Service Provider may approach the Regulator with details of the proposed Extension with a view to agreeing on the regulatory treatment of the extension project.
- 4) Where the agreed regulatory treatment is that the Extension is, if it proceeds, to be covered by this Access Arrangement:
 - the Service Provider will be permitted to recover the Net Financing Cost incurred during the Access Arrangement Period in which the extension is commenced in Reference Tariffs to take effect in subsequent Access Arrangement Periods;
 - the Capital Base for the Access Arrangement Period commencing immediately after the commencement of the Extension will be increased by the amount of the ~~New Facilities Investment or Recoverable Portion~~Capital Expenditure;
 - the ~~New Facilities Investment~~Capital Expenditure will not reduce the carry-over of cost-related efficiencies from the Access Arrangement Period in which the Extension is commenced to any subsequent Access Arrangement Period;

provided the Extension:

- passes the Economic Feasibility Test; and
 - would otherwise be uneconomic for the Service Provider if commenced prior to being included in the calculation of Reference Tariffs in future Access Periods.
- 5) Once agreement has been reached concerning the regulatory arrangement, the Service Provider will undertake a detailed feasibility assessment. Should the outcome of this assessment establish or confirm that the extension is economic (including the consideration of any ~~Capital Contributions or Surcharges~~capital contributions or

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~~surcharges~~) under the agreed regulatory arrangement, then the extension will progress. Otherwise, further discussions will be held with the Regulator. If, in light of the detailed economic assessment and available regulatory arrangements, the Extension is not economic, the Extension will not proceed.

- 6) Where the Extension is deemed uneconomic, the Service Provider may review the Extension should material changes occur.
- 7) The Service Provider's funding of Extensions to unreticulated townships is, ~~in accordance with 3.16(c) of the Access Code~~, conditional upon (among other things) the Service Provider having sufficient funds available on commercial terms acceptable to the Service Provider.
- 8) The agreed regulatory treatment for a new town extension may involve a ~~Capital Contribution~~capital contribution together with existing zonal tariffs, a ~~Surcharge~~surcharge above zonal tariffs, or a separate new town tariff.

Where the agreed treatment for a new town extension is a separate new town tariff, there shall also be agreed a mechanism to integrate the new town tariff into the form of price control, including in relation to rebalancing constraints.

A new town tariff is not a new tariff for existing customers and is not a new tariff for the purposes of the interpretation of the Reference Tariff control formula.¹

5.7 Capacity trading requirements

~~5.7.1 The Service Provider is a Distributor for the purposes of the Market Rules and is subject to those Market Rules to the extent they apply to Distributors.~~

~~5.7.2 There are no applicable capacity trading requirements for the purposes of Rules 48(1)(f) or 105(1) of the National Gas Rules.~~

5.8 Change of Receipt or Delivery Point

~~5.8.1 Any change to a Receipt or Delivery Point on the Distribution System will require the consent of the Service Provider. Such consent will not be withheld unless there are reasonable technical or commercial grounds for withholding consent.~~

~~5.8.2 As the only Receipt Points on the Distribution System are custody transfer points between the Distribution System and other networks, it is unlikely the Service Provider would consent to a request to change a Receipt Point.~~

~~5.8.3 Requests for changes to any Customer Distribution Supply Point will be considered on a case-by case basis, subject to technical and commercial feasibility, and will continue to be offered as a Service other than a Reference Service.~~

~~5.7.5.9~~ Review and Expiry of Access Arrangement

~~5.7.1 The Revisions Submission Date will be 30 March 2012.~~

~~5.9.1 SP AusNet will submit revisions to this Access Arrangement to the AER on or before 1 October 2016.~~

SP AusNet

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5.79.2 The ~~Revisions Commencement Date~~revision commencement date will be 1 January ~~2013~~2018.

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Schedule 1 of Part A of Access Arrangement by SP AusNet

Ancillary Reference Services

The following Ancillary Reference Services are provided in relation to Distribution Supply Points at which Gas is withdrawn by or in respect of a Residential Customer:

- a) ~~Meter and Gas Installation Test: - on-site~~ **On-site meter and gas installation test:** testing to check the accuracy of a Meter and the soundness of a Gas Installation, in order to determine whether the Meter is accurately measuring the Quantity of Gas delivered.
- b) **Disconnection Service** - Disconnection by the carrying out of work being:
 - removal of the Meter at a Metering Installation, or
 - the use of locks or plugs at a Metering Installation in order to prevent the withdrawal of Gas at the Distribution Supply Point.
- c) **Reconnection Service** – Reconnection by turning on Supply, including the removal of locks or plugs used to isolate Supply or reinstallation of a Meter if it has been removed, performance of a safety check and the lighting of appliances where necessary.
- d) **Special Meter Reading Service** – meter reading for a DSP in addition to the scheduled meter readings that form part of the Haulage Reference Services.

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The Ancillary Reference Services will be provided on Business Days during normal business hours as advised by SP AusNet from time to time.

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Access Act means the National Gas Pipelines Access (Victoria) Act ~~1998~~2008;

Access Arrangement means this arrangement for access for third parties to the Distribution System lodged by the Service Provider with, and approved by, the Regulator under the Access Act and ~~Access Code~~National Gas Rules;

Actual Meter Reading has the same meaning as in the Retail ~~Gas~~Market ~~Rules~~Procedures (Victoria);

Additional Charge means any charge imposed on the Service Provider by an Authority which is referable to the User or a Customer, and where such charge is referable to a class of Retailers or Customers rather than an individual Retailer or Customer, that charge will be allocated between the Retailers or Customers (as the case may be) on a fair and reasonable basis by the Service Provider, provided that the Service Provider is not prohibited from passing through that charge to Retailers or Customers under the Regulatory Instruments;

~~**Access Code** means the National Third Party Access Code for Natural Gas Pipeline Systems set out in Schedule 2 to the Gas Pipelines Access (South Australia) Act 1997;~~

~~**AEMO** means the Australian Energy Market Operator Limited ABN 94 072 010 327;~~

~~**AER** means the Australian Energy Regulator established by section 44AE of the Trade Practices Act 1974 (Cwth);~~

Agreement means an agreement executed or to be executed by the Service Provider and a User on the Terms and Conditions or an agreement in respect of the terms and conditions for the provision of Distribution Services, as negotiated between the Service Provider and a User;

Ancillary Reference Service means a Reference Service as set out in Schedule 1 of Part A of this Access Arrangement;

Ancillary Reference Tariff means the tariff that applies to an Ancillary Reference Service;

Annual MHQ means the greatest Quantity of Gas (in GJ) withdrawn at a Distribution Supply Point in any hour in a Calendar Year;

~~**Australian Consumer Law** means Schedule 2 to the *Competition and Consumer Act (Cth) 2010*.~~

Authority means any:

- (a) government or regulatory department, statutory corporation (including the Regulator and ~~VEN~~CorpAEMO), body, instrumentality, minister, agency or other authority; or
- (b) body which is the successor to the administrative responsibilities of that department, statutory corporation, body, instrumentality, minister, agency or authority;

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B2B Hub means the electronic messaging system operated by ~~VENCorp~~AEMO for the Gas industry in Victoria or any electronic messaging system which replaces that system;

Bank Bill Rate means, for a day, the bank bill standard rate defined to be equal to:

- (a) the "bid rate" (rounded up to four decimal places) quoted on the page entitled "BBSY" of the Reuters Monitor System at or about 10:00 am on that day (or where the day is not a Business Day then on the most recent prior Business Day) for bank accepted bills of exchange which have a tenor of 30 days; or
- (b) if the Bank Bill Rate cannot be determined in accordance with paragraph (a) of this definition, the rate percent per annum agreed by the parties in good faith to be the appropriate rate having regard to comparable indices then available in the current bill market, and in default of agreement within 14 days, the rate nominated by the Service Provider and approved by the Regulator as an appropriate rate;

Bank Guarantee means an irrevocable bank guarantee from a trading bank conducting business in Australia in favour of the Service Provider substantially in the form set out in Schedule 1 of the Terms and Conditions, for the Required Bank Guarantee Amount;

Business Day means a day other than a Saturday, Sunday or a day which has been proclaimed to be a public holiday in the Melbourne metropolitan area;

Calendar Year means a twelve-month period commencing on 1 January;

Carbon Liability means any liability or cost incurred under or pursuant to the requirements of the Clean Energy Act 2011 (Cth) or any other related or subsequent law, regulation, rule, code, guideline or other legislative or regulatory instrument that creates, regulates or relates to a carbon price mechanism as a result of fugitive emissions (as that term is defined in the Clean Energy Act 2011 (Cth)) from the Service Provider's Distribution System;

Carbon Tariff means the uplift in Reference Tariffs directly associated with the recovery of Service Provider's Carbon Liability;

Certificate of Compliance means a notice of installation, or completion of Gas Installation work, from a Gas Installer;

Change in Taxes Event means an event where:

(a variation, or withdrawal or introduction) any of the following occurs during the course of the Access Arrangement Period:

- (i) a change in a Relevant Tax, or a change in in the application or official interpretation of a Relevant Tax, in the rate of a Relevant Tax, or in the way or rate at which a Relevant Tax is calculated, which has a material impact on;
- (ii) the removal of a Relevant Tax;
- (iii) the imposition of a Relevant Tax; and

(b) in consequence, the costs to the Service Provider of providing the Reference Services or which has a direct and material impact on the revenue received (after payment of Relevant Taxes) by the Service Provider for providing the Reference Services are materially increased or materially decreased;

Charges means the charges payable by the User to the Service Provider under clause 7 of the Terms and Conditions and includes:

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- (a) the amount determined from the application of the Reference Tariffs in respect of the Reference Services provided to the User in respect of its Customers or such other amount as agreed in writing;
- ~~(b) where the User is a gas retailer within the meaning of clause 12(9) and 13(10) of the Order in Council made under section 68 of GIA on 15 November 2001 (Gazette No. G. 46 at page 2865), the prices, fees and charges notified by the Service Provider under clauses 12 and 13 of that Order;~~
- ~~(e)~~(b) where Distribution Services other than Reference Services are provided by the Service Provider as set out in Schedule 23 of the Terms and Conditions, the Non-Reference Service Charge;
- ~~(d)~~(c) Connection Charges; and
- ~~(e)~~(d) Additional Charges;

Claim means any loss, liability, damage, claim, action, dispute, proceeding, ~~loss, liability~~, demand, cost or expense whether arising in contract, tort (including negligence), equity or otherwise in respect of an event occurring after the Commencement Date;

Class A Inquiry means an inquiry identified as an "A" inquiry in the Gas Leak and Emergency Calls Protocol and includes an inquiry relating to a Gas leak or Emergency;

Class B Inquiry means an inquiry identified as a "B" inquiry in the Gas Leak and Emergency Calls Protocol and includes an inquiry relating to a Gas leak or Emergency;

Class C Inquiry means an inquiry identified as a "C" inquiry in the Gas Leaks and Emergency Calls Protocol and includes an unplanned Interruption;

Commencement Date means in respect of an Agreement, the date of commencement of the Agreement as set out in that Agreement;

Confidential Information means ~~all~~:

- (a) in respect of a party to an Agreement the know-how, trade secrets, ideas, concepts, technical and operational information owned ~~or used~~ by ~~the parties to an Agreement~~ that party or which that party has rights to use;
- (b) in respect of a party to an Agreement, information concerning the affairs or property of or any business, property or transaction in which ~~the parties to an Agreement~~ that party may be or may have been concerned or interested;
- (c) in respect of the User, details of any Customers of the User; and
- (d) any other information which is to be treated in a confidential manner under a Regulatory Instrument with which a party to an Agreement is required to comply;

Connection means ~~the provision of a New Facility in relation to~~ physical link between a distribution pipeline and the joining of a Gas Installation to a Distribution Supply Point ~~Customer's premises to allow, the flow of Gas to the Gas Installation through the Distribution Supply Point (but does not include Turn On); (or such other meaning as may be given to the term "Connection" from time to time by the National Gas Rules);~~

Connection Alteration means ~~an alteration to an existing Connection including an addition, upgrade, extension, expansion, augmentation or any other kind of alteration;~~

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Connection Charge means the charge ~~for Connection~~ (if any) for a Connection Service as determined pursuant to, where applicable, the Access Arrangement or, the Distribution System Code (excluding a Tariff D Connection Charge, the National Gas Rules and a Tariff M Connection Charge); the National Energy Retail Law;

Connection Request means a request in a form required by relevant Regulatory Instruments and otherwise, to the extent permitted by those Regulatory Instruments, in a form reasonably required by the Service Provider given by the User to the Service Provider requesting a Connection Service or Turn-On Energisation;

Connection Service means either or both of the following:

(a) the establishment of a new Connection;

(b) the making of a Connection Alteration;

Controller has the same meaning as defined in the Corporations Act;

Corporations Act means the Corporations Act 2001;

CPI for a particular Calendar Year is:

- (a) the consumer price index: all groups index for the eight state capitals as published by the Australian Bureau of Statistics for the September quarter immediately preceding the start of the relevant Calendar Year

divided by

- (b) the consumer price index: all groups for the eight state capitals as published by the Australian Bureau of Statistics for the September quarter immediately preceding the September quarter referred to in paragraph (a)

minus one;

Curtail means to temporarily reduce the injection or withdrawal of Gas to or from the Distribution System;

Customer means as the context requires:

(a) a customer of the User at a Distribution Supply Point;

(b) a prospective customer of the User at a Distribution Supply Point (or a point which will become a Distribution Supply Point upon the making of a Connection);

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Customer MHQ means the maximum hourly Quantity of Gas, expressed in gigajoules per hour (GJ/hour), for delivery to a Tariff D Distribution Supply Point or a Tariff M Distribution Supply Point initially nominated by the User to the Service Provider and agreed to by the Service Provider in writing and then as agreed from time to time between the parties to an Agreement;

Default Rate means on a day the default interest rate applying under the National Gas Rules in respect of that day or, if there is no such rate, then the rate percent per annum which is the aggregate of 2 percent per annum and the Bank Bill Rate applicable for that day;

Declared Retailer of Last Resort Event means the occurrence of an event (of the type contemplated in Division 6, Part 3 of the GIA or Part 6 of the National Energy Retail Law) whereby an existing User for Customers is unable to continue to supply gas and Customers of that User are transferred to the declared retailer of last resort, as applicable, the relevant supplier of last resort (as that term is used in the GIA) or the relevant designated RoLR (as that term is used in the National

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Energy Retail Law), and as a result the Service Provider incurs materially higher or lower costs in providing Reference Services than it would have incurred but for that event;

~~Default Rate means on any date the rate percent per annum which is the aggregate of 2 percent per annum and the Bank Bill Rate;~~

Deemed Contract means one of:

- (a) a contract between the Service Provider and a Customer under section 48 of the GIA; or
- (b) a deemed standard connection contract between the Service Provider and a Customer (as referred to in section 67(a) of the National Energy Retail Law ("Kinds of customer connection contracts")); or
- (c) a deemed AER approved standard connection contract between the Service Provider and a Customer (as referred to in section 67(b) of the National Energy Retail Law ("Kinds of customer connection contracts"));

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Disconnection means the carrying out of work to prevent the withdrawal of Gas at a Distribution Supply Point; (also referred to as de-energisation in the National Energy Retail Rules);

Disconnection Request means a request in a form required by relevant Regulatory Instruments and otherwise, to the extent permitted by those Regulatory Instruments, in a form reasonably required by the Service Provider given by the User to the Service Provider requesting the Disconnection and which must include the reason for requesting the Disconnection and certification that the User is entitled to Disconnect the Customer;

Distribution Area has the same meaning as defined in Schedule 2 of the Distribution Licence;

Distribution Demand Tariff Component means a Haulage Reference Tariff Component of Haulage Reference Tariff D or of a Haulage Reference Tariff M, as set out in clause 5(3) of the Reference Tariff Policy (as varied from time to time) expressed in \$/GJ for Annual MHQ;

Distribution Fixed Tariff Component means a Haulage Reference Tariff Component of Haulage Reference Tariff V, as set out in clause 5(1) of the Reference Tariff Policy (as varied from time to time) and is expressed in \$/day;

Distribution Licence means the licence of that name to provide services by means of a distribution pipeline granted to the Service Provider by the Regulator under the GIA (or any licence or authorisation (however described) that replaces that licence);

Distribution Pipeline has the same meaning as in the GIA;

Distribution Services means:

- (a) Reference Services in relation to Customers;
- ~~(b) where the User is a gas retailer within the meaning of clauses 12(9) and 13(10) of the Order in Council made under section 68 of the Gas Industry Act 2001 on 15 November 2001 (Gazette No. G 46 at page 2865), the activities and tasks set out in Schedule 1 of that Order;~~
- ~~(b)~~ such ~~Services~~services other than Reference Services that the Service Provider has agreed to provide to the User as set out in Schedule ~~23~~ of the Terms and Conditions (including a Tariff D Connection and a Tariff M Connection); and
- ~~(d)~~(c) other Connection ~~(other than Services (to~~ a Tariff D Connection and a Tariff M Connection);

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Distribution Supply Point means a point on the Distribution System at which Gas is capable of being withdrawn from the Distribution System for delivery to a Customer, which is normally located at the outlet of a Meter and includes a “supply point” and an “ancillary supply point” as defined in the Gas Industry (Residual Provisions) Act 1994 (Victoria) in relation to a Distribution System;

Distribution System means that part of the Gas Distribution System which is more particularly described in the plan of the Distribution System lodged with the Regulator and any Extension or Expansion of the Distribution System that is covered by the Access Arrangement;

Distribution System Code means the Victorian Gas Distribution System Code issued by the Regulator, compliance with which is a condition of the Distribution Licence;

Distribution Volume Tariff Component means a Reference Tariff Component of Haulage Reference Tariff V, as set out in clause 5(2) of the Reference Tariff Policy (as varied from time to time), expressed in \$/GJ for gigajoules of Gas withdrawn in the Peak Period or in the Off-Peak Period;

Economic Feasibility Test means the test ~~that determines whether the Anticipated Incremental Revenue generated by the New Facility exceeds the New Facilities Investment for the purposes of Section 8.16 of the Code to determine whether capital expenditure is Conforming Capital Expenditure as constituted by section 79(1)(a) and section 79(2)(a) or 79(2)(b) of the National Gas Rules;~~

Emergency ~~has~~ means an event or circumstance:

(a) which the same meaning as Governor in Council declares by proclamation to be an emergency under Part 9 of the GIA; or

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(b) which it would be reasonable to believe constitutes a situation which may:

(i) threaten the personal safety of any person; or

(ii) cause material damage to the Transmission System or some other Transmission Pipeline which connects to the Distribution System ~~Code~~; or

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(iii) cause material damage to the Distribution System; or

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(iv) cause material damage to any property, plant or equipment; or

(c) which constitutes a level two to level five emergency (as set out in the emergency command organisation arrangements adopted by the Service Provider); or

(d) which constitutes an emergency pursuant to rule 333 of the National Gas Rules (“Emergency”); or

(e) which otherwise constitutes an “emergency” pursuant to relevant Regulatory Instruments;

Energisation means the act of turning on Supply including the removal of any locks or plugs used to isolate Supply or reinstallation of a Meter if it has been removed, performance of a safety check and the lighting of appliances where necessary;

Energy Retail Code means the code of that name being a determination of the Regulator under section 43 of the GIA;

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ESC Act means the Essential Services Commission Act 2001 (Victoria);

ESC means the Essential Services Commission as constituted pursuant to the ESC Act;

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Estimated Meter Reading has the same meaning as in the Retail ~~Gas~~ Market ~~Rules;Procedures~~ (Victoria);

Expansion ~~has the same meaning as in~~ means the process of upgrading the capacity or service potential of the Distribution System ~~Code~~ by replacing or enhancing existing plant or equipment or adding new plant or equipment;

Extension means extending a Pipeline to enlarge the area to which Gas may be, or is, supplied, including (for the avoidance of doubt) extensions which connect together pre-existing pipeline systems;

Fifth Access Arrangement Period means a period commencing on 1 January 2018 and ending on 31 December 2022;

Financial Failure of a Retailer Event means the occurrence of an event whereby a User is subject to an Insolvency Event, and as a consequence the Service Provider does not receive revenue which it was otherwise entitled to for the provision of Reference Services;

Financial Year means the 12 months from 1st July to 30th June;

First Access Arrangement Period means the period commencing on 1 January 1998 and ending on 31 December 2002;

Force Majeure Event ~~has~~ means an event beyond the ~~same meaning as reasonable control of a person which causes a delay in performance, or non-performance, by that person of an obligation and includes without limitation:~~

(a) ~~an Emergency;~~

(b) ~~a Participant force majeure event or system force majeure event as defined in the Distribution System Code~~ National Gas Rules;

FRC (Full Retail Contestability) ~~means~~ (c) ~~an event consisting of, or analogous to, the date on which there ceases to be in effect an Order in Council made issue of a direction under section 35106 or section 107, of the GIA Gas Safety Act 1997 (Victoria); or~~

(d) ~~an event consisting of, or analogous to, an act of nature, governmental intervention or act of war, neither anticipated nor controllable by the Service Provider;~~

Fourth Access Arrangement Period means a period commencing on 1 January 2013 and ending on 31 December 2017;

FRO (Financially Responsible Organisation) has the same meaning as in the Retail ~~Gas~~ Market ~~Rules;Procedures~~ (Victoria);

Gas ~~has~~ means any substance which is "gas" for the ~~same meaning as in~~ purposes of the Distribution System ~~Code~~ GIA;

Gas Day has the same meaning as "gas day" in the ~~MSO~~ Market Rules;

Gas Distribution Company has the same meaning as in the GIA;

Gas Distribution System has the same meaning as in the GIA;

Gas Installation ~~has the same meaning as in~~ means any Gas equipment located at a Customer's premises that is not part of the Distribution System ~~Code~~;

Gas Installer has the same meaning as in the Distribution System Code;

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Gas Installer means a person authorised by Regulatory Instruments to install, repair, alter or make any addition to a Gas Installation or to any part of a Gas Installation;

Gas Interface Protocol has the same meaning as in the Retail Gas Market Rules; Procedures (Victoria);

Gas Leaks and Emergencies Number means the Service Provider's contact telephone number as stated in clause 9.1(~~de~~) of the Agreement;

Gas Leaks and Emergencies Calls Protocol means the Gas Leak and Emergency Calls, "A" to "C" Priority, version 1.2 as approved by the Victorian Gas Retail Rules Committee Consultative Forum;

~~Energy Retail Code means the code of that name being a determination of the Regulator under section 43 of the GIA;~~

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Financial Year means the 12 months from 1st July to 30th June.

GIA means the Gas Industry Act 2001 (Victoria), as amended from time to time;

GJ means Gigajoule. 1 gigajoule GJ is equal to one thousand million Joules (1,000,000,000J);

Glossary means this glossary;

GST means goods and services tax or similar value added tax levied or imposed in the Commonwealth of Australia pursuant to the GST law;

GST law has the same meaning as in A New Tax System (Goods and Services Tax) Act 1999 (Cth);

Guaranteed Service Levels or **GSLs** means the standard of service that must be provided by the Service Provider in respect of certain Distribution Services as set out in a Regulatory Instrument;

Guarantor has the meaning given in clause 7.8(a)(1)(B) of the Terms and Conditions;

Haulage Reference Services means:

- (a) allowing injection of Gas at Transfer Points;
- (b) conveyance of Gas from Transfer Points to Distribution Supply Points; and
- (c) allowing withdrawal of Gas at Distribution Supply Points;

except to the extent that:

- (d) before the start of the ~~Third~~Fourth Access Arrangement Period the Service Provider and the User have agreed in writing that specific pricing applies to that ~~Services~~service;
- (e) after the start of the ~~Third~~Fourth Access Arrangement Period, the Service Provider and the User agree in writing or in such other form as approved by the Regulator that the ~~Services~~service is not to be a Haulage Reference Service; or
- (f) the ~~Services~~services are provided to a Transfer Point between a Distribution Pipeline by means of which the Service Provider provides ~~Services~~services and a Distribution Pipeline by means of which another Gas Distribution Company (which is not exempt from the requirement to hold a licence because of an Order under section 24 of the GIA) provides ~~Services~~services;

Haulage Reference Tariff means the tariff that applies to Haulage Reference Services;

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Haulage Reference Tariff Component means an individual price element comprising part of a Haulage Reference Tariff;

Haulage Reference Tariff D means the Haulage Reference Tariff that applies to the Tariff D Haulage Reference Service (including a new Haulage Reference Tariff to apply to that Service introduced pursuant to the Reference Tariff Policy);

Haulage Reference Tariff M means the Haulage Reference Tariff that applies to the Tariff M Haulage Reference Service (including a new Haulage Reference Tariff to apply to that Service introduced pursuant to the Reference Tariff Policy);

Haulage Reference Tariff V means the Haulage Reference Tariff that applies to the Tariff V Haulage Reference Service (including a new Haulage Reference Tariff to apply to that Service introduced pursuant to the Reference Tariff Policy);

~~**Heating Value** has the same meaning as in the Gas Safety (Gas Quality) Regulations 1999 (Victoria);~~

Heating Value means the heating value of Gas in the Distribution System as calculated by AEMO in accordance with the Retail Market Procedures (Victoria) or any rules or procedures made under the Retail Market Procedures (Victoria) including the Wholesale Market Energy Calculation Procedures (Victoria);

Inquiry means an inquiry or consultation commenced by the Ombudsman under its constitution;

Insolvency Event means the happening of any of the following events in relation to a party to an Agreement:

- (a) an order is made that it be wound up or that a Controller be appointed to it or any of its assets;
- (b) a resolution that it be wound up is passed;
- (c) a liquidator, provisional liquidator, Controller or any similar official is appointed to, or takes possession or control of, all or any of its assets or undertakings;
- (d) an administrator is appointed to it (other than by the Regulator pursuant to the party's licence under the GIA) or a resolution that an administrator be appointed to it is passed;
- (e) it enters into, or resolves to enter into, an arrangement, compromise or composition with any of, or any class of, its creditors or shareholders, or an assignment for the benefit of any of, or any class of, its creditors; in relation to a potential Insolvency Event in subparagraphs (a) to (d), or (f) to (g) occurring;
- (f) any action is taken by the Australian Securities and Investment Commission to cancel its registration or to dissolve it;
- (g) it is insolvent within the meaning of Section 95A of the Corporations Act, as disclosed in its accounts or otherwise, states that it is unable to pay its debts or it is presumed to be insolvent under any applicable law; or
- (h) it stops or suspends:
 - (1) the payment of all or a class of its debts; or
 - (2) the conduct of all or a substantial part of its business; or

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- (i) if the User is constituted in another jurisdiction, any event having a substantially similar effect to any of the events specified in the preceding paragraphs happens to it under the law of that other jurisdiction;

An Insurance Event means an event whereby:

- (a) the Service Provider makes a claim or claims on a relevant insurance policy;
 (b) the Service Provider incurs costs beyond the relevant policy limit; and
 (c) the costs beyond the relevant policy limit materially increase the costs to the Service Provider of providing Reference Services.

For the purposes of this Insurance Event:

- (d) the relevant policy limit is the greater of the 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 AER made its Final Decision on the Service Provider's access arrangement proposal for the Access Arrangement Period 2013-17, with reference to the forecast operating expenditure allowance approved in the AER's Final Decision and the reasons for that decision; and
 (e) a relevant insurance policy is an insurance policy held during the 2013-17 Access Arrangement Period or a previous period in which access to the pipeline services was regulated;

Insurer Credit Risk Event means an event of insolvency of the Service Provider's insurer, as a result of which the Service Provider:

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

Interruption means the planned or unplanned temporary stoppage of Supply to one or more Distribution Supply Points;

J means Joule; a unit of energy as defined in AS1000-1979 "The International System of Units (SI) and its Application";

Licence Fee means the licence fee and other fees and charges in respect of the Distribution Licence paid or payable by the Service Provider under its Distribution Licence as directed by the Regulator;

Main ~~has the same meaning as~~ means a low, medium or high pressure pipe in the Distribution System Code, ~~other than a Service Pipe;~~

Meter ~~has the same meaning as in the Distribution System Code;~~

Market Rules means Part 19 of the National Gas Rules ("Declared Wholesale Gas Market Rules");

Meter means a device that measures and records quantities of Gas by reference to volume, mass or energy content;

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Metering Installation means the Meter and associated equipment and installations which may include correctors, regulators, filters, data loggers and telemetry relating to a Distribution Supply Point;

Metering Data means data pertaining to the measure of the quantity of Gas flow obtained from a Metering Installation;

Meter Reading has the same meaning as in the Retail ~~Gas Market Rules including as if the reference in that definition to a "reading period" included the period of an invoice;~~Market Procedures (Victoria);

MHQ means the maximum Quantity of Gas (in GJ) withdrawn at a Distribution Supply Point in any hour;

MIRN means in relation to a Distribution Supply Point at any time, the metering installation registration number for that Distribution Supply Point including the checksum for that MIRN;

~~MSO~~National Energy Retail Law means the National Energy Retail Law as set out in the National Energy Retail Law (South Australia) Act;

National Energy Retail Rules has the ~~same~~ meaning given to that term in the National Energy Retail Law;

National Gas Law means the National Gas (Victoria) Law as defined in the ~~GA~~Access Act;

National Gas Rules means the National Gas Rules made pursuant to the National Gas Law;

Natural Disaster Event means any major fire, flood, earthquake, or other natural disaster beyond the control of the Service Provider (but excluding those events for which external insurance or self insurance has been included within the Service Provider's forecast operating expenditure) that occurs during the forthcoming Access Arrangement Period and materially increases the costs to the Service Provider of providing Reference Services;

A National Energy Customer Framework Event means:

A legislative act or decision that:

- (a) occurs during the Access Arrangement Period;
- (b) has the effect of implementing in Victoria, either in part or in its entirety, the National Energy Customer Framework; and
- (c) increases the costs to the Service Provider of providing Reference Services.

For the purposes of this pass through event, the National Energy Customer Framework means any legislation, regulations or rules, that give effect in Victoria to any or all of the Schedule to the National Energy Retail Law (South Australia) Act 2011, the National Energy Retail Regulations (South Australia) and the National Energy Retail Rules (South Australia) as amended from time to time, including any amendment, withdrawal or introduction of any associated Victorian legislation, regulations or rules.

Negative Pass Through Amount means, in relation to the occurrence of a ~~Change in Taxes Event~~ or Relevant Pass Through Event, an amount that the Service Provider is required to pay to ~~its User~~the User or a factor by which amounts the User is required to pay the Service Provider are reduced;

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Net Financing Cost means, ~~in respect of an Extension or Expansion,~~ the surplus of the estimated ~~New Facilities Investment in relation to conforming capital expenditure (as that term is used in section 79 of the National Gas Rules),~~ and ~~Non-Capital Costs~~ the operating expenditure (complying with ~~section 91 of the National Gas Rules) in respect of,~~ the Extension or Expansion within the Access Arrangement Period in which the Extension or Expansion is commenced over the present value of the estimated incremental revenue that would be derived directly from the Extension or Expansion within that period;

~~**New Connection Process Event** means a change in the retail Gas Market Rules requiring the Service Provider to be directly responsible for the Connection process.~~

Non-Reference Service Charge means the amount payable by the User for the provision of ~~Distribution~~ Services other than Reference Services, being the amount as set out in Schedule 23 of the Terms and Conditions or as agreed between the parties to an Agreement or determined pursuant to the ~~Access Code~~ National Gas Rules or other relevant Regulatory Instruments;

Non Residential Customer means a Customer who is not a Residential Customer;

Off-Peak Period means the period of a Calendar Year except the Peak Period;

Ombudsman means the Energy and Water Ombudsman (Victoria) or ~~any other ombudsman approved by Regulators~~ such replacement entity as performs the function of Ombudsman for the purposes of ~~the User's Retail Licence~~ relevant Regulatory Instruments;

Pass Through Amount means a Positive Pass Through Amount or a Negative Pass Through Amount;

Peak Period means the period of 1 June to 30 September of a Calendar Year;

Positive Pass Through Amount means, in relation to the occurrence of a ~~Change in Taxes~~ Relevant Pass Through Event, an amount that a User is required to pay to the Service Provider or a factor by which amounts the User is required to pay the Service Provider are increased;

Quantity means, in relation to Gas, the energy content of that Gas calculated by multiplying its volume in cubic metres at a temperature of 15 degrees Celsius and an absolute pressure of 101.325 kPa by its Heating Value;

~~**Reconciliation Amount** means that amount payable in respect of Unaccounted for Gas calculated by VENCorp in accordance with the Distribution System Code;~~

Reconnect means the ~~Turn-On~~ Energisation for or in respect of a Customer following the Disconnection of the Distribution Supply Point at which Gas was prior to Disconnection, withdrawn by or in respect of that Customer; (also referred to as re-energisation in the National Energy Retail Rules);

Reference Service means the Haulage Reference Service and Ancillary Reference Service as defined in clause 5.42 of Part A of this Access Arrangement;

Reference Tariff means the Haulage Reference Tariff and Ancillary Reference Tariff and as varied pursuant to the Reference Tariff Policy;

Reference Tariff Class refers to Distribution Supply Points which are assigned to the same Haulage Reference Tariffs;

Reference Tariff Component refers to an individual price element comprising part of a Reference Tariff

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Reference Tariff Policy means the Reference Tariff Policy set ~~in~~ out in Part B of this Access Arrangement;

Regulator means ~~the Essential Services Commission,~~ as applicable:

~~(a statutory corporation established under)~~ the ESC or any successor agency that becomes responsible for functions conferred on the ESC Act;

under a Regulatory Instrument;

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(b) the AER or any successor agency that becomes responsible for the functions conferred on the AER under a Regulatory Instrument;

Regulatory Change Event means ~~the~~ a change in a regulatory obligation or requirement that:

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(a) falls within no other category of Relevant Pass Through Event; and

(b) occurs during the course of an Access Act Arrangement Period; and

(c) substantially affects the manner in which the Service Provider provides Reference Services; and

(d) materially increases or materially decreases the costs of providing Reference Services.

Regulatory Instrument means the Access Act, National Gas Law, ~~Access Code~~ National Gas Rules, GIA, Gas Safety Act 1997 (Victoria) ~~and~~, the National Energy Retail Law, the National Energy Retail Rules and any other legislation, any subordinate legislation, licence, code, rules, sub-code, guideline, safety case, order or regulation regulating the gas industry in Victoria, or elsewhere if applicable, whether made under the GIA or other applicable legislation having jurisdiction over the relevant party, including the ~~MSO~~ Market Rules and the ~~Distribution System Code; Retail Market Procedures~~ (Victoria);

Regulatory Year means a period of 12 months ending on 31 December each year;

Related Body Corporate means an entity which is related to another entity within the meaning of section 9 of the Corporations Act;

Relevant Pass Through Event means:

- (a) a Change in Taxes Event;
- (b) the Financial Failure of a Retailer Event;
- (c) a Declared Retailer of Last Resort Event;
- (d) a ~~New Connection Process~~ National Energy Customer Framework Event;
- (e) an Insurer Credit Risk Event;
- (f) an Insurance Event;
- (g) a Natural Disaster Event;
- (h) a Terrorism Event;
- (i) a Service Standard Event; or
- (e) a Victorian Energy Efficiency Target Scheme Regulatory Change Event.;

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For the purpose of any Relevant Pass Through Event that includes a reference to materiality, an event is considered to materially increase or decrease costs where that event has an impact of one per cent of the smoothed forecast revenue specified in the AER's Final Decision, in the years for the Access Arrangement Period that the costs are incurred;

Relevant Tax means any:

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~~(a) royalty, duty, excise, tax, impost, levy, fee or charge (including, but without limitation, is any GST) imposed Tax payable by any Authority in respect of the repair, maintenance, administration or management of the Distribution System (or any part of it) or in respect of the provision of Reference Services, but excluding the Service Provider, other than:~~

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~~(1) (a) income tax (or State equivalent income tax) and capital gains tax;~~

~~(2) (b) stamp duty, financial institutions duty, and bank accounts debit/debits tax or similar taxes or duties;~~

~~(3) voluntary membership fees or voluntary contributions payable to membership bodies (that is, fees and contributions in respect of membership bodies which the Service Provider is not required by legislation or other Regulatory Instruments to join);~~

~~(4) (c) penalties, charges, fees and interest for on late payment payments, or deficiencies in payments, relating to any tax, royalty, duty, excise, impost, levy, fee or charge; Tax; or~~

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~~(5) (d) any tax or charge which Tax that replaces or is the equivalent of or similar to any of the taxes or charges referred to in (1) to (5);~~

~~(b) costs associated with changes in service standards but only where the Service Provider has been directed, ordered or required as paragraphs (a) result of legislation or regulatory arrangements to make such a change in service standards; and (b) (including any State equivalent tax);~~

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~~(c) costs associated with the retailer of last resort scheme implemented under section 34 of the GIA;~~

Required Bank Guarantee Amount means the amount of the Bank Guarantee calculated by the Service Provider under clauses 7.8(bc) or 7.8(ed) of the Terms and Conditions;

Residential Customer means a Customer who purchases Gas principally for personal, household or domestic use at the relevant Distribution Supply Point;

Retailer ~~has the same meaning as means a gas retailer in the GIA for the purposes of the GIA or a retailer for the purposes of the National Energy Retail Law;~~

Retail Contract means a ~~Contract as defined under the Energy Retail Code~~ contract for the sale of Gas by the User to a Customer;

Retail Gas Market Procedures (Victoria) means the Retail Market Procedures for Victoria as made pursuant to the National Gas Rules ~~means the rules approved by the Regulator under section 65 of the GIA;~~

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Retail Licence means a licence to sell Gas granted to a Retailer by the Regulator under Part 3 of the GIA or equivalent authorisation;

Retail Services means the following services that are provided by a User to the Service Provider at the Service Provider's request:

(a) processing of GSL payments under clause 7.6 of the Terms and Conditions;

(b) notification of Reference Tariffs under clause 9.10(c) of the Terms and Conditions;

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- (c) provision of information and documentation to Customers under clause 9.12(b) of the Terms and Conditions;
- (d) delivering to a Customer any notification, information or documentation as requested by the Service Provider under clause 9.12(e) of the Terms and Conditions; and
- (e) delivering to a Customer information as requested by the Service Provider under clause 13.2(b)(~~3-4~~) (B) of the Terms and Conditions;

but does not include any such services to the extent that the User is obliged to perform those services under the Regulatory Instruments;

RoLR Event has the meaning given to the term RoLR event in the National Energy Retail Law;

Second Access Arrangement Period means a period commencing on 1 January 2003 and ending on 31 December 2007;

Service Pipe means a pipe ending at a Metering Installation or, for an unmetered site a Gas Installation, which connects a Main or a Transmission Pipeline to a Customer's Premises (as determined by the Service Provider);

Services Policy means the policy contained in clause 5.42 of this Access Arrangement;

Significant Extension Service Standard Event means a legislative or administrative act or decision that falls within no other category of Relevant Pass Through Event that:

(a) has the ~~meaning given to it~~effect of:

- (1) ~~varying, during the course of an access arrangement period, the manner in clause 5.6.1(c), which the Service Provider is required to provide a Reference Service;~~
- (2) ~~imposing, removing or varying, during the course of an access arrangement period, minimum service standards applicable to Reference Services; or~~
- (3) ~~altering, during the course of an access arrangement period, the nature or scope of the Reference Services, provided by the Service Provider; and~~

(b) ~~materially increases or materially decreases the costs to the Service Provider of providing Reference Services;~~

Specifications means the quality specifications prescribed by the Gas Safety (Gas Quality) Regulations ~~4999~~2007 (Victoria);

Substituted Meter Reading has the same meaning as in the Retail ~~Gas~~ Market ~~Rules; Procedures~~ (Victoria);

Supply means the delivery of Gas;

System Wide Benefits Test means the test ~~applied~~ to determine whether ~~capital expenditure is conforming capital expenditure as constituted by section 79(1)(a) (a New Facility has system wide benefits that justify) and section 79(2)(c) of the approval of a higher Reference Tariff for all Users~~National Gas Rules ;

Tariff Control Formula means the formulae described in clause 3.1 of the Reference Tariff Policy that applies to Haulage Reference Tariffs;

Tariff D Customer means a Customer in respect of whom the User is charged Haulage Reference Tariff D;

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Tariff D Distribution Supply Point means a Distribution Supply Point to which is assigned Haulage Reference Tariff D as determined by the application of clause 1 of the Reference Tariff Policy;

Tariff D Connection means the Connection and maintenance of the Connection at a Tariff D Distribution Supply Point;

Tariff D Connection Charge means a Non-Reference Service Charge for a Tariff D Connection;

Tariff D Haulage Reference Service means a Haulage Reference Service described as such in clause 5.42.1 of Part A of this Access Arrangement;

Tariff M Customer means a Customer in respect of whom the User is charged Haulage Reference Tariff M;

Tariff M Distribution Supply Point means a Distribution Supply Point to which is assigned Haulage Reference Tariff M as determined by the application of clause 1 of the Reference Tariff Policy;

Tariff M Connection means the Connection and maintenance of the Connection at a Tariff M Distribution Supply Point;

Tariff M Connection Charge means a Non-Reference Service Charge for a Tariff M Connection;

Tariff M Haulage Reference Service means a Haulage Reference Service described as such in clause 5.42.1 of Part A of this Access Arrangement;

Tariff V Customer means a Customer in respect of whom the User is charged Haulage Reference Tariff V;

Tariff V Distribution Supply Point means a Distribution Supply Point to which is assigned Haulage Reference Tariff V as determined by the application of clause 1 of the Reference Tariff Policy;

Tariff V Haulage Reference Service means a Haulage Reference Service described as such in clause 5.42.1 of Part A of this Access Arrangement;

Tax means any royalty (whether based on value, profit or otherwise), tax, duty, excise, levy, fee, rate or charge imposed from time to time during the term of this Access Arrangement by any government or any governmental, semi-governmental or other body authorised by law to impose that tax on or to:

(a) the Distribution System (or any of its components);

(b) the operation of the Distribution System; or

(c) the provision of services by the Service Provider;

Terms and Conditions means the terms and conditions referred to in clause 5.34 of Part A and as set out in Part C of this Access Arrangement;

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 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 the Service Provider of providing Reference Services.

Third Access Arrangement Period means a period ~~of at least five Calendar Years~~ commencing on 1 January 2008 and ending on 31 December 2012;

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Transfer Point means a point at which Gas is transferred from:

- (a) a Transmission Pipeline to a Distribution Pipeline, or
- (b) a Distribution Pipeline to a Distribution Pipeline;

Transmission System ~~has means a pipeline or a system of pipelines, for the same meaning as~~high pressure transmission of Gas operated by AEMO principally in Victoria, and all related facilities, together with:

- (a) all structures for protecting or supporting the pipeline or system of pipelines;
- (b) facilities for the compression of Gas, the maintenance of the pipeline or system of pipelines and the injection or withdrawal of Gas;
- (c) all fittings, appurtenances, appliances, compressor stations, odourisation plants, scraper stations, valves, telemetry systems (including communications towers) and works and buildings used in connection with the pipeline or system of pipelines,

~~but excluding storage facilities (being facilities for storing large quantities of Gas) and the Distribution System Code;~~

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Transmission Pipeline has the same meaning as in the GIA;

~~**Turn-On** means the act of turning on Supply at a new DSP, performance of a safety check and the lighting of appliances where necessary;~~

~~**Unaccounted for Gas (UAFG)** has the same meaning as in~~means the difference between the amount of Gas injected into the Distribution System Code;

~~**VENCorp** means at all Transfer Points and the amount of Gas withdrawn from the Victorian Energy Networks Corporation established under Part 2A of the GIADistribution System at all Distribution Supply Points, including but not limited to leakage or other actual losses, discrepancies due to metering inaccuracies and includes any successor bodyvariations of temperature, pressure and any body who assumes the rights of VENCorp pursuant to any privatisation and any successor of that body;~~

~~**VENCorp Meter Register** has the same meaning as in the MSO Rules~~other parameters; and

X has the same meaning as in clause 3.1 of the Reference Tariff Policy.

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S 2.2 Interpretation

- (a) In this Access Arrangement, unless the context requires another meaning a reference:
- (1) to the singular includes the plural and vice versa;
 - (2) to a gender includes all genders;
 - (3) to a document (including this Access Arrangement and a Regulatory Instrument) is a reference to that document (including any Appendices, Schedules and Annexures) as amended, consolidated, supplemented, novated or replaced;
 - (4) to an agreement includes any undertaking, representation, deed, agreement or legally enforceable arrangement or understanding whether written or not;
 - (5) to a notice means a notice, approval, demand, request, nomination or other communication given by one party to another under or in connection with this Access Arrangement;
 - (6) to a person (including a party) includes:
 - (A) an individual, company, other body corporate, association, partnership, firm, joint venture, trust or government agency; and
 - (B) the person's agents successors, permitted assigns, substitutes, executors and administrators; and
 - (C) where that person ceases to exist, is reconstituted, renamed or replaced, or where its powers or functions are transferred to another body, a reference to the body which replaces it or which serves substantially the same purpose or has the same powers or functions;
 - (7) to a law:
 - (A) includes a reference to any legislation, treaty, judgment, rule of common law or equity or rule of any applicable stock exchange; and
 - (B) is a reference to that law as amended, consolidated, supplemented or replaced; and
 - (C) includes a reference to any regulation, rule, statutory instrument, by-law or other subordinate legislation made under that law;
 - (8) to time is to Melbourne time; and
 - (9) to Haulage Reference Tariff D, Haulage Reference Tariff V or Haulage Reference Tariff M includes a reference to a new Haulage Reference Tariff introduced pursuant to the Reference Tariff Policy which supplements or replaces Haulage Reference Tariff D, Haulage Reference Tariff V or Haulage Reference Tariff M respectively and related terms shall be construed accordingly; and
 - (10) the word including or includes means including, but not limited to, or includes, without limitation.

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- (b) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (c) Headings are for convenience only and do not affect interpretation.
- (d) If a period occurs from, after or before a day or the day of an act or event, then, unless a contrary intention appears, it excludes that day.
- (e) A reference to a thing (including, but not limited to, a right) includes any part of that thing.
- (f) A reference to a right includes a remedy, power, authority, discretion or benefit.
- (g) All Reference Tariffs and Reference Tariff Components calculated under this Access Arrangement will be rounded to the accuracy, in terms of the number of decimal places, required by the relevant Service Provider's charging and billing systems.
- (h) A Reference Tariff which has been calculated and rounded under the principles in S 2.2(g) will not be rounded to a different level of accuracy when utilised in calculations made under this Access Arrangement.
- (i) All values used in calculations made under this Access Arrangement, except those values to which S 2.2(g) and s 2.2(h) apply, will not be rounded.
- (j) When a calculation is required under this Access Arrangement:
 - (1) a year "t" is the year in respect of which the calculation is being made;
 - (2) a year "t-1" is the year immediately preceding year "t"; and
 - (3) a year "t-2" is the year immediately preceding year "t-1".