



# **N.T. Gas Pty. Limited**

In trust for the Amadeus Gas Trust

ABN 68 348 460 818

ACN 050 221 415

## **Access Arrangement For the Amadeus Gas Pipeline**

01 July 2011 to 30 June 2016

**December 2010**



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## 1. INTRODUCTION

### 1.1 Purpose and Scope

This Access Arrangement is established pursuant to the National Gas Law and Part 8 of the National Gas Rules. Under the National Gas Rules, the owner or operator of a Covered Pipeline is required to lodge an Access Arrangement with (and have it approved by) the Australian Energy Regulator (AER).

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

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

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

The Amadeus Gas Pipeline is a Covered Pipeline (by operation of item 7 of Schedule 3 of the *National Gas (Northern Territory) Law*). N.T. Gas Pty. Limited ACN 050 221 415 is the current operator of the Pipeline and as such is the Service Provider under the Rules.

This Access Arrangement sets out the terms on which Users can access the Amadeus Gas Pipeline.

The Amadeus Gas Pipeline spans from the Palm Valley and Mereenie gas fields to Darwin. A more detailed description of the Covered Pipeline, including a map, is available on NT Gas' website at [www.ntgas.com.au](http://www.ntgas.com.au), which shows key offtakes and inputs for the Pipeline, and intersections with other transmission pipelines.

### 1.2 Access Arrangement subject to applicable gas law

All provisions in this Access Arrangement are subject to the *National Gas (Northern Territory) Law*.

### 1.3 Interpretation

Terms and references in this Access Arrangement have the meaning or interpretation given in the Glossary in Schedule 2.

### 1.4 Structure of this access arrangement

This Access Arrangement is set out as follows:

Section 1: **Introduction** describes the scope of the Access Arrangement, its commencement, revisions and interpretation.

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

- Section 3: **Determination of total revenue** describes the Rules relevant for determining the total revenue requirement, and additional matters regarding New Capital Expenditure.
- Section 4: **Reference Tariffs and Charges** describes the Reference Tariff applicable to the Reference Service, the Tariff applicable to the Interruptible Service and general charging matters applying to all Services.
- Section 5: **Capacity trading requirements** which sets out how the User may assign its Contracted Capacity and change its Delivery Points and Receipt Points.
- Section 6: **Queuing requirements** describes the order in which the capacity of the Pipeline will be allocated to Prospective Users where there is insufficient capacity in the Pipeline to satisfy all Requests for Service.
- Section 7: **Extensions and Expansions** describes the manner in which extensions or expansions to the Pipeline and New Capital Expenditure will be dealt with.
- SCHEDULES: **Schedule 1:** Details
- Schedule 2:** Glossary
- Schedule 3:** General Terms and Conditions applying to all Services
- Schedule 4:** Request for Access

## 1.5 Commencement of this access arrangement

This Access Arrangement commenced on the date on which the approval of the AER took effect under Rule 62.

## 1.6 Revisions to this access arrangement

Service Provider<sup>1</sup> will submit revisions to this Access Arrangement to the AER on or before 1 January 2016.

The revisions to this Access Arrangement will commence on the later of 1 July 2016 and the date on which the approval by the AER of the revisions to the Access Arrangement takes effect under the National Gas Rules (**Revisions Commencement Date**).

Service Provider may, at any other time, submit to the AER proposed revisions to this Access Arrangement together with the applicable Access Arrangement Information in accordance with Rule 65. Those revisions will commence in accordance with the National Gas Rules.

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<sup>1</sup> Reference to Service Provider in this Access Arrangement should be taken as references to any other party or parties that may replace Service Provider as Service Provider during the term of this Access Arrangement.

## 2. PIPELINE SERVICES

### 2.1 General

#### 2.1.1 Services

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

- (a) **Firm Service** – Reference Service, as described in section 2.2;
- (b) **Interruptible Service** – non-Reference Service, as described in section 2.3; and
- (c) **Negotiated Services** – non-Reference Service, as described in section 2.4.

#### 2.1.2 Transportation Agreement

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

#### 2.1.3 Right to Access

Service Provider will not discriminate between Prospective Users in the provision of Services on the basis of:

- (a) past transactions or relationships with Service Provider;
- (b) the identity of the Prospective User;
- (c) the fact that the Prospective User is a related party of Service Provider; or
- (d) the source of the Natural Gas proposed to be transported, subject only to the Natural Gas meeting the specifications required under the Transportation Agreement.

*Note:*

*There is currently no firm capacity available on the Pipeline, with all capacity utilised under pre-existing Transportation Agreements for services in the nature of the Firm Service.*

*In recognition that a firm bidirectional haulage service is the Service which is likely to be sought by the market, Service Provider has defined the Firm Service to enable Users and Prospective Users to understand the conditions on which the Service would be offered if capacity becomes available in the Pipeline.*

*The Interruptible Service is offered because, while Service Provider does not believe it will be sought by a significant part of the market, it enables Users and Prospective Users to understand the conditions on which capacity may be available in the Pipeline at this time.*

## 2.2 Firm Service<sup>2</sup>

### 2.2.1 General

Service Provider will provide the Firm Service to Users with whom it has a Transportation Agreement to provide the Firm Service, for each Day of the Term on the following basis:

- (a) the receipt by Service Provider at the Receipt Points of quantities of Gas Nominated by the User not exceeding the Firm MDQ, at a rate per Hour not exceeding the Firm MDQ multiplied by the MDQ factor described below;
- (b) the transportation of the Gas referred to paragraph (a) above on a firm basis and without interruption, except as permitted under the Transportation Agreement; and
- (c) the delivery by Service Provider to or on account of the User at the Delivery Points of the quantities of Gas Nominated by the User, not exceeding the applicable MDQ and in aggregate not exceeding the Firm MDQ at a rate per Hour not exceeding the MHQ applicable to that Delivery Point,

as Scheduled in accordance with the Transportation Agreement.

The terms and conditions of the Transportation Agreement for the Reference Service will be consistent with this Access Arrangement (including the General Terms and Conditions) and in the event of any inconsistency between the terms and conditions of the Transportation Agreement and this Access Arrangement, the terms and conditions in this Access Arrangement will prevail.

### 2.2.2 MHQ, MDQ and Firm MDQ

Before the commencement of the Transportation Agreement Users will be required to establish:

- (a) an MHQ which fairly reflects the User's expected maximum hourly requirement for each Delivery Point;
- (b) an MDQ which fairly reflects the User's expected Daily requirements for each Delivery Point; and
- (c) a Firm MDQ which fairly reflects the User's expected Daily requirements across all Delivery Points;

under the Firm Service.

The MHQ for a Delivery Point must not exceed the amount calculated as follows:

$$\frac{\text{MDQ for a Delivery Point}}{24} \times \text{MHQ Factor}$$

Where the MHQ Factor is 1.1.

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<sup>2</sup> This section presents an overview of key elements of the Firm Service. The terms and conditions applying to the Service are more fully described in Schedule 3.

### **2.2.3 Term**

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

### **2.2.4 Reference Tariff applicable under a Firm Service**

The Reference Tariff for the Firm Service is payable on the aggregate of all Delivery Point MDQs. The charges for the Firm Service are described in section 4.

### **2.2.5 Terms and Conditions**

The General Terms and Conditions in Schedule 3 apply.

## **2.3 Interruptible Service<sup>3</sup>**

### **2.3.1 General**

Service Provider will provide the Interruptible Service to Users with whom it has a Transportation Agreement to provide the Interruptible Service which involves the transportation of quantities of Gas from the Receipt Points to any Delivery Points on a particular Day on an interruptible basis based on the Gas Scheduled by Service Provider on behalf of the User under the Interruptible Service.

Service Provider is not obliged to provide the Interruptible Service to a User on a Day on which:

- (a) the provision of the Service or the transportation of the requested quantities would cause Service Provider to curtail a Service:
  - (i) that Service Provider is obliged to provide to any User on a firm basis under a Transportation Agreement; or
  - (ii) already Scheduled for transportation to another User at the time the User's Nomination is received by Service Provider; or
- (b) The User has failed to provide Gas to Service Provider at the Receipt Point:
  - (i) within 4 hours of the commencement of deliveries under the relevant Service on the Day; and
  - (ii) in accordance with its obligations under the Transportation Agreement; or
- (c) in Service Provider's reasonable opinion, there is or is reasonably expected to be insufficient capacity in the Pipeline, or insufficient other Scheduled (if applicable) receipts or deliveries of quantities of Gas, to facilitate the Service.

### **2.3.2 Interruption to Service**

If Service Provider curtails or interrupts Services where necessary for operational purposes or in response to emergencies or Force Majeure Events, Services to Users

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<sup>3</sup> This section presents an overview of key elements of the Interruptible Service. The terms and conditions applying to the Service are more fully described in Schedule 3.

of the Interruptible Service will be curtailed or interrupted prior to Services to other Users. Full details of the circumstances where Service Provider may curtail or interrupt the Interruptible Service and other Services are explained in Schedule 3.

### **2.3.3 Term**

The term of the Interruptible Service will be the term the User elects at the time of entering into the Transportation Agreement which must not be less than one Month and must not extend beyond the Revisions Commencement Date.

### **2.3.4 Charges for Interruptible Service**

The charges for the Interruptible Service are described in section 4.

### **2.3.5 Terms and Conditions**

The General Terms and Conditions in Schedule 3 apply.

## **2.4 Negotiated Services**

Where a Prospective User has specific needs which differ from those which would be satisfied by the Firm Service or the Interruptible Service, the Prospective User may seek to negotiate different terms and conditions as a Negotiated Service.

Should a dispute arise in relation to whether a Negotiated Service is available, it will be resolved in accordance with Chapter 6 of the National Gas Law and Part 12 of the Rules unless the parties agree otherwise.

## **2.5 Access and Requests for Services**

In order to obtain access to a Service, a Prospective User must observe the following procedures:

- (a) A Prospective User must lodge a Request and meet Service Provider's prudential requirements as follows:
  - (i) the User or Prospective User must be resident in, or have a permanent establishment in, Australia;
  - (ii) the User or Prospective User must not be under external administration as defined in the Corporations Law or under any similar form of administration in any other jurisdiction; and
  - (iii) the User or Prospective User may be required to provide reasonable security in the form of a parent company guarantee or a bank guarantee or similar security. The nature and extent of the security will be determined having regard to the nature and extent of the obligations of the User or Prospective User under the Transportation Agreement.
- (b) A Request must include as a minimum the level of detail envisaged by Schedule 4.
- (c) A Prospective User may have only one active Request for the same tranche of capacity to a particular Delivery Point.
- (d) Service Provider will advise the Prospective User where a Request is incomplete. If the Prospective User corrects the deficiency within 7 Days, the priority of the Request will depend on the date on which Service Provider first



received the Request. Otherwise, the priority will depend on the date on which Service Provider receives the complete Request.

- (e) Service Provider will within the shortest reasonable time, and in any event within 30 Days of receiving a complete Request, advise whether capacity is available in the Pipeline and at what price, and whether a queue exists for the capacity.
- (f) A Request will lapse unless, within 30 Days of Service Provider advising that capacity is available, the Prospective User has either entered into a Transportation Agreement or commenced bona fide negotiations.<sup>4</sup>
- (g) Where there is sufficient capacity in the Pipeline to meet a Request, there will be no queue.
- (h) Where there is insufficient capacity in the Pipeline to fully satisfy a Request, then a queue will be formed and the Queuing requirements in section 6 will apply.

In this section 2.5, "Prospective User" does not include a User which is exercising its rights under a Transportation Agreement which existed as at 5 February 2003.

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<sup>4</sup> A Request will not lapse in the event of a dispute being notified under the National Gas Law until that dispute has been resolved in accordance with the dispute resolution procedures in the National Gas Law and the Rules, unless the parties agree otherwise.

### 3. DETERMINATION OF TOTAL REVENUE

#### 3.1 Principles

Where required under the National Gas Law or Rules, the building block components used to determine Total Revenue have been derived in accordance with the revenue and pricing principles set out in subsections (2)–(7) of section 24 of the National Gas Law.

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

In addition, Total Revenue may vary during the Access Arrangement Period, as Reference Tariffs are varied (see section 4).

Reference Tariffs were determined using a nominal weighted average cost of capital resulting in a return on capital over the Access Arrangement Period as detailed in the Access Arrangement Information.

The expected revenue has been allocated to Reference Tariffs on the basis of Rule 95.

#### 3.2 New Capital Expenditure

Reference Tariffs have been determined on the basis of:

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

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

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

Where Capital Contributions are rolled into the Capital Base under Rule 82(2), the following mechanism is applied to ensure that Service Provider does not receive any benefit through increased Revenue from that User's contribution to the Capital Base.<sup>5</sup>

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

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<sup>5</sup> As required under Rule 82(3)

The amount that does not satisfy the requirements of Rule 79, to the extent that it is not to be recovered through a Surcharge on Users or a Capital Contribution, forms part of the Speculative Capital Expenditure Account (as contemplated by Rule 84). Service Provider may increase the Capital Base in accordance with Rule 84(3) if a part of the Speculative Capital Expenditure Account subsequently satisfies the requirements of Rule 79.

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

### **3.3 Surcharge**

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

### **3.4 Capital Contributions**

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

### **3.5 Depreciation for opening capital base for next access arrangement period**

The depreciation schedule for establishing the opening asset base at 1 July 2016 will be based on forecast capital expenditure.

## 4. REFERENCE TARIFFS AND OTHER CHARGES

### 4.1 Reference Tariff

The Reference Tariff is a capacity tariff and is set out in the Details.

The User will pay a charge for a Day calculated by multiplying the Reference Tariff by the MDQ expressed in GJ at each Delivery Point.

### 4.2 Tariff for Interruptible Service (Non-Reference Service)

The tariff for the Interruptible Service will be negotiated, and adjusted in accordance with the General Terms and Conditions.

### 4.3 Daily Variance Charge

A Daily Variance occurs when a quantity of Gas:

- (a) delivered at any Delivery Point during a Day is different from the quantity Scheduled for that Delivery Point; or
- (b) received at any Receipt Point during a Day is different from the quantity Scheduled for that Receipt Point,

the absolute value of the quantity of which at each Delivery Point and Receipt Point (as applicable), in GJ, is the **Daily Variance Quantity**.

The User must pay to Service Provider the Daily Variance Charge, for each Day on which the Daily Variance Quantity:

- (c) at a Receipt Point exceeds the Variance Allowance; or
- (d) at a Delivery Point exceeds the Variance Allowance,

excluding any portion of the Daily Variance that is caused by Service Provider or by a Force Majeure Event.

The **Daily Variance Charge** is calculated by multiplying the Daily Variance Rate by the aggregate of Daily Variance Quantities for that Day at Receipt Points and Delivery Points (as applicable) for which the Daily Variance Charge is payable under the above paragraph.

### 4.4 Overrun Charge

The User must pay to Service Provider each Month during the Term the Overrun Charge in respect of all Overrun Quantities delivered in that Month.

The User is not liable to pay the Overrun Charge in respect of a Day to the extent that, without the prior written approval of the User, Service Provider (other than in the exercise of its rights under the Transportation Agreement) solely causes the delivery of Overrun Quantities on that Day.

### 4.5 Imbalance Charge

Service Provider may charge the User an Imbalance Charge for each Day on which an Imbalance, the absolute value of which exceeds the Imbalance Allowance, occurs, calculated by multiplying the Imbalance Rate by the amount which the aggregate of

the absolute value of Unauthorised Imbalances for a Day exceed the Imbalance Allowance for a Day.

#### 4.6 General

The rates applicable to the Daily Variance Charge, Overrun Charge and Imbalance Charge are set out in the Details.

Any Overrun Charge, Imbalance Charge or Daily Variance Charge is payable in addition to, and not substitution for, any other charge payable by the User and does not affect the MDQ specified in the Transportation Agreement.

#### 4.7 Reference Tariff Adjustment

##### 4.7.1 Annual Reference Tariff Adjustment Formula

The Reference Tariff for the Firm Service to apply on 1 July 2012 and on each subsequent 1 July, will be adjusted according to the following formula:

$$\text{Reference Tariff}_n = \text{Reference Tariff}_b \times \left[ \frac{\text{CPI}_n}{\text{CPI}_b} \right] \times (1-X)$$

where:

**Reference Tariff<sub>n</sub>** is the Reference Tariff in the year for which the adjusted Reference Tariff is to be determined.

**Reference Tariff<sub>b</sub>** is the Reference Tariff for the Firm Service applicable at the Adjustment Date of 1 July 2011 as specified in Schedule 1.

**CPI** means the Consumer Price Index (weighted average, Eight Capital Cities) published quarterly by the Australian Statistician. If the Australian Statistician ceases to publish the quarterly value of that Index, then CPI means the quarterly values of another Index which Service Provider reasonably determines most closely approximates that Index.

**CPI<sub>n</sub>** means the value of the CPI last published before the Adjustment Date "n" at which the Reference Tariff is being calculated.

**CPI<sub>b</sub>** means the base CPI, being the CPI for the Quarter ended March 2011.

**X** is 0

##### 4.7.2 Cost Pass-through Reference Tariff Adjustment

The Reference Tariff for the Transportation Service may be adjusted during the Access Arrangement Period if one or more Cost Pass-through Events occur (or are reasonably expected to occur) that will or have had a Material Impact on costs.

**Cost Pass-through Events** are events that are uncontrollable and unforeseen (or not able to be accurately forecast at the time this Access Arrangement is approved) and lead to or are expected to lead to changes in costs that are not already included and approved by the AER in the calculation of the Reference Tariff that are otherwise

appropriate for inclusion in the revenue building blocks. Examples of Cost Pass-through Events include, but are not limited to:

- (a) Changes in regulatory obligations, or the imposition of any new regulatory obligations, including changes to applicable laws, rules and regulations;
- (b) A change in tax or levy, or the imposition of a new tax or levy; and
- (c) An unusual or foreseen event, such as a flood, cyclone or earthquake, that leads to costs not otherwise recovered or recoverable through insurance or other compensation payments.

**'Material Impact'** means 1.0% or more of forecast annual revenue per event, based on the forecast smoothed revenue requirement in the year the event occurred, as set out in the Access Arrangement Information.

#### **4.7.3 Tariff adjustment process**

Adjusted Reference Tariffs will be notified to the AER (a **Tariff Adjustment Notification**) only where capacity to provide the Reference Service is available.

The Tariff Adjustment Notification will include information on how the change in the Reference Tariff has been calculated for each 1 July of the Access Arrangement Period relevant to the Tariff Adjustment Notification (or since the last Tariff Adjustment Notification if such a notification has previously been made in the Access Arrangement Period), as if a Tariff Adjustment Notification had been made for each 1 July preceding the Notification.

The Tariff Adjustment Notification may also include the impact of one or more Cost Pass-through Events that have occurred, or are expected to occur. In this case the Tariff Adjustment Notification will also include how any relevant change in costs associated with a Cost Pass-through Event since the last Tariff Adjustment Notification have been derived or estimated.

The AER must notify Service Provider of its decision in respect of a Tariff Adjustment Notification within 30 Business Days of receiving such a notification.

If Service Provider has not received notification from the AER of its decision within 30 Business Days of the AER receiving a Tariff Adjustment Notification, the Reference Tariff will be automatically varied in accordance with the relevant notification given by Service Provider. If the AER subsequently decides against all or part of the variation, the AER may require Service Provider to amend the Reference Tariff to take account of the AER's decision, and must leave Service Provider economically neutral compared with a situation in which the AER's decision had been implemented in accordance with Service Provider's Tariff Adjustment Notification.

#### **4.8 Reference Tariff after 30 June 2016**

In the event that the Revisions Commencement Date is later than 30 June 2016, the tariff in effect at 30 June 2016 adjustment shall continue to apply to the provision of the Firm Service between 30 June 2016 and that later Revisions Commencement Date.

If the Reference Services under the revised Access Arrangement are different to those in this Access Arrangement, the applicable Reference Tariff and terms for an existing Service being supplied to a User as at the Revisions Commencement Date are the Tariff and terms for the nearest comparable service under the revised Access Arrangement.

#### **4.9 Capital Redundancy Mechanism**

In accordance with Rule 85, the capital base shall be reduced based on the following principles:

- (a) any assets that cease to contribute to the delivery of Services to Users shall be removed from the capital base; and
- (b) costs associated with a decline in the volume of sales of Services provided by means of the Covered Pipeline will be shared between Service Provider and Users.

Subject to the New Capital Expenditure criteria under Rule 79, if, after the reduction of the Capital Base by the value of assets identified as redundant, the assets later contribute to the delivery of pipeline services, the assets will be treated as New Capital Expenditure (for the purposes of Rules 79, 81 and 84) equal to the value of the assets identified as redundant increased annually on a compounded basis by the weighted average cost of capital from the time the assets identified as redundant were removed from the Capital Base.

## 5. CAPACITY TRADING REQUIREMENTS

### 5.1 Governing provisions

Transfers of Contracted Capacity will be undertaken:

- (a) where the relevant parties are registered as participants in a particular gas market - in accordance with rules or procedures governing the relevant market; or
- (b) If the relevant parties are not so registered, or the relevant rules or procedures do not deal with capacity trading - in accordance with Rule 105 and sections 5.2 and 5.3.

### 5.2 Assignment of Contracted Capacity by subcontract

The User may, without Service Provider's consent, assign, by way of subcontract, all or any of the User's Contracted Capacity to another person (the **third party**) with the following consequences:

- (a) the User's rights against, and obligations to, Service Provider are (subject to paragraph (b)) unaffected by the assignment; and
- (b) the User must immediately give notice to Service Provider of:
  - (i) the subcontract and its likely duration; and
  - (ii) the identity of the third party; and
  - (iii) the amount of the Contracted Capacity assigned and any other details (other than price) reasonably requested by Service Provider.

Service Provider is not under any obligation to the User or the third party in respect of an assignment under this section 5.2 unless and until the User notifies Service Provider in accordance with paragraph (b)(ii) above.

### 5.3 Other assignments

The User may, with Service Provider's prior written consent which must not be unreasonably withheld, assign its Receipt MDQ or Delivery MDQ (or both), other than an assignment under section 5.2, provided that:

- (a) The User pays Service Provider's reasonable costs and expenses (including, without limitation, legal costs and internal costs) in respect of application for consent (whether or not the assignment proceeds to completion) and any assignment;
- (b) Service Provider and the assignee execute a Transportation Agreement acceptable to Service Provider in relation to the Receipt MDQ or Delivery MDQ in a form and substance similar to the User's Transportation Agreement;
- (c) the Receipt MDQ or Delivery MDQ to be assigned relates to the Receipt Points and Delivery Points or, if different receipt points or delivery points are proposed, the assignee meets Service Provider's reasonable requirements;



- (d) the assignee agrees with any other User using the relevant Receipt Points and Delivery Points to sharing of the use of facilities and any conditions and charges, at no additional cost to Service Provider;
- (e) the assignee confirms in writing that it has made all necessary arrangements with producers of Gas for the assignee, purchasers of Gas from the assignee and any other party relating to that service, including all Gas purchase, Gas sale, operating and multi-party Receipt Point and Delivery Point arrangements;
- (f) if the assignment of part or all of the Receipt MDQ or Delivery MDQ to the assignee requires additional facilities at the Receipt Point or Delivery Point, the User or the assignee (or both) agree to pay Service Provider for the cost of construction on terms and conditions reasonably determined by Service Provider;
- (g) The User is not in default under the Transportation Agreement;
- (h) The User agrees to comply with any other reasonable commercial or technical conditions of Service Provider.

#### **5.4 Changing delivery and receipt points**

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

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

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

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

## **6. QUEUING REQUIREMENTS**

### **6.1 Forming the Queue**

Where there is insufficient capacity to satisfy a Request lodged under section 2.5, a queue will be formed.

A queue will include all relevant Requests which cannot be satisfied. Where an offer has been made in response to a Request received prior to formation of the queue, that Request will take first position in the queue.

At the time a Request is placed in a new or existing queue, Service Provider will advise the Prospective User of:

- (a) its position on the queue;
- (b) the aggregate capacity sought under Requests which are ahead on the queue;
- (c) its estimate of when capacity may become available; and
- (d) the size of any surcharge or other contribution that may apply to Developable Capacity.

When the position of a Request changes relative to other Requests which are ahead in the queue (such as where a Request ceases to be on the queue) or where the timing of availability of a new tranche of Developable Capacity changes, Service Provider will provide revised information to the Prospective User.

### **6.2 Conditions Applicable on Queue**

A Prospective User may reduce but not increase the capacity sought in a Request which is in a queue.

Once every three Months, Service Provider may seek confirmation from a Prospective User that it wishes to continue with its Request. If a Prospective User fails to respond within 14 Days the Request will lapse.

A Prospective User will advise Service Provider if it does not wish to proceed with a Request, which will then lapse.

Any lapsed Request will be removed from the queue and priority will be lost.

A Prospective User may only assign a Request on a queue to a bona fide purchaser of the Prospective User's business and/or assets, subject to Service Provider's prudential requirements.

A Request may lapse if, on assignment of a controlling interest in the shares of the Prospective User, the assignee fails to provide a guarantee as required by Service Provider or to meet Service Provider's prudential requirements.

### **6.3 Procedure When Capacity Can Be Made Available**

When capacity can be made available which meets the requirements of any Request in a queue:

- (a) that capacity will be progressively offered to each Prospective User in the queue in order of priority (notwithstanding that such capacity is not sufficient to meet the needs of that Prospective User);
- (b) Service Provider will advise each of those Prospective Users of its plans to make capacity available, and the terms and conditions on which the capacity will be available.
- (c) Where a Prospective User is offered part of the capacity in a Request:
  - (i) but declines it because the Prospective User wants all the capacity requested or nothing; or
  - (ii) accepts the capacity offered but the Prospective User wants to remain in the Queue for the remainder of the requested capacity

the Prospective User will not lose priority in respect of any capacity requested but not taken provided that it notifies NT Gas that it wishes to remain in the Queue.

A Prospective User will have 30 Days after an offer is made to enter into a Transportation Agreement (conditional if necessary on Service Provider entering into Transportation Agreements with other Prospective Users), failing which the Request will lapse or lose priority to those entering into such a Transportation Agreement (upon that Agreement becoming unconditional).

#### **6.4 Priority of Prospective Users in Obtaining Services**

The priority date of a Request is the date a complete Request is received by Service Provider (see section 2.5).

Where Service Provider determines that two or more Requests relate to the same tranche of capacity for the same Delivery Point, all those Requests will have the priority date of the earliest Request.

A Request for a Reference Service will have priority over a Request for a Negotiated Service or a Request for an Interruptible Service.

If a User exercises a contractual right in force as at 5 February 2003 to increase the capacity reservation under its existing Transportation Agreement, that advice will be treated as a Request and will be accorded first priority, including priority as against any Request under which an offer has been made to enter into a Transportation Agreement but where the User has not yet entered into that Transportation Agreement.

#### **6.5 General**

A Request will not lapse and will retain its priority in a queue in the event of a dispute being notified, until that dispute has been resolved in accordance with Chapter 6 of the National Gas Law and Part 12 of the Rules.

Where a queue exists a Prospective User must on request demonstrate to Service Provider that the Prospective User will have access to a supply of Gas at the time it is anticipated that the Prospective User will be offered access to the Service.

## **7. EXTENSIONS AND EXPANSIONS**

### **7.1 Extensions to the Pipeline**

- (a) In the event that Service Provider undertakes a geographic extension to the Pipeline, Service Provider will elect, after consultation with the AER, whether this Access Arrangement will apply to the incremental Services provided by that extension.
- (b) Where this Access Arrangement applies to the incremental Services provided by that extension, Service Provider will elect whether access to incremental Services provided through that extension will be offered as part of the Reference Service at the Reference Tariff, or as a Negotiated Service at a negotiated tariff.
- (c) This Access Arrangement will not apply to New Services provided as the result of the interconnection of a new lateral to the pipeline to serve a market or connect a source of gas without an existing connection to the pipeline.
- (d) The capital investment, operating costs and usage associated with an extension offered as a Negotiated Service will not be considered in the calculation of the Reference Tariff.

### **7.2 Expansion of Capacity above the Existing Capacity**

- (a) In the event that Service Provider expands the capacity of the Pipeline above the Existing Capacity, this Access Arrangement will apply to the incremental Services provided as a result of the expansion at the time it comes into operation, unless Service Provider proposes and the Regulator agrees that this Access Arrangement will not apply to the incremental Services provided as a result of that Expansion.
- (b) Where this Access Arrangement applies to the incremental Services provided by an expansion, Service Provider will elect whether access to incremental Services provided using that Capacity will be offered as part of the Reference Service at the Reference Tariff, or as a Negotiated Service at a negotiated tariff.
- (c) The capital investment, operating costs and usage associated with an expansion offered as a Negotiated Service will not be considered in the calculation of the Reference Tariff.

### **7.3 Reference Tariffs**

Reference Tariffs in the Access Arrangement Period will not be affected by any extension or expansion made.

### **7.4 Fixed Principles**

- (a) Clauses 7.1(d) and 7.2(c) are fixed principles for the purpose of Rule 99 for the period commencing on the date on which this and subsequent Access Arrangements come into effect and ending 15 years after that date or such other date as advised.

## SCHEDULE 1: DETAILS SCHEDULE

**Pipeline:** Amadeus Gas Pipeline, being the pipeline from the Amadeus Basin to Darwin described in Pipeline Licence 4 under the Energy Pipelines Act 1983 (NT)

**Service Provider:** N.T. Gas Pty Limited ACN 050 221 415 as trustee of the Amadeus Gas Trust.

### Tariffs:

**Reference Tariff:** The Reference Tariff for the Firm Service applicable at the Adjustment Date of 1 July, 2011 is \$0.7596/GJ of Delivery Point MDQ.

**Interruptible Tariff:** as negotiated with the User

**Overrun Rate:** 250% of Reference Tariff

**Imbalance Rate:** 250% of Reference Tariff

**Daily Variance Rate:** 250% of Reference Tariff

**Imbalance Allowance:** 5% (either positive or negative) of the sum of the MDQ for all Delivery Points

**Variance Allowance:** 5% (either positive or negative) of the MDQ for the applicable Delivery Point or Receipt Point

### Notes on Tariffs:

1. *Reference Tariffs apply from the date on which the approval of the AER takes effect under Rule 62.*
2. *These tariffs and rates apply as at 1 July 2011 to firm forward haul services for a term exceeding 12 months. For other services and shorter terms, rates will be determined by negotiation.*
3. *Refer to section 4 of this Access Arrangement for details of the charges to which the above rates apply.*
4. *These rates are quoted on a GST-exclusive basis.*

**Payment Date:** Within 15 Days after the receipt by the User of the Service Provider's valid tax invoice.

**Contact details:** General Manager NT Gas

Courier deliveries:  
16 Georgina Crescent  
Palmerston NT 0830

Postal address:  
PO Box 7  
Palmerston NT 0831

Phone: 08 8924 8100  
Fax: 08 8932 1663

## SCHEDULE 2: GLOSSARY

### 1. Definitions

These definitions apply to this Access Arrangement unless the context requires otherwise:

**Access Arrangement** has the meaning given to it in the National Gas Law and refers to this Access Arrangement.

**Access Arrangement Information** has the meaning given to it in the National Gas Law and refers to the Access Arrangement Information approved by the AER for the Pipeline.

**Access Arrangement Period** has the meaning given to it in the Rules.

**Adjustment Date** means the date specified for adjustment of tariffs as specified in section 4.7.

**AEMO** means the Australian Energy Market Operator Limited ACN 072 010 327.

**APA Group** means Australian Pipeline Limited ACN 091 344 704, as responsible entity for the Australian Pipeline Trust and the APT Investment Trust, and its Related Bodies Corporate (which includes Service Provider).

**Approval** means the consents, authorisations, registrations, certificates, permissions, permits, licences, approvals, registrations, determinations, administrative decisions or exemptions which are required from, by or with any Authority or under any law (including any conditions or requirements under any of them).

**Australian Energy Regulator** or **AER** means the Australian Energy Regulator established by section 44AE of the Trade Practices Act 1974 of the Commonwealth.

**Australian Statistician** means the Australian Bureau of Statistics or any equivalent body which replaces it.

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

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

**Authority** means:

- (a) any national, federal, state, provincial, territory or local government (and all agencies, authorities, departments, ministers or instrumentalities or any of them);
- (b) any:
  - (i) administrative or judicial body; or
  - (ii) public tribunal, commission, corporation, authority, agency or instrumentality,

having jurisdiction or authority in respect of a Transportation Agreement or this Access Arrangement (as applicable); and

- (c) without limiting or being limited by paragraphs (a) or (b), Australian Energy Regulator, AEMO, their successor or replacement entities and any other entities established under legislation from time to time with the authority to regulate, operate or administer the operations of gas pipelines or gas markets.

**Business Day** means a day other than a Saturday, Sunday or public holiday in the capital city of the relevant jurisdiction.

**Capital Base** has the meaning given in the National Gas Rules.

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

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

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

- (a) loss or damage which does not arise directly or naturally from a breach of the Transportation Agreement;
- (b) indirect, incidental, special, remote, unforeseeable or consequential loss or damage;
- (c) direct or indirect loss of revenue, profit, income, bargain, opportunity or anticipated savings;
- (d) costs or expenses incurred to prevent or reduce loss or damage which otherwise may be incurred or suffered by a third party; or
- (e) direct or indirect loss or damage incurred or suffered by a third party.

**Consumer Price Index** or **CPI** has the meaning given in section 4.

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

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

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

**Cost Pass-through Reference Tariff Variation Mechanism** has the meaning given to it under section 4.

**Covered Pipeline** has the meaning given to it in the National Gas Law.

**CPI** has the meaning given in section 4



**Daily Variance, Daily Variance Charge, Daily Variance Quantity** have the meanings given in section 4.3.

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

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

**Delivery Points** means the Delivery Points, as specified in the Transportation Agreement, to which the Gas will be delivered under the Transportation Agreement. The term includes a reference to equipment connected to, or forming part of, the Pipeline that facilitates delivery of Gas at the Delivery Points.

**Details** means the details set out in Schedule 1 of this Access Arrangement.

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

**Emissions Permit** means a tradeable certificate, credit, permit, unit or similar right or instrument (however described) required to be held, used or surrendered to satisfy a liability of the Service Provider or a Related Body Corporate of the Service Provider under a Greenhouse Gas Law.

**Firm MDQ** means the maximum quantity of Gas which the Service Provider is from time to time obliged to deliver across all Delivery Points to or on account of the User on any Day under the Firm Service.

**Firm Service** means the services provided by Service Provider to the User in accordance with section 2.2.

**Firm Transportation Agreement** means a Transportation Agreement (including the agreement with the User) which provides for transportation services on a similar basis to the Firm Service.

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

**Force Majeure Event** has the meaning set out in clause 82.

**Gas** means gas which meets the specifications required under the Transportation Agreement.

**Gas Law** means the *National Gas (Northern Territory) Act 2008*, *National Gas (NT) Law*, *Energy Pipelines Act (NT)* and any other applicable market, industry or technical code, any licence issued under applicable law, and any other statute, regulation, ordinance, code or other law, whether territory, state or federal, including any lawfully binding determination, decree, edict, declaration, ruling, order or other similar.

**Gas Specification** means the gas specification published by the Service Provider from time to time in respect of the Pipeline, which must comply with all applicable laws. Until otherwise advised by Service Provider, the gas specifications are available at <http://apa.com.au/our-business/gas-transmission-and-distribution.aspx>.

**General Terms and Conditions** means the terms and conditions applying to all Services, as set out in Schedule 3.

**Good Engineering and Operating Practice** means generally accepted practices, methods, acts and omissions practised in the Australian pipeline industry at the relevant time to operate, maintain and repair a pipeline, exercising reasonable

judgement, lawfully, safely, reliably, efficiently and economically, having regard to the type, size, design, configuration, location and other attributes and operating conditions of the applicable pipeline.

**Goods and Services Tax** or **GST** has the meaning given in *the A New Tax System (Goods and Services) Tax Act 1999* (Cth).

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

**Greenhouse Gas Law** means a law relating to the emission of Greenhouse Gases, including (without limitation) the NGER Act.

**Gross Heating Value** means the energy produced by the complete combustion of one cubic metre of gas with air, at an absolute pressure of 101.325 kPa and temperature of 15 degrees Celsius, with the gas and air 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.

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

**Hub** has the meaning set out in the STTM Rules.

**Imbalance** means, in respect of a period of time, the difference between the quantity of Gas received from or on account of the User at the Receipt Points and the quantity of Gas delivered to or for the account of the User at the Delivery Points during that period.

For any period, an Imbalance is **positive** when receipt quantities exceed delivery quantities, and **negative** when delivery quantities exceed receipt quantities, during the period.

**Impost** means any royalty (whether based on value, profit or otherwise), tax (other than GST or a tax in the nature of an income tax or a capital gains tax but including a carbon tax, however described), duty, excise, levy, fee, rate or charge imposed by any law or by any Authority which is imposed on or in respect of:

- (a) the Pipeline (or any of its components);
- (b) the operation of the Pipeline; or
- (c) the provision of Services by the Service Provider to the User under the Transportation Agreement,

which has the effect of changing the Service Provider's cost of delivering the Services under the Transportation Agreement.

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

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

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

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

**Interconnect Party** means the User or another person that operates facilities that are located up stream or down stream of the Interconnection Facilities.

**Interconnection Facilities** means those pipeline facilities that are required to connect the Pipeline to the facilities of another person.

**Interruptible Service** means the services provided by Service Provider to the User in accordance with section 2.3.

**Interruptible Transportation Agreement** means a Transportation Agreement which provides for transportation services on an interruptible basis, including any parts of the User's agreement relating to an Interruptible Service.

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

**Matched Allocation Quantities** has the meaning set out in the STTM Rules.

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

on any Day under that Transportation Agreement or the relevant Service under that Transportation Agreement (as applicable).

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

**Metering Equipment** means all the equipment and facilities required to be installed or provided at each Receipt Point to conform to the Metering and Measurement Requirements.

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

**Month** means the period beginning on the first Day of the calendar month and ending on the first Day of the succeeding calendar month.

**MOS decrease offer** has the meaning set out in the STTM Rules.

**MOS Decrease Quantity** for a Day means the quantity of MOS gas allocated to the User, in respect of the User's MOS decrease offers for that Day, in accordance with the STTM Rules.

**MOS gas** has the meaning set out in the STTM Rules.

**National Gas Law** means the gas law implemented under the *National Gas (South Australia) Act 2008* in South Australia and made applicable in the relevant jurisdiction (other than South Australia) under the relevant mirror application legislation.

**National Gas Rules** has the meaning given in the National Gas Law and **Rules** has a similar meaning.

**Natural Gas** has the meaning given to it in the National Gas Law.

**Negotiated Service** means a pipeline service provided on terms and conditions different to those of a Reference Service.

**Net Financial Effect** means the net financial effect of a change in law on Service Provider's relevant costs, taking into account any offsetting benefits and adverse effects directly or indirectly connected to the change in law and costs which are otherwise reimbursable by the User to Service Provider under the Transportation Agreement.

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

**New Impost** means any Impost imposed during the term of the Transportation Agreement that was:

- (a) not in force at the date of the Transportation Agreement; or
- (b) in force at the date of the Transportation Agreement, but the rate, basis of calculation or the basis of application of that Impost has been changed.

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

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

**Nomination Deadline** means 2:30 pm Australian Central Standard Time on the Day prior to which the Nomination relates (or such other time as the Service Provider advises the User in writing from time to time).

**Off-Specification Gas** means gas offered by the User for transportation on the Pipeline which fails to meet the quality specifications referred to in clause 41 .

**Overrun Charge** for any Day or any Hour means the amount in dollars calculated by multiplying the Overrun Rate by any Overrun Quantities for that Day or Hour (as applicable).

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

- (a) on a Day in excess of the aggregate of the applicable Delivery Point MDQ and any Interruptible MDQ which are referable to that Delivery Point on that Day; or
- (b) at a rate per Hour in excess of the Delivery Point MHQ for the relevant Delivery Point.

**Party** means either the Service Provider or the User and **Parties** means them collectively.

**Pipeline** includes all facilities associated with the Pipeline, such as Receipt Points and Delivery Points and their respective facilities, Interconnection Facilities, odorisation facilities, pipeline control facilities, lateral pipelines and compressors.

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

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

**Receipt MDQ** means the Firm MDQ.

**Receipt Points** means the Receipt Points, as specified in the Transportation Agreement, at which the Gas will be received by the Service Provider under the Transportation Agreement. The term includes a reference to equipment connected to, or forming part of, the Pipeline that facilitates receipt of Gas at the Receipt Points.

**Reference Service** means any or all of the Reference Services referred to in section 2.2.

**Reference Transportation Agreement** means a Transportation Agreement in respect of a Reference Service.

**Reference Tariff** has the meaning given to it in the National Gas Law.

**Related Body Corporate** means a related body corporate as defined in the Corporations Act.

**Request** means a Request for Service as described in section 2.5.

**Revisions Commencement Date** has the meaning given in section 1.6.

**Schedule**, for a Day, means a determination made prior to the Day by the Service Provider (acting reasonably, in accordance with the Transportation Agreement and having regard to nominations of (and appropriate receipt point and delivery point allocations between) all Users, the capacity of the Pipeline, rights and obligations under Transportation Agreements and Good Engineering and Operating Practice) of the Service Provider's intended Schedules of receipt quantities and delivery quantities of Gas on that Day under Transportation Agreements, as amended by the Service Provider for intra-day nominations (before or on the Day) or for operational reasons.

**Service** means a service provided by Service Provider in relation to the Pipeline under a Transportation Agreement, including but not limited to the Reference Service.

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

**STTM** means the short term trading market for the supply of Natural Gas and related services to be operated and administered by AEMO.

**STTM Rules** means the short term trading market rules and procedures applicable in accordance with the National Gas Rules.

**Substitute Permits** means Emissions Permits that would need to be held, used or surrendered in order to satisfy a liability of Service Provider or its Related Bodies Corporate in respect of the value or number of Emissions Permits required to be held, used or surrendered by Service Provider or its Related Bodies Corporate under or in respect of the matters set out in clause 21 (c) to (f) and related to the matters set out in clause 21 (g) and (h), as reasonably determined and apportioned by the Service Provider in respect of the Services.

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

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

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

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

**Term** means, unless otherwise agreed, the period specified in the Transportation Agreement for the provision of a Service.

**Total Revenue** has the meaning given in Rule 76.

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

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

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

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

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

## 2. Interpretation

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

2.2 Unless the context requires otherwise:

- (a) a reference to a 'Rule' is a reference to a Rule of the National Gas Rules.
- (b) a reference to a 'section' or a 'schedule' is a reference to a section in, or schedule to, this Access Arrangement;
- (c) a reference to a 'clause' is a reference to a clause in Schedule 3;
- (d) the singular includes the plural and the opposite also applies; and
- (e) references to any statute, regulations or other statutory instrument, standard or by-laws are deemed to be references to the statute, regulations, statutory instrument, standard or by-laws as are from time to time amended, consolidated, re-enacted or replaced, including substituted provisions that substantially correspond to those referred to.

## **SCHEDULE 3: TERMS AND CONDITIONS APPLYING TO ALL SERVICES**

### **Prudential requirements**

- 1 Service Provider may:
  - (a) require the User to provide, prior to commencement of Services and in certain other circumstances during the Term, financial security acceptable to Service Provider for the performance of the User's obligations under the Transportation Agreement; and
  - (b) in certain circumstances, such as the User failing to pay when due any amounts payable under the Transportation Agreement and the User failing to obtain and maintain any Approvals required to meet its obligations under the Transportation Agreement, refuse to provide or suspend the provision of Services, without liability to the User.

### **Nominations**

- 2 The User must give to Service Provider, at least 3 Days before the beginning of each Month, a completed Nomination for the Firm Service for each day of the Month about to commence. If the User fails to provide such a Nomination by this time then its Nomination for each Day it has failed to give a Nomination will be deemed to be zero GJ.
- 3 The User may revise its Nomination:
  - (a) for the Firm Service for a Day; or
  - (b) for a Receipt Point for a Day in order to correct an Imbalance
 by giving Service Provider an updated Nomination for that Day prior to the Nomination Deadline.
- 4 Service Provider is not liable to provide Services Nominated by the User (other than to process the Nomination in accordance with the relevant nomination provisions of the Transportation Agreement) except to the extent that Service Provider Schedules Services for the User in accordance with the Transportation Agreement.
- 5 Service Provider is not obliged to receive or deliver any quantity of Gas in excess of the quantities Scheduled.

### **Scheduling**

- 6 Following the receipt of the User's Nomination, Service Provider must (subject to any adjustments Service Provider (acting reasonably) deems necessary to maintain the operational integrity of the Pipeline or to comply with any laws or STTM Rules and subject to certain other exceptions) Schedule for acceptance at the Receipt Points and Delivery Points the lesser of:
 

in respect of Receipt Points,

  - (a) the quantity of Gas Nominated by the User for receipt at the Receipt Points; and



- (b) the aggregate quantity of Gas confirmed for supply on account of the User at the Receipt Points by the Interconnect Parties at the Receipt Points; and
- in respect of Delivery Points,
- (c) the quantity of Gas Nominated by the User for receipt at the Delivery Points; and
- (d) the quantity of Gas confirmed for acceptance on account of the User at the Delivery Point by the Interconnect Party at the Delivery Point.
- 7 If there is not sufficient capacity to transport all the quantities of Gas nominated by all Users on a Day, then the Service Provider will (subject to STTM Rules, other laws and the operability of applicable gas markets and pipeline networks) Schedule the quantities nominated by Users (including the User) in the following priority and sequence:
- (a) First — quantities nominated by Users under Firm Transportation Agreements, not to exceed their respective MDQs. If the capacity available is not sufficient to serve all such Users' nominated quantities, then the available capacity will be allocated among Users pro rata on the basis of their respective MDQs.
- (b) Second – quantities nominated by Users with As Available Transportation Agreements, not to exceed their respective MDQs for as available transportation services. If the capacity available is not sufficient to serve all Users' nominations pursuant to as available services, then the available capacity will be allocated among those Users pro rata based on their nominations for as available services.
- (c) Third – quantities accepted for transportation by Service Provider from Users with As Available Transportation Agreements in excess of their respective MDQs for as available transportation services.
- (d) Fourth — quantities nominated pursuant to Interruptible Transportation Agreements. If the capacity available is not sufficient to serve all Users requesting that service, then the Service Provider will allocate the available capacity first on the basis of the highest tariff being paid, second on a first-come, first-served basis, based upon the date of execution of the Interruptible Transportation Agreements and third on a pro rata basis among Users who have entered into Interruptible Transportation Agreements on the basis of nominated quantities.
- 8 (not used).
- 9 In accordance with clauses 6 to 15, Service Provider may Schedule or re-Schedule at any time receipts and deliveries Nominated by the User, without liability to the User.
- 10 If, on Service Provider's request, the User does not provide a schedule of its nomination priorities for the purpose of Scheduling then Service Provider may, without liability to the User, select what Nominated receipts or deliveries will not be Scheduled to balance the User's Scheduled receipts and deliveries.

### **Curtailment**

- 11 If on any Day the capacity of the Pipeline or any portion of it, or the capacity of any Receipt Point or the Delivery Point, is insufficient to serve all the quantities of Gas Scheduled for all Users, then the Service Provider may curtail or interrupt the receipt, transportation or delivery of Gas (as the case may be) in accordance with the

sequence and priorities set out below to the extent necessary to provide transportation services within the capacity of the Pipeline on the Day (subject to STTM Rules, other laws and the operability of applicable gas markets and pipeline networks):

- (a) First – Overrun Quantities under the agreement and overrun quantities under other Transportation Agreements.
  - (b) Second — quantities Scheduled pursuant to Interruptible Transportation Agreements. If the capacity available is not sufficient to serve all Users requesting such service, then the Service Provider will allocate the available capacity first on the basis of the highest tariff being paid, second on a first-come, first-served basis, based upon the date of execution of the Interruptible Transportation Agreement and third on a pro rata basis among Users who have entered into Interruptible Transportation Agreements on the basis of nominated quantities.
  - (c) Third – quantities accepted for transportation by the Service Provider from Users with As Available Transportation Agreements in excess of their respective MDQs for as available transportation services.
  - (d) Fourth – quantities for transportation for Users with As Available Transportation Agreements up to their respective MDQs for as available transportation services. If the capacity available is not sufficient to serve all Users' as available quantities, then the available capacity will be allocated among those Users pro rata based on Scheduled quantities.
  - (e) Fifth — quantities Scheduled for transportation to Users pursuant to Firm Transportation Agreements, not to exceed their respective MDQs for firm transportation services. If the capacity available is not sufficient to serve all such Users' quantities then the available capacity will be allocated among those Users pro rata on the basis of their respective MDQs for firm transportation services.
  - (f) (not used)
- 12 If Service Provider interrupts or curtails receipts or deliveries of quantities of Gas under clause 11, Service Provider is not liable to the User in respect of the interruption or curtailment:
- (a) if the interruption or curtailment:
    - (i) results from planned or unplanned maintenance in respect of the Pipeline in accordance with clause 32 or clause 33; or
    - (ii) is, in Service Provider's opinion (acting reasonably), necessary in accordance with Good Engineering and Operating Practice to ensure the safe and efficient operation or integrity of the Pipeline; or
    - (iii) is permitted under the Transportation Agreement; or
  - (b) Service Provider is not obliged under the Transportation Agreement to provide the service; or
  - (c) a Force Majeure Event occurs; or
  - (d) the insufficiency of Pipeline capacity is not caused by Service Provider's wilful default or gross negligence.

- 13 If, on any Day, because of a reduction in the average Gross Heating Value (in MJ/m<sup>3</sup>) of Gas below the specified heating value amount under the Transportation Agreement, Service Provider is reasonably of the opinion that the aggregate quantities of Gas to be delivered to all Users may exceed the Pipeline capacity, the Delivery MDQ, Receipt MDQ and Throughput Rate for the Day will be adjusted by a mechanism which takes into account the difference between the two heating values specified above for the Day multiplied by 102%.
- 14 The above adjustment does not affect the Delivery MDQ for the purpose of calculating the Minimum Bill or Capacity Charge (if applicable).

### **Imbalances**

- 15 The User must use reasonable endeavours to ensure that receipts of Gas at Receipt Points and deliveries of Gas at Delivery Points are equal, adjusted for any Authorised Imbalances.
- 16 The User must promptly take steps to correct Unauthorised Imbalances or potential Unauthorised Imbalances by adjusting Nominations and co-ordinating receipts and deliveries with Service Provider.
- 17 If Service Provider believes on reasonable grounds that its ability to transport the quantities of Gas Scheduled under the User's Transportation Agreement or any other Transportation Agreement may be impaired by an Unauthorised Imbalance and the User does not, within 4 hours of receipt of a notice from Service Provider, take all steps reasonably practicable to correct such Unauthorised Imbalance as soon as possible, then Service Provider may (but is not obliged to) correct such Unauthorised Imbalance by reducing the User's receipts and/or deliveries of quantities of Gas as necessary or buying or selling sufficient quantities of the User's Gas or a combination of both.
- 18 The User will indemnify Service Provider for 130% of all costs and expenses Service Provider incurs in purchasing Gas to make a correction. Service Provider may retain 30% of the proceeds of sale of the User's Gas to make a correction.
- 19 Service Provider is not responsible for eliminating any imbalances between the User and an Interconnect Party or any other person operating Interconnection Facilities and, except in certain circumstances (eg. as required by Good Engineering and Operating Practice), is not obliged to adjust or deviate from its standard operating and accounting procedures in order to alleviate those imbalances.

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

- 20 Service Provider may recover from the User the amount by which a New Impost increases the Service Provider's costs of providing the Services under the User's Transportation Agreement by more than a trivial amount.
- 21 The User must:
- (a) transfer Substitute Permits to Service Provider or in lieu of that pay to the Service Provider the value or number of Emissions Permits required to be held, used or surrendered; and
  - (b) pay to Service Provider all other reasonable costs, charges and expenses (including, without limitation, taxes, imposts and internal and external compliance costs) incurred

by the Service Provider or its Related Bodies Corporate under or in respect of:

- (c) a Greenhouse Gas Law;
- (d) activities undertaken for the purpose of offsetting, reducing or avoiding liability under a Greenhouse Gas Law;
- (e) activities undertaken for the purpose of reducing, or reducing the growth in, the emission of Greenhouse Gases; or
- (f) liability incurred to third parties in respect of third parties' costs, charges and expenses under or in respect of any of the matters set out in paragraphs (c), (d) and (e) above,

and related to:

- (g) the Services to be provided by the Service Provider under the agreement; or
- (h) the Service Provider's business operations to the extent they relate to those Services,

as reasonably determined and apportioned by the Service Provider in respect of the Services.

The User must bear all costs, charges and expenses in respect of each transfer of a Substitute Permit.

- 22 If there is a change in law (other than to the extent it relates to new or amended income or capital gains taxes) which results in a change in the relevant costs of the Service Provider or its Related Bodies Corporate by more than a trivial amount, the Parties must adjust the amounts payable by the User under the Transportation Agreement or make provision for a lump sum payment of compensation or another form of adjustment for the Net Financial Effect experienced by Service Provider as a consequence of the change in law.
- 23 All tariffs, charges and amounts payable under this Access Arrangement are expressed to be exclusive of GST. In addition to any tariff, charge or amount payable under this Access Arrangement by the User or Prospective User, the User or Prospective User will pay any applicable GST calculated by multiplying the relevant tariff, charge or amount by the prevailing GST rate.

### **System Use Gas and Line Pack**

- 24 Each User must supply, at no cost to Service Provider and at times and in the manner notified by Service Provider, the quantity of System Use Gas required by Service Provider at that time to operate the Pipeline, as determined by Service Provider (acting reasonably).
- 25 Service Provider will make this determination monthly by reference to the proportion that the quantity of Gas delivered to the User bears to the quantity of Gas delivered to all Users (including the User), except where the jurisdiction is New South Wales, in which case it will be determined by reference to the proportion that the quantity of Gas received under the User's Transportation Agreement bears to the quantity of Gas received under all Users' Transportation Agreements (including the Transportation Agreement with the User), in the relevant Month.
- 26 Service Provider will own the System Use Gas supplied in the above manner.

- 27 Service Provider will provide (and retain ownership of) an amount of Gas to ensure that Service Provider can operate the Pipeline in accordance with Good Engineering and Operating Practice (**Base Line Pack**).
- 28 The User will provide Line Pack in addition to the Base Line Pack provided by Service Provider on the first Day the User uses the Firm Service and otherwise when advised by Service Provider from time to time, in such proportion, as determined by Service Provider from time to time, equal to the proportion that the Delivery MDQ bears to the total of all Users' MDQs (including the Delivery MDQ).
- 29 The User must give APA directions about the delivery of the User's Line Pack on or before the end of the Term, otherwise title to the User's Line Pack transfers to Service Provider.

### **Operation of Pipeline**

- 30 The Service Provider must operate and maintain the Pipeline in accordance with Good Engineering and Operating Practice.
- 31 The provision of the Services is subject to compliance with all laws and any Approvals.
- 32 If the Service Provider wishes to carry out Pipeline works, repairs or maintenance then it may, without liability to the User, curtail Services to the User to the extent necessary to carry out such works provided it gives the User at least 1 Month's notice of the proposed Pipeline works and, after consultation with the User, uses reasonable endeavours to carry out such works:
- (a) so as to avoid or minimise, so far as is reasonably practicable, disruption to Services to the User; and
  - (b) during a period in which the Service Provider reasonably forecasts will have relatively low aggregate demand for Gas.
- 33 If the Service Provider believes it is necessary to carry out Pipeline works, repairs or maintenance (other than the works set out in clause 32) in order to protect the operational integrity or safe operation of the Pipeline or to comply with any applicable laws or Approvals, the Service Provider may, without liability to the User, curtail Services to the User to the extent necessary to carry out such works, repairs or maintenance provided the curtailment is not predominantly caused by the Service Provider's negligence, failure to comply with Good Engineering and Operating Practice or breach of the Transportation Agreement and the Service Provider gives the User as much notice of the proposed curtailment as is reasonably practicable.
- 34 The User will ensure its arrangements for Gas supply to Receipt Points and Gas acceptance at the Delivery Points are compatible with the Service Provider's Pipeline operations.
- 35 The User must facilitate Service Provider's access to relevant charts, electronic and other data and records, including (without limitation) access to relevant measurement and SCADA information, at no cost to Service Provider.

### **Metering**

- 36 The Service Provider will install, operate and maintain metering equipment at Receipt and Delivery Points unless otherwise agreed. If the User or another Interconnect Party owns equipment used for measuring or monitoring Gas at a Receipt Point or a Delivery Point, the User must or must cause the Interconnect Party to, install Metering

Equipment or upgrade its equipment to conform to the Metering and Measurement Requirements.

- 37 The User will, at its cost, cause to be provided, operated, validated and maintained all Metering Equipment required for the purposes of the Transportation Agreement other than that which measures the quantity of Gas used at each of Service Provider's compressor stations on the Pipeline.
- 38 The User must use reasonable endeavours to cause to be installed, at the Receipt Points and the Delivery Points, facilities which will permit co-ordination of activities by Service Provider and the User in the metering, nomination, Scheduling and transportation of Gas under the Transportation Agreement.
- 39 The Parties must take all action reasonably necessary to ensure that access to their respective Metering Equipment is provided to permit inspections and tests to be carried out as required in the Metering and Measurement Requirements.
- 40 The Metering and Measurement Requirements govern the measurement of Gas for the purposes of the Transportation Agreement, unless otherwise negotiated by the Parties.

### **Quality**

- 41 The Gas delivered by or on behalf of the User at the Receipt Point must be in accordance with the quality required by the Gas Specification or any other quality as the law in the relevant jurisdiction requires. The Service Provider may, by notice to the User, vary the above specifications if it is authorised or required to do so by law or any Authority.
- 42 Provided the User complies with clause 41, the gas delivered by Service Provider to the User at the Delivery Points must meet the quality specifications set out in clause 41.

Without limiting or being limited by clause 22, if:

- (a) the law or any Authority requires a change to the quality specifications set out above;
- (b) the change results in increased costs to the Service Provider or its Related Bodies Corporate; and
- (c) the Service Provider uses reasonable commercial endeavours and Good Engineering and Operating Practice to minimise the increased costs

then the Service Provider (acting reasonably) may allocate the increased costs across all Users (including the User) on an equitable basis and the User must pay its share of such costs on demand.

- 43 The User must notify Service Provider immediately on becoming aware that gas offered for transportation is or may be Off-Specification Gas.
- 44 The Service Provider may refuse to accept all or any portion of Off-Specification Gas and must advise the User as soon as is practicable after such refusal. Such refusal, or the Service Provider not transporting Off-Specification Gas after acceding to an instruction or request from the User to reject receipts of such gas, does not relieve the User from its obligation to pay any Minimum Bill or Capacity Charge (if applicable).

- 45 Subject to the responsibilities of the Service Provider in clause 46, if the User offers, and Service Provider receives, Off-Specification Gas for transportation then the User is responsible for and indemnifies and holds harmless the Service Provider from and against any loss or damage suffered or incurred by the Service Provider to the extent it results from the receipt, transportation and delivery of that gas by the Service Provider.
- 46 If the User instructs the Service Provider in writing to reject receipt of Off-Specification Gas and the Service Provider continues to accept receipts and to transport and deliver the gas notwithstanding the instruction, the Service Provider is responsible for any loss or damage suffered or incurred by itself, the User or any other person as a result of the continued receipt, transportation or delivery of the gas after the time at which the Service Provider, in accordance with Good Engineering and Operating Practice, could reasonably have stopped receipt, transportation or deliveries.

### **Receipt pressures**

- 47 The User must supply Gas to the Service Provider at the Receipt Points at pressures nominated by the Service Provider from time to time as being sufficient to allow Gas to enter the Pipeline, but in no case greater than a set maximum pressure determined for each Receipt Point.
- 48 The User must indemnify the Service Provider for all loss and damage suffered or incurred by the Service Provider as a result of the User breaching the above obligation.
- 49 The Service Provider is under no obligation to install inlet compression or other facilities to permit the entry of User's Gas into the Pipeline.

### **Possession of gas and responsibility**

- 50 The Service Provider is in control and possession of the Gas following receipt of the Gas from the User at the Receipt Points and prior to delivery of the Gas, net of any System Use Gas provided by the User, to the User at the Delivery Points.
- 51 In the absence of the Service Provider's negligence, breach of the agreement or wilful misconduct, the Service Provider is not responsible for losses of the User's Gas while Gas is in the Service Provider's control and possession.
- 52 Service Provider will have no responsibility or liability with respect to any Gas prior to its supply to Service Provider at the Receipt Points or after its delivery to the User at the Delivery Points on account of anything which may be done, happen or arise with respect to that Gas prior to receipt at the Receipt Points or after delivery at the Delivery Points.
- 53 The Gas received by the Service Provider at the Receipt Points may be commingled with other Gas in the Pipeline and with other elements for the operation and maintenance of the Pipeline in accordance with Good Engineering and Operating Practice. Subject to certain obligations of the Service Provider regarding the quality of gas delivered, Service Provider may commingle gas received and deliver it in a commingled state to the User, despite clauses 55 and 56 (Title).

### **Warranties & Representations**

- 54 The User warrants and represents (among other things set out in the Transportation Agreement) that at the time of supply of Gas to the Service Provider at the Receipt Points the User has unencumbered title to, and the right to supply, that Gas at the

Receipt Points for transportation by the Service Provider under the Transportation Agreement.

### **Title**

- 55 Title to the Gas received by the Service Provider at the Receipt Point does not pass to Service Provider except for:
- (a) any liquid hydrocarbons which, during normal transportation operations and in accordance with Good Engineering and Operating Practice, separate or condense from the gas stream after receipt of the gas and before its delivery by Service Provider; and
  - (b) System Use Gas the User is required to supply to the Service Provider under the Transportation Agreement; or
  - (c) where the jurisdiction is Western Australia.
- 56 In Western Australia title to the Gas received by the Service Provider on behalf of the User at the Receipt Points passes to the Service Provider and title to the Gas delivered by the Service Provider on behalf of the User at the Delivery Points passes to the User.

### **Allocation of receipts and deliveries**

- 57 If the quantities of Gas actually received at the Receipt Points or delivered at the Delivery Points (other than deliveries to a Delivery Point which is a hub) do not equal the quantities Scheduled by the Service Provider in accordance with the Transportation Agreement on any Day, then those quantities actually received or delivered by the Service Provider (as the case may be) must be allocated among Users for a particular Hour or on a particular Day on a pro rata basis according to the User's Scheduled receipts for a Receipt Point or Scheduled deliveries for a Delivery Point (as the case may be) as a proportion of all Users' Scheduled receipts at the relevant Receipt Point or Scheduled deliveries at the relevant Delivery Point (as the case may be).
- 58 If quantities of Gas are delivered to a Delivery Point which is a hub then such quantities will be allocated, for a Day or an Hour (as the case may be), firstly based on the User's Scheduled deliveries for that Delivery Point (although within Scheduled deliveries, priority is given to those deliveries which are supplied by Users as Matched Allocation Quantities), secondly in accordance with the STTM Rules and lastly, for any overrun MOS or other remaining Gas, on a pro rata basis according to the User's Scheduled deliveries for forward haul Services at that Delivery Point for that Day or Hour (as the case may be) as a proportion of all Users' Scheduled deliveries for forward haul Services at that Delivery Point for that Day or Hour (as the case may be).
- 59 If all Users for a Receipt Point or Delivery Point agree on an alternative allocation methodology to the above methodologies then the Service Provider may (but is not obliged to) apply such alternative methodology.
- 60 The Service Provider may revise its allocation methodology set out above from time to time to reflect, as far as reasonably possible, any allocation methodologies imposed on the Service Provider by a third party in respect of a particular Receipt Point or Delivery Point.



### Addition of Receipt Points and Delivery Points

- 61 The User may by notice to the Service Provider request that Service Provider provide Services under the Transportation Agreement to receipt points and delivery points on the Pipeline in addition to those set out in the Transportation Agreement.
- 62 The User's notice must specify certain proposed details (as set out in the Transportation Agreement) regarding the proposal for an additional receipt point or additional delivery point, such as the proposal for location, MDQ, MHQ, changes to existing MDQs and MHQs, date of commencement and period required (which must be not less than 12 months). The User must also supply Service Provider with any additional information that Service Provider reasonably requires to evaluate the User's request.
- 63 The Service Provider will determine acting reasonably, whether and the extent to which it is able to meet the User's request and, if so, any conditions on which it will offer to accommodate the request. The User will pay the Service Provider's reasonable costs incurred in evaluating the request.
- 64 The Service Provider will not be required to agree to a request for an additional receipt point or an additional delivery point if:
- (a) in its reasonable opinion, taking into account the capacity of the Pipeline, to do so may reduce the Service Provider's ability to meet its obligations under other Transportation Agreements;
  - (b) the Parties are unable to agree in respect of payment by the User of the associated costs;
  - (c) the User has not made all appropriate arrangements with Interconnect Parties necessitated by the additional receipt point or the additional delivery point; or
  - (d) in its reasonable opinion it will be unable to secure any necessary amendment to the Pipeline Licence or obtain any other necessary approval.
- 65 If the User requests an additional receipt point or an additional delivery point that:
- (a) does not exist; or
  - (b) in the opinion of Service Provider, does not meet the specifications and standards published by Service Provider from time to time,
- so that the additional receipt point or additional delivery point needs to be constructed or modified then:
- (c) the User may undertake construction itself or request that Service Provider undertake construction;
  - (d) if the User undertakes the construction itself then it must do so in accordance with certain requirements set out in the Transportation Agreement, including undertaking construction under the supervision and in accordance with any reasonable directions of the Service Provider, in accordance with designs and specification reasonably required by the Service Provider and connecting the additional receipt point or additional delivery point to the Pipeline on terms acceptable to the Service Provider.
  - (e) the User must pay the reasonable costs incurred by the Service Provider in

- (i) constructing the additional receipt point or additional delivery point;
- (ii) obtaining a reasonable rate of return on capital expended to make the additional receipt point or additional delivery point available to the User;
- (iii) reviewing the designs and specification for, and supervising construction of, the additional receipt point or additional delivery point;
- (iv) constructing improvements for increases in the capacity of the Pipeline reasonably required as a result of an additional receipt point or additional delivery point (including the regulation, metering and quality monitoring facilities); and
- (v) operating and maintaining any of the above improvements.

66 If a receipt point or a delivery point is added, the amount payable under the Transportation Agreement will be no less than what was payable prior to the additions having been made.

### **Dispute Resolution**

67 Either Party may refer, for determination by an independent expert, an issue in respect of the Transportation Agreement in dispute between the Parties which is capable of determination only by audit or by reference to accounting, engineering or scientific knowledge and practice, to the extent that it does not otherwise involve the interpretation of the Transportation Agreement.

68 The independent expert's decision, in the absence of manifest bias or error, is final and binding upon the Parties.

69 Once a dispute is referred to an independent expert for determination then neither Party may commence or continue court proceedings (except where seeking interlocutory relief) in relation to that dispute until the dispute is determined by the independent expert.

### **Default**

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

- (a) take the steps and do the things that the non-defaulting Party, acting reasonably, requires to ensure that the event of default will not be repeated; and
- (b) pay the non-defaulting party the sum (if any) that the non-defaulting party reasonably determines is required to compensate the non-defaulting party for the event of default and its consequences.

71 In addition to the above right to terminate or suspend the Transportation Agreement a non-defaulting Party may also sue for damages or exercise any other available legal or equitable remedy.

72 Termination pursuant to the above procedure will not affect any rights or obligations which may have accrued prior to termination.

## **Billing & Payment**

- 73 The Service Provider will render monthly accounts.
- 74 The User will pay the Service Provider's tax invoices by the Payment Date. Late payment attracts an interest charge.
- 75 Any disputed amount which is subsequently found to be payable by or repayable to the User will be due and payable no later than 14 Days after issue of an adjustment note by the Service Provider (such note must be issued within 28 Days of resolution regarding the disputed amount), together with interest on that amount.
- 76 If an error is discovered in any tax invoice, then the error will be adjusted, with interest, on the next tax invoice provided to the User after the error is discovered. However, no adjustment will be made for errors discovered more than 12 months after the date of the delivery of Gas to which the erroneous tax invoice relates.

## **Information Interface**

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

## **Limitation of Liability & Indemnity**

- 79 To the extent permitted by law, neither Party (including the Service Provider's Related Bodies Corporate) is liable to the other Party for Consequential Loss or for punitive or exemplary damages arising in respect of the Transportation Agreement, except in respect of the User's liability relating to:
- (a) Imbalances;
  - (b) rates, charges and other payments under the Transportation Agreement;
  - (c) the receipt, transportation or delivery of Overrun Quantities;
  - (d) the User's obligation to deliver gas which meets the quality required by the Gas Specification or any other quality as the law in the relevant jurisdiction requires;
  - (e) the User offering Off-Specification Gas for transportation;
  - (f) a failure to supply Gas at Receipt Points at pressures nominated by the Service Provider from time to time;
  - (g) the indemnity described in clause 81; and
  - (h) the use of the Information Interface by the User's employees who have been authorised for use by the Service Provider.

- 80 The aggregate liability of the Service Provider and its Related Bodies Corporate in respect of the Transportation Agreement will be limited to a monetary liability cap which will be set under the Transportation Agreement on a case by case basis.
- 81 The User indemnifies the Service Provider and its Related Bodies Corporate from and against any liability, claim, action, loss, damage, cost or expense the Service Provider or its Related Bodies Corporate sustains or incurs, whether during or after the expiry of the Transportation Agreement, because of any of the following:
- (a) a customer or contract counterparty of the User suffers, or claims to suffer, loss or damage in respect of the Service Provider's or its Related Bodies' Corporate acts or omissions under the Transportation Agreement; or
  - (b) a third party (including another User and a customer or contract counterparty of the User or another User) suffers, or claims to suffer, loss or damage in respect of the User's acts or omissions under the Transportation Agreement.

### **Force Majeure**

- 82 **Force Majeure Event** means any event or circumstance, or combination of events or circumstances, which is beyond the reasonable control of a Party, which by the exercise of due diligence, that Party is not reasonably able to prevent or overcome and which has the effect of preventing a Party from performing an obligation under the Transportation Agreement, including, without limitation (provided that they meet the foregoing criteria):
- (a) acts of God, including without limitation, earthquakes, floods, washouts, landslides, lightning, storms and the elements;
  - (b) strikes, lockouts, bans, slowdowns or other industrial disturbances;
  - (c) acts of enemy, wars (declared or undeclared), acts of terrorists, blockades or insurrections, riots and civil disturbances, arrest and restraint of rulers and peoples;
  - (d) fire or explosion;
  - (e) epidemic or quarantine;
  - (f) any order or direction of any Authority, or omission or failure to act by any Authority, or the failure to obtain or maintain any necessary Approval;
  - (g) in respect of the Pipeline, and any lateral pipelines owned or operated by the Service Provider and related machinery, equipment or facilities (including Interconnection Facilities), accidents, breakdown, loss or damage or the necessity to undertake alterations, repairs or maintenance (other than routine maintenance for which notice has not been given).
- 83 Lack of finances, changes in market conditions for the transportation, purchase or sale of gas, the inability of the User or a person supplying gas at or upstream of the Receipt Points to provide gas for transportation under the Transportation Agreement or the inability of the User or a person consuming gas at or downstream of the Delivery Points to take gas are not a Force Majeure Event, regardless of how they are caused.
- 84 Subject to certain exceptions, a Party's obligations under the Transportation Agreement are suspended during the time, and to the extent, that their performance is prevented, wholly or in part, by a Force Majeure Event and no liability to the other

Party accrues for loss or damage of any kind arising out of, or in any way connected with that non-performance.

- 85 However, such suspension does not, among other things, relieve the User of its obligation to pay a Minimum Bill, Capacity Charge or Tolling Charge unless during a Month the Service Provider fails to deliver quantities of Gas Scheduled under the Firm Service as a result of a Force Majeure Event affecting the Service Provider in which case any Minimum Bill or Capacity Charge for that Month for the applicable Service or any Tolling Charge for the Firm Service will be reduced by the Service Provider, acting reasonably, having regard to the proportion of the Month in which the Service Provider fails to deliver quantities of Gas to the User as a result of the Force Majeure Event.
- 86 Force Majeure Events do not relieve a Party of liability:
- (a) if and to the extent that its negligence, wilful misconduct or breach of contract caused or contributed to its failure to perform under the agreement;
  - (b) if and to the extent that it fails to use all reasonable endeavours to remedy the situation and to remove the circumstance giving rise to the Force Majeure Event adequately and promptly; or
  - (c) to make payments of amounts then due in respect of Gas previously delivered.
- 87 If performance of an obligation under the Transportation Agreement is prevented for a period of 12 Months as a result of a Force Majeure Event then, after a 7 Day period of consultation between the Parties, either Party may terminate the Transportation Agreement by giving no less than 2 Months written notice.

### **Assignment**

- 88 A Party may assign the whole or part of its interest in the Transportation Agreement if the assignment is part of a corporate acquisition, merger or reorganisation and the financial standing of the assignee is at least substantially equivalent to the financial standing of the assigning Party.
- 89 The Service Provider may assign its interest in the Transportation Agreement to another person who owns the Pipeline.
- 90 A Party may assign the whole or part of its interest in the Transportation Agreement to any person if the assigning Party remains bound by the Transportation Agreement.
- 91 Any other assignment by a Party of a whole or partial interest in the Transportation Agreement requires the consent of the other Party (which must not be unreasonably withheld).
- 92 Execution by the assignee of a covenant to be bound by the Transportation Agreement, in a form satisfactory to the non-assigning party acting reasonably, is a condition precedent to any assignment permitted above.

### **Confidentiality**

- 93 A Party receiving Confidential Information may use it solely for the purposes of performing its obligations under the Transportation Agreement or for internal purposes related to the governance of the Party or its Related Bodies Corporate.
- 94 A Party must obtain the prior written consent of the other Party in order to use or disclose Confidential Information for any other purpose, subject to certain specific

circumstances where consent is not required. These circumstances include, among other things, if disclosure is required by law or lawfully required by an Authority or if the information is at that time lawfully generally available to the public, other than as a result of a breach of the Transportation Agreement.

- 95 In certain of the circumstances where consent is not required the disclosing Party may still be required to notify the other Party of the intended disclosure and/or use beforehand or obtain a confidentiality undertaking from the third party to whom the Confidential Information will be disclosed.

## **SCHEDULE 4: FORM OF REQUEST FOR SERVICE**

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

Name of Prospective User:

ACN:

Contact Officer:

Title:

Address:

Telephone:

Fax:

Email:

Service Requested:

If requested service is not a Reference Service, then what conditions, different from those available under a Reference Service, are sought, and what are the special circumstances or conditions which give rise to that need?

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Date for Commencement of Service:

Duration of Transportation Agreement sought:

## **2. Receipt Point Information:**

Receipt Point Location:

Entity Responsible for  
Delivery of Gas to Receipt  
Point:

(if other than the Prospective User)

ACN:

Contact Officer:

Title:

Address:

Telephone:

Fax:

Email:

## **3. Delivery Point Information:**

Delivery Point Location:

Entity Controlling  
Withdrawal of Gas at  
Delivery Point:

(if other than the prospective User)

ACN:

Contact Officer

Title:

Address:

Telephone:

Fax:

## **4. Transportation Information:**

Annual Quantity to be Transported (GJ):

Maximum Daily Quantity - MDQ (GJ):

Maximum Hourly Quantity - MHQ (GJ):



Transportation Patterns:

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

Typical Daily Profile

Typical Weekly Profile

Typical Annual Profile

Examples of Atypical Profiles

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