

ACCESS ARRANGEMENT
FOR THE
QUEENSLAND GAS PIPELINE
(Wallumbilla to Gladstone via Rockhampton)

Drafted and Approved by the ACCC
Under Section 2.20(a) of the
National Third Party Access Code For Natural Gas Pipeline
Systems
under the Gas Pipeline Access (Queensland) Law

ACCESS ARRANGEMENT FOR THE QUEENSLAND GAS PIPELINE

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ACCESS ARRANGEMENT FOR THE QUEENSLAND GAS PIPELINE

1 BASIC INFORMATION ABOUT THIS ACCESS ARRANGEMENT

1.1 Basis of Access Arrangement

This Access Arrangement is prepared by the Australian Competition and Consumer Commission for Duke Australia Operations Pty Ltd in accordance with section 2.20(a) of the National Third Party Access Code for Natural Gas Pipeline Systems.

1.2 What is this Access Arrangement for?

This Access Arrangement sets out the policies and basic terms and conditions applying to third party access to Services provided by the Service Provider in relation to the Pipeline.

1.3 What Pipeline does this Access Arrangement cover?

The Queensland Gas Pipeline licensed under Pipeline Licence No 30 under the *Petroleum Act 1923* (Qld) ("**Pipeline**").

The Pipeline is a single high pressure Natural Gas Pipeline from Wallumbilla to Gladstone and Rockhampton.

A map detailing the route of the Pipeline is contained in Schedule 7.

1.4 Who is the Service Provider?

For the purposes of this Access Arrangement, the Gas Pipelines Access Legislation and any Access Agreements entered into pursuant to this Access Arrangement, Duke is the Service Provider and has the rights and obligations of the Service Provider as set out under those documents.

However, please note that the Pipeline is owned by DEI Queensland Gas Pipeline Pty Ltd ACN 083 050 104 and Duke Queensland Pipeline Pty Ltd ACN 083 050 284 ("**Pipeline Owners**") and is operated by Duke as their agent. Duke will provide information to potential Users and negotiate Access Agreements on behalf of the Pipeline Owners for all Services in relation to the Pipeline. All correspondence concerning the Pipeline and Access Agreements in connection with the Pipeline should be addressed to Duke.

1.5 When was this Access Arrangement approved by the ACCC under the Code?

This Access Arrangement was approved by the ACCC on 1 November 2001.

1.6 Commencement Date

In accordance with section 2.26 of the Code, this Access Arrangement becomes effective on 19 November 2001.

1.7 Planned Revisions Submission Date and Revisions Commencement Date

In accordance with section 3.17 of the Code, Duke must submit revisions to this Access Arrangement to the ACCC by a nominated date and must indicate the date that the revisions are intended to commence. The Reference Tariffs Schedule defines when this must occur as follows:

Revisions Submission Date – means the date by which revisions to this Access Arrangement must be submitted to the ACCC, being the earlier of:

- (a) 31 August 2016; or
- (b) the date being six Months before the date when Duke reasonably expects the Capacity of the Pipeline will be greater than the Nominal Capacity of the Pipeline when its configuration is as specified in Schedule 1 to the Licence.

Revisions Commencement Date – means the date by which the revisions, once approved by the ACCC, are deemed to commence, being:

- (a) in relation to revisions submitted on 31 August 2016 – the date on which the ACCC approves the revisions; or
- (b) in relation to revisions submitted under subparagraph (b) of the definition of Revisions Submission Date – the date when the Capacity of the Pipeline is greater than the Nominal Capacity of the Pipeline when its configuration is as specified in Schedule 1 to the Licence.

1.8 Will revisions have to be submitted to the ACCC for approval before the planned Revisions Submission Date?

Duke is required to submit revisions to this access arrangement within one month of receiving written notification by the Commission that one of the following major events has occurred:

- (a) the interconnection of another pipeline with the QGP; or
- (b) the introduction of a significant new source of gas supply to one of the QGP's markets;

that substantially changes the types of Services that are likely to be sought by the market or has a substantial effect on the direction of the flow of natural gas through all or part of the pipeline.¹

In addition, section 2.26 of the Code enables the Service Provider, at any time prior to the Revisions Submission Date, to submit revisions to the Access Arrangement for approval by the ACCC.

¹ Pursuant to section 58 of the *Gas Pipelines Access (Queensland) Act 1998*, and for so long as that section remains in effect, a review of this access arrangement as a result of one of these major events occurring cannot result in revisions to those parts of the access arrangement that are taken to be approved under that section.

1.9 Related documents

These will help you understand how this Access Arrangement works:

- The Reference Tariffs Schedule;
- The Code; and
- The Gas Pipelines Access Legislation.

2 WHAT WORDS AND EXPRESSIONS MEAN IN THIS ACCESS ARRANGEMENT

2.1 Generally

In this Access Arrangement, the Access Agreement and Duke's Standard Terms and Conditions of Service, unless the contrary appears:

ACCC

means the Australian Competition and Consumer Commission established under the *Trade Practices Act 1974* (Cth);

Access Agreement

means an executed written agreement between Duke and a User for the provision of a Service in relation to the Pipeline, including but not limited to the Terms Sheet and Duke's Standard Terms and Conditions of Service;

Access Arrangement

means this Access Arrangement for the Pipeline of which the Reference Tariffs Schedule are, or are intended to, form a part;

Access Arrangement Information

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Affected Obligation

has the meaning given in clause 18 of Duke's Standard Terms and Conditions of Service (see Schedule 4);

Applicable Surcharge

means a charge that is calculated in accordance with clause 12 of the Access Arrangement and that the Service Provider is authorised by the ACCC to charge under sections 8.25 and 8.26 of the Code;

As Available Rate

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

As Available Service

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Assigned Capacity

has the meaning given to that term in clause 9 of this Access Arrangement;

Available Capacity

means Developable Capacity, Spare Capacity or Capacity that becomes available but that is not reserved through the renewal, or extension of the term of an Access Agreement;

Backhaul Rate

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Backhaul Service

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Bare Transfer

means an agreement entered into pursuant to clauses 9.1(a) and 9.3 of this Access Arrangement in relation to Traded Capacity;

Business Day

means a Day which is not a weekend or a public holiday in Brisbane, Queensland;

Capacity

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Capacity Reservation Rate

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Capital Surcharge

means a charge, approved by the ACCC under the Code, payable by a User in addition to the Service Charge, and that will enable Duke to recover the cost of capital improvements to extend, or expand the Capacity of, the Pipeline, which cost is not recovered at the tariffs actually charged to the User for the Service;

Capital Contributions

has the meaning given to this term in section 8.23 of the Code;

Code

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Contracted Capacity

means that part of the Capacity of the Pipeline which has been reserved by a User or Users pursuant to an Access Agreement or Access Agreements;

Cumulative Imbalance

means for each User, the sum of the Imbalance plus System Use Gas, from the commencement of the Access Agreement to the current Day. A Cumulative Imbalance will be negative where quantities of Natural Gas delivered during the term of an Access Agreement are less than the quantities of Natural Gas received during that period. A Cumulative Imbalance will be positive where quantities of Natural Gas delivered during the term of an Access Agreement are greater than the quantities of Natural Gas received during that period;

Curtailment

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Day

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Delivery Point

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Developable Capacity

means the difference between the Capacity and the capacity which would be available if additions of plant and/or pipeline were made, but does not include any extension of the geographic range of the Pipeline;

Distance Component

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Distance Reservation Rate

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Duke

means Duke Australia Operations Pty Limited ACN 083 050 319, the Service Provider for the Pipeline for the purposes of the Gas Pipelines Access Legislation, the Code, this Access Arrangement and all Access Agreements;

Duke's Standard Terms and Conditions of Service

means the terms and conditions for an Access Agreement, details of which are set out in Schedule 4;

Exhibit A

means the most recently signed Exhibit A to an Access Agreement;

Expansions

means all or any part of the Developable Capacity of the Pipeline;

Expansion Date

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Extensions

means additions to the Pipeline that result in any extension of the geographic range of the Pipeline;

Electronic Bulletin Board

means the Web Site;

Firm Forward Haul Service

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Force Majeure Event

has the meaning given in clause 18 of Duke's Standard Terms and Conditions of Service (see Schedule 4);

Gas Pipelines Access Legislation

means the provisions of the *Gas Pipelines Access (Queensland) Act 1998*, any regulations passed in relation to the Act, the Gas Pipeline Access (Queensland) Law and the Code, as amended from time to time;

GJ

means a gigajoule of Natural Gas;

Gross Heating Value

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Imbalance

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Imbalance Charge

means a charge payable by a User to Duke when, over time, there is an Imbalance;

Information Package

means the information made available to Prospective Users by Duke on the Web Site, containing the information referred to in clause 3.2(a) of this Access Arrangement;

kPag

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Licence

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Line Pack

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

MDQ

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Metering Manual

has the meaning given to that term in clause 24.6 of Duke's Standard Terms and Conditions of Service (see Schedule 4);

MJ

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Month

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Monthly Nomination Form

means a written and signed form bearing that name on the Web Site, containing at least the following information:

- The name of the Supplier
- The Month to which the Nomination relates
- A Nomination of gas to be transported on the Pipeline in the subsequent month
- Relevant Receipt Points and the percentage allocation of each Receipt Point
- Relevant Delivery Points
- Quantities (in GJ/Day) for each Day of the following nominated Month
- Any information that may assist the Service Provider in scheduling receipt amounts for the Supplier
- Any additional information which the Service Provider considers is reasonably required to ensure the parties can perform their obligations under Access Agreements;

Natural Gas

means Natural Gas containing the qualities set out in clause 13.1 of Duke's Standard Terms and Conditions of Service (see Schedule 4);

Negotiable Service

means a Service which Duke agrees to provide to a Prospective User where the Prospective User's requirements and circumstances vary significantly from those conditions on which the Reference Tariffs for Reference Services are based. The Negotiable Service will have a tariff and priority agreed on a case by case basis but it will not be of a higher priority than the Firm Forward Haul Service;

Net Negative Imbalance

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Net Positive Imbalance

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Nominal Capacity

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Nomination

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Notice

means a notice, advice, consent, approval or other communication under this Access Arrangement, an Access Agreement or Duke's Standard Terms and Conditions of Service;

Operational Flow Order

has the meaning given in clause 10 of Duke's Standard Terms and Conditions of Service (see Schedule 4);

Overrun Quantity

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Overrun Rate

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Overrun Service

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Path

means the sections of the Pipeline through which Natural Gas transported for a User under an Access Agreement actually or nominally passes;

Pipeline

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

PJ

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Prospective User

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Public Capacity Register

means a register maintained by Duke on its Web Site, containing the information detailed in clause 3.2(b) of this Access Arrangement;

Rate Cap

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Receipt Point

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Reference Services

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Reference Tariff

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Reference Tariffs Schedule

means the tariff setting principles and the indicative tariff schedule forming part of the access principles that applied to the Pipeline immediately prior to the commencement of this Access Arrangement, and which are deemed to have been approved as part of this Access Arrangement by virtue of section 58 of the *Gas Pipelines Access (Queensland) Act 1998* and the Notice published in the Queensland Government Gazette by the Minister for Mines & Energy on 16 June 2000. A copy of the Reference Tariffs Schedule is contained in Schedule 5;

Regulator

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Revisions Commencement Date

has the meaning given to that term by virtue of clause 3.2 of the Reference Tariffs Schedule (see Schedule 5);

Revisions Submission Date

has the meaning given to that term by virtue of clause 3.2 of the Reference Tariffs Schedule (see Schedule 5);

Service

means a Service, as defined in the Reference Tariffs Schedule, and also includes (without limitation) a Negotiable Service;

Service Charge

means the charge a User has to pay for the provision of a Service, based on the tariff for the Service, as set out in the Access Agreement with the User;

Service Provider

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Service Request

means a request from a Prospective User to Duke, evidenced by the delivery to Duke of a Service Request Form, for access to a Service on terms stipulated in the Service Request Form;

Service Request Form

means a form of that name, as included in the Information Package, and as amended from time to time by Duke to contain additional information which Duke considers is reasonably required to ensure the parties can perform their obligations under Access Agreements;

Spare Capacity

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Supplier

means any entity supplying you with Natural Gas at the Receipt Points;

Suspension Period

has the meaning given to that term in clause 18 of Duke's Standard Terms and Conditions of Service (see Schedule 4);

Swap

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

System Distance Chart

see Schedule 6 of this Access Arrangement;

System Use Gas

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Terms Sheet

means the Terms Sheet signed by both parties in relation to an Access Agreement being of the form contained in Schedules 1, 2 or 3 of this Access Arrangement;

TJ

has the meaning given to this term in the Reference Tariffs Schedule (see Schedule 5);

Traded Capacity

has the meaning given in clause 9 of this Access Arrangement;

User

means a person that has an Access Agreement for a Service;

User's Spare Contracted Capacity

has the meaning given to that term in clause 9.5 of this Access Arrangement;

User Specific Facility Charge

means a charge imposed pursuant to Clause 2.4 of the Reference Tariffs Schedule (see Schedule 5) in respect of constructing, operating and maintaining capital improvements that Service a specific User or group of Users;

Web Site

means Duke's public or customer site on the World Wide Web at <http://www.Duke-energy.com.au>; and

Weekly Nomination

means a written and signed form bearing that name on the Web Site, containing at least the following information:

- The name and contact details of the Supplier
- The week to which the Nomination relates
- A Nomination of gas to be transported on the Pipeline in the relevant week
- Relevant Receipt Points and the percentage allocation of each Receipt Point

- Relevant Delivery Points
- Quantities (in GJ/Day) for each Day of the relevant nominated week
- The amount of gas for any Imbalance correction
- The total receipt amount scheduled
- Any information that may assist the Service Provider in scheduling receipt amounts for the Supplier
- Any additional information which the Service Provider considers is reasonably required to ensure the parties can perform their obligations under Access Agreements;

2.2 Times and dates

For the purposes of this Access Arrangement, something that has to be done by a particular time, or by a particular date, is to be done by that time, or by that date, in Brisbane, Queensland.

2.3 Quantities of Natural Gas

In this Access Arrangement, all quantities of Natural Gas are expressed in GJ unless otherwise specified.

2.4 General interpretation provisions

In this Access Arrangement, unless the contrary appears:

- (a) [**legislation**] a reference at a particular time to a particular statute or subordinate legislation, or to particular provisions of a statute or subordinate legislation (a **written law**):
 - (i) is to the written law as in force at that time; and
 - (ii) if the written law has been replaced by another written law — is to the written law that replaces it; and
 - (iii) is also a reference to subordinate legislation, and the provisions of subordinate legislation, made or issued under or for the purposes of the written law; and
- (b) [**other documents**] a reference at a particular time to a particular agreement, document or arrangement, or to any of its provisions:
 - (i) is a reference to it as in operation at that time; and
 - (ii) if the agreement, document or arrangement has been re-made or novated — is also a reference to it as re-made or novated; and
- (c) [**number**] the singular includes the plural and vice versa; and
- (d) [**individuals**] a reference to an individual is also a reference to any kind of legally recognised body, entity or relationship (for example, a trust), whether incorporated or not, and vice versa; and
- (e) [**provisions**] a reference to a particular section or other provision, or to a schedule, is to that section or provision of, or that schedule to, this Access Arrangement; and
- (f) [**parts of speech**] other parts of speech or grammatical forms of an expression defined in or for the purposes of this Access Arrangement have corresponding meanings; and

- (g) [**powers**] a power to do something includes a power, exercisable in the like circumstances, to revoke or undo it; and
- (h) [**dollars**] a reference to currency is to Australian currency.

2.5 Annexures etc

The schedules and annexures to this Access Arrangement are all provisions of this Access Arrangement.

2.6 Headings and notes

Headings and notes (including those in square brackets) in this Access Arrangement are for convenience only and do not affect interpretation.

3 APPLYING FOR ACCESS TO SERVICES

3.1 Service Request Form

Prospective Users who wish to seek access to any of the Services offered by Duke must complete and submit to Duke a Service Request Form.

3.2 Information available to Prospective Users

Duke will maintain on its public Web Site:

- (a) an Information Package which will contain:
 - (i) this Access Arrangement and any Access Arrangement Information required in relation to the Pipeline;
 - (ii) a regularly updated summary of Duke's Public Capacity Register
 - (iii) general operating information as detailed in Schedule 8, as amended from time to time to reflect the then physical characteristics of the Pipeline;
 - (iv) the rules for making Nominations;
 - (v) a map detailing the route of the Pipeline; and
 - (vi) an up to date copy of the relevant provisions of this Access Arrangement relating to the process for making a Service Request;
- (b) a Public Capacity Register which will contain:
 - (i) details of the Spare Capacity that Duke reasonably believes exists for each Service for delivery to points defined along the Pipeline that Duke considers to be commercially relevant for a significant number of Prospective Users;
 - (ii) such information on planned or committed Expansions and Extensions that Duke considers is not unduly harmful to its legitimate business interests or those of a User or a Prospective User; and
 - (iii) details of each User's Spare Contracted Capacity that each User has notified Duke of pursuant to Clause 9.5 of this Access Arrangement; and

- (c) a program detailing any maintenance work planned for the Pipeline which will restrict or interrupt or Curtail the provision of Services to Users by Duke.

A Prospective User should read the Information Package before lodging a Service Request Form.

Duke may charge a fee to enable any Prospective User access to the above information.

3.3 Further Information

To enable Duke to properly consider the Service Request, Duke may, within a reasonable time after receiving a completed Service Request Form (which will be no later than 30 Days after its receipt), by giving written Notice to the Prospective User, require the Prospective User to provide further reasonable information relevant to the Service Request within 14 Days.

3.4 Consideration of Service Request

Duke is under no obligation to agree to all or part of a Service Request. However, it will not unreasonably reject a Service Request. Without limiting what is unreasonable Duke will not be acting unreasonably in not agreeing to a Service Request where any of the following conditions exist:

- (a) The Prospective User does not deliver to Duke a completed and signed Service Request Form which complies in all respects with the requirements of the Information Package.
- (b) The Prospective User already has a current Service Request Form lodged with Duke for the same Capacity.
- (c) Duke has no Spare Capacity available to enable it to provide the Service set out in the Service Request.
- (d) The Prospective User does not meet the creditworthy requirements as set out in clause 21 of Duke's Standard Terms and Conditions of Service (see Schedule 4).
- (e) The Prospective User is not prepared to sign the Access Agreement for the Service set out in the Service Request.
- (f) Following a request by Duke to provide financial information, the Prospective User fails to provide it.
- (g) The Prospective User seeks access to a Reference Service but is only willing to pay a Service Charge that is less than the Reference Tariff for the Reference Service.
- (h) The Prospective User has not reasonably demonstrated that it has made appropriate arrangements with its Supplier for the delivery of Natural Gas at the Receipt Points and for the collection of Natural Gas at the Delivery Points.

3.5 Decision on Service Request

Within 30 Days of the receipt of a valid Service Request or any further information the Prospective User is required to provide to Duke by virtue of clause 3.3 or 3.4(f) of this Access Arrangement (whichever is the later), Duke must advise the Prospective User in writing that:

- (a) Duke accepts the Service Request with or without reasonable conditions as stated in the written advice;
- (b) further investigations are required to be undertaken prior to making a decision in relation to the Service Request, in which case Duke must also provide to the Prospective User the information required under section 5.5 of the Code together with details of the cost of any such investigations (if any);
- (c) Duke rejects the Service Request, without the need to provide reasons; or
- (d) there is presently no Spare Capacity to satisfy the Service Request, in which case the Prospective User's Service Request is placed in the queue in accordance with clause 11 of this Access Arrangement, following which, the provisions of clause 11 of this Access Arrangement will apply. In this instance, Duke must provide:
 - (i) an explanation as to why there is presently no Spare Capacity to satisfy the Service Request; and
 - (ii) an indication, based on current commitments, as to when the Service Request might be accepted.

3.6 Prospective User to pay investigative costs

Within 30 Days of receiving a Notice under clause 3.5(b) of this Access Arrangement and if that notice requires the Prospective User to pay any investigative costs pursuant to clause 3.5(b) of this Access Arrangement, the Prospective User must sign and deliver to Duke an acknowledgement, in such a form as Duke may require, that the Prospective User will pay Duke the reasonable costs of undertaking the investigations referred to in the Notice. Unless the parties otherwise agree, if the signed acknowledgement is not received by Duke within the 30 Day period, Duke is not required to proceed with the investigations referred to in the Notice.

4 CAPACITY MANAGEMENT POLICY

4.1 Contract Carriage Pipeline

The Pipeline is a contract carriage Pipeline for the purposes of the Code.

4.2 Duke's Reference Services

In accordance with the requirements of the Code, Duke offers a number of Reference Services (described in this Access Arrangement), at Reference Tariffs as detailed in the Reference Tariffs Schedule.

4.3 Access Agreements

Before Duke is obliged to provide a Service, a User or a Prospective User must enter into an Access Agreement that specifies a Service to be used and the quantity of the Service in accordance with this Access Arrangement.

4.4 Managing Capacity

Duke normally manages its ability to provide Services primarily by limiting its obligations under each Access Agreement to transport no more than the total quantity of Natural Gas specified in all Users' Firm Forward Haul Service

Access Agreements or the total confirmed Service Nominations provided by all Users under Access Agreements.

Clause 6 of this Access Arrangement details how Duke fixes priorities between different kinds of Services.

4.5 Duke's Service Charges

Duke's Service Charges are generally based on the quantity of Natural Gas to be transported under each Access Agreement.

4.6 Rights to trade

A User has the right to trade its rights under an Access Agreement subject to the terms and conditions of this Access Arrangement (see clause 9 of this Access Arrangement).

4.7 Terms and conditions for Services

Duke will provide the Reference Services outlined in this Access Arrangement on the terms and conditions set out in the Access Agreement for the relevant Reference Service from time to time, and in accordance with the Reference Tariffs Schedule.

4.8 Prospective Users must be creditworthy

Duke does not have to enter into an Access Agreement with a Prospective User if, in Duke's reasonable opinion, the Prospective User is not creditworthy (in accordance with clause 21 of Duke's Standard Terms and Conditions of Service) or, if requested by Duke, the Prospective User is not prepared to provide and maintain a financial security for the due and proper performance of Prospective User's obligations under the proposed Access Agreement, in the form required by Duke.

5 SERVICES POLICY

5.1 Reference Services

The Reference Services Duke offers on the Pipeline are:

- Firm Forward Haul Service
- Backhaul Service
- As Available Service.

These Reference Services are defined in the Reference Tariffs Schedule.

5.2 Firm Forward Haul Service

What are the terms and conditions in the Access Agreement for this Reference Service?

The terms and conditions in Duke's Firm Forward Haul Service Access Agreement Terms Sheet (see Schedule 1)

and

Duke's Standard Terms and Conditions of Service (see Schedule 4)

and

The provisions of this Access Arrangement.

What is the Reference Service's priority number?

1.0

What is the minimum term of an Access Agreement for this Reference Service?

10 years.

Can Duke curtail this Reference Service?

Refer to clause 20 of Duke's Standard Terms and Conditions of Service.

What Reference Tariff corresponds to this Reference Service?

The Reference Tariff for a Firm Forward Haul Service. Refer to clause 2 of the Reference Tariffs Schedule (see Schedule 5).

What charges apply to this Reference Service?

A Service Charge based on the Reference Tariff for Firm Forward Haul Service.

Additional charges that may apply are:

A charge based on the Overrun Rate for any Overruns
and
an Imbalance Charge
and
a Capital Surcharge
and
a User Specific Facility Charge/Applicable Surcharge.

5.3 Backhaul Service

What are the terms and conditions in the Access Agreement for this Reference Service?

The terms and conditions in Duke's Backhaul Service Access Agreement Terms Sheet (see Schedule 2)
and
Duke's Standard Terms and Conditions of Service (see Schedule 4)
and
The provisions of this Access Arrangement.

What is the Reference Service's priority number?

2.0

What is the minimum term of an Access Agreement for this Reference Service?

There is no minimum term.

Can Duke curtail this Reference Service?

Refer to clause 20 of Duke's Standard Terms and Conditions of Service (see Schedule 4).

What Reference Tariff corresponds to this Reference Service?

The Reference Tariff for Backhaul Service. Refer to clause 2 of the Reference Tariffs Schedule (see Schedule 5).

What charges apply to this Reference Service?

A Service Charge based on the Reference Tariff for Backhaul Service.

Additional charges that may apply are:

A charge based on the Overrun Rate for any Overruns

and

an Imbalance Charge

and

a Capital Surcharge

and

a User Specific Facility Charge/Applicable Surcharge .

5.4 As Available Service

What are the terms and conditions in the Access Agreement for this Reference Service?

The terms and conditions in Duke's As Available Service Access Agreement Terms Sheet (see Schedule 3)

and

Duke's Standard Terms and Conditions of Service (see Schedule 4)

and

The provisions of this Access Arrangement.

What is this Reference Service's priority number?

3.0

What is the minimum term of an Access Agreement for this Reference Service?

There is no minimum term.

Can Duke curtail this Reference Service?

Refer to clause 20 of Duke's Standard Terms and Conditions of Service.

What tariff corresponds to this Reference Service?

The Reference Tariff for the As Available Service. Refer to clause 2 of the Reference Tariffs Schedule (see Schedule 5).

What charges apply to this Reference Service?

A Service Charge based on the Reference Tariff for As Available Service.

Additional charges that may apply are:

A charge based on the Overrun Rate for any Overruns

and

an Imbalance Charge

and

a Capital Surcharge

and
a User Specific Facility Charge/Applicable Surcharge.

6 HOW DUKE FIXES PRIORITIES BETWEEN DIFFERENT KINDS OF SERVICES

6.1 Curtailment

Duke may find it necessary to curtail Services on the Pipeline on a particular Day if there is not enough Capacity on the Pipeline to transport the total quantity of Natural Gas nominated by all Users under their Access Agreements.

If this occurs Duke will curtail Services according to their priority number. Services of different types are to be given priority according to their priority numbers. The lower the priority number the higher the priority. Priority number 1.0 has the highest priority.

6.2 Priority of Negotiable Services

A Negotiable Service may have a priority number in between the priority number of the Reference Services.

6.3 Priorities between Access Agreements for same Service

Access Agreements for the same type of Service have the same priority. If, due to Curtailment or for whatever reason, there is not enough Capacity on the Pipeline on a particular Day to enable Duke to transport the total quantity of Natural Gas nominated by all Users under Access Agreements for the same type of Service, Duke will:

- (a) in the case of Access Agreements for Firm Forward Haul Service and Backhaul Service — reduce proportionately the quantities of Natural Gas to be transported in the same ratio that the MDQs specified in each Access Agreement bears to the aggregate of the MDQ for the Services of these classes that are affected;
- (b) in the case of Access Agreements for As Available Service — reduce Service on the basis of the Service Charge per GJ that provides for the highest economic values; and
- (c) in the case of Access Agreements for Negotiable Service – reduce Service on the basis of the priority set out in the Service Agreement

6.4 Priority of Overrun Service

An Overrun Service has a priority number of 4.0.

7 REFERENCE TARIFF POLICY AND RELATED MATTERS

7.1 Duke's objectives for its Reference Tariff policy

In accordance with section 58 of the *Gas Pipelines Access (Queensland) Act 1998*, the Queensland Minister for Mines & Energy approved a tariff arrangement for the Pipeline. The approval was effective upon its publication in the Queensland Government Gazette on 16 June 2000. The tariff arrangement is contained in the Reference Tariffs Schedule (see Schedule 5).

By virtue of section 58(3) of that Act, the Reference Tariffs Schedule is deemed to be approved under the Gas Pipelines Access (Queensland) Law

as the Reference Tariff and Reference Tariff Policy for this Access Arrangement.

7.2 Duke's non-discriminatory tariffs policy

The Reference Tariffs are subject to Duke's non-discriminatory tariffs policy as contained in the Reference Tariffs Schedule (see Schedule 5).

7.3 Duke will negotiate tariffs

Duke is not obliged to enter into any Access Agreement for a Reference Service with provision for a Service Charge that is less than the Reference Tariff for the relevant Reference Service.

7.4 Capital Surcharges

If approved by the ACCC, Duke may levy a Capital Surcharge on Users.

7.5 A User Specific Facility Charge/Applicable Surcharge

Duke is entitled to levy a User Specific Facility Charge on Users with the User's agreement or the approval of the ACCC.

7.6 New Government Taxes, Duties and Charges

Subject to clause 7.7 of this Access Arrangement, clause 2.7 of the Reference Tariffs Schedule deals with the effect of new government taxes, duties and charges on an Access Agreement.

7.7 GST

The consideration payable or to be provided to Duke under this Access Arrangement or an Access Agreement ('GST exclusive consideration') does not include an amount on account of the GST payable by Duke. If any supply provided to a User under this Access Arrangement or an Access Agreement is subject to GST, the User must provide to Duke the GST exclusive consideration plus an amount equal to the GST payable by Duke ('the GST amount') on the supply. The amount must be paid at the same time as the GST exclusive consideration is required to be paid or provided under this Access Arrangement or an Access Agreement.

At any time Duke, having regard to Part VB of the Trade Practices Act 1974(Cwth) ("TPA") may refund to the User part of the consideration paid or provided by the User during the New Tax System transition period (as that term is defined in the TPA) as calculated by Duke in its sole discretion.

Expressions used in this clause 7.7 have the meanings attributed to them in the A New Tax System (Goods and Services Tax) Act 1999.

8 DUKE'S NON-DISCRIMINATORY TARIFFS POLICY

Duke's non-discriminatory tariff policy is contained in the Reference Tariffs Schedule (see Schedule 5).

9 DUKE'S TRADING POLICY

9.1 When can a User deal with its rights under an Access Agreement?

A User can deal with third parties in relation to its rights under an Access Agreement for the Pipeline in two ways:

- (a) by **trading** some or all of its rights to its Contracted Capacity under the Access Agreement ("**Traded Capacity**") to another User or Prospective User, resulting in an agreement between the User and the other User or Prospective User, but with the User remaining responsible to Duke for the entire MDQ. This is known as a **Bare Transfer**; or
- (b) by **assigning** some or all of its rights to its Contracted Capacity under the Access Agreement ("**Assigned Capacity**") to a Prospective User, resulting in an amendment to the Access Agreement with Duke and an Access Agreement being entered into between Duke and the Prospective User acquiring the rights to the Assigned Capacity.

9.2 Trading Capacity

A User can only effect a Bare Transfer to another User or Prospective User if:

- (a) the User has notified Duke that it intends to effect a Bare Transfer;
- (b) the User's obligations under its Access Agreement with Duke remain in full force and effect for at least the duration of the agreement with the other User or Prospective User relating to the Traded Capacity; and
- (c) the User's Access Agreement with Duke is not changed because of the Bare Transfer.

Subject to clause 10.1 of this Access Arrangement, a User does not need to obtain Duke's prior consent to effect a Bare Transfer, mere prior Notice to Duke is sufficient.

9.3 How to effect a Bare Transfer

A User may negotiate with other Users or Prospective Users the terms on which it will effect a Bare Transfer.

Duke will assist Users to effect Bare Transfers by allowing them to post offers to buy or to sell Traded Capacity on the Web Site.

9.4 How to Assign Capacity

A User can assign its rights and obligations to a part of its Contracted Capacity under an Access Agreement ("**Assigned Capacity**") by first complying with the following:

- (a) negotiating in good faith with any Prospective Users notified by Duke;
- (b) seeking Duke's consent to the assignment;
- (c) agreeing with a Prospective User that it will assume the rights and obligations of the User in relation to the Assigned Capacity;

- (d) requiring the Prospective User to enter into an Access Agreement in relation to the Assigned Capacity on at least the same terms and conditions as under the User's Access Agreement (except in relation to the Receipt Points and Delivery Points in accordance with clause 10 of this Access Arrangement);
- (e) ensuring that the Prospective User complies with clause 21 of Duke's Standard Terms and Conditions of Service; and
- (f) agreeing with Duke to amend its Access Agreement accordingly.

A User may assign all or part of its Contracted Capacity for a Path, or its total Contracted Capacity for part of a Path.

9.5 Assigning to Prospective Users in Queue

- (a) From time to time Duke may try to reorganise Capacity by giving written Notice to each User requesting that it assign any unutilised Contracted Capacity that the User no longer requires ("**User's Spare Contracted Capacity**").

The Notice will require each User to:

- (i) provide a written response to Duke within 30 Days of the Notice ("User's Spare Contracted Capacity Notice");
 - (ii) nominate the quantity of the User's Spare Contracted Capacity; and
 - (iii) nominate when the User's Spare Contracted Capacity will be available and the Receipt Point and Delivery Point.
- (b) Upon receipt of a User's Spare Contracted Capacity Notice, Duke will:
 - (i) allow the relevant User to post offers to assign its User's Spare Contracted Capacity on the Web Site;
 - (ii) provide to the relevant User the contact details of the Prospective Users registered on the queue formed pursuant to clause 11 of this Access Arrangement.
 - (c) The User with Spare Contracted Capacity will negotiate in good faith with Prospective Users with a view to assigning the User's Spare Contracted Capacity.

9.6 Giving Consent

Duke may:

- (a) withhold consent (by refusing to enter into a new Access Agreement in relation to the Assigned Capacity and to amend the existing Access Agreement) only for reasonable commercial or technical reasons; and
- (b) make its consent subject to conditions (which will be terms of the new Access Agreement and of the amended Access Agreement), but only ones imposed for reasonable commercial or technical reasons which are consistent with Duke's Standard Terms and Conditions of Service.

Without limitation, it is a reasonable commercial condition for Duke to ensure that it will receive from the assignee of the Assigned Capacity revenue of at

least the same economic value as it would have received from the User before the assignment of the Assigned Capacity.

10 CHANGING THE DELIVERY OR RECEIPT POINTS WHEN TRADING OR ASSIGNING CAPACITY

10.1 Can a User change Delivery Points or Receipt Points?

A User may:

- (a) effect a Bare Transfer to a User or Prospective User who requires that the Traded Capacity be provided between a different Receipt Point and/or a Delivery Point to those of the first User; or
- (b) assign its rights and obligations to all or part of its Contracted Capacity under an Access Agreement to a Prospective User who requires that the Assigned Capacity be provided between a different Delivery Point or Receipt Point to that of the first User;

but a Bare Transfer or assignment under this clause is not effective unless Duke gives its prior consent to it in writing.

10.2 Duke's consent required

A User may propose to extend or shorten its Path by giving Duke at least 30 Days' Notice (or such shorter period as Duke may agree) in writing of the proposal for the variation of Receipt and Delivery Points. Duke does not have to agree to a variation under this clause 10.2 more frequently than once every three Months.

10.3 Giving consent

Duke may:

- (a) withhold consent only on reasonable commercial or technical reasons; and
- (b) make its consent subject to conditions, but only ones imposed for reasonable commercial or technical reasons.

Without limitation, it is a reasonable technical reason to withhold consent if the reduction in the amount of the Service provided to the original Delivery Point will not result in a corresponding increase in Duke's ability to provide the Service to the alternative Delivery Point is a proper technical reason.

Without limitation, it is a reasonable commercial reason to withhold consent if Duke is not satisfied that it will receive at least the same amount of revenue as it would have received before the change.

It is not a reasonable commercial reason to withhold consent under clause 10.1(a) if the transferee or the transferor of the Bare Transfer refuse to pay any costs and charges over and above those which can be levied by Duke under the Access Agreement to which the capacity that is the subject of the Bare Transfer relates.

11 DUKE'S QUEUING POLICY FOR WORKING OUT PRIORITIES BETWEEN PROSPECTIVE USERS

11.1 The steps Duke must follow

- (a) Where there is insufficient Capacity to satisfy all Service Requests, Duke will form a queue process to ensure the orderly allocation of Available Capacity. The queue will include all relevant Service Requests which cannot be satisfied by Duke in accordance with clause 3 of this Access Arrangement.
- (b) Duke must follow the steps in clauses 11.2 to 11.8 of this Access Arrangement to meet requests in the queue unless the Available Capacity is reserved through the renewal, or extension of the term, of an Access Agreement.
- (c) However, Duke may negotiate with other Prospective Users before publishing the Notice mentioned in clause 11.3 of this Access Arrangement, provided that any offer made as a result of these negotiations is subject to:
 - (i) a Prospective User who is higher in priority in the queue not taking up the Available Capacity; and/or
 - (ii) other Prospective Users concurrently offered a proportion of the Available Capacity also taking up that proportion of the Available Capacity.

11.2 Confirmation of place in queue

Duke may periodically seek confirmation from a Prospective User that it wishes to remain in the queue by written Notice to that effect to each Prospective User in the queue. If a Prospective User fails to notify Duke within 14 Days that it wishes to continue in the queue, its position in the queue will be lost and it will be removed from the queue.

11.3 Seeking Available Capacity from Users

Duke may from time to time, issue a Notice to Users in accordance with clause 9.5 of this Access Arrangement.

11.4 Advertising Available Capacity

If Duke is not notified of any User's Spare Contracted Capacity under clause 9.5 of this Access Arrangement but, Available Capacity does become available or is anticipated by Duke to become available, that Available Capacity will be progressively offered, by written Notice to each Prospective User in the queue in order of the Prospective User's arrival in the queue, even if:

- (a) that Available Capacity is not sufficient to wholly meet the needs of the Prospective User or is more than the Prospective User requires to meet its needs; or
- (b) the date from which the Available Capacity will be available is different to the commencement date requested by the Prospective User in its Service Request.

The written Notice will include an Access Agreement which complies as far as is reasonably possible with the Prospective User's Service Request (subject to the Available Capacity).

11.5 Acceptance of Available Capacity

Within 14 Days of receiving the written Notice and the Access Agreement from Duke, the Prospective User may:

- (a) sign the Access Agreement and return it to Duke;
- (b) notify Duke in writing that the Prospective User wishes to enter into negotiations over the terms of the Access Agreement other than the terms which reflect the terms of the Prospective User's Service Request.

If neither of the above occurs, the offer and the Prospective User's Service Request are deemed to have lapsed and the Service Request is removed from the queue unless an access dispute has been notified pursuant to the Code.

11.6 Signing Access Agreement

- (a) If clause 11.5(b) of this Access Arrangement applies, the parties must enter into bona fide negotiations to attempt to reach an agreement as to the terms of the Access Agreement within a reasonable time of receiving the version signed by the Prospective User.
- (b) If the parties are unable to agree on the terms and conditions of the Access Agreement within 30 Days of a receipt by Duke of a Notice under clause 11.5(b) of this Access Arrangement, either party may terminate further negotiations in which case the Prospective User's Service Request will lapse, unless an access dispute has been notified pursuant to the Code.

11.7 Duke's obligations to provide Service

Duke is under no obligation to provide any Service to the Prospective User until the following conditions have been met:

- (a) an Access Agreement has been signed for the Service;
- (b) the Prospective User has reasonable demonstrated that it has made appropriate arrangements with its Supplier for the delivery of Natural Gas at the Receipt Points and for the collection of Natural Gas at the Delivery Points; and
- (c) Duke is satisfied that the Prospective User meets the creditworthiness requirements in clause 21 of Duke's Standard Terms and Conditions of Service.

11.8 Code disputes

A Service Request will not lapse and will retain its priority in the queue in the event of an access dispute being notified under the Code, until the dispute has been resolved in accordance with the Code.

12 DUKE'S EXPANSIONS AND EXTENSIONS POLICY

12.1 Duke's policy in relation to Extensions to the Pipeline

Extensions to the Pipeline will not be:

- (a) part of the Pipeline for any purposes under the Code; or
- (b) covered by this Access Arrangement;

unless Duke elects by written Notice to the ACCC to treat them in that way.

If Duke makes an election under this clause, the Reference Tariffs for the various Services will not change. Duke will levy an Applicable Surcharge for the Extension on Users of the Extension.

12.2 Duke's policy in relation to Expansions of the Capacity of the Pipeline

Expansions to the Pipeline will be:

- (a) part of the Pipeline for the purposes of the Code; and
- (b) covered by this Access Arrangement.

Duke will determine whether to undertake Expansions of the Capacity of the Pipeline by applying, among other things, the following criteria:

- (c) whether there is enough Spare Capacity to meet demand for Services by Prospective Users of Firm Forward Haul Services;
- (d) whether a reorganisation of Contracted Capacity has satisfied or would satisfy that demand; and
- (e) whether the Expansion is technically feasible and economically viable after considering what would be invested by a prudent Service Provider acting efficiently, in accordance with accepted good industry practice and to achieve the lowest sustainable cost of delivering Services.

12.3 What effect do Expansions have on Reference Tariffs

The Reference Tariffs will apply to the Reference Services as Duke expands the Capacity of the Wallumbilla to Gladstone City Gate and Gladstone City Gate to Rockhampton branches of the Pipeline up to the configurations of the Pipeline specified in Schedule 1 of the Licence.

12.4 Duke's policy in relation to facilities that Service specific Users

Receipt Points

Duke does not have to make capital improvements at a Receipt Point unless it is satisfied (acting reasonably) that improvements are commercially viable, having regard to the commercial quantities of Natural Gas available at the Receipt Point and there is a commitment to transport commercially viable quantities of Natural Gas.

Delivery Points

Duke does not have to make capital improvements at a Delivery Point unless it is satisfied that there is enough long-term demand for Natural Gas at the Delivery Point to justify the improvements.

Users may have to pay for capital improvements

Duke is entitled to a User Specific Facility Charge from a User to recover the cost of constructing, operating and maintaining capital improvements that a prudent Service Provider, acting efficiently, in accordance with accepted good industry practice and aiming to achieve the lowest sustainable cost of delivering Services would seek to recover, including:

- (a) changing the Capacity at an existing Receipt Point or Delivery Point; or
- (b) adding an additional Receipt Point or Delivery Point; or
- (c) installing additional metering equipment;

if it determines (acting reasonably) that the capital improvements are needed to receive the contracted quantity of Natural Gas, or deliver the contracted quantity of Natural Gas, under the User's Access Agreement.

12.5 Capital Contributions

In accordance with sections 8.23 and 8.24 of the Code, Duke may agree with a User to levy a charge which exceeds the charge that would apply under a Reference Tariff for a Reference Service in any circumstance including, without limitation, if the excess is paid in respect of the funding of a new facility or expansion required for the provision of Services under an Access Agreement.

SCHEDULE 1 — FIRM FORWARD HAUL SERVICE ACCESS AGREEMENT TERMS SHEET

AGREEMENT made 20

BETWEEN

- (1) **DUKE AUSTRALIA OPERATIONS PTY LIMITED** (ACN 083 050 319), a company incorporated in the Australian Capital Territory (**Duke**) and acting as agent for the Pipeline Owners;
- (2) _____ (ACN _____), of _____ (**you**).

1. BASIC INFORMATION ABOUT THIS AGREEMENT

What does this agreement consist of?

This Terms Sheet
and
Exhibit A
and
Duke's Standard Terms and Conditions of Service (Version 1)
and
The terms and conditions of the Access Arrangement.

By signing this agreement, you acknowledge that you have received, read, are aware of and agree to all of the above terms and conditions.

What Service will Duke provide under this agreement?

Firm Forward Haulage Service.

When does the Service start?

When does the Service end?

See Exhibit A.

What is your MDQ under this agreement?

See Exhibit A.

2. CHARGES

You must pay Duke the Service Charges applicable to the Firm Forward Haul Service:

A Capital Surcharge and User Specific Charge (or Applicable Surcharge) are applicable to this agreement

a Capital Surcharge

of *\$0.00/*\$[]
* Strike out whichever does not apply; complete the amount if there is a Capital Surcharge.

plus

a User Specific Facility Charge

of *\$0.00/*\$[].
* Strike out whichever does not apply; complete the amount if there is a User Specific Facility Charge.

Additional charges that may apply are:

- A charge based on the Overrun Rate for any Overruns
- An Imbalance Charge

EXECUTED BY DUKE AUSTRALIA)
OPERATIONS PTY LTD by:)
)
)

.....
.....
Secretary
Name (printed):

.....
.....
Director
Name (printed):

EXECUTED BY)
)
.....)
by:)

.....
.....
Secretary
Name (printed):

.....
.....
Director
Name (printed):

**FIRM FORWARD HAUL SERVICE
ACCESS AGREEMENT TERMS SHEET**

**USER:
EXHIBIT A**

**EFFECTIVE COMMENCEMENT TIME AND DATE FOR THIS
EXHIBIT:**

**AGREEMENT WILL CONTINUE IN FULL FORCE AND EFFECT UNTIL:
.....TIMEDATE**

RECEIPT AND DELIVERY POINTS AND MDQ

Receipt Points	Delivery Points	Transportation Distance <i>(based on System Distance Chart)</i>	MDQ <i>(GJ/Day)</i>
1.			
2.			
3.			
4.			

Note The following section does not need to be signed when your Access Agreement is first executed. This section is signed when you and Duke agree to make changes to Exhibit A during the term of your Access Agreement. The section must be signed by an authorised officer. The authority must be in writing, and must be signed by your Chief Executive Officer or Managing Director, or be properly executed under your corporate seal. If Duke asks, you must give it a copy of any authority.

SIGNED for and on behalf of **Duke** by)
an authorised officer in the presence)
of:)
.....
Authorised officer
Name (printed):

.....
Witness
Name (printed):

SIGNED for and on behalf of)
by an authorised officer in the)
presence of:)
.....
Authorised officer
Name (printed):

.....
Witness
Name (printed):

SCHEDULE 2 —BACKHAUL SERVICE ACCESS AGREEMENT TERMS SHEET

AGREEMENT made 20

BETWEEN

(1) **DUKE AUSTRALIA OPERATIONS PTY LIMITED** (ACN 083 050 319), a company incorporated in the Australian Capital Territory (**Duke**) and acting as agent for the Pipeline Owners;

(2) _____ (ACN _____), of _____
(*you*).

1. BASIC INFORMATION ABOUT THIS AGREEMENT

What does this agreement consist of?

This Terms Sheet
and
Annexure A
and
Duke's Standard Terms and Conditions of Service (Version 1)
and
the terms and conditions of the Access Arrangement.

By signing this Agreement, you acknowledge that you have received, read, are aware of and agree to the above terms and conditions.

What Service will Duke provide under this agreement?

A Backhaul Service.

When does the Service start?

When does the Service end?

See Exhibit A

What is your MDQ under this agreement?

See Exhibit A.

2. CHARGES

You must pay Duke the Service Charges applicable for this Backhaul Service:

A Capital Surcharge and User Specific Charge(or Applicable Surcharge) are applicable to this agreement

a Capital Surcharge

of *\$0.00/*\$[]

**BACKHAUL SERVICE
 SERVICE AGREEMENT TERMS SHEET**

USER:
EXHIBIT A

**EFFECTIVE COMMENCEMENT TIME AND DATE FOR THIS
 EXHIBIT:**

AGREEMENT WILL CONTINUE IN FULL FORCE AND EFFECT UNTIL:
TIMEDATE

RECEIPT AND DELIVERY POINTS AND MDQ

Receipt Points	Delivery Points	Transportation Distance <i>(based on System Distance Chart)</i>	MDQ <i>(GJ/Day)</i>
1.			
2.			
3.			
4.			

Note The following section does not need to be signed when your Access Agreement is first executed. This section is signed when you and Duke agree to make changes to Exhibit A during the term of your Access Agreement: The section must be signed by an authorised officer. The authority must be in writing, and must be signed by your Chief Executive Officer or Managing Director, or be properly executed under your corporate seal. If Duke asks, you must give it a copy of any authority.

SIGNED for and on behalf of **Duke** by)
 an authorised officer in the presence)
 of:)

.....

Authorised officer
 Name (printed):

.....
 Witness
 Name (printed):

SIGNED for and on behalf of)
 by an authorised officer in the)
 presence of:)

.....

Authorised officer
 Name (printed):

.....
 Witness
 Name (printed):

SCHEDULE 3 – AS AVAILABLE SERVICE ACCESS AGREEMENT TERMS SHEET

AGREEMENT made 2000

BETWEEN

- (1) **DUKE AUSTRALIA OPERATIONS PTY LIMITED** (ACN 083 050 319), a company incorporated in the Australian Capital Territory (**Duke**) and acting as agent for the Pipeline Owners;
- (2) _____ (ACN _____), of _____ (*you*).

1. BASIC INFORMATION ABOUT THIS AGREEMENT

What does this agreement consist of?

This Terms Sheet
and
Exhibit A
and
Duke's Standard Terms and Conditions of Service (Version 1)
and
The terms and conditions of the Access Arrangement.

By signing this Agreement, you acknowledge that you have received, read, are aware of and agree to the above terms and conditions.

What Service will Duke provide under this agreement?

As Available Service.

When does the Service start?

When does the Service end?

See Exhibit A.

What is your MDQ under this agreement?

See Exhibit A.

2. CHARGES

You must pay Duke the Service Charges for this Service.

A Capital Surcharge and User Specific Facility Charge (or Applicable Surcharge) are applicable to this Service

a Capital Surcharge

* of *\$0.00/*\$[]
Strike out whichever does not apply; complete the amount if there is a Capital Surcharge.

plus

a User Specific Facility Charge

* of *\$0.00/*\$[].
Strike out whichever does not apply; complete the amount if there is a User Specific Facility Charge.

Additional Charges that may apply are:

- A charge based on the Overrun Rate for any Overruns
- An Imbalance Charge

EXECUTED BY DUKE AUSTRALIA)
OPERATIONS PTY LTD by:)
.....)

.....
Secretary
Name (printed):

.....
.....
Director
Name (printed):

EXECUTED BY)
.....)

.....
by:
.....
.....
Secretary
Name (printed):

.....
.....
Director
Name (printed):

**AS AVAILABLE SERVICE
ACCESS AGREEMENT TERMS SHEET**

USER:
EXHIBIT A

**EFFECTIVE COMMENCEMENT TIME AND DATE FOR THIS
EXHIBIT:**

AGREEMENT WILL CONTINUE IN FULL FORCE AND EFFECT UNTIL:
.....**TIME****DATE**

RECEIPT AND DELIVERY POINTS AND MDQ

Receipt Points	Distance <i>(based on System Distance Chart)</i>	Delivery Points	MDQ <i>(GJ/Day)</i>
1.			
2.			
3.			
4.			

Note The following section does not need to be signed when your Access Agreement is first executed. This section is signed when you and Duke agree to make changes to Exhibit A during the term of your Access Agreement: The section must be signed by an authorised officer. The authority must be in writing, and must be signed by your Chief Executive Officer or Managing Director, or be properly executed under your corporate seal. If Duke asks, you must give it a copy of any authority.

SIGNED for and on behalf of **Duke** by)
an authorised officer in the presence)
of:)
.....

.....
Authorised officer
Name (printed):

.....
Witness
Name (printed):

SIGNED for and on behalf of)
by an authorised officer in the)
presence of:)
.....

.....
Authorised officer
Name (printed):

.....
Witness
Name (printed):

SCHEDULE 4 — DUKE'S STANDARD TERMS AND CONDITIONS OF SERVICE

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1. INTERPRETATION

1.1 *What words and expressions mean in this agreement*

Terms used in this agreement that are also used in the Access Arrangement and the Reference Tariffs Schedule for this Pipeline, have the meaning given to them in the Access Arrangement and the Reference Tariffs Schedule, unless the contrary appears in this agreement.

1.2 *Times and dates*

For the purposes of this agreement, something that has to be done by a particular time, or by a particular date, is to be done by that time, or by that date, in Brisbane, Queensland.

1.3 *Days and weeks*

For the purposes of this agreement:

- (a) a Day starts at 0800 hours Australian Eastern Standard Time; and
- (b) a week runs from Saturday to Friday.

1.4 *Quantities of Natural Gas*

In this agreement, all quantities of Natural Gas are expressed in GJ unless otherwise specified.

1.5 *Deliveries and receipts of Natural Gas*

In this agreement, a reference to Natural Gas received at your Receipt Points or delivered at your Delivery Points is to Natural Gas received or delivered to you or for your account.

1.6 *General interpretation provisions*

In this agreement, unless the context otherwise requires:

- (a) [**legislation**] a reference at a particular time to a particular statute or subordinate legislation, or to particular provisions of a statute or subordinate legislation (a **written law**):
 - (i) is to the written law as in force at that time; and
 - (ii) if the written law has been replaced by another written law — is to the written law that replaces it; and
 - (iii) is also a reference to subordinate legislation, and the provisions of subordinate legislation, made or issued under or for the purposes of the written law; and
- (b) [**other documents**] a reference at a particular time to a particular agreement, document or arrangement, or to any of its provisions:
 - (i) is a reference to it as in operation at that time; and

- (ii) if the agreement, document or arrangement has been re-made or novated — is also a reference to it as re-made or novated; and
- (c) [**number**] the singular includes the plural and vice versa; and
- (d) [**individuals**] a reference to an individual is also a reference to any kind of legally recognised body, entity or relationship (for example, a trust), whether incorporated or not, and vice versa; and
- (e) [**gender**] a reference to one gender is also a reference to the other genders; and
- (f) [**provisions**] a reference to a particular clause or other provision, or to an exhibit, is to that clause or provision of, or that exhibit to, this agreement; and
- (g) [**parties**] a reference to a party to this or another agreement, document or arrangement is also a reference to its executors, administrators, substitutes, successors and permitted assigns; and
- (h) [**parts of speech**] other parts of speech or grammatical forms of an expression defined in or for the purposes of this agreement have corresponding meanings; and
- (i) [**powers**] a power to do something includes a power, exercisable in the like circumstances, to revoke or undo it; and
- (j) [**dollars**] a reference to currency is to Australian currency; and
- (k) [**bankruptcy**] a reference to bankruptcy or winding up is also to:
 - (i) bankruptcy, winding up, liquidation, dissolution, becoming an insolvent under administration as defined in the Corporations Law section 9, the appointment of an administrator and anything else that has a substantially similar effect to any of these under the law of a relevant jurisdiction; and
 - (ii) the procedures, circumstances and events that constitute or relate to bankruptcy or winding up as so defined; and
- (l) [**knowledge**] a reference to a matter being "to the knowledge" of a person is a reference to the matter being to the best of the person's knowledge and belief after making reasonable enquiries.

1.7 Recitals etc

The recitals, schedules, annexures and descriptions of the parties to this agreement are all provisions of this agreement.

1.8 Headings and notes

Headings and notes in this agreement are for convenience only and do not affect interpretation.

2. AGREEMENT SUBJECT TO CODE AND ACCESS ARRANGEMENT

If a provision of this agreement is inconsistent with a provision of the Code or the Access Arrangement, the provision of the Code or the Access Arrangement (as the case may be) prevails to the extent of the inconsistency.

3. OPERATIONS MANUAL

[INTENTIONALLY DELETED]

4. DUKE'S NON-DISCRIMINATORY TARIFF POLICY AND SERVICE CHARGES

Duke's non-discriminatory tariff policy applies to you in the manner detailed in the Reference Tariffs Schedule (see Schedule 5 of the Access Arrangement).

5. NOMINATIONS

5.1 What are Nominations?

Nominations are your forecasts of the quantity of Natural Gas to be delivered each Day at each Delivery Point under your agreement.

5.2 Monthly Nomination procedure

At least 10 Days before the start of each calendar Month you must send a completed Monthly Nomination Form that covers each of your Delivery Points to:

- (a) Duke; and
- (b) if you are not the Supplier of the Natural Gas — your Supplier.

Duke may accept Web Site or faxed changes to your Monthly Nominations at any time prior to the Month commencing. A change takes effect once Duke sends you a confirmation.

5.3 You must give Duke weekly Nominations

By no later than 1200 hours on the Friday before each week you must send a completed Weekly Nomination Form that covers each of your Delivery Points to:

- (a) Duke; and
- (b) if you are not the Supplier of the Natural Gas — your Supplier.

5.4 What does Duke do with weekly Nominations?

Duke must then promptly send you a Notice via the Web Site or fax:

- (a) to confirm that it has received your Weekly Nomination Form; and
- (b) if it thinks that there will not be enough Capacity available to meet your Nominations – to tell you that the Service will be curtailed as set out in the Notice.

For this purpose Duke must use the rules for determining priorities between Access Agreements.

5.5 Can you change weekly Nominations?

Duke may accept Web Site or faxed changes to your Weekly Nomination at any time. A change takes effect once Duke sends you a fax accepting it.

5.6 Managing Imbalances

You may authorise Duke to manage your Imbalances and deal with your Suppliers of Natural Gas by giving Duke authority to do so. This is to be done by formal Notice to Duke and your Supplier.

If Duke receives authority to manage then, until you give Duke Notice that you withdraw the authority, Duke may manage your Imbalances on your behalf and deal directly with your Supplier of Natural Gas when scheduling in accordance with clause 6 of this agreement.

5.7 Duke can change these procedures

Duke may change these Nomination procedures in this clause 5, but must consult you first. Changes take effect when Duke gives you written Notice of the changes.

6. SCHEDULING

6.1 What are schedules?

Schedules are rates of Natural Gas, in GJ/Day, which Duke requires to flow from each of your Receipt Points to meet your confirmed Nominations plus Imbalance corrections (inclusive of system use of gas) for you.

Unless otherwise stated in the Nominations schedule for a Day and it is otherwise agreed to by Duke, Natural Gas must be flowed through your Receipt Points at an even rate throughout the Day.

6.2 What must Duke do?

For each Day Duke will do its best to fix your daily schedule by sending:

- (a) you; and
- (b) if you have authorised Duke to deal with your Supplier — your Supplier;

a fax by 1200 hours on the Day prior to the one to which the daily schedule relates.

6.3 Duke can change schedules

If the parties agree, Duke can change a daily schedule by faxing you and your Supplier (if authorised to do so) a Notice specifying the change. The Notice must be faxed no later than 1 hour before the change is to take effect.

6.4 Parties must give Notice of changes in operating conditions

If a party to this agreement reasonably expects:

- (a) a change in the nominated or scheduled quantity of Natural Gas; or
- (b) a change in the pressures or other operating conditions;

it must promptly send the other parties a fax describing the change, and why it is expected.

6.5 Duke can change these procedures

Duke may change these scheduling procedures. A change takes effect when Duke gives you written Notice of the changes, following which, the provisions of this clause 6 will be amended accordingly.

6.6 Who Schedules?

You must ensure that your Supplier schedules to Duke appropriate amounts of Natural Gas at your Receipt Points to meet your confirmed Nominations and any Imbalances. Duke will ensure that appropriate information is supplied to you and your Supplier, if authorised to do so, to facilitate scheduling.

Duke may consider other scheduling options proposed by you but is under no obligation to adopt them.

7. YOUR MDQ

7.1 Receipts and deliveries to be within MDQ.

Subject to corrections of Imbalances, Duke does not on any Day have to:

- (a) receive at a Receipt Point a quantity of Natural Gas; or
- (b) deliver at a Delivery Point a quantity of Natural Gas;

greater than your MDQ for that Receipt Point or Delivery Point.

7.2 MDQ may be increased

Duke may agree to increase, but not decrease, your MDQ, during the term of your Access Agreement, subject to availability of Capacity on the Pipeline.

7.3 As-Available Service excluded

This clause 7 of this agreement does not apply if this agreement is for As Available Service.

7.4 Backhaul Services

Duke may agree to a request to increase the MDQ of a Backhaul Service User for any particular Day. Notice of the request must be provided in the Weekly Nomination Form and is subject to the availability of Capacity for the Backhaul Service.

8 OVERRUNS

Overruns processes and Overrun Rates apply to you as set out in the Reference Tariffs Schedule.

9. IMBALANCES

9.1 What is an Imbalance?

This is defined in the Reference Tariffs Schedule which deal with how Imbalance processes apply to you.

Your contributions to System Use Gas are included in your Cumulative Imbalances.

9.2 How are Imbalances calculated?

Duke keeps a running total of daily Imbalances, called the **Cumulative Imbalance**.

9.3 You must control Imbalances

You must control and, if necessary, adjust receipts and deliveries of Natural Gas to make sure that your receipts (net of System Use Gas) and deliveries balance.

10. OPERATIONAL FLOW ORDERS

10.1 When can Duke issue an Operational Flow Order

Without prejudice to the rights and obligations of the Parties under this Agreement, Duke shall have the right to issue an order to you to alter Natural Gas receipts and deliveries ("**Operational Flow Order**") when in Duke's reasonable judgement, expected receipts and deliveries:

- (a) will cause adverse operating conditions in the Pipeline: or
- (b) will not accommodate Capacity limitations resulting from events or circumstances which endanger the safety or integrity of the Pipeline including the need to perform unscheduled maintenance and/or repairs; or
- (c) will not maintain Duke's ability to meet Service commitments; or
- (d) will adversely affect Imbalances under Users' Access Agreements.

10.2 Priority of Operational Flow Orders

Duke shall use reasonable endeavours to first apply Operational Flow Orders to those Users, if any, whose actions or omissions have resulted in the need for Operational Flow Orders.

10.3 Timing for an Operational Flow Order

At least two hours prior to the effective commencement of an Operational Flow Order, Duke shall provide a written copy of the order to you whereupon you shall use reasonable endeavours to take the actions requested by Duke.

10.4 Contents of an Operational Flow Order

Each Operational Flow Order shall contain the following information:

- (a) time and date of issue;
- (b) time that the Operational Flow Order is to become effective;
- (c) duration of Operational Flow Order (if none is specified, the Operational Flow Order will remain in effect until further Notice);

- (d) a description of the area of the Pipeline for which the Operational Flow Order is in effect;
- (e) the specific actions required of the Shipper at the Receipt Points and Delivery Points in order to comply with the Operational Flow Order;
- (f) the reasons for issuing the Operational Flow Order; and (g) any other information relevant to the Operational Flow Order.

10.5 Consequences of not complying with an Operational Flow Order

Without limiting Duke's remedies, if you fail to use reasonable endeavours to comply with an Operational Flow Order, then Duke may charge Overrun Rates as set out in the Reference Tariffs Schedule for that quantity of Natural Gas by which the User deviates from the requirements of the Operational Flow Order.

11. FLEXIBLE RECEIPT AND DELIVERY POINTS

11.1 You can change Receipt and Delivery Points

You can propose to extend or shorten your Path by sending a fax with the proposal for your variation of Receipt and Delivery Points to Duke. You have to provide Duke at least 30 Days' Notice of the change or lesser period at Duke's discretion. Duke does not have to agree to a variation under this clause 11.1 more frequently than once every 3 Months. Duke will assess the proposed variation on reasonable technical and commercial grounds.

11.2 What if a change in Receipt or Delivery Points requires Duke to make capital improvements?

Clause 2.4 of the Reference Tariffs Schedule, dealing with User Specific Facility Charges, applies to you if a change by you under clause 11.1 of this agreement means that Duke has to make capital improvements to the Pipeline.

12. TRADING RIGHTS UNDER THIS AGREEMENT

12.1 When can a User deal with its rights under an Access Agreement?

A User can deal with third parties in relation to its rights under this agreement in two ways:

- (a) by **trading** some or all of its rights to its Contracted Capacity ("**Traded Capacity**") to another User, resulting in an agreement between the User and the other User, but with the User remaining responsible to Duke for the entire MDQ. This is known as a **Bare Transfer**; or
- (b) by **assigning** some or all of its rights to its Contracted Capacity ("**Assigned Capacity**") to a Prospective User, resulting in an amendment to the agreement with Duke and a new Access Agreement between Duke and the Prospective User acquiring the rights to the Assigned Capacity.

12.2 Trading Capacity

A User can only effect a Bare Transfer to another User if:

- (a) the User has notified Duke that it intends to effect a Bare Transfer;

(b) the User's obligations under the agreement with Duke remain in full force and effect for at least the duration of the agreement with the other User relating to the Traded Capacity; and

(c) the User's agreement with Duke is not changed because of the Bare Transfer.

Subject to clause 10 of the Access Arrangement, a User does not need to obtain Duke's consent to effect a Bare Transfer, mere prior Notice to Duke is sufficient.

12.3 How to effect a Bare Transfer

A User may negotiate with other Users the terms on which they will trade Capacity.

Duke will assist Users to effect Bare Transfers by allowing them to post offers to buy or to sell Traded Capacity on the Web Site.

12.4 How to Assign Capacity

A User can assign its rights and obligations to a part of its Contracted Capacity ("**Assigned Capacity**") by first complying with the following:

- (a) negotiating in good faith with the Prospective Users notified by Duke;
- (b) seeking Duke's consent to the assignment;
- (c) agreeing with a Prospective User that it will assume the rights and obligations of the User in relation to the Assigned Capacity;
- (d) requiring the Prospective User to enter into an Access Agreement in relation to the Assigned Capacity on at least the same terms and conditions as under the User's agreement (except in relation to the Receipt Points and Delivery Points in accordance with clause 10 of the Access Arrangement);
- (e) ensuring that the Prospective User complies with clause 21 of this agreement; and
- (f) agreeing with Duke to amend the agreement accordingly.

A User may assign part of its Contracted Capacity for a Path, or its total Contracted Capacity for part of a Path.

12.5 Assigning to Prospective Users in queue

- (a) From time to time Duke may try to reorganise Capacity by giving written Notice to each User requesting that it assign any unutilised Contracted Capacity that the User no longer requires ("**User's Spare Contracted Capacity**").
- (b) The Notice will require each User to:
 - (i) provide a written response to Duke within 30 Days of the Notice ("**User's Spare Contracted Capacity Notice**");
 - (ii) nominate the quantity of the User's Spare Contracted Capacity; and
 - (iii) nominate when the User's Spare Contracted Capacity will be available and the Receipt Point and Delivery Point.
- (c) Upon receipt of a User's Spare Contracted Capacity Notice, Duke will:

- (i) allow the relevant User to post offers to assign its User's Spare Contracted Capacity on Duke's Web Site; and
 - (ii) provide to the relevant User the contact details of the Prospective Users registered on the queue formed pursuant to clause 11 of the Access Arrangement.
- (c) The User with User's Spare Contracted Capacity will negotiated in good faith with the Prospective Users.

12.6 Giving Consent

Duke may:

- (a) withhold consent (by refusing to enter into a new Access Agreement in relation to the Assigned Capacity and to amend the existing Access Agreement) only for reasonable commercial or technical reasons; and
- (b) make its consent subject to conditions (which will be terms of the new Access Agreement and of the amended Access Agreement), but only ones imposed for reasonable commercial or technical reasons which are consistent with Duke's Standard Terms and Conditions of Service.

Without limitation, it is a reasonable commercial condition for Duke to ensure that it will receive from the assignee of the Assigned Capacity revenue of at least the same economic value as it would have received from the User before the assignment of the Assigned Capacity.

13. NATURAL GAS QUALITY

13.1 Requirements for Natural Gas

Unless agreed to otherwise between the parties, the Natural Gas received at each Receipt Point, and the Natural Gas that Duke transports for you, must:

- (a) [**no impurities**] be commercially free from objectionable substances that may damage Pipelines, Regulators, meters or other appliances, or that can adversely affect or interfere with:
 - (i) the transmission of the Natural Gas through Pipelines; or
 - (ii) the commercial use of the Natural Gas by you

(Without limiting this provision, dust, gums, gum-forming constituents, crude oil, hydrocarbons liquefiable at temperatures in excess of 0 degrees and at pressures not exceeding 1.5 times the maximum pressure employed in the Pipeline and other impurities are objectionable substances); and
- (b) [**mercaptan**] not have more than 15 mg of mercaptan/standard m³ of Natural Gas; and
- (c) [**hydrocarbon dew-point**] not have a hydrocarbon dew-point of more than 10°C at pressures between 1,000 kPag and 10,000 kPag; and
- (d) [**hydrogen sulphide**] not have more than 7 mg of hydrogen sulphide/standard m³ of Natural Gas; and

- (e) [**sulphur**] not have more than 50 mg of total sulphur/standard m³ of Natural Gas; and
- (f) [**carbon dioxide**] not have more than 3% by volume of carbon dioxide; and
- (g) [**water vapour**] not have more than 65 mg of water vapour/standard m³ of Natural Gas; and
- (h) [**temperature**] be at a temperature between 10°C and 50°C at a Receipt Point; and
- (i) [**oxygen**] be as free of oxygen as it can be kept but, in any event, have no more than 0.2% by volume of oxygen; and
- (j) [**inert Natural Gases (1)**] have 6% or less by volume of inert Natural Gases; and
- (k) [**inert Natural Gases (2)**] if it has more than 4% by volume of inert Natural Gases — have a Gross Heating Value of at least 37.9 MJ/standard m³ of Natural Gas and not more than 42.3 MJ/standard m³ of Natural Gas; and
- (l) [**inert Natural Gases (3)**] if it has 4.0% or less by volume of inert Natural Gases – have a Gross Heating Value of not less than 35 MJ/standard m³ of Natural Gas and not more than 43 MJ/standard m³ of Natural Gas; and
- (m) [**Wobbe index**] have a Wobbe Index not less than 47 and not more than 52.

For the purpose of this clause 13.1, carbon dioxide is an inert gas.

This clause 13.1 is in addition to the requirements imposed by the *Gas Act 1965(Qld)* and other legislation (current or future) that regulates the quality of Natural Gas in Queensland during the term of the agreement.

13.2 What happens if your Natural Gas does not meet the requirements?

If the Natural Gas received at your Receipt Points does not comply with clause 13.1 of this Agreement, Duke will notify you and will suspend (completely or partially) receipt of Natural Gas from you until Duke is reasonably satisfied that the Natural Gas you intend to deliver onto the Pipeline complies with the requirements of clause 13.1 of this Agreement.

Upon receipt of a Notice under this clause, you must take immediate action to ensure that the Natural Gas again complies with clause 13.1 of this Agreement.

14. PRESSURE REQUIREMENTS

14.1 Receipt pressure

The Natural Gas received at your Receipt Points must be:

- (a) at the pressure Duke specifies; or
- (b) at a high enough pressure to allow the Natural Gas to enter the Pipeline,

but Duke cannot require you to deliver Natural Gas at a pressure higher than the maximum allowable operating pressure of the Pipeline at the Receipt Point.

14.2 Delivery pressure

If Duke agrees to deliver Natural Gas at a Delivery Point at a particular pressure, Duke must deliver Natural Gas at that Delivery Point at the agreed pressure.

Otherwise, the Natural Gas Duke delivers at a Delivery Point must be at a pressure of 1,700 kPag or a higher pressure that Duke determines is enough to ensure that Natural Gas can be delivered to you at that Delivery Point.

15. OWNERSHIP OF THE NATURAL GAS

15.1 Who owns the Natural Gas?

Subject to this agreement, Duke has no title to, or interest in, Natural Gas received at your Receipt Points.

Duke is not a bailee of the Natural Gas in the Pipeline.

System Use Gas is Duke's property.

15.2 Duke's obligation to deliver the Natural Gas

Duke does not have to deliver Natural Gas to you anywhere else than at your Delivery Points.

15.3 Duke will deliver a thermally equivalent quantity of Natural Gas to you

Duke will deliver at your Delivery Points a quantity of Natural Gas thermally equivalent to the quantity of Natural Gas received into the Pipeline at your Receipt Points, subject to adjustments for Imbalances.

15.4 Duke can co-mingle Natural Gas in the Pipeline

Duke can co-mingle Natural Gas received at your Receipt Points with Natural Gas received at other Receipt Points on the Pipeline.

15.5 What happens to the Cumulative Imbalance at the end of this Agreement?

At the end of this Agreement you will need to settle your Cumulative Imbalance account.

If your Cumulative Imbalance is negative, Duke may at its option either:

- (a) deliver to you a quantity of Natural Gas equal to your Cumulative Imbalance subject to the terms and conditions of the As Available Service; or
- (b) pay you the market price of that quantity of Natural Gas at the time of termination.

If your Cumulative Imbalance is positive, Duke may, by written Notice, require you to either:

- (a) deliver to Duke at the Receipt Point under the Access Agreement a quantity of Natural Gas equal to your Cumulative Imbalance; or
- (b) pay to Duke the cost of Line Pack/GJ at current market price.

16. SYSTEM USE GAS

The Reference Tariffs Schedule refers to Duke's and your obligations relating to System Use Gas.

17. LINE PACK

Duke must acquire and maintain Line Pack needed for the safe and efficient operation of the Pipeline and the performance of this agreement.

Duke owns the Line Pack.

18. FORCE MAJEURE

18.1 What is a Force Majeure Event?

An event is a Force Majeure Event if:

- (a) because of the event, a party to this agreement (the ***affected party***) cannot do something it has to do under this agreement, when it has to do it (the ***Affected Obligation***); and
- (b) the event occurred without the fault or negligence of the affected party; and
- (c) the affected party could not have prevented the event by taking reasonable care;

provided that the event does not involve any breach of contract by or an event of force majeure affecting a person other than Duke contracting with you which results in you being unable to do something that you have to do under this agreement.

18.2 What if a Force Majeure Event happens?

If:

- (a) a Force Majeure Event occurs; and
- (b) without delay the affected party gives written Notice to the other party setting out:
 - (i) what the Affected Obligation is; and
 - (ii) particulars of the event (as far as the affected party knows them); and
 - (iii) how long the affected party expects the delay in its ability to perform the Affected Obligation to last;

the Affected Obligation is suspended from the date the Notice is given until the affected party is able, making reasonable efforts, to perform the Affected Obligation (this period is the ***Suspension Period***).

18.3 Payment obligations cannot be Affected Obligations

Your obligation to pay charges to Duke cannot be suspended.

18.4 Affected party must rectify the situation if possible

During the Suspension Period the affected party must make reasonable efforts to put itself in a position to perform the Affected Obligation.

18.5 Notice when the Suspension Period ends

As soon as the Suspension Period ends, the affected party must give written Notice to the other party.

18.6 Termination

If the Suspension Period lasts for more than 90 Days, either party can terminate this agreement.

19. EXTENSIONS AND VARIATIONS OF AGREEMENTS DUE TO FORCE MAJEURE EVENT

19.1 Special provisions for firm forward haulage Service Access Agreements

Clauses 19.2 and 19.3 of this agreement only apply if:

- (a) this agreement is for Firm Forward Haulage Service or Backhaul Service; and
- (b) the Force Majeure Event affects the physical operation of the Pipeline; and
- (c) the Force Majeure Event means that Duke can only transport less than your MDQ on a particular Day.

19.2 Extension of agreement term

If you give Duke a Notice to extend this agreement, the term of this agreement is extended by a period of time equal to the Suspension Period.

A Notice is not effective unless given within 90 Days after the Notice mentioned in clause 18.5 of this agreement is given.

You do not have to pay Service Charge in respect of the extended period.

19.3 You can also increase deliveries to recoup MDQ

In addition to your rights under clause 19.2 of this agreement, for up to 30 Days after the obligation stops being an Affected Obligation you may nominate and transport through the Pipeline, as well as your MDQ, a quantity of Natural Gas worked out using the formula:

**your total MDQ for the Suspension Period
less
the quantity of Natural Gas transported by you during the Suspension Period.**

This additional quantity may be transported at a daily quantity of up to 15% of your MDQ, and is subject to Curtailment and the availability of Capacity.

You do not have to pay a Service Charge for additional quantities of Natural Gas transported.

The extended term under clause 19.2 of this agreement will be adjusted to the extent that you exercise your rights under this clause.

Additional quantities you nominate will be given priority of Service:

- (a) after all nominated amounts within MDQ under all Access Agreements for Firm Forward Haul Service (including this one); and

- (b) before any other kind of Service.

19.4 Recouping MDQ when your plant shuts down or your Natural Gas supplies fail

If the event of force majeure also involves:

- (a) the full or a partial shutdown of your plant; or
- (b) the non-supply of Natural Gas from Natural Gas fields providing Natural Gas to you;

then you may nominate and transport through the Pipeline, as well as your MDQ, a quantity of Natural Gas worked out using the formula:

**your total MDQ for the Suspension Period
less
the quantity of Natural Gas transported by you during the Suspension Period.**

This additional quantity may be transported at a daily quantity of up to 15% of your MDQ, and is subject to Curtailment and the availability of Pipeline Capacity.

You do not have to pay a Service Charge for additional quantities of Natural Gas transported.

Additional quantities you nominate will be given priority of Service:

- (a) after all nominated amounts within MDQ under all Access Agreements for Firm Forward Haul Service (including this one); and
- (b) before any other kind of Service.

20. CURTAILMENT

20.1 Curtailment for force majeure

Duke may curtail provision of the Service to you if:

- (a) a Force Majeure Event occurs; and
- (b) because of the Force Majeure Event the Capacity of the Pipeline is constrained so that Duke cannot transport the quantities of Natural Gas scheduled to your Receipt Points.

20.2 Curtailment for operational or safety reasons

Duke may curtail deliveries to you if it thinks it is necessary to do so:

- (a) for maintenance, replacement, installation or repair of the Pipeline or associated facilities, including, without limitation, Receipt Points and Delivery Points, interconnections, lateral Pipelines and compressors; or
- (b) because, in its opinion, there is not enough Capacity in the Pipeline or at a Receipt Point or Delivery Point for the quantities of Natural Gas nominated by you; or
- (c) because of damage to, or an outage on, a Pipeline segment or associated facility used to provide Service to you.

20.3 Priority of Services for Curtailment

Duke may curtail the provision of the Service to you to meet its obligations under Access Agreements. Curtailment will be in accordance with the priority number of each Service.

20.4 Notice of planned alterations, maintenance and repairs

Duke must give you as much Notice as is reasonably possible of planned Curtailments for alterations, maintenance or repairs to the Pipeline.

By 31 January each year Duke must publish on its Web Site:

- (a) planned major alterations, maintenance and repairs that will affect Pipeline Capacity; and
- (b) its estimate of Capacity at each Delivery Point;

for the next 12 Months.

20.5 Service Charges during Curtailment

So long as the Service is curtailed under clause 20.2 of this agreement (but not clause 20.1 of this agreement), your Service Charge will be worked out on the basis of the quantities of Natural Gas actually delivered to you, rather than on the basis of your MDQ.

21. CREDIT REQUIREMENTS

21.1 Duke can refuse to supply Services on credit grounds

Duke shall not be required to perform or to continue a Service if you:

- (a) become bankrupt or an externally administered body corporate (within the meaning of the Corporations Law); or
- (b) after Duke's request, fail within a reasonable period to establish or confirm creditworthiness.

21.2 Creditworthiness

You shall provide, initially and on a continuing basis, financial statements, evidence of debt and/or credit ratings, and other such information as is reasonably requested by Duke to establish or confirm Shipper's qualification for Service.

All information provided for credit evaluation purposes shall be used by Duke solely for this purpose and shall be held in confidence.

Duke shall apply consistent evaluation practices to determine creditworthiness. Credit limits will be established based on the level of requested Service and your creditworthiness as established by the following:

- (a) you may demonstrate creditworthiness by providing two years of audited financial statements demonstrating adequate financial strength to justify the amount of credit to be extended.
- (b) you may demonstrate creditworthiness by providing evidence of a senior debt rating of BBB- or better, or a short-term debt rating of A-3 or better, from an acceptable rating agency.

If you do not establish or maintain creditworthiness as described above, you have the option of receiving transportation Service by providing one of the following alternatives:

- (a) A guarantee of your financial performance in a form satisfactory to Duke and for the term of the Transportation Service Agreement from a corporate entity that meets one of the above creditworthiness standards.
- (b) A satisfactory irrevocable letter of credit in an amount adequate to cover one year of reservation charges under the your Service Agreement. The letter of credit must be issued by a financial institution with a rating of A- or better from an acceptable rating agency.
- (c) Other arrangements satisfactory to Duke.

22. BILLING AND PAYMENT

22.1 Monthly billing

The following charges for a Month are due on the last Day of the Month:

- (a) Service Charges for Firm Forward Haulage Service; and
- (b) Capital Surcharges; and
- (c) User Specific Facility Charges.

All other charges are due on the last Day of the Month after the Month for which they were incurred.

On or before the 20th Day of each Month, Duke will give you a bill for all charges due on the last Day of the Month.

If there is a mistake in a bill, or if Duke receives information relevant to a bill after sending it to you, it can adjust the account (whether or not you have paid).

22.2 When you have to pay

You must pay Duke the amount shown on each bill it sends you, and you must pay it by the last Day of the Month in which it is sent.

If Duke sends you a bill after the 20th Day of the Month, the time you have to pay the bill is extended by the number of Days that the bill was late, unless you caused the delay.

22.3 Provisions about payment

Unless Duke agrees otherwise under clause 22.7 of this agreement, payment must be in Australian dollars.

A payment due on a Day that is not a Business Day is to be made on the next Business Day.

A payment is made when Duke actually receives it, not when you send it.

If a cheque or similar instrument you use to pay is dishonoured, the payment will be taken never to have been made.

22.4 If you don't pay on time

If you do not pay the amount shown on a bill on time and in full, Duke may require that you pay interest on the amount outstanding.

Interest starts accruing on the Day the amount was payable and stops accruing on the Day Duke is actually paid in full. The rate of interest is 2% above the Australian Dollar 30 Day Bank Bill Rate.

22.5 If you don't pay for 30 Days

If you do not pay the amount shown on a bill within 30 Days after payment is due, Duke may suspend (completely or partially) provision of the Service to you until you pay the amount shown on the bill.

22.6 If you don't agree with a bill

You must pay the amount shown on each bill even if you disagree with it. If necessary, Duke will adjust the amount later, after the disagreement is resolved.

To claim an adjustment of a bill you must notify Duke within 12 Months after the date of the bill. Duke will investigate the matter as quickly as practicable.

22.7 US \$ option

Duke may agree to accept payment under this agreement in US\$.

You must agree a conversion rate with Duke if you want to make payments in US\$.

If Duke agrees to accept payment of a charge in US\$, all components of the Service Charge, including the Reference Tariff, the Service Charge, the distance fee, the escalation amounts and the Rate Cap, will be converted to US\$ at the agreed conversion rate.

Once a conversion rate is agreed, the rate will not change with changes in exchange rates for the period of the agreement.

23 NEW TAXES, GST, DUTIES AND CHARGES

23.1 New Taxes, Duties & Charges

Subject to clause 23.2 of this agreement, clause 2.7 of the Reference Tariffs Schedule deals with the effect of new taxes, duties & charges on this agreement.

23.2 GST

- (a) Expressions used in this clause have the meanings attributed to them in the *A New Tax System (Goods and Services Tax) Act 1999*.
- (b) The consideration payable or to be provided to Duke under this agreement ('GST exclusive consideration') does not include an amount on account of the GST payable by Duke. If any supply made under this agreement is subject to GST you must provide to Duke the GST exclusive consideration plus an amount equal to the GST payable by Duke ('the GST amount') on the supply. The amount must be paid at the same time as the GST exclusive consideration is required to be paid or provided under the agreement.
- (c) At any time Duke, having regard to Part VB of the *Trade Practices Act 1974(Cwth)* ("TPA") may refund to you part of the consideration paid or provided by you during

the New Tax System transition period (as that term is defined in the TPA) as calculated by Duke in its sole discretion.

- (d) If you object to the amount of the rebate determined by Duke, then Duke and you will negotiate in good faith in an attempt to agree on the amount of the rebate. For this, and any other purpose, you are not entitled to view or take copies of any documents, books or records of Duke.
- (e) If you and Duke cannot agree on the amount of the rebate, then the rebate must be determined by a person:
 - (i) who has at least 10 years experience as a taxation accountant;
 - (ii) who is appointed by you and Duke but if they do not agree who to appoint within 28 Days after one party notifies the other that it requires a person to be appointed for the purposes of this clause, then that person is to be nominated at either party's request by the President of the Queensland Law Society Inc or by the President's nominee;
 - (iii) who is entitled to view any documents, book or records of Duke relevant to the decision;
 - (iv) who you and Duke must instruct to give a written decision with reasons, which decision is not to annex any documents, books or records provided by Duke for the purposes of making the decision;
 - (v) who acts as an expert and not as an arbitrator;
 - (vi) who must keep confidential from you and any other person any documents, books or records provided to him by Duke for the purposes of making his decision;
 - (vii) whose decision except in the case of obvious error is final and binding; and
 - (viii) whose cost the parties must bear equally.

Pending that person's determination, Duke and you must continue to comply with this agreement.

24. METERING

24.1 Receipt and Delivery Point measurement

Subject to clauses 24.2 and 24.4 of this agreement, measuring equipment must be supplied, installed, operated and maintained to measure the quantity and quality of Natural Gas:

- (a) received into the Pipeline at each Receipt Point; and
- (b) delivered through each Delivery Point.

Duke will own the measuring equipment supplied and installed by it.

24.2 Delivery Point assumptions

Duke does not have to measure the parameters or quality of Natural Gas at each Delivery Point, but may assume, for the purposes of this agreement, that the quality and heating value of Natural Gas delivered at one of your Delivery Points is the same as the quality

and heating value of Natural Gas delivered at another Delivery Point on the Pipeline if it is reasonable to do so.

24.3 Alternative ownership of measuring equipment

Duke will determine whether it owns, maintains and operates all measuring equipment or whether it makes alternative arrangements with you.

If you own or operate and maintain any measuring equipment in accordance with duties practices and industry standards:

- (a) the measuring equipment must comply with the technical requirements in the Metering Manual; and
- (b) you must operate and maintain the measuring equipment in accordance with Duke's practices and industry standards; and
- (c) you must provide Duke with electronic data signals from the measuring equipment so that Duke can transmit the signals on its on-line monitoring system (but equipment installed by Duke must not interfere with the accuracy or performance of your measuring equipment); and
- (d) Duke will have the same rights to inspect records and require calibrations of the measurement equipment as you have under clauses 24.8 and 24.9.

24.4 Alternative measuring arrangements

If:

- (a) Duke reasonably believes that the amounts of Natural Gas to pass through a Receipt Point or Delivery Point do not justify the installation of measuring equipment and that alternative measuring methods are available; or
- (b) Duke believes the determination of any relevant quantity of Natural Gas does not require the installation of measuring equipment; or
- (b) you and Duke agree upon alternative measuring techniques;

Duke may waive some or all of the requirements in clauses 24.1, 24.2 and 24.3 of this agreement.

24.5 Check measuring equipment

The party not responsible for the operation and maintenance of the fiscal measuring equipment may install and maintain check measurement equipment.

Measuring equipment installed under this clause 24.5:

- (a) must not interfere with any other equipment at the site; and
- (b) must be paid for, maintained and operated by the party installing it.

24.6 Metering Manual

Duke maintains an up to date version of its Metering Manual at its business premises in Brisbane and Gladstone. The Metering Manual specifies the technical requirements for measuring equipment, calibration and accuracy verification procedures, re-calibration limits, billing correction limits and procedures for correction of readings from faulty measuring equipment.

Duke may amend the Metering Manual at any time.

24.7 Technical requirements for measuring equipment

Measuring equipment installed by Duke or by you (but not check measurement equipment installed under clause 24.5 of this Agreement) must comply with the technical requirements set out in the Metering Manual.

The technical requirements in the Metering Manual must be in accordance with good Pipeline industry practice and conform to appropriate Australian and international standards and Codes, modified where necessary to comply with Australian Standard AS 1000–1979.

24.8 Inspection of equipment and records

The party not responsible for the operation and maintenance of the measuring equipment may, at any reasonable time, inspect the measuring equipment and records for any of your Receipt Points or Delivery Points.

24.9 Calibration

The party responsible for the operation and maintenance of the measuring equipment must, if the other party reasonably believes that the particular measuring equipment is inaccurate and asks in writing, calibrate the measuring equipment at a Receipt Point or Delivery Point as soon as it is convenient to do so.

24.10 Who pays for calibrations?

The party requesting the calibration must pay the cost of calibration if the measuring equipment is accurate within the billing correction limits set out in the Metering Manual.

Otherwise, the party responsible for the operation and maintenance of the measuring equipment must pay the cost of calibration.

24.11 Adjustments to bills after calibrations

If during calibration the measuring equipment is found to be in error in excess of the billing correction limit specified in the Metering Manual such that the total measurement error for the Receipt Point or Delivery Point exceeds 1% of the total quantity of Natural Gas measured, unless otherwise agreed between Duke and you, then Duke will adjust the total quantity of Natural Gas measured at the Receipt Point or Delivery Point and issue a correction to your invoice. The correction will relate to the following period:

- (a) when Duke is not able to determine when the metering deviated – half of the time between the calibration carried out pursuant to clause 24.9 of this agreement and the previous calibration to that calibration; or
- (b) when Duke is able to determine when the metering deviated – from when the metering deviated until the date of the calibration carried out pursuant to clause 24.9 of this agreement.

25. WARRANTIES

25.1 Your warranties

You warrant as follows:

- (a) that the person who delivers Natural Gas at your Receipt Points has the right or obligation to deliver it; and
- (b) that the person to whom Natural Gas is delivered at each of your Delivery Points has the right to receive it; and
- (c) that all the Natural Gas received onto the Pipeline at your Receipt Points meets the quality requirements for Natural Gas set out in clause 13 of this agreement; and
- (d) that you will have at all times all the Licences and permits the law says you must have to deal with Natural Gas transported on the Pipeline as you deal with it; and
- (e) that the necessary upstream and downstream Natural Gas supply arrangements will at all times be in place so that your scheduled quantities and nominated quantities of Natural Gas can be received and delivered by Duke; and
- (f) that upstream and downstream transporters and your Suppliers will at all relevant times know what your current Receipt Points and Delivery Points are.

Each of these warranties is separate, and does not affect the interpretation of another warranty.

25.2 Duke may suspend Service

If one of the warranties in clause 25.1 of this agreement is breached, Duke may suspend (completely or partially) provision of the Service to you until Duke is reasonably satisfied that the warranty is no longer breached.

25.3 Duke's warranties

Duke warrants as follows:

- (a) that it will have at all times all the Licences and permits needed to operate the Pipeline for the purposes of this agreement; and
- (b) that it will operate the Pipeline with due skill and care.

26 SUSPENDING PROVISION OF THE SERVICE

26.1 Notice of suspension

If Duke suspends (wholly or partially) provision of the Service to you, it must give Notice:

- (a) to you; and
- (b) if it knows who your Supplier of Natural Gas is — the Supplier.

26.2 Payment obligations continue

Your obligations to pay charges under this agreement continue, and are not suspended, if Duke suspends (wholly or partially) provision of the Service to you.

27. BRINGING THIS AGREEMENT TO AN END

27.1 Immediate termination

If any of the following happen:

- (a) [**bankruptcy**] you become bankrupt, or an externally administered body corporate within the meaning of the Corporations Law; or
- (b) [**late payment**] you fail to pay a bill within 90 Days of the date due for payment,

Duke may terminate this agreement immediately by giving you written Notice.

27.2 Duke's right to terminate for default

If there is a breach of any of your warranties under clause 25.1 of this agreement, Duke may:

- (a) give you a written Notice identifying the matter requiring you to fix it within the time specified in the Notice (it cannot be shorter than 14 Days); and
- (b) if, at the end of that period, the matter has not been fixed — terminate this agreement by giving you written Notice.

27.3 Duke's right to terminate an As-Available Service

If an As Available Service Access Agreement has not been utilised for transportation for a period of 3 consecutive Months Duke may:

- (a) give you a written Notice requiring you to use the agreement for transportation within the time specified in the Notice (it cannot be shorter than 14 Days); and
- (b) if, at the end of that period, the agreement has not been utilised for transportation — terminate this agreement by giving you written Notice.

27.3 Obligations that survive termination

Termination does not affect:

- (a) your obligation to pay charges for Services provided before the termination; or
- (b) your obligation to pay the Capital Surcharge and the User Specific Facility Charge for the Month in which this agreement is terminated; or
- (c) obligations that this agreement says survive the end of this agreement.

28. LIABILITY AND INDEMNITY

28.1 Duke's exclusion of liability

Duke is not liable to you for any loss or damage (no matter of what kind) arising, wholly or partly, from its operation of the Pipeline or the provision of Services to you, unless it is established that the loss or damage was caused by Duke's breach of this agreement.

28.2 You indemnify Duke

You must indemnify Duke, and keep it indemnified, against all liability for loss or damage (no matter to whom) arising wholly or partly from its operation of the Pipeline for the purposes of this agreement or the provision of Services to you.

28.3 Further indemnity

You must also indemnify Duke, and keep it indemnified, against:

- (a) liability of a kind mentioned in clause 28.2 of this agreement to you, to other Users of the Pipeline or to your employees or agents; and
- (b) all claims against Duke in relation to liability of a kind mentioned in clause 28.2 or in clause 28.3(a) of this agreement.

28.4 Where Duke caused the loss etc

If a liability arose partly because of Duke's breach of this agreement or misconduct, the amount of the indemnity under clauses 28.2 and 28.3 of this agreement is to be reduced by the amount that fairly reflects Duke's responsibility for the loss or damage concerned. It may be reduced to zero.

28.5 Costs etc covered

This clause 28 extends to costs and other expenses (including legal expenses) reasonably incurred in connection with a liability or a claim.

28.6 Exclusion of liability and indemnity do not terminate

This clause 28 survives the end of this agreement.

29. AMENDMENT

Subject to the other provisions of this agreement, this agreement may be amended, and may only be amended, in writing signed by both parties.

30. DURATION OF AGREEMENT

Unless sooner terminated, this agreement stays in force until the end date specified in the Terms Sheet.

31. YOUR RIGHT OF FIRST REFUSAL

After this agreement comes to an end as mentioned in clause 27 of this agreement, Duke will enter into another agreement with you for the Service, with the same provisions as this agreement, but only if you have, no later than 1 year before the end date specified in the Terms Sheet, given Duke written Notice that you want to renew this agreement.

32. CONFIDENTIALITY

32.1 You must observe confidentiality

You must not, unless Duke has first agreed in writing:

- (a) [**no disclosure**] disclose to anyone else; or

- (b) [*improper use*] use for a purpose other than the implementation of this agreement;

any information, document or other material concerning Duke or the Pipeline given to you by Duke under or for the purposes of this agreement, or that you have otherwise acquired for the purposes of this agreement.

32.2 Duke must observe confidentiality

Subject to section 4.1(g) of the Code, Duke must not, unless you have first agreed in writing:

- (a) [*no disclosure*] disclose to anyone else; or
- (b) [*improper use*] use for a purpose other than the supply of Services on the Pipeline to you;

any information, document or other material concerning you given to it under or for the purposes of this agreement, or that it has otherwise acquired for the purposes of this agreement.

32.3 Permitted disclosures

Clauses 32.1 and 32.2 of this agreement do not affect:

- (a) [*publicly available information*] disclosure of information, a document or material available publicly otherwise than because the person disclosing contravened this clause 32 of this agreement; or
- (b) [*disclosure required by Code*] a disclosure required by the Code; or
- (c) [*disclosure authorised etc by Access Arrangement or this agreement*] a disclosure required or authorised by this agreement or the Access Arrangement; or
- (d) [*legal compulsion*] a disclosure that the law requires to be made.

32.4 Consent etc not to be unreasonably withheld

Neither party may unreasonably withhold its agreement mentioned in clause 32.1 or 32.2 of this agreement.

32.5 This clause survives

This clause 32 survives the end of this agreement.

33. DISPUTE RESOLUTION

33.1 Notice of dispute or difference

If a dispute arises in connection with this agreement, either party may give the other written Notice identifying the dispute or difference.

33.2 Negotiate in good faith

Within the next 7 Days representatives nominated by each party must meet and, in good faith, try to resolve the dispute or difference.

If after 14 Days the dispute or difference has not been resolved, the chief executive officers of each party must meet within 7 Days and, in good faith, try to resolve the dispute or difference.

33.3 Arbitration

If after 14 Days the dispute or difference has not been resolved, either party may require, by written Notice to the other, that the dispute or difference be referred to arbitration in accordance with the Institute of Arbitrators Australia Rules for the Conduct of Commercial Arbitrations.

33.4 Dispute does not affect obligations

Despite the existence of a dispute or difference, both parties must continue to perform their obligations under this agreement.

34. NOTICES AND COURT PROCESS

34.1 How to give Notices

A Notice by one party is effectively given to another party only if signed by or on behalf of the party, marked for the attention of one of the other party's authorised persons and:

- (a) addressed to the other party and sent by fax to:
 - (i) its fax number listed in the Service Request Form; or
 - (ii) if the other party has given it Notice of some other fax number for this purpose — the fax number most recently notified; or
- (b) addressed to the other party at:
 - (i) its address listed in the Service Request Form; or
 - (ii) if the other party has given it Notice of some other address for this purpose — the address most recently notified;

and delivered to that address or sent by pre-paid mail to that address.

34.3 When Notices received

A Notice given in accordance with this clause is taken to be given and received:

- (a) if sent by fax to a fax number and a correct and complete transmission report is received — on the Day it is sent if that is a Business Day, otherwise on the next Business Day;
- (a) if delivered to an address — on the Day of delivery if that is a Business Day, otherwise on the next Business Day;
- (a) if sent by pre-paid mail — on the second Business Day after being posted.

34.4 Service of court process

Unless another person agrees to accept Service on behalf of a party, the parties appoint their authorised persons, at their then current addresses for the purposes of clause 34.1 of this agreement, to receive Service of process in connection with any proceeding arising under this agreement, and each agrees that process served on that person is to be taken to have been properly served.

34.5 Variation of details

Either party may, by written Notice to the other, change the name or title of the authorised person, or address or fax number, set out in the Service Request Form, and this clause 34 thereafter applies with those changes.

34.6 Authorised Person

A party's authorised person will have the capacity to bind the party. However, a party may request that the other party give proof that the authorised person can bind that other party. If a request is made, that other party must provide a copy of a written authority signed by the party's Chief Executive Officer or Managing Director or properly executed under that party's corporate seal.

35 WAIVER OF RIGHTS UNDER THIS AGREEMENT

35.1 Delay

That a party does not exercise, or delays in exercising, a right or power does not mean that it has given it up or waived it or that the party cannot exercise it, or other rights and powers, later.

35.2 Partial exercise

That a party exercises a right or power once or partly does not mean that it cannot exercise it again (partly or completely), or other rights or powers later.

35.3 Waiver

A party only waives a right it has under this agreement by giving the other party affected by the waiver a Notice to that effect.

36 ASSIGNMENT

Duke may assign its rights and obligations under this agreement.

If:

- (a) the Licence is terminated by the Minister for Mines & Energy or surrendered by Duke; and
- (a) the Corporation Sole under the *Petroleum Act (Qld) 1923* exercises its right to assume Duke's rights and obligations under this agreement;

Duke may assign its rights and obligations under this agreement to the Corporation Sole as required by the Licence.

Duke will be released from its obligations under this agreement upon assignment of its rights and obligations under this agreement.

You and Duke may pledge, mortgage or assign as security for your indebtedness rights and any money due or to become due under this agreement subject to the mortgagee or assignee agreeing with Duke to be bound by the terms of this agreement.

37 SEVERING PROVISIONS

If a provision of this agreement is or becomes invalid or unenforceable in a particular jurisdiction, it is to be read down (if possible) to be valid and enforceable but, if it cannot, this agreement, so far as it can, takes effect as if it did not include the provision. In any case:

- (a) the validity and enforceability in that jurisdiction of the other provisions are not affected; and
- (a) the validity and enforceability in other jurisdictions of the provision are not affected.

38 LIABILITIES, OBLIGATIONS AND RIGHTS OF PARTIES — GENERAL PROVISIONS

Each party must do whatever the other party reasonably requires it, in writing, to do to give full effect to this agreement and a party's rights and duties under it.

39 LIABILITIES ETC OF PARTIES — GENERAL PROVISIONS

If two or more parties or persons are included within the same defined term in this agreement:

- (a) [**joint and several liability**] a liability of those parties or persons under this agreement is a joint liability of all of them and a several liability of each of them; and
- (a) [**rights several**] a right given to those parties or persons under this agreement is a right given severally to each of them; and
- (a) [**effect of representations etc**] a representation made, and a warranty or undertaking given, by those parties or persons is taken to be made or given by each of them.

40 ENTIRE AGREEMENT

40.1 *Entire agreement*

This agreement and the Access Arrangement form the entire agreement of the parties on the subject matter, and the only enforceable obligations and liabilities of the parties in relation to the subject matter are those that arise out of it.

40.2 *Earlier representations etc cannot be relied on*

All representations, communications and earlier agreements between the parties in relation to the subject matter are merged in and superseded by this agreement.

40.3 *No partnership*

This agreement does not constitute a partnership of any kind between the parties.

41 EXECUTION

41.1 Counterparts

This agreement may be executed in any number of identical counterparts all of which, taken together, are one instrument.

41.2 Execution by attorneys

Each person who executes this agreement as an apparent attorney of a party declares that he or she is a properly appointed attorney of the party and that, to his or her knowledge, the power is in full operation.

42 LAW AND JURISDICTION

42.1 Proper law

The law in force in the State of Queensland governs this agreement.

42.2 Submission to jurisdiction

In any matter arising under this agreement, the parties submit to the jurisdiction of courts exercising jurisdiction under that law.

SCHEDULE 5: REFERENCE TARIFFS
FOR THE DUKE QUEENSLAND GAS PIPELINE
PIPELINE LICENCE NO. 30

1 DEFINITIONS

In this document, unless the contrary intention appears:

“Access Arrangement” means the Access Arrangement (as defined in the Code) for the Pipeline of which the Reference Tariffs are, or are intended, to form a part;

“Access Arrangement Information” has the meaning given to that term in the Code;

“As Available Rate” means the amount per GJ per Day equal to 1.25 multiplied by the sum of:

- (a) the Capacity Reservation Rate from time to time; and
- (b) the Distance Reservation Rate from time to time times the Distance Component;

“As Available Service” means the provision of access in relation to a Natural Gas transportation Service in the Pipeline which is:

- (a) subject to interruption when the Service Provider determines that Capacity is not available on the Pipeline due to the Service Provider making an Access Agreement relating to Firm Forward Haul Service; and
- (b) subject to Curtailment;

“Backhaul Rate” means, subject to clause 2.5(2) of this Reference Tariffs Schedule, the amount of \$0.40 per GJ;

“Backhaul Service” means the provision of access in relation to contractual deliveries of Natural Gas in the direction opposite to the physical flow of Natural Gas in the Pipeline, accomplished through a reduction in the physical flow of Natural Gas, which is subject to Curtailment or interruption by the Service Provider when supplies of Natural Gas being delivered to the Pipeline at the Delivery Point nominated under the Backhaul Service contract are inadequate to support that Service;

“Capacity” has the meaning given to that term in the Code;

“Capacity Reservation Rate” means, subject to clause 2.5(1) of this Reference Tariffs Schedule, the amount of \$0.50 per GJ;

“Code” means the National Third Party Access Code for Natural Gas Pipeline Systems, as amended from time to time;

“**Curtailment**” means the right of Duke to interrupt a transportation Service on the Pipeline for reasons of force majeure (that is, any event beyond the facility owner’s control) or when it is necessary for the safety and maintenance of the Pipeline or when it is necessary to make modifications, repairs, or operating changes to the Pipeline;

“**Day**” means a period of 24 consecutive hours beginning at 8.00am Australian Eastern Standard Time;

“**Delivery Point**” means a point on the Pipeline at which Natural Gas is delivered or deemed to be delivered from the Pipeline to or for the account of a User under an Access Agreement;

“**Distance Component**” means the distance measured along the Pipeline in kilometres as determined by reference to the attached map of the Pipeline (see Schedule 7 of the Access Arrangement), between the Receipt Point at which Natural Gas is received into the Pipeline from or on account of the relevant User during the Day and the Delivery Point at which Natural Gas is delivered from the Pipeline to or for the account of the relevant User during the Day;

“**Distance Reservation Rate**” means, subject to clause 2.1(3) of the Reference Tariffs Schedule, the amount of \$0.000943 per GJ per kilometre;

“**Electronic Bulletin Board**” means software known as the Electronic Bulletin Board which provides information to Users and Prospective Users;

“**Expansion Date**” means the date upon which the Service Provider first commences transportation Services under Access Agreements providing for firm Contracted Capacity for Firm Forward Haul Services of 25 PJ or more on an annualised basis;

“**Firm Forward Haul Service**” means the provision of access in relation to a Natural Gas transportation Service in the Pipeline which is subject to Curtailment but not any other interruption by the Service Provider;

“**GJ**” means gigajoule of Natural Gas;

“**Gross Heating Value**” means the energy produced by the complete combustion of one cubic metre of Natural Gas with air, at a temperature of 15 degrees Celsius and at an absolute pressure of 101.325 kPa, with the Natural Gas free of all water vapour, the products of combustion cooled to a temperature of 15 degrees Celsius and the water vapour formed by combustion condensed to the liquid state, expressed in MJ per cubic metre (MJ/m³);

“**Imbalance**” exists in relation to an Access Agreement if there is a difference on any Day between the quantities of Natural Gas received by the Service Provider at Receipt Points for a User’s account (excluding System Use Gas) and the quantities of Natural Gas delivered to or on account of the User at the Delivery Points;

“**kPag**” means kilopascals gauge;

“**Licence**” means Pipeline Licence No, 30 issued under the *Petroleum Act (Qld) 1923*, an up to date copy of which is contained on the Service Provider’s Electronic Bulletin Board;

“**Line Pack**” means the quantity of Natural Gas in the Pipeline which is necessary for physical operation of the Pipeline, excluding System Use Gas;

“**MDQ**” means the fixed maximum quantity of Natural Gas (in GJ) which the Service Provider is obliged to deliver at all Delivery Points (exclusive of System Use Gas) for the account of a User on each Day under an Access Agreement between the Service Provider and the User, as specified in that Access Agreement;

“**MJ**” means megajoule of Natural Gas;

“**Month**” means a period extending from the beginning of the first Day in a calendar Month to the beginning of the first Day in the next calendar Month;

“**Net Negative Imbalance**” means an Imbalance when the quantities delivered on a Day are less than the quantities received on that Day;

“**Net Positive Imbalance**” means the Cumulative Imbalance from the first Day to the last Day of a Month where quantities delivered exceed quantities received;

“**Nominal Capacity**” has the meaning given to that term in the *Petroleum Act (Qld) 1923*;

“**Nomination**” means a schedule provided Monthly by a User to the Service Provider, showing for each Day of the applicable Month:

- (a) the quantities of Natural Gas (in GJ) intended to be presented at each Receipt Point by or on behalf of the User under an Access Agreement; and
- (b) the quantities of Natural Gas (in GJ) required to be delivered at each Delivery Point to or for the account of the User under an Access Agreement;

“**Overrun Quantity**” means the quantity of Natural Gas (in GJ) delivered by the Service Provider to or for the account of a User at all Delivery Points during any Day under an Access Agreement that is greater than the MDQ under the Access Agreement for that Day;

“**Overrun Rate**” for any Day shall equal the sum of:

- (a) the User’s Capacity Reservation Rate; and
- (b) the User’s Distance Reservation Rate times the Distance Component, determined on a weighted average basis based on the quantities of Natural Gas shown on the Nomination at each Delivery Point;

“**Overrun Service**” means a Service comprising the delivery of an Overrun Quantity;

“**Pipeline**” means the Pipeline licensed under the Licence;

“**Prospective User**” means a person who seeks or is reasonably likely to seek to enter into a contract for a Service and includes a User who seeks or may seek to enter into a contract for an additional Service;

“**PJ**” means petajoule of Natural Gas;

“Rate Cap” means:

- (a) prior to the Expansion Date, \$0.795 per GJ of MDQ, and
- (b) on and from the Expansion Date, \$0.71 per GJ of MDQ;

“Receipt Point” means a point at which Natural Gas is received or deemed to be received into the Pipeline from or on account of a User under an Access Agreement;

“Reference Services” means As Available Service, Backhaul Service and Firm Forward Haul Service;

“Reference Tariff” means the tariffs and charges referred to in clauses in respect of the Reference Services;

“Regulator” means the relevant Regulator of Natural Gas transmission Pipelines specified in the *Gas Pipelines Access (Queensland) Law*;

“Revisions Commencement Date” has the meaning given to that term in the Code;

“Revisions Submission Date” has the meaning given to that term in the Code;

“Service” means a Service provided by means of the Pipeline including (without limitation):

- (a) haulage Services (such as firm haulage, interruptible haulage, spot haulage and backhaul);
- (b) the right to interconnect with the Pipeline; and
- (c) Services ancillary to the provision of such Services;

but does not include the production, sale or purchasing of Natural Gas;

“Service Provider” means the person who is the owner or operator of the whole, or any part, of the Pipeline;

“Spare Capacity” has the meaning given to that term in the Code;

“Swap” means an arrangement between two or more Users under which the Users agree to exchange quantities of Natural Gas purchased, resulting in an exchange of the User’s quantities of Natural Gas at the Receipt Points of which the Users give Notice to the Service Provider pursuant to their individual Access Agreement;

“System Use Gas” means the quantities of Natural Gas necessarily used in the operation of the Pipeline, including Natural Gas used as fuel for compressors or other equipment and quantities otherwise lost and unaccounted for in connection with the operation of the Pipeline, but excludes Line Pack and Natural Gas lost through the negligence of the Service Provider;

“TJ” means terajoule of Natural Gas; and

“User” means a person who has a current contract for a Service.

2 TARIFFS AND CHARGES

2.1 Reference Tariffs

- (1) Subject to adjustment in accordance with the following sub-clauses of this clause 2.1 and clauses 2.5 and 2.7, the Reference Tariffs for the Reference Services consist of:
 - (a) where the Access Agreement relates to Firm Forward Haul Service, for each Day:
 - (i) a Capacity reservation charge equal to the Capacity Reservation Rate multiplied by the relevant User's MDQ; and
 - (ii) a distance reservation charge equal to the Distance Reservation Rate multiplied by the Distance Component multiplied by the relevant User's MDQ;
 - (b) where the Access Agreement relates to Backhaul Service, for each Day, a backhaul reservation charge equal to the Backhaul Rate multiplied by the relevant User's MDQ;
 - (c) where the Access Agreement relates to As Available Service, for each Day, a charge equal to the As Available Rate multiplied by the quantity of Natural Gas (in GJ) delivered at a Delivery Point for the account of the User on the relevant Day.
 - (d) Overrun charges and Imbalance Charges in accordance with clauses 2.2 and 2.3 of this Reference Tariffs Schedule;
 - (e) a charge for new taxes, duties or charges imposed by any government or other Regulatory authority in accordance with clause 2.7 of this Reference Schedule; and
 - (f) costs of construction, operation and maintenance of capital improvements in accordance with clause 2.4 of this Reference Tariffs Schedule.
- (2) The Reference Tariffs in this clause 2.1 apply to the Reference Services until the Capacity of the Pipeline is greater than the Nominal Capacity of the Pipeline when its configuration is as specified in Schedule 1 to the Licence.
- (3) On and from the Expansion Date, the Distance Reservation Rate shall be \$0.000660 per/GJ per kilometre.
- (4) If the average Capacity reservation charge and distance reservation charge as determined under clause 2.1(1)(a) of this Reference Tariffs Schedule and actually charged to a User per GJ of MDQ per Day by the Service Provider in any year commencing on 1 July exceeds the applicable Rate Cap, then the Service Provider will rebate such excess to that User. At the option of the Service Provider, the rebate will be provided to the User either through a cash refund within 30 Days after the end of that year or through a credit of 1/12th of that excess each Month for the Monthly invoices issued under the Access Agreement for the 12 Months after the end of that year.
- (5) The Overrun and Imbalance Charges which are part of the Reference Tariffs may only be included in an Access Agreement subject to the Service Provider providing the User with:

- (a) sufficient and timely information; and
 - (b) adequate time to install control measures at the User's option; which will allow the User to take practical measures to avoid incurring such charges.
- (6) The Reference Tariffs encompass all the tariffs and charges which may be levied by the Service Provider on a User for the Reference Services.
- (7) The Reference Services include, without limitation, the following Services;
- (a) receipt of Natural Gas at the Receipt Points;
 - (b) transportation of Natural Gas to the Delivery Points, including use of compression facilities installed on the Pipeline;
 - (c) delivery of Natural Gas at the Delivery Points;
 - (d) measurement of Natural Gas quantity and quality for the purposes of metering, billing and the operational and safety requirements of the Pipeline;
 - (e) measurement and control of Natural Gas pressures for the purposes of metering, billing and the operational and safety requirements of the Pipeline;
 - (f) establishment and management of transportation accounts, preparation of invoices and collection of revenue for tariff purposes;
 - (g) operation and maintenance of the Pipeline; and
 - (h) provision of all business and customer support Services required for the provision of the Services listed above or required by this Access Arrangement.
- (8) Subject to clause 2.1(6) of this Reference tariffs Schedule and the other provisions of the Access Arrangement and to the limits of the Reference Tariffs, tariffs and charges under Access Agreements are a matter for negotiation between the relevant parties to each Access Agreement.
- (9) Subject to clause 2.1(10) of this Reference Tariffs Schedule, the Service Provider is not obliged to enter into any Access Agreement for a Reference Service with provision for tariffs and charges that are less than the Reference Tariffs.
- (10) If the Service Provider agrees to charge a User less than the Reference Tariff for a Reference Service then the Service Provider must, on and from the effective date of such reduced tariffs and charges, charge such reduced tariffs and charges under all other Access Agreements which provide for a similar Service and must post a Notice on the Electronic Bulletin Board of the Service Provider (or provide Notice in such other manner as reasonably determined by the Service Provider) describing the similar Service including the reduced tariffs and charges. For purposes of this clause 2.1(10), "similar Service " means that, in all material respects, the terms and conditions for access under the relevant Access Agreements (including, without limitation, term (if a new Access Agreement), termination date (if an amended Access Agreement), payment provisions, and currency risk allocation) are equivalent, provided that material differences in quantity or distance of haul are not to be taken into account.

If any existing User proposes within a period of one year of the posting of the above Notice or longer period determined by the Service Provider to change its existing Access Agreement with the Service Provider so that it provides for a similar Service, then the Service Provider will agree to those changes. As an alternative,

the User may request the Service Provider to enter into a new Access Agreement providing for a similar Service and, if such request is made, the Service Provider will enter into that new Access Agreement with the User and the existing Access Agreement of the User will be cancelled.

Subject to Capacity being available and a Prospective User being creditworthy, if a Prospective User proposes to the Service Provider that it will enter into an Access Agreement which provides for a similar Service with the Service Provider within a period of 1 year of the posting of the above Notice or longer period determined by the Service Provider, the Service Provider will enter into such an Access Agreement with the Prospective User.

- (11) An Access Agreement with the Service Provider which relates to Firm Forward Haul Service will be for a term of 10 years or more, as agreed by the parties. This provision will not apply to renewals or Extensions of an Access Agreement in conformance with that Access Agreement.

2.2 Overrun Charges

- (1) For an Overrun Service in excess of the User's MDQ by more than 5%, the User shall pay an overrun charge equal to the Overrun Rate multiplied by the quantity of Natural Gas (in GJ) by which the User's Overrun Quantity exceeds 5% of the MDQ.
- (2) For an Overrun Service which occurs in circumstances when the Service Provider has declared by Notice that physical or operational circumstances exist on the Pipeline which require that the Users of the Pipeline limit their access to their respective MDQs. Then the User shall pay an overrun charge equal to:
- (a) in the case of Firm Forward Haul Service. The User's Overrun Quantity multiplied by an amount equal to the Overrun Rate plus \$1.00 per GJ;
 - (b) in the case of As Available Service, the User's Overrun Quantity multiplied by an amount equal to the As Available Rate plus \$1.00 per GJ; or
 - (c) in the case of Backhaul Service, the User's Overrun Quantity multiplied by an amount equal to the Backhaul Rate plus \$1.00 per GJ.

2.3 Imbalance Charge

- (1) Each User will be responsible to control and, if necessary, adjust the receipts and deliveries of Natural Gas to maintain a balance between the User's receipts (net of System Use Gas) and deliveries.
- (2) If a Net Positive Imbalance exists at the end of a Month, then the User will correct a continuing Imbalance during the subsequent Month by making adjustments in receipts and/or deliveries. If a Net Negative Imbalance exists at any time, the User shall correct that Imbalance within 3 Days after receiving notification of the existence of that Imbalance from the Service Provider.
- (3) If a User fails to take corrective action under clause 2.3(2), the Service Provider may adjust the User's receipts and deliveries over that subsequent Month to correct that continuing Imbalance.
- (4) If a Net Positive Imbalance still remains at the end of the subsequent Month, from the beginning of the next Month until the Imbalance is eliminated, the Service Provider may charge the User an Imbalance Charge equal to the Net Positive Imbalance multiplied by the imputed cost of the Net Positive Imbalance multiplied by a daily rate equal to (a) the Indicator Lending Rate for business loans published by Westpac Banking Corporation (expressed as a percentage per annum) which is

effective as at the first Day of the applicable Month, divided by (b) 365. If such Indicator Leading Rate is not available, the Service Provider may select another equivalent rate. The imputed cost of an Imbalance shall be determined and published from time to time by the Service Provider and is the cost to the Service Provider of the Line Pack per GJ. For the first year commencing on 1 July 1996, the cost of the Line Pack shall be \$2.81 per GJ.

- (5) The Service Provider will not be entitled to act under clause 2.3(4) in respect of any Imbalance that has been corrected during a Month notwithstanding that a further Imbalance has subsequently arisen by the end of that Month.

2.4 Applicable Surcharge

The Service Provider is entitled to recover from an applicable User or a group of applicable Users (in the proportion agreed) the costs of:

- (a) constructing capital improvements for additional Receipt Points or Delivery Points or constructing capital improvements to increase or decrease Capacity at existing Receipt Points or Delivery Points, as specifically required to deliver Natural Gas to or receive Natural Gas from that User or group of Users', and
- (b) operating and maintaining the capital improvements referred to in clause 2.4(a) above.

2.5 Tariff Escalation

- (1) The Capacity Reservation Rate, as increased by the earlier application of this clause 2.5(1), may be increased by the Service Provider by no more than \$0.04 on the first Day of July in the years 2001, 2006, 2011, 2016, 2021, 2026, and 2031.
- (2) The Backhaul Rate, as increased by the earlier application of this clause 2.5(2), may be increased by the Service Provider by no more than \$0.03 on the first Day of July in the years 2001, 2006, 2011, 2015, 2021, 2026, and 2031.

2.6 System Use Gas

An Access Agreement other than in relation to a Backhaul Service must provide that a User is required to supply, on a pro rata basis based on Capacity reserved, System Use Gas of up to and including 1.5% of the User's MDQ at its cost unless the parties otherwise agree. The Service Provider will be responsible for supplying System Use Gas in excess of 1.5% of the User's MDQ unless the parties otherwise agree.

2.7 Government Taxes, Duties and Charges

If, after 1 July 1996, a government or other Regulatory authority imposes or applies a new tax, duty or charge made or imposed directly in respect of quantities transported by the Service Provider, then the Service Provider is entitled to recover from its Users, on a pro rata basis based on Capacity reserved, the amount of that new tax, duty or charge which it is liable to pay under an Access Agreement so long as that tax, duty or charge is effective.

3 REVISION OF REFERENCE TARIFFS

3.1 Revisions Submission Date

In accordance with the Gas Pipelines Access Legislation, the date by which revisions to the Access Arrangement must be submitted to the ACCC for its approval is:

(a) the date six Months before the date when Duke reasonably expects the Capacity of the Pipeline will be greater than the Nominal Capacity of the Pipeline when its configuration is as specified in Schedule 1 to the Licence; or

(b) 31 August 2016;

whichever comes first.

3.2 Revisions Commencement Date

The Revisions Commencement Date specified in the Access Arrangement for revisions submitted in accordance with clause 3.1 of this Reference Tariff Schedule will be:

(a) for revisions submitted under clause 3.1(a) - the date when the Capacity of the Pipeline is greater than the Nominal Capacity of the Pipeline when its configuration on is as specified in Schedule 1 to the Licence', or

(b) for revisions submitted under clause 3.1(b) - the date on which the Regulator approves the revisions.

4. ACCESS ARRANGEMENT INFORMATION

The Service Provider shall not be required to submit Access Arrangement Information to the Regulator in relation to the Reference Tariffs and related provisions in this document until the Revisions Submission Date provided for in clause 3.1 of this Reference Tariff Schedule.

SCHEDULE 6: SYSTEM DISTANCE CHART

See Attached page

**SCHEDULE 7: MAP OF ROUTE OF QUEENSLAND GAS
PIPELINE**

PIPELINE LICENCE NO. 30

See Attached

SCHEDULE 8: GENERAL OPERATING INFORMATION FOR QUEENSLAND GAS PIPELINE

1. OPERATIONS

1.1. General Operating Conditions

Descriptions and Pressures

The Pipeline consists of three pipeline segments:

i) Wallumbilla - Gladstone City Gate

514.4 km of 323.9 mm O.D. Class 600 transmission pipeline from Wallumbilla to Gladstone City Gate Station. This line has an inlet pressure operating range of 5000 - 10200 kPa. Normal operating pressure range is 8200 - 9500 kPa as measured at Rolleston Meter Station.

During pipeline works such as pigging and welding, this line may be operated with a Rolleston pressure as low as 5000 kPa.

ii) Gladstone City Main

16.1 km of 323.9 mm O.D. Class 300 pipeline and associated laterals from Gladstone City Gate Station to QAL Meter Station. The normal operating pressure of this pipeline segment is approximately 2700 kPa. Pipeline works such as welding or pigging may reduce the delivery pressure to a minimum of 1700 kPa. In the future, as this segment approaches full capacity, Duke will increase the operating pressure toward the 5100 kPa, Maximum Allowable Operating Pressure (MAOP).

Water bath heaters operate as required at Gladstone City Gate Station to ensure that hydrate formation does not occur in the pipeline and in control piping downstream of the regulation. The water bath heaters are automatically controlled to sense outlet gas temperature and operate as required to keep the outlet gas temperature above the hydrocarbon dew point of the gas.

iii) Larcom Creek - Rockhampton

96.7 km of 219.0 mm O.D. Class 600 pipeline from Larcom Creek Meter Station (the tee off of the main line) to Rockhampton City Gate Station.

Pressure regulation at Larcom Creek Meter Station reduces pressure from the Mainline as gas enters the Rockhampton Branch Pipeline (RBL). Normal operating pressure for the Rockhampton Branch Pipeline is approximately 4500 kPa.

Pressure regulation at Rockhampton City Gate Station further decreases pressure to downstream customer's delivery pressure of approximately 2000 kPa.

Receipt Points

The Pipeline currently has five gas receipt stations. A brief description of each is set out below.

Wallumbilla

Wallumbilla Station (K.P. 0.00). This receipt point services the Surat, Cooper & Eromanga Basins and provides inter-connection with the Roma to Brisbane and Ballera to Wallumbilla pipelines.

Facilities include:

- Pig Launcher
- Station/Pipeline Isolation Facilities
- Filter Separator
- Single Metering Skid
- SCADA Control & Monitoring System (satellite link)
- Radio and Telephone Communications
- Pipework to facilitate forward or reverse flow

Fairview

The Fairview lateral ties into the main line at KP 134.5 (Ridglands Scraper Station). There is 25.64km of 200mm NB Class 900 pipeline between the Fairview meter station and the main line.

Ridglands Scraper Station facilities include:

- Receiver
- Manual MLV
- Provisions for future regulation

Fairview Meter Station (Lateral K.P. 25.64) facilities include:

- Station/Pipeline Isolation Facilities
- Filter Separator
- Single Metering Skid
- Pig Launcher
- Radio SCADA Data Link to Westgrove
- Radio Voice Communications

Westgrove

Westgrove Station (K.P. 154.04) is a single producer receipt point servicing the South Denison Trough.

Facilities on site include:

- Pig Launcher/Receiver
- Station/Pipeline Isolation Facilities
- Filter Separator
- Single Metering Skid
- SCADA Control & Monitoring System (satellite link)
- Radio Communications

Rolleston

Rolleston Station (K.P. 243.45) is a single producer Receipt Point servicing the North Denison Trough.

Facilities on site include:

- Pig Launcher/Receiver
- Station/Pipeline Isolation Facilities
- Filter Separator
- Single Metering Skid
- SCADA Control & Monitoring System (satellite link)
- Radio Communications

Moura

Moura Station (K.P. 360.71) is a dual producer Receipt Point, servicing the Bowen Basin coal seam reserves.

- Dual Filter Separators
- Station/Pipeline Isolation Facilities
- Dual Metering Skids
- SCADA Control & Monitoring System (landline link)
- Radio Communications

Delivery Points

Duke currently owns and operates seven (7) dedicated delivery stations on the Pipeline. An additional three Delivery Points are owned and operated by Origin Energy Ltd within the requirements of the Access Arrangement.

Origin Energy Ltd has three Delivery Points, two located in Rockhampton and one in Gladstone.

Detailed below is a brief description of the Duke owned and operated delivery points.

ORICA Australia Operations Pty Ltd

The ORICA Delivery Point is located downstream of the Gladstone City Gate at K.P. 516.26.

Facilities include:

- Dry Filter

- Station/Pipeline Isolation Facilities
- Metering Skid
- SCADA monitoring system (Radio)

Queensland Alumina Limited [QAL]

The QAL delivery station is located at the end of the Gladstone City Main at K.P. 530.41. It acts as a dual delivery station servicing both the QAL and Boyne smelters.

QAL Metering Skid Facilities include:

- Dual Dry Filter
- Station/Pipeline Isolation Facilities
- Dual Metering Skid (QAL)
- Single Metering Skid (Boyne)
- SCADA Monitoring (landline)

Boyne Smelter Metering Skid

Facilities include:

- Dual Dry Filter
- Station/Pipeline Isolation Facilities
- Single Metering Run (turbine)
- SCADA Monitoring (landline)

AMC

Facilities include:

- Dry Filter
- Station/Pipeline Isolation Facilities
- Single Metering run (orifice)
- SCADA Monitoring (radio)

TICOR

Facilities include:

- Dry Filter
- Station/Pipeline Isolation Facilities
- Single Metering run (orifice)
- SCADA Monitoring (radio)

SUNCOR

Facilities include:

- Dry Filter
- Station/Pipeline Isolation Facilities
- Single Metering run (orifice)
- SCADA Monitoring (radio)

Queensland Magnesia (Operations) Pty Ltd [QMag]

The QMag delivery site is located within the Rockhampton City Gate Station at the end of the RBL (96.7 km from Larcom Creek).

Facilities include:

- Station/Pipeline Isolation Facilities
- Metering Skid (Turbine)
- Dry Filter
- SCADA monitoring system (Landline)

Check Metering Facilities

Duke owns and operates three check metering stations on the Pipeline. Data entered from these points is used in daily reconciliation and balancing of the pipeline. Detailed below is a brief description of each.

Larcom Creek

The Larcom Creek check metering station (K.P. 497.77) is the take off point for the RBL. It has the multi function of metering, regulating and odourising the gas into the RBL.

Facilities include:

- Pig Launcher
- Filter/Separator
- Station/Pipeline Isolation Facilities
- Regulator Skid
- Metering Skid
- Odorant Injection Plant
- SCADA Control & Monitoring (landline)

Rockhampton City Gate

The Rockhampton City Gate is located at the end of the Rockhampton Branch Line, 96.7 km from Larcom Creek. It has the dual function of metering and regulating the gas.

Facilities include:

- Pig Receiver
- Station/Pipeline Isolation Facilities
- Dual Filter/Separators
- Dual Regulator Skids
- Dual Metering Skids
- SCADA Control & Monitoring (landline)
- Radio & Telephone Communications

Gladstone City Gate

Gladstone City Gate Station (K.P. 514.31) is located at the end of the Duke mainline prior to the Gladstone City Main. It has the multi function of metering, regulating and odorising the gas into the City Main.

Facilities include:

- Pig Receiver
- Station/Pipeline Isolation Facilities
- Pipeline Blowdown Facilities
- Dual Filters/Separators
- Dual Regulator Skids
- Dual Meter Skids
- Dual Heaters
- Odoriser Injection Plant
- SCADA Control & Monitoring (satellite link)
- Telephone Communications

Scraper Stations

In addition to launcher/receiver facilities located at the receipt and check stations, Duke owns and operates six dedicated Scraper Stations.

Mainline Locations:

- | | | |
|----|------------|-------------|
| 1. | Gooimbah | K.P. 93.92 |
| 2. | Oombabeer | K.P. 318.07 |
| 3. | Banana | K.P. 386.40 |
| 4. | Bell Creek | K.P. 449.97 |

Fairview Lateral:

- | | | |
|----|-----------|-------------|
| 5. | Ridgeland | K.P. 134.50 |
|----|-----------|-------------|

Rockhampton Branch:

6. Bajool 50.65 km downstream from Larcom Creek

Facilities include:

Pig Launcher/Receiver Facilities
Pipeline Isolation & Blowdown Facilities
SCADA Control & Monitoring (at Banana only)

Isolation Stations

In addition to the scraper station, Duke own isolation stations which are equipped with Main Line valves and blowdown facilities.

Isolation stations locations:

Mainline

- | | | |
|----|----------------|------------|
| 1. | Mt Saltbush | KP 45.51 |
| 2. | Arcadia Valley | KP 208.04 |
| 3. | Calliope | KP 481.671 |

Fairview Lateral

- | | | |
|----|----------------------------|------------------------------------|
| 1. | Ridgeland Fairview Tee off | KP 134.50 (Lateral isolation only) |
| 2. | Fairview lateral | KP 25.64 |

Gladstone City Main

- | | | |
|----|----------------|----------|
| 1. | Red Rover Road | KP 8.398 |
|----|----------------|----------|

Rockhampton Branch Line

- | | | |
|----|-------------------|----------|
| 1. | Gavial Road | KP 75.87 |
| 2. | Airport | KP 86.36 |
| 3. | Fitzroy River Sth | KP 93.31 |
| 4. | Fitzroy River Nth | KP 93.69 |

1.1.1. Linepack - Calculation

Linepack

Duke owns and maintains sufficient linepack for safe and efficient operation of the pipeline. Currently Duke owns approximately 150 TJ of linepack which corresponds to a Rolleston pressure of approximately 8200-8300 kPa.

Pipeline pressure, temperature and gas composition values are transferred each hour from the SCADA system into the Linepack application software. Gas composition data is flow weighted prior to calculation of the mainline linepack.

The Gladstone City Gate average monthly GHV is applied to the calculated volumetric linepack to calculate the energy value of the mainline linepack.

The RBL linepack, Gladstone City Main Linepack plus City Main laterals, and Fairview Lateral Linepack are calculated using snapshot pressures and gas composition due to the relatively high turnover of these lines. Energy value for RBL and Gladstone City Main is calculated by applying the previous 24 hour average Gladstone City Gate GHV. The Fairview energy value is calculated from the Fairview GHV. Linepack in these lines shows little variation due to the constant pressure control method used.

Total linepack is calculated each morning at 0800 hrs by summing the Wallumbilla - Gladstone City Gate, Larcom Creek – Rockhampton, Gladstone City Main plus laterals, and Fairview Lateral Linepacks.

Wallumbilla - Gladstone City Gate

Linepack calculations are performed by Honeywell application software using data from the SCADA system.

The line is divided into five sections:

- Wallumbilla - Westgrove
- Westgrove - Rolleston
- Rolleston - Banana
- Banana - Calliope
- Calliope - Gladstone

Real time data is acquired from RTU's at each scraper station and stored in the system database along with the physical properties of each section.

Calculations are performed based on the Universal Gas Law to determine the standard volume of natural gas contained within each section. Mean pressures and temperatures are calculated using readings obtained from both ends of the five sections. Corrections are made for gas compressibility in addition to pipeline volume changes due to temperature and pressure variations.

The linepack calculation runs hourly, calculating the volume in each section using a weighted moving average for section end point pressures, temperatures and gas composition.

Total linepack for the Wallumbilla - Gladstone City Gate pipeline is equal to the sum of the five section linepacks.

Fairview Lateral Linepack

Linepack in this section is calculated daily using snapshot pressures and temperatures taken from the Fairview meter station at 0800 hrs each morning. Gas components are taken from Fairview meter station. An Excel spreadsheet is used for calculation.

Larcom Creek - Rockhampton City Gate

Linepack in this section is calculated daily using snapshot pressures and temperatures taken from the end points at 0800 hrs each day. Gas composition snapshot values are taken from Gladstone City Gate at 0800 hrs.

As the pressure in this pipeline is regulated to approximately 4000 kPa at Larcom Creek, changes in the linepack from day to day are minor due to the low load factor on the Rockhampton Branch Line.

An Excel spreadsheet application is used to perform this linepack calculation.

Gladstone City Gate - QAL

This pipeline is relatively short (16.101 km) and regulated down to a fixed Gladstone City Gate outlet pressure of approximately 3400 kPa. An Excel spreadsheet application has been used to calculate linepack in this line.

This calculation includes any laterals which run off the City Main.

As throughput volumes increase the Gladstone City Mainline pressure may be increased up to a maximum of 5100 kPa.

1.1.2. Normal Flow

Normal, or forward flow on the pipeline exists when the scheduled quantities to Gladstone and Rockhampton exceed those scheduled quantities to Wallumbilla.

Producers supply gas to pipeline receipt points at a flow rate (GJ/day) specified on a daily basis as agreed by Duke. Gas received into the pipeline is regulated by the producers to the maximum allowable supply pressure of 10,200 kPa. Duke does not regulate flow or pressure at Receipt Points. Duke does maintain over pressure protection at Receipt Points.

Pipeline integrity is ensured through continuous flow monitoring (via SCADA) and the capacity to limit and isolate flow. Automated and/or manual shut in valves are operated at each Receipt and Delivery Point, and at a further 17 locations along the pipeline.

1.1.3. Reverse Flow

Reverse Flow

Reverse flow in any section of the Pipeline occurs when the scheduled quantities to Wallumbilla exceed the scheduled quantities to Gladstone and Rockhampton. This scenario typically occurs between Wallumbilla and Westgrove.

Flow through the Wallumbilla Meter Station can be reversed by manually operating the reverse flow pipework on site so that the meter run will measure the quantity of gas leaving the Pipeline.

Connecting Pipelines at Wallumbilla include connections to the EPIC South West Queensland Pipeline and the AGL Roma to Brisbane Pipeline.

Connecting Pipelines and Pipeline facilities are advised of the quantity of gas scheduled to back flow from the Pipeline and Duke allocates the gas to the respective Shipper's account.

A back flow imbalance is calculated by Duke and provided to connecting Pipelines/Pipeline facility owners. The back flow imbalance details the quantitative difference between gas which was scheduled to flow and the actual quantity of gas delivered.

Back flow schedules are adjusted to eliminate back flow imbalances as quickly as possible.

1.1.4. Delivery Pressures

Delivery Pressures

Wallumbilla delivery pressure is the same as the operating pressure of the Main line ie. between 5000 kPa and 10200 kPa. The normal operating pressure range is between 8500kPa and 9500 kPa.

Gladstone City Main delivery pressures currently range from a minimum of 1700 kPa to 3400 kPa. As the Gladstone City Main nears capacity Duke will provide notice to shippers with delivery points on this segment and increase the delivery pressure toward the pipeline MAOP of 5100 kPa.

Rockhampton Branch Line delivery pressures upstream of Rockhampton City Gate Station are approximately 4500 kPa. The pressure is set to ensure that the gas temperature downstream of Rockhampton City Gate regulation remains above 10°C. and to provide reasonable linepack to service Rockhampton in the event of a failure on the main line. The pressure in the RBL can be increased to the MAOP of 10,200 kPa to meet customer requirements. Downstream of the Rockhampton City Gate Station delivery pressure is regulated to approximately 2000 kPa.

1.2. Routine Maintenance

1.2.1. Measurement Stations, Gas Receipt and Delivery

All stations are monitored on a weekly basis; sometimes more often where schedules allow. Critical equipment status is received and checked against SCADA records. Cathodic Protection equipment status in particular is checked. Detailed monthly checks and routine maintenance is carried out at calendar month intervals. Station instruments are read, recorded and filed.

Meter verifications are carried out at approximately 6 week intervals.

On a quarterly basis additional preventive maintenance and non-fiscal instrument service is completed as required. This work is identified from the 3 monthly station inspection.

Bi-annually, further preventive maintenance is performed including:

- Bench tests
- Filter checks

On an annual basis, preventive maintenance and testing is carried out including:

- Instruments and alarm “set points” are recalibrated.
- Leak surveys for minor points such as flanges and fittings.
- Relief Valve limit tests.
- Internal/External inspections of pressure vessels.
- Valve servicing.
- Regulator servicing and inspections (check diaphragms).
- Load test 24 volt back up batteries at stations.
- Replace instrument back up batteries at stations.
- Welders are tested to ensure availability for any possible emergency situation.
- Emergency simulations are carried out to test and train for emergency repair response capability.

1.3. Cathodic Protection Surveys

The criteria for protection for the pipeline is drawn from AS2832.1 - 1985 which states that the potential on all parts of a buried ferrous structure should be equal to or more negative than -850 mV with respect to a copper/copper sulphate reference electrode.

The standard also states that for pipelines subject to stray direct current the potential should be measured over a period of time and that the structure is protected when the potential is more negative of -850 mV to Cu/CU SO₄ for 90% of the time, provided the positive potential peaks do not occur in one continuous period.

Potentials recorded should be more negative than -850 mV to Cu/CU SO₄ for 90% of the time and more positive than -2500 mV to Cu/CU SO₄ for 90% of the time. It also dictates that the average potential measured over 24 hours, at the test points in the telluric area should be more negative than the criterion potential.

The criterion potential (mV) is calculated from the following formula:-

$$\text{Criterion potential} = \text{RP average potential} - \text{RP coupon Off potential} - 850$$

The pipeline is protected by an impressed current Cathodic Protection (CP) System which is monitored in a number of ways. These are:

- via SCADA communications which allow the performance and output of the rectifier, which provides DC CP current to the pipeline, to be monitored in the Brisbane Control Centre on an ongoing basis. Alarms are set to activate if the CP units malfunction.
- Inspection of the CP Rectifier units is carried out on a weekly and monthly basis as part of the Station Checks.

- Corrosion coupons are buried at locations along the pipeline. These coupons simulate bare pipe and are attached to the CP system. Condition and output of the corrosion coupons is measured on site monthly. Data from each test point is correlated and a trend of the corrosion rate obtained. The corrosion rate is measured in micro metres per annum, with a target rate less than 2.
- A full survey of pipe-to-soil potentials is carried out annually using data loggers along the entire pipeline length.
- A report is produced and sent to a third party consultant for a review of the pipeline protection status and recommendations for additional remedial action as appropriate.

1.4. Right-of-Way (ROW) Patrols

Ground patrols are carried out in the Gladstone and Rockhampton metropolitan areas. Rural ROW sections are checked by aerial surveillance on a calendar month basis to check for unauthorised third party activity on or near the ROW, and for any potentially damaging wash outs or erosion.

Sections of rural ROW have ground patrols carried out as necessary to investigate activities detected from the air, advised or known to occur in the area. Personnel travelling to or from stations and along the ROW for routine maintenance patrol the ROW on an ongoing basis.

Once per annum a detailed ROW maintenance programme is completed and a further ground patrol is performed as part of this maintenance programme. Additionally, when the annual Cathodic Protection Survey is carried out, a full ground patrol is combined with the survey.

1.5. Capacity Constraints & Curtailments

Capacity constraints relate to restrictions of pipeline throughput at individual Receipt Point/s, Delivery Point/s or on segments of the pipeline. Constraints to throughput can be caused by situations such as, but not limited to:

- Force majeure,
- Limited supply,
- Pipeline safety requirements,
- Maintenance requirements,
- Pipeline modifications and repairs or
- Operating requirements.

* See the Pipeline's Access Arrangement for definition and commercial considerations.

Capacity constraints may require Duke to curtail a portion or all of the service at a point or segment on the pipeline. Curtailment is the right of Duke to interrupt transportation service for reasons as stated above and as defined in the Duke Indicative Tariff, Sections 1.4 & 22.

If capacity is constrained at individual points or segments on the pipeline Duke will exercise its right of curtailment only at the point/s or segment/s of the pipeline affected by the constraint.

Duke will endeavour to keep curtailment to a minimum by use of linepack but only if the use of such does not cause restriction to Shippers not affected by the constraint or cause detriment to the operation of the pipeline.

Duke will notify Shippers as soon as it becomes aware of any occurrences which may result in curtailment and will consult with related Shippers as to the reasons, duration and possible remedies of the curtailment.

Annually Duke will inform Shippers in writing of scheduled maintenance, repairs and planned construction on the pipeline system, which may cause constraints to receipt or delivery on the pipeline. Annual maintenance and repair schedules will be posted on the Duke website and updated as required to include any work which may impact upon pipeline capacity or Duke's ability to provide normal service. Construction schedules will also be included as appropriate.

If Duke determines the capacity of the pipeline, or any portion thereof, is constrained or otherwise insufficient to meet transportation needs, curtailment of non Firm Transportation services, to zero if necessary, will be carried out beginning with the last quantities scheduled, and then sequentially in reverse order to the priority of service. All overrun quantities will be curtailed prior to curtailing any quantities scheduled under as-available or backhaul rate schedules.

Curtailment of Firm Transportation service under rate schedule FT-1 will be performed on a pro rata basis based on MDQs.

Under curtailment conditions for reasons other than force majeure, the Shipper shall be charged only for the quantity of gas actually transported multiplied by the applicable rate schedule. For curtailments due to force majeure refer to the general terms and conditions of the Access Arrangement.

1.6. Emergency Response

Duke has developed an Emergency Response Manual which provides for an organisational structure and methods to control an emergency situation on the pipeline.

An Emergency is considered to be anything unexpected or seriously wrong with the operation of the pipeline and its facilities which creates:

- an immediate or potential hazard to persons or to property
- a threat to the security of gas supply
- a requirement for third party assistance
- a situation that may give Duke significant media coverage.

Duke's first priority during an emergency is to the safety of any persons in the immediate vicinity.

Emergency Response manuals are issued to all parties related to pipeline activities. The document is subject to document control therefore any reviews or updates will be issued to parties for update as soon as they are approved by Duke management.

If an emergency situation occurs Duke will inform Shippers and Suppliers of the following information as soon as it becomes available:

- that an emergency situation exists and that Duke is running under the Emergency Response organisational structure
- site of the emergency
- any delivery or receipt restrictions
- regular updates on availability of supply
- regular updates on the progress of the emergency situation
- estimated time to remedy the emergency and
- when the emergency situation has ceased.

If, during an emergency, supply to Shippers needs to be curtailed, Duke will use its best endeavours to keep any such curtailment to a minimum.

1.7. Pipeline Development

1.7.1. Supply: Existing and Proposed

The Pipeline draws from both conventional and coal seam methane gas producers in Queensland's central and mid west. Table 1.1 lists the current receipt points and producers.

Receipt Point	Producer	Drainage Area	Deposit Type
Wallumbilla	Santos J.V.	Cooper/Eromanga Basins	Conventional
Wallumbilla	Santos	Surat Basin	Conventional
Fairview	TriStar	Bowen Basin	Coal Seam Methane
Westgrove	OCA	Sth Denison Trough	Conventional
Rolleston	OCA	Nth Denison Trough	Conventional
Moura	BHP Seamgas	Bowen Basin	Coal Seam Methane
Moura	OCA	Bowen Basin	Coal Seam Methane

Table 1.1: Current Gas Receipt Points

Development and utilisation of the Bowen Basin Coal Seam Methane Reserves is a priority for Duke.

Figure 1.1 shows the existing and potential gas supply diversity on the pipeline.

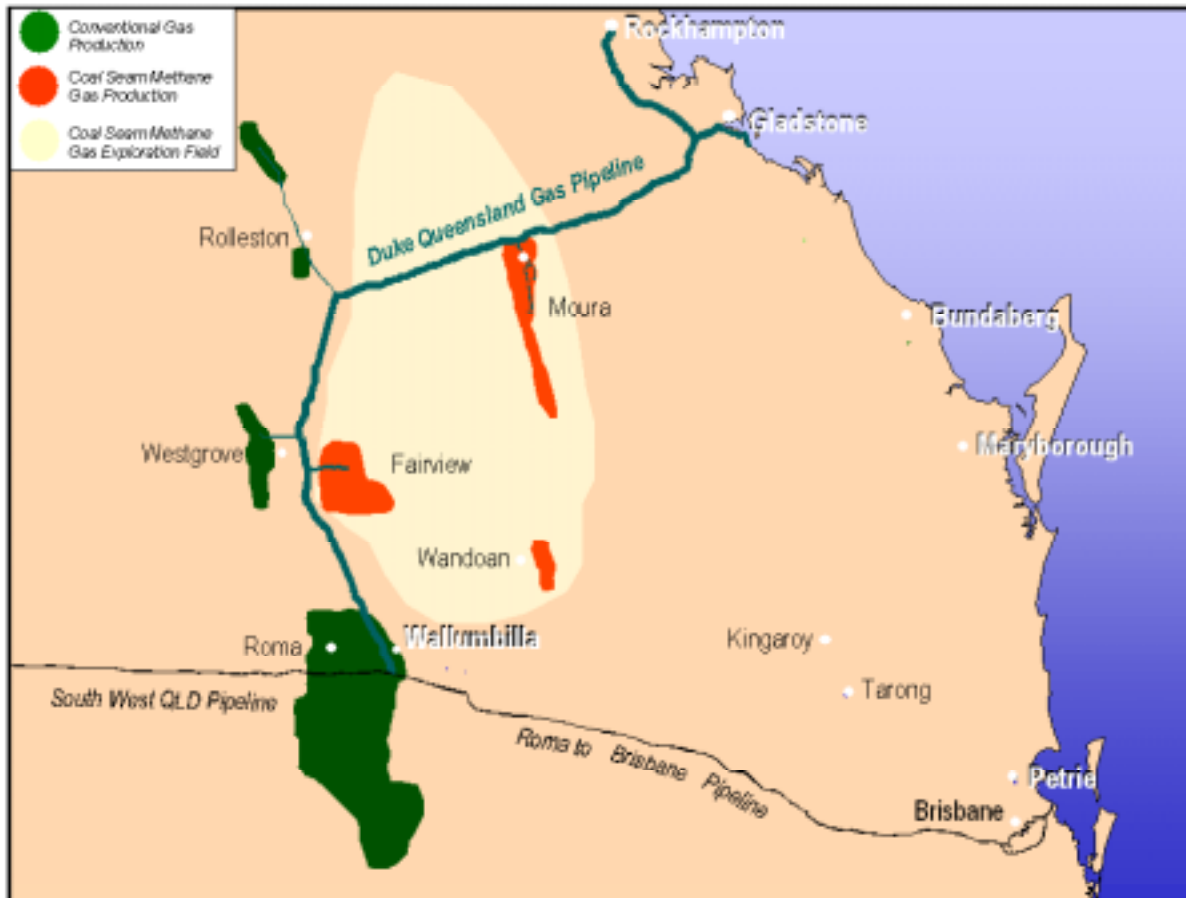


Figure 1.1: Existing and potential supply diversity

1.7.2. Interconnections: Existing and Proposed

The current Queensland gas transmission network centres around Wallumbilla in the Midwest. Wallumbilla is the point of intersection for the Pipeline, the Roma to Brisbane and South West Queensland Gas Pipelines.

At Wallumbilla the Duke pipeline has connections to:

- Ballera to Wallumbilla pipeline
- Santos/BOL LPG refinery
- Roma to Brisbane pipeline.

Through this link the Brisbane market gains access to the existing conventional reserves of the North and South Denison Trough, and the rapidly expanding Coal Seam Methane supplies of the Bowen Basin.

The interconnection of the Pipeline and Southwest Queensland gas pipeline further expands supply to the central coast market. The link provides shippers on the Pipeline with direct access to the Cooper Basin reserves of Southwest Queensland

and it also provides Shippers on the Ballera to Wallumbilla Pipeline with access to producers on the Pipeline.

Figure 1.2 shows the existing and proposed network of interconnections at Wallumbilla.

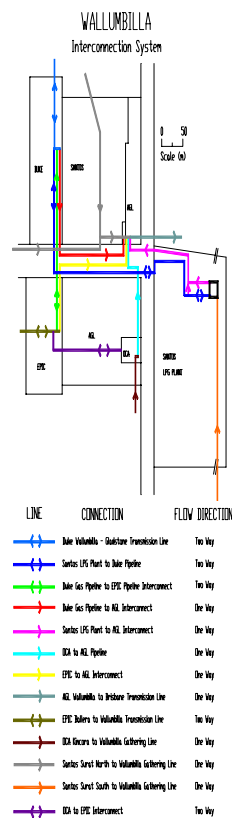


Figure 1.2: Wallumbilla

