

**SOUTH EAST AUSTRALIA GAS PTY LTD**

**ABN 73 096 437 900**

as agent for and on behalf of the SEA Gas Partnership (ABN 81 366 072 976), a partnership of:

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**PORT CAMPBELL TO IONA PIPELINE**

**FACILITY SPECIFIC TERMS**

## Contents

<b>1</b>	<b>Definitions and interpretation</b>	<b>11</b>
1.1	Definitions	11
1.2	Interpretation	33
<b>2</b>	<b>Definition of Day</b>	<b>33</b>
<b>3</b>	<b>Scheduling</b>	<b>44</b>
3.1	Scheduling Time	44
3.2	Notified Scheduled Quantities	44
3.3	Daily Capacity Entitlement	55
<b>4</b>	<b>Priority Principles</b>	<b>55</b>
4.1	Capacity Shortfall due to act or omission of a Transportation Facility User	55
4.2	Other Capacity Shortfalls – Shortfalls identified prior to commencement of a Day	5
4.3	Other Capacity Shortfalls – Shortfalls identified on a Day	66
4.4	Auction Services and Lower Tier Services – Nomination and Scheduling	66
4.5	Impact of Renominations	77
4.6	Operational Constraints	77
4.7	Hourly Curtailment	77
4.8	Interaction of this document with Code and National Gas Rules	77
<b>5</b>	<b>System Use Gas</b>	<b>77</b>
5.1	Types of System Use Gas	77
5.2	Gas Unaccounted for and Instrument Gas	88
5.3	Heater Fuel Gas	88
<b>6</b>	<b>Hourly Capacity</b>	<b>88</b>
6.1	Hourly Limitations	88
6.2	Allocation of Hourly Capacity at South West Connection Point	99
<b>7</b>	<b>Unauthorised Overrun Charge</b>	<b>1111</b>
7.1	Liability for Overrun Charge	1111
7.2	Quantum of Overrun Charge	1212
7.3	Quantum of Overrun Charge Rate	1212
7.4	Hourly Overrun Quantity	1212
7.5	Daily Overrun Quantity	1212
7.6	Quantum of Daily Capacity Entitlement	1313
<b>8</b>	<b>Pressure and Temperature</b>	<b>1313</b>
<b>9</b>	<b>Charges</b>	<b>1313</b>
9.1	Charges set out in Schedule	1313
9.2	Escalation	1313
9.3	Nomination Variation Charge	1414
<b>10</b>	<b>Imbalance</b>	<b>1515</b>
<b>11</b>	<b>Odourisation</b>	<b>1515</b>
<b>12</b>	<b>Metering</b>	<b>1616</b>
12.1	Langley Connection Point	1616
12.2	Measurement and Testing	1818
12.3	Gas Heater Metering	1818
12.4	Access Rights	1818

Field Code Changed

12.5	Records and Charts	1818
12.6	Measurement and Testing Procedures	1818
12.7	Allocation Agent	1818
12.8	Third Party as Responsible Party	1818
12.9	Interaction with clause 15.2 Operational Transportation Service Code	1919
<hr/>		
<b>13</b>	<b>Electronic Communications System</b>	<b>1919</b>
<b>14</b>	<b>Trading of Entitlements</b>	<b>1919</b>
<b>15</b>	<b>Accommodating Differences in Gas Days</b>	<b>1919</b>
<b>16</b>	<b>Specific Facility Issues</b>	<b>2020</b>
16.1	Application	2020
16.2	Nature of the Facility	2020
16.3	Langley Connection Point	2020
<hr/>		
<b>Schedule 1 – Receipt Points and Delivery Points</b>		<b>2222</b>
<b>Schedule 2 – Charges</b>		<b>26</b>
<b>Annexure 1 – Gas Measurement at Connection Points and Gas Heaters</b>		<b>2828</b>
<hr/>		

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## Recitals

- A** This document sets out Version 1 of the Facility Specific Terms for the Port Campbell to Iona Gas Pipeline System (as defined in clause 1.1).
- B** This document is published on 22 January 2019 and will commence operation on 22 January 2019 and will apply until revised Facility Specific Terms are issued by Service Provider.

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## 1 Definitions and interpretation

### 1.1 Definitions

In this document, unless a contrary intention appears:

**Adelaide Standard Time** means Standard Time throughout South Australia as specified in section 3 of the Standard Time Act 2009 (SA).

**Connection Point** means a Receipt Point or Delivery Point on the Facility.

**Daily Capacity Entitlement** is the amount of Capacity in the Facility which would have been scheduled for Shipper on the Day (after allocating entitlements in accordance with clause 4) if Shipper had nominated to take delivery or supply a quantity of Gas equal to its Forward Haul MDQ.

**Defaulting User** is defined in clause 4.1.

**Electronic Communications System** is defined in clause 13.

**Facility MDQ** means:

- (a) where used in relation to services provided under an OTSA, the Forward Haul MDQ under that OTSA; and
- (b) where used in relation to services provided under a Facility Agreement which is not an OTSA, the quantity of capacity determined under that Facility Agreement as representing the "MDQ" of the Transportation Facility User who is party to that Facility Agreement.

**Firm Service** means a service provided on a Firm basis.

**Forward Haul MDQ** means the sum of Shipper's Traded Forward Haul Service MDQ and Forward Haul Auction MDQ for transportation of Gas between Receipt Points and Delivery Points.

**Foundation Shipper** means:

- (a) the Transportation Facility User from time to time under the Port Campbell to Iona Gas Haulage Agreement Amendment and Restatement Deed between Origin Energy Retail Limited ABN 22 078 868 425 and Service Provider which restatement was executed on or about April 2003; and
- (b) the Transportation Facility User from time to time under the Port Campbell to Iona Gas Haulage Agreement Amendment and Restatement Deed between Pelican Point Power Limited ABN 11 086 411 814 and Service Provider which restatement was executed on or about April 2003.

**Foundation Shipper Agreement** means an agreement referred to in the definition of Foundation Shipper.

**Gas Heater** means gas heating equipment installed at a Delivery Point for the purposes of increasing the temperature of Gas delivered at that Delivery Point.

**Gross Heating Value** means the number of gigajoules produced by the complete combustion of one cubic metre of Gas with air, at a temperature of 15° Celsius and at an absolute pressure of 101.325 kilopascals, with the Gas free of all water vapour, the products of combustion cooled to a temperature of 15° Celsius and the water vapour formed by combustion condensed to the liquid state.

**Heater Fuel Gas** means the Gas required to operate the Gas Heaters.

**Interface Agreement** means an agreement between Service Provider and the owner of infrastructure with which the Facility interconnects, setting out the operational procedures for co-ordinating the interface between that infrastructure and the Facility.

**Interface Party** means, in respect of an Interface Agreement, the parties to that Interface Agreement (other than Service Provider).

**Langley Connection Point** means the point at which the Facility connects to the PCA Pipeline System.

**MHQ** is defined in clause 6.1.

**Maximum Hourly Rate** means, for the South West Connection Point and an hour, the maximum quantity of Gas which is (as applicable) capable of being supplied to, or delivered at, that Connection Point in that hour as determined (using such reasonable means as determined by Service Provider) having regard to the physical capacity of that Connection Point and the operating pressure at that Connection Point. To avoid doubt, the Maximum Hourly Rate where Gas is supplied to the South West Connection Point may differ from the Maximum Hourly Rate where Gas is delivered to the South West Connection Point.

**Mortlake Pipeline** means the high pressure steel pipeline system the subject of Victorian pipeline licence PL259.

**Operational Transportation Service Code** means the code of that name published under the National Gas Law.

**OTSA** has the meaning given to that term in the National Gas Rules.

**PCA Haulage Agreement** means a Facility Agreement for the PCA Pipeline System.

**PCA Pipeline System** means the high pressure steel pipeline system for the transportation of Gas from Port Campbell to Adelaide and all related facilities including laterals owned and operated by Service Provider together with all structures for protecting or supporting the pipeline system and associated facilities for the compression of Gas, the maintenance of the pipeline and the receipt and delivery of Gas, and all fittings, appurtenances, appliances, compressor stations, scraper stations, mainline valves, telemetry systems (including communications towers), works and buildings used in connection with the pipeline system and, except where the context otherwise requires, includes any extension or enlargement of the system.

**PCA Shipper** means a person who is entitled to receive transportation services from Service Provider in the PCA Pipeline System.

**Port Campbell to Iona Gas Pipeline System** (being the Facility to which these Facility Specific Terms relates) means the high pressure steel pipeline system for the transportation of Gas in either direction

between the Facility and the South West Pipeline System and all related facilities including laterals owned and operated by Service Provider together with all structures for protecting or supporting that pipeline system and associated facilities for the compression of Gas, the maintenance of that pipeline and the receipt and delivery of Gas, and all fittings, appurtenances, appliances, compressor stations, scraper stations, mainline valves, telemetry systems (including communications towers), works and buildings used in connection with that pipeline system and, except where the context otherwise requires, includes any extension or enlargement of that system and which pipeline system is subject to Victorian pipeline licence PL239.

**Shipper's OTSA** means the operational transportation service agreement (as that term is defined in the National Gas Law) between Service Provider and Shipper (of which these Facility Specific Terms form part).

**South West Connection Point** means the point at which the Facility connects to the South West Pipeline System.

**South West Pipeline System** means that part of the Victorian transmission system known as the "South West Pipeline".

**Standard Temperature and Pressure** means a temperature of 15 degrees Celsius and an absolute pressure of 101.325 kilopascals.

**Total Forward Haul Scheduled Delivery Quantity** is defined in clause 3.2(d).

**Total Forward Haul Scheduled Receipt Quantity** is defined in clause 3.2(c).

**Undertake Delivery Quantity** means, for a Transportation Facility User, the amount by which the quantity of Gas delivered to that Transportation Facility User at the Delivery Points on a Day is less than the quantity of Gas scheduled to be delivered to that Transportation Facility User at the Delivery Points on that Day.

**Undertake Receipt Quantity** means, for a Transportation Facility User, the amount by which the quantity of Gas supplied by that Transportation Facility User to the Receipt Points on a Day is less than the quantity of Gas scheduled to be supplied by that Transportation Facility User to the Receipt Points on that Day.

Other terms are defined in the clause in this document in which they are used.

## 1.2 Interpretation

- (a) Words in these Facility Specific Terms which are capitalised but not defined have the meaning given to them in the Operational Transportation Service Code.
- (b) Unless expressly provided otherwise all references to time in this document are to Adelaide Standard Time.

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## 2 Definition of Day

- (a) For the purposes of clause 2 of Part 5 of the Operational Transportation Service Code the definition of Day applicable to the Facility is the period of 24 consecutive hours beginning and ending at 6.00am Adelaide Standard Time.
- (b) To avoid doubt, the period which constitutes a Day under this document is not affected by daylight saving.

- (c) In accordance with clause 2(b) of Part 5 of the Operational Transportation Service Code, this clause 2 will cease to operate as from the Standard Market Timetable Commencement Date.

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### 3 Scheduling

#### 3.1 Scheduling Time

- (a) For the purposes of clause 4.6 of Part 3 of the Operational Transportation Service Code, the Scheduling Time for a Service that is not an Auction Service is 5.00pm.
- (b) For the purposes of clause 4.6 of Part 3 of the Operational Transportation Service Code, the Scheduling Time for an Auction Service is 8.45pm.
- (c) This clause 3.1 will cease to operate as from the Standard Market Timetable Commencement Date.

#### 3.2 Notified Scheduled Quantities

- (a) The Scheduled Quantities notified by Service Provider to Shipper for the Traded Forward Haul Service will include:
  - (i) the quantity of Gas to be supplied by Shipper to each Receipt Point (for each such Receipt Point, **Traded Forward Haul Scheduled Receipt Quantity** and in aggregate for all Receipt Points **Total Traded Forward Haul Scheduled Receipt Quantity**);
  - (ii) the quantity of Gas to be delivered to Shipper at each Delivery Point (for each such Delivery Point, **Traded Forward Haul Scheduled Delivery Quantity** and in aggregate for all Delivery Points **Total Traded Forward Haul Scheduled Delivery Quantity**).
- (b) The Scheduled Quantities notified by Service Provider to Shipper for the Forward Haul Auction Service will include:
  - (i) the quantity of Gas to be supplied by Shipper to each Receipt Point (for each such Receipt Point, **Auction Forward Haul Scheduled Receipt Quantity** and in aggregate for all Receipt Points **Total Auction Forward Haul Scheduled Receipt Quantity**);
  - (ii) the quantity of Gas to be delivered to Shipper at each Delivery Point (for each such Delivery Point, **Auction Forward Haul Scheduled Delivery Quantity** and in aggregate for all Delivery Points **Total Auction Forward Haul Scheduled Delivery Quantity**).
- (c) The sum of the Total Traded Forward Haul Scheduled Receipt Quantity and the Total Auction Forward Haul Scheduled Receipt Quantity is referred to in this document as the **Total Forward Haul Scheduled Receipt Quantity**.
- (d) The sum of the Total Traded Forward Haul Scheduled Delivery Quantity and the Total Auction Forward Haul Scheduled Delivery Quantity is referred to in this document as the **Total Forward Haul Scheduled Delivery Quantity**.

### **3.3 Daily Capacity Entitlement**

When notifying Shipper of the Scheduled Quantities for a Day, or any revision to those quantities, Service Provider will notify Shipper of its Daily Capacity Entitlement for that Day.

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## **4 Priority Principles**

### **4.1 Capacity Shortfall due to act or omission of a Transportation Facility User**

(a) To the extent that there is insufficient Capacity in the Facility on a Day to meet the requirements of all Transportation Facility Users on that Day due to a Transportation Facility User (**Defaulting User**):

- (i) breaching its contractual obligations to Service Provider;
- (ii) taking delivery, without the consent of Service Provider, of a quantity of Gas on a Day or in an hour in excess of that quantity allowable under that Transportation Facility User's Facility Agreement;
- (iii) exceeding the "Imbalance Allowance" under its Facility Agreement (as "Imbalance Allowance" is defined in that Facility Agreement); or
- (iv) performing an action negligently or making a negligent omission,

then, subject to clause 4.1(b), Service Provider must interrupt or curtail deliveries of Gas to, or the supply of Gas from (or reduce the quantities of Gas scheduled for), the Defaulting User to the extent necessary to remedy the effects of the acts or omissions referred to in clauses 4.1(a)(i) to 4.1(a)(iv) on the Capacity of the Facility prior to interrupting or curtailing deliveries of Gas to or receipts of Gas from any other Transportation Facility User (including, to avoid doubt, under clause 4.7).

(b) Shipper acknowledges that it will not always be possible for Service Provider to determine if and the extent to which a shortfall in the Capacity of the Facility is caused by the act or omission of a Defaulting User and consequently:

- (i) Service Provider will have no liability for failure to interrupt or curtail deliveries of Gas to or receipts of Gas from a Defaulting User to the extent required by clause 4.1(a); and
- (ii) where Service Provider reasonably considers that Shipper is a Defaulting User, Service Provider will have no liability for interrupting or curtailing Shipper pursuant to clause 4.1(a),

provided that Service Provider acts in good faith as a Reasonable and Prudent operator and on the basis of the best information available to Service Provider.

### **4.2 Other Capacity Shortfalls – Shortfalls identified prior to commencement of a Day**

Where Service Provider, acting Reasonably and Prudently, forms the view that, after having curtailed all Defaulting Users (if any), there will be insufficient Capacity in the Facility on a Day (for any reason) to provide the services nominated by or scheduled for all Transportation Facility Users on that Day and that shortfall in Capacity is identified by Service Provider prior to the commencement of the relevant Day, then the available Capacity for that Day must be allocated by Service Provider as follows:

(a) the quantities of Gas nominated by, or scheduled for, Foundation Shippers for Firm Services will have priority over the provision of any other services in the Facility;



- (b) after the requirements of the Foundation Shippers have been satisfied, the remaining available Capacity will be allocated to the extent required to meet other Transportation Facility Users' nominated or scheduled quantities for transportation pursuant to Firm Services;
- (c) if the available Capacity of the Facility is insufficient to meet the quantities referred to in clause 4.2(b), the available Capacity will be allocated in priority between the Transportation Facility Users referred to in clause 4.2(b) pro-rata based on the Facility MDQ of each such Transportation Facility User.

#### **4.3 Other Capacity Shortfalls – Shortfalls identified on a Day**

Where:

- (a) Service Provider, acting Reasonably and Prudently, forms the view that, after having curtailed all Defaulting Users (if any), there will be insufficient Capacity in the Facility on a Day (for any reason) to provide services in respect of the quantity of Gas nominated by or scheduled for all Transportation Facility Users on that Day; and
- (b) that shortfall in Capacity is not identified by Service Provider prior to the commencement of the relevant Day,

then the available Capacity for the remainder of that Day (that is, after the time of identification of the Capacity shortfall) must, to the extent reasonably practicable (including having regard to the quantities of Gas already transported for Transportation Facility Users on that Day pursuant to services other than Firm Services as determined by Service Provider as a Reasonable and Prudent operator), be allocated by Service Provider in accordance with the procedures set out in clause 4.2.

#### **4.4 Auction Services and Lower Tier Services – Nomination and Scheduling**

Where Service Provider, acting Reasonably and Prudently, forms the view that, after having curtailed all Defaulting Users (if any), there will be insufficient Capacity in the Facility on a Day (for any reason) to provide the services nominated by or scheduled for all Transportation Facility Users on that Day, then the available Capacity for that Day (after the requirements of Firm Services have been met) must be allocated by Service Provider as follows:

- (a) in accordance with rule 651(1)(b) of the National Gas Rules, Auction Services have priority to available Capacity over Lower Tier Services;
- (b) where (once Lower Tier Services have been curtailed to the extent required by clause 4.4(a)) there is

insufficient Capacity to meet the quantities scheduled for all Forward Haul Auction Services then the Capacity available for Forward Haul Auction Services will be allocated between Transportation Facility Users entitled to receive Forward Haul Auction Services on the relevant Day pro-rata based on the Forward Haul Auction MDQ of each Transportation Facility User (using the Forward Haul Auction MDQ (that is for a Receipt Point, for a Delivery Point or between Receipt Points and Delivery Points) which Service Provider, as a Reasonable and Prudent operator, assesses as most appropriate given the available Auction Capacity.

#### **4.5 Impact of Renominations**

- (a) An Auction Service may be curtailed due to a renomination for Firm Services in the circumstances set out in rule 651(1)(c) of the National Gas Rules.
- (b) Lower Tier Services which are scheduled to use Auction Capacity must be curtailed in the circumstances set out in rule 651(1)(d) of the National Gas Rules due to a renomination for use of an Auction Service.

#### **4.6 Operational Constraints**

The Service Provider is not required to comply with the principles in clauses 4.1 to 4.5 to the extent it is not operationally and technical feasible to do so on the relevant Day in accordance with accepted good industry practice taking into account the operational circumstances (including operational constraints) impacting the Facility on the Day.

#### **4.7 Hourly Curtailment**

Where due to a shortfall in the Capacity of the Facility on a Day Service Provider (acting Reasonably and Prudently) forms the view that, in addition to the allocation of that Capacity in accordance with clauses 4.1 to 4.4, it is necessary, for the purpose of preserving the operational integrity of the Facility, to restrict the quantity of Gas which may be supplied by, or delivered to, Transportation Facility Users in one or more hours of that Day, then Service Provider may by notice to Shipper limit the maximum quantity of Gas which Shipper may supply to the Receipts Points or take delivery of at the Delivery Points in those hours, provided that (to the extent reasonably practicable having regard to the circumstances of the shortfall in Capacity) Capacity must be allocated in a manner consistent with the principles and priorities in clauses 4.1 to 4.4.

#### **4.8 Interaction of this document with Code and National Gas Rules**

- (a) To the extent of any inconsistency between the binding requirements of the National Gas Rules and this clause 4, the National Gas Rules prevail.
- (b) This clause 4 applies subject to the allocation procedures in clause 14.2 of Part 3 of the Operational Transportation Service Code.

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## **5 System Use Gas**

### **5.1 Types of System Use Gas**

- (a) The Facility has two types of System Use Gas:
  - (i) **Heater Fuel Gas** being Gas required by Service Provider to operate Gas Heaters at Delivery Points;
  - (ii) Gas unaccounted for and instrument Gas.
- (b) This clause 5 sets out how the quantities of each type of System Use Gas Shipper must supply on a Day are determined.
- (c) The quantity of System Use Gas Shipper is required to supply on a Day will be notified to Shipper at the same time as Shipper is first notified of its Scheduled Quantities for a Day and updated if there is any change to those Scheduled Quantities (including due to the scheduling of Auction Services for Shipper).

## 5.2 Gas Unaccounted for and Instrument Gas

The quantity of System Use Gas Shipper must supply on a Day on account of Gas unaccounted for and instrument Gas will be such quantity as reasonably determined by Service Provider such that there is a reasonable and equitable allocation of the Gas unaccounted for and instrument Gas across Transportation Facility Users based upon their delivered quantities of Gas.

## 5.3 Heater Fuel Gas

Where, on a Day, Gas is scheduled to be delivered to Shipper at a Delivery Point at which one or more Gas Heaters is installed then, in respect of each such Delivery Point, Shipper must supply to Service Provider a quantity of Heater Fuel Gas determined in accordance with the following formula:

**SD/TD \* HF**

Where:

- SD** is Service Provider's best estimate of the total quantity of Gas to be delivered to Shipper at the relevant Delivery Point on that Day;
- TD** is Service Provider's best estimate of the total quantity of Gas to be delivered to all Transportation Facility Users at the relevant Delivery Point on that Day; and
- HF** is Service Provider's best estimate of the quantity of Heater Fuel Gas which will be consumed by the Gas Heaters at the relevant Delivery Point on that Day.

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## 6 Hourly Capacity

### 6.1 Hourly Limitations

- (a) Shipper must not supply Gas to the Receipt Points, or take delivery of Gas at the Delivery Points, at an hourly rate which exceeds the MHQ.
- (b) The MHQ for an hour is 4.17% of the greater of:
- (i) the Total Forward Haul Scheduled Receipt Quantity for the Day in which that hour occurs (as determined at the commencement of that hour);
  - (ii) the Total Forward Haul Scheduled Delivery Quantity for the Day in which that hour occurs (as determined at the commencement of that hour);
  - (iii) the lesser of:
    - (A) the Facility MDQ; and
    - (B) the Daily Capacity Entitlement.
- (c) Subject to clause 6.1(d), the hourly rate at which Shipper supplies Gas to the Receipt Points must not differ (each hour) by more than 3% from the hourly rate at which Shipper takes delivery of Gas at the Delivery Points.
- (d) Shipper may, in respect of one or more hours of a Day, request Service Provider's consent to Shipper supplying Gas at the Receipt Points at an hourly rate which differs by more than 3% from the hourly rate at which Gas is taken by Shipper at the Delivery Points. Service

Provider must use its reasonable endeavours to accept any such request and must accept the request to the extent:

- (i) acceptance of the request will not jeopardise the safe operation of the Facility, the PCA Pipeline System or the gas infrastructure of any Interface Party;
- (ii) acceptance of the request will not prevent Service Provider fulfilling its contractual obligations to all remaining Transportation Facility Users to provide Firm Services or to any Interface Party; and
- (iii) Shipper (or a person nominated by Shipper) enters into arrangements (reasonably satisfactory to Service Provider) to provide such additional Line Pack as required by Service Provider to enable it to meet Shipper's request without jeopardising the reliable operation of the Facility.

(e) Where on a Day Shipper:

- (i) supplies Gas to the Langley Connection Point; or
- (ii) takes delivery of Gas at the Langley Connection Point,

then Shipper must comply with such reasonable directions made by Service Provider for the purposes of ensuring that:

- (iii) where Shipper is party to a PCA Haulage Agreement, Shipper does not supply or take delivery of Gas at the Langley Connection Point under its PCA Haulage Agreement at an hourly rate or twelve hourly rate which exceeds that permitted under Shipper's PCA Haulage Agreement; and
- (iv) where Shipper is supplying Gas to, or taking delivery of Gas from, a PCA Shipper at the Langley Connection Point, that PCA Shipper does not supply or take delivery of Gas at the Langley Connection Point under its PCA Haulage Agreement at an hourly rate or twelve hourly rate which exceeds that permitted under that PCA Haulage Agreement.

## **6.2 Allocation of Hourly Capacity at South West Connection Point**

(a) Where prior to the commencement of an hour:

- (i) Shipper is the sole Transportation Facility User scheduled to supply Gas to the South West Connection Point on the Day in which that hour occurs, then Shipper may not supply a quantity of Gas to the South West Connection Point in that hour in excess of the Maximum Hourly Rate (as notified by Service Provider to Shipper in accordance with clauses 6.2(d) to 6.2(f)); and
- (ii) Shipper is the sole Transportation Facility User scheduled to take delivery of Gas at the South West Connection Point on the Day in which that hour occurs, then Shipper may not take delivery of a quantity of Gas at the South West Connection Point in that hour in excess of the Maximum Hourly Rate (as notified by Service Provider to Shipper in accordance with clauses 6.2(d) to 6.2(f)).

(b) Where, prior to the commencement of an hour, more than one Transportation Facility User is scheduled to supply Gas to the South West Connection Point on the Day in which that hour occurs, then the maximum quantity of Gas which Shipper may supply to the South West Connection Point in that hour (**Shipper's SWC Supply Share**) is the amount notified by

Service Provider to Shipper in accordance with clauses 6.2(d) to 6.2(f), which amount will be determined in accordance with the following formula:

**Net MHR \* SS/TSS**

Where:

**Net MHR** is the Maximum Hourly Rate for the South West Connection Point less any part of that quantity required to meet the requirements of the Foundation Shippers;

**SS** is the lesser of Shipper's Facility MDQ and the total quantity of Gas which Shipper is scheduled to supply to the South West Connection Point on the relevant Day; and

**TSS** is the total of SS for each Transportation Facility User (excluding a Foundation Shipper).

- (c) Where, prior to the commencement of an hour, more than one Transportation Facility User is scheduled to take delivery of Gas at the South West Connection Point on the Day in which that hour occurs, then the maximum quantity of Gas which Shipper may take delivery of at the South West Connection Point in that hour (**Shipper's SWC Delivery Share**) is the amount notified by Service Provider to Shipper in accordance with clauses 6.2(d) to 6.2(f), which amount will be determined in accordance with the following formula:

**Net MHR \* SS/TSS**

Where:

**Net MHR** is the Maximum Hourly Rate for the South West Connection Point less any part of that quantity required to meet the requirements of the Foundation Shippers;

**SS** is the lesser of Shipper's Facility MDQ and the total quantity of Gas which Shipper is scheduled to take delivery of at the South West Connection Point on the relevant Day; and

**TSS** is the total of SS for each Transportation Facility User (excluding a Foundation Shipper).

- (d) By not later than 6.00pm on each Day, Service Provider must notify Shipper of Service Provider's determination of:
- (i) where Shipper is scheduled to supply Gas to the South West Connection Point on the following Day:
    - (A) the Maximum Hourly Rate for the South West Connection Point for each hour of that following Day; and
    - (B) (if applicable) Shipper's SWC Supply Share for each such hour; and
  - (ii) where Shipper is scheduled to take delivery of Gas at the South West Connection Point on the following Day:
    - (A) the Maximum Hourly Rate for the South West Connection Point for each hour of that following Day; and
    - (B) (if applicable) Shipper's SWC Delivery Share for each such hour.

- (e) Service Provider must (within 30 minutes of Service Provider becoming aware of the change) notify Shipper of any change to the hourly rates notified by Service Provider to Shipper under clause 6.2(d), including where that change arises due to:
- (i) a variation to the operating pressure at the South West Connection Point from that estimated by Service Provider; and
  - (ii) the rescheduling by Service Provider of the quantities of Gas to be supplied or delivered by a Transportation Facility User to the South West Connection Point.
- (f) Where, for a Day, there is a change to the quantities of Gas scheduled for Shipper such that:
- (i) Shipper is scheduled to supply Gas to the South West Connection Point where Shipper was not previously scheduled to supply any Gas to that Connection Point; or
  - (ii) Shipper is scheduled to take delivery of Gas at the South West Connection Point where Shipper was not previously scheduled to take delivery of any Gas at that Connection Point,
- then, within 30 minutes of that change to the quantities of Gas scheduled for Shipper taking effect, Service Provider must notify Shipper of:
- (iii) the Maximum Hourly Rate; and
  - (iv) if applicable, Shipper's SWC Supply Share or Shipper's SWC Delivery Share (as applicable),
- for each hour of the relevant Day occurring on and from the time Shipper is first scheduled to supply Gas to, or take delivery of Gas at, the South West Connection Point.

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## **7 Unauthorised Overrun Charge**

### **7.1 Liability for Overrun Charge**

Where Shipper (without the consent of Service Provider):

- (a) takes delivery at the Delivery Points of, or supplies at the Receipt Points, a quantity of Gas in an hour in excess of the MHQ; or
- (b) takes delivery of a quantity of Gas on a Day at the Delivery Points in excess of the greater of:
  - (i) the Daily Capacity Entitlement; and
  - (ii) the Total Forward Haul Scheduled Delivery Quantity; or
- (c) supplies a quantity of Gas on a Day at the Receipt Points in excess of the greater of:
  - (i) the Daily Capacity Entitlement; and
  - (ii) the Total Forward Haul Scheduled Receipt Quantity,

for that Day, then, subject to this clause 7, Shipper will be liable to pay an Overrun Charge (as determined in accordance with the provisions of this clause 7).

## **7.2 Quantum of Overrun Charge**

The Overrun Charge for a Day is equal to the Overrun Charge Rate multiplied by the greater of:

- (a) the Hourly Overrun Quantity for that Day (as defined in clause 7.4); and
- (b) the Daily Overrun Quantity for that Day (as defined in clause 7.5).

## **7.3 Quantum of Overrun Charge Rate**

The Overrun Charge Rate is the rate set out in Schedule 2 as escalated in accordance with clause 9.2.

## **7.4 Hourly Overrun Quantity**

The Hourly Overrun Quantity for a Day is the sum for each hour of that Day of the greater of the quantity of Gas (if any):

- (a) taken by Shipper at the Delivery Points in that hour in excess of the MHQ; or
- (b) supplied by Shipper to the Receipts Points in that hour in excess of the MHQ.

## **7.5 Daily Overrun Quantity**

- (a) The Daily Overrun Quantity for a Day is the greater of the Daily Overrun Receipt Quantity and the Daily Overrun Delivery Quantity for that Day.
- (b) Subject to clause 7.5(c), the Daily Overrun Receipt Quantity for a Day is equal to the quantity of Gas supplied by Shipper on that Day to the Receipt Points in excess of the greater of:
  - (i) the Daily Capacity Entitlement for that Day; and
  - (ii) the Total Forward Haul Scheduled Receipt Quantity for that Day.
- (c) Shipper may reduce the Daily Overrun Receipt Quantity for a Day by exchanging a quantity of that Daily Overrun Receipt Quantity for all or part of the Undertake Receipt Quantity of another Transportation Facility User (provided that Transportation Facility User has not otherwise exchanged that Undertake Receipt Quantity). No such exchange will be effective unless Service Provider receives notice of the exchange from Shipper and the other Transportation Facility User within the later of:
  - (i) 6 hours of the end of the relevant Day; and
  - (ii) 4 hours of receipt of notification by both Transportation Facility Users (who are party to the trade) from Service Provider of the respective quantity of Gas supplied by each shipper at the Receipts Points on the relevant Day.

In the event of an exchange, the Daily Overrun Receipt Quantity will be reduced by the quantity the subject of the exchange.
- (d) Subject to clause 7.5(e), the Daily Overrun Delivery Quantity for a Day is equal to the quantity of Gas taken by Shipper on that Day at the Delivery Points in excess of the greater of:
  - (i) the Daily Capacity Entitlement for that Day; and
  - (ii) the Total Forward Haul Scheduled Delivery Quantity for that Day.

- (e) Shipper may reduce the Daily Overrun Delivery Quantity for a Day by exchanging a quantity of that Daily Overrun Delivery Quantity for all or part of the Undertake Delivery Quantity of another Transportation Facility User (provided that Transportation Facility User has not otherwise exchanged that Undertake Delivery Quantity). No such exchange will be effective unless Service Provider receives notice of the exchange from Shipper and the other Transportation Facility User within the later of:
  - (i) 6 hours of the end of the relevant Day; and
  - (ii) 4 hours of receipt of notification by both Transportation Facility Users (who are party to the trade) from Service Provider of the respective quantity of Gas delivered to each Transportation Facility User at the Delivery Points on the relevant Day.

In the event of an exchange, the Daily Overrun Delivery Quantity will be reduced by the quantity the subject of the exchange.

#### **7.6 Quantum of Daily Capacity Entitlement**

For the purposes of the determination of the Daily Overrun Receipt Quantity and the Daily Overrun Delivery Quantity for a Day, the Daily Capacity Entitlement for that Day is the greater of:

- (a) the highest Daily Capacity Entitlement notified by Service Provider to Shipper at any time Shipper is notified of its Scheduled Quantities (or changes to its Scheduled Quantities) for a Day; and
- (b) the Daily Capacity Entitlement as determined at the expiration of that Day by Service Provider on the basis of the actual Facility conditions for that Day.

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### **8 Pressure and Temperature**

For the purposes of clause 8 of Part 5 of the Operational Transportation Service Code the pressure and temperature range for each Receipt Point and Delivery Point are set out in Schedule 1.

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### **9 Charges**

#### **9.1 Charges set out in Schedule**

For the purposes of clause 9 of Part 5 of the Operational Transportation Service Code the charges payable by Shipper (or the rates by which charges are determined) are set out in Schedule 2.

#### **9.2 Escalation**

- (a) All charges and charge rates set out in Schedule 2 are expressed as at 1 January 2019 and are subject to escalation from each 1 January (commencing on 1 January 2020) in accordance with the formula set out below.

$$P_n = P_{n-1} \left( 1 + X \left( \frac{CPI_n - CPI_{n-1}}{CPI_{n-1}} \right) \right)$$

Where:

**P<sub>n-1</sub>** is the relevant charge or charge rate immediately prior to the 1 January for which the calculation is made;



- Pn** is the relevant charge or charge rate to apply as from the 1 January for which the calculation is made;
- X** is, except where otherwise provided in this document, 1
- CPI<sub>n</sub>** is the CPI for the September Quarter ending immediately prior to the 1 January for which the calculation is made;
- CPI<sub>n-1</sub>** is the CPI for the September Quarter ending 15 months prior to the 1 January for which the calculation is made; and
- CPI** is the Consumer Price Index, (weighted average eight capital cities, all groups index) as published by the Australian Bureau of Statistics.

(b) If the CPI is discontinued or its basis of assessment is changed so that it no longer accurately reflects changes in the prevailing level of prices substantially in the same manner as it did prior to the change in basis, then such other index in substitution for the CPI:

- (i) as may be provided by the Australian Bureau of Statistics; or
- (ii) if no index is provided by the Australian Bureau of Statistics, as may be agreed by the parties (who must use their reasonable endeavours to agree upon an index); or
- (iii) if no index is provided by the Australian Bureau of Statistics and the parties are unable to agree within 1 month of commencing discussions, as may be provided, at the request of either of the parties, by the President for the time being of the Institute of Actuaries of Australia, or that person's nominee,

will be, as from the time of the discontinuance or change in basis of assessment of the CPI, treated as the CPI for the purposes of Shipper's OTSA.

(c) To avoid doubt, clause 9.2(b) will apply (with the necessary modifications) if any replacement CPI measure determined in accordance with that clause is subsequently discontinued or its basis of assessment is changed so that it no longer accurately reflects changes in the prevailing level of prices substantially in the same manner as it did prior to the change in basis.

### 9.3 **Nomination Variation Charge**

(a) Where the Scheduled Quantities for a Day are varied under clause 4.7 of the Operational Transportation Service Code, Shipper must pay the Nomination Service Charge (as calculated in accordance with clause 9.3(b)) for the greater of:

- (i) the quantity by which the Total Forward Haul Scheduled Receipt Quantity for that Day is varied; and
- (ii) the quantity by which the Total Forward Haul Scheduled Delivery Quantity for that Day is varied.

(b) The Nomination Service Charge for a Day is the amount determined in accordance with the following formula:

$$(\text{FLVR} * \text{X}) + (\text{SLVR} * \text{Y})$$

Where:

- FLVR** is the First Level Variation Rate (as set out in Schedule 2 and escalated in accordance with clause 9.2);
- SLVR** is the Second Level Variation Rate (as set out in Schedule 2 and escalated in accordance with clause 9.2);
- X** is the number of GJs by which the Total Forward Haul Scheduled Delivery Quantity or Total Forward Haul Scheduled Receipt Quantity for the relevant Day (as applicable) is varied up to but not exceeding the quantity of Gas equal to 20% of that Total Forward Haul Scheduled Delivery Quantity or Total Forward Haul Scheduled Receipt Quantity (as determined prior to the variation); and
- Y** is the number of GJs by which the Total Forward Haul Scheduled Delivery Quantity or Total Forward Haul Scheduled Receipt Quantity for the relevant Day is varied by an amount in excess of that quantity of Gas equal to 20% of that Total Forward Haul Scheduled Delivery Quantity or Total Forward Haul Scheduled Receipt Quantity (as determined prior to the variation).

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## 10 Imbalance

- (a) For the purposes of clause 10 of Part 5 of the Operational Transportation Service Code the Imbalance Allowance for Traded Forward Haul Services is 0.25% of the Traded Forward Haul MDQ for transportation of Gas between Receipt Points and Delivery Points.
- (b) For the purposes of clause 10(b) of Part 5 of the Operational Transportation Service Code the Imbalance Charge for a Day is equal to the Imbalance Charge Rate (specified in Schedule 2 and as escalated under clause 9.2) multiplied by the number of GJs by which Shipper's Accumulated Imbalance exceeds the Imbalance Allowance referred to in clause 10(a).
- (c) The Unauthorised Imbalance Charge referred to in clauses 10(d) and 10(e) of Part 5 of the Operational Transportation Service Code is set out in Schedule 2 (and will be escalated under clause 9.2) and is payable each Day until such time as the Accumulated Imbalance is reduced to zero.
- (d) Service Provider will agree to Shipper and a PCA Haulage Shipper entering into an arrangement under which at the end of each Day Shipper's Daily Imbalance is transferred to the imbalance account of that PCA Haulage Shipper, provided that arrangement is on terms acceptable to Service Provider acting reasonably. Service Provider will not charge any fee for such transfers.

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## 11 Odourisation

- (a) Shipper must supply Gas into the Facility with the level of odorant required by applicable Victorian legislation.
- (b) Subject to clause 11(c), Service Provider must:
- (i) ensure that each Transportation Facility User who supplies Gas into the Facility and PCA Shipper who supplies Gas into the PCA Pipeline System is contractually bound under its Facility Agreement for the relevant Facility to supply Gas with the level of odorant required by clause 11(a); and
  - (ii) use its reasonable endeavours to ensure that each Transportation Facility User who supplies Gas into the Facility and PCA Shipper who supplies Gas into the PCA

Pipeline System supplies that Gas with the level of odorant required by clause 11(a).

- (c) Service Provider is not required to comply with clause 11(b) if Service Provider installs odorising facilities on the Facility to ensure that (subject to Shipper complying with clause 11(a)) Gas is delivered to Shipper with the level of odorant required by applicable Victorian legislation.
- (d) Except to the extent Service Provider has not complied with its obligations under this clause 11, Service Provider is not responsible for ensuring that Gas delivered to Shipper from the Facility contains the level of odorant required by Victorian and South Australian legislation.

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## 12 Metering

### 12.1 Langley Connection Point

- (a) The parties acknowledge that measuring equipment will not be installed at the Langley Connection Point to measure the quantity or composition of Gas received or delivered at that point.
- (b) Subject to clause 12.1(d), where on a Day Gas is scheduled to be delivered to Shipper at the Langley Connection Point:

- (i) the quantity of Gas delivered to Shipper at the Langley Connection Point on that Day will be equal to the amount determined in accordance with the following formula:

**TR – (IC + OD)**

Where:

**TR** is the total quantity of Gas measured as having been supplied by Shipper at the Receipt Points on that Day;

**IC** is the amount equal to the Total Forward Haul Scheduled Receipt Quantity for the relevant Day less the Total Forward Haul Scheduled Delivery Quantity for that Day; and

**OD** is the total quantity of Gas measured as having been delivered to Shipper at Delivery Points other than the Langley Connection Point; and

- (ii) the quantity of Gas delivered to Shipper at the Langley Connection Point in each hour of that Day will be equal to the amount determined in accordance with the following formula:

**THR – (IC + OHD)**

Where:

**THR** is the total quantity of Gas measured as having been supplied by Shipper at the Receipt Points in that hour;

**IC** is 1/24th of the amount equal to the Total Forward Haul Scheduled Receipt Quantity for the relevant Day less the Total Forward Haul Scheduled Delivery Quantity for that Day; and

**OHD** is the total quantity of Gas measured as having been delivered to Shipper at Delivery Points other than the Langley Connection Point in that hour.

(c) Subject to clause 12.1(d), where on a Day Gas is scheduled to be supplied by Shipper to the Langley Connection Point:

(i) the quantity of Gas supplied by Shipper to the Langley Connection Point on that Day will be equal to the amount determined in accordance with the following formula:

**(TD + IC) – OR**

Where:

**TD** is the total quantity of Gas measured as having been delivered to Shipper on that Day;

**IC** is the amount equal to the Total Forward Haul Scheduled Receipt Quantity for the relevant Day less the Total Forward Haul Scheduled Delivery Quantity for that Day; and

**OR** is the total quantity of Gas measured as having been supplied by Shipper at Receipt Points other than the Langley Connection Point; and

(ii) the quantity of Gas supplied by Shipper to the Langley Connection Point in each hour of that Day will be equal to the amount determined in accordance with the following formula:

**(THD + IC) – OHR**

Where:

**THD** is the total quantity of Gas measured as having been delivered to Shipper in that hour;

**IC** is 1/24th of the amount equal to the Total Forward Haul Scheduled Receipt Quantity for the relevant Day less the Total Forward Haul Scheduled Delivery Quantity for that Day; and

**OHR** is the total quantity of Gas measured as having been supplied by Shipper at Receipt Points other than the Langley Connection Point in that hour.

(d) Where, on a Day, on which Gas has been scheduled to be supplied or delivered at the Langley Connection Point there occurs:

(i) a curtailment or interruption in receipts or deliveries of Gas; or

(ii) another event or circumstance (but excluding a change in the Line Pack of the Facility),

the result of which is that the procedure in clauses 12.1(b) to 12.1(c) (as applicable) does not provide a reasonable approximation of the quantity of Gas supplied or delivered (as applicable) by Shipper to the Langley Connection Point, then:

(iii) the quantity of Gas delivered or supplied by Shipper to the Langley Connection Point will be that quantity reasonably determined by Service Provider (which quantity will be determined in accordance with the principles set out in clauses

12.1(b) to 12.1(c) modified to the extent necessary to reflect the occurrence of the circumstances referred to in paragraphs 12.1(d)(i) to 12.1(d)(ii); and

- (iv) Service Provider must provide to Shipper all information reasonably requested by Shipper to substantiate the determination of that quantity by Service Provider.

#### **12.2 Measurement and Testing**

Subject to clause 12.1, all measurements and tests for the quantity and quality of Gas received at a Receipt Point and delivered at a Delivery Point will be accomplished through equipment provided and maintained by or on behalf of the party designated in Annexure 1 as being responsible for measurement at that Receipt Point or Delivery Point (as applicable) (**Responsible Party**).

#### **12.3 Gas Heater Metering**

Service Provider must ensure that measuring equipment complying with the requirements of Annexure 1 is installed at each Gas Heater for the purpose of measuring and accurately recording the quantity of Gas consumed by that Gas Heater.

#### **12.4 Access Rights**

The Responsible Party will ensure that the other party has:

- (a) access to the measuring and testing equipment at the Receipt Points and the Delivery Points for which it is the Responsible Party at all reasonable hours for inspection purposes; and
- (b) an entitlement to be present during all tests for quantity and quality of Gas and at the cleaning, installing, changing, repairing, inspecting, calibrating or adjusting of the equipment (which will be done only by duly qualified employees or duly qualified agents of the Responsible Party or duly qualified employees or duly qualified agents of the owner or operator of the equipment).

#### **12.5 Records and Charts**

Upon request by the other party, the Responsible Party must promptly submit to that other party records and charts from the measuring equipment together with calculations therefrom for inspection and verification and the other party must return the same within 10 days after their receipt (provided that the other party may, at its own cost, make and retain copies of those records and charts). The Responsible Party must preserve for a period of at least 4 years all test data, charts and other similar records.

#### **12.6 Measurement and Testing Procedures**

The measurement and testing of Gas supplied at the Receipt Points, delivered at the Delivery Points and used by the Gas Heaters will be governed by the provisions of Annexure 1.

#### **12.7 Allocation Agent**

Under the current Facility Agreements for use of the Facility, Service Provider acts as "Allocation Agent" for the South West Connection Point for the purposes of Part 19 of the National Gas Rules.

#### **12.8 Third Party as Responsible Party**

Where Annexure 1 provides a third party is the Responsible Party for a Receipt Point or Delivery Point, Service Provider must use reasonable endeavours to ensure the Responsible Party complies with the requirements of Annexure 1.

**12.9 Interaction with clause 15.2 Operational Transportation Service Code**

- (a) To the extent of any inconsistency between this clause 12 and clause 15.2 of Part 3 of the Operational Transportation Service Code, clause 15.2 prevails.
- (b) Any rights of Shipper under Annexure 1 to have metering equipment tested apply in addition to the rights under the Operational Transportation Service Code.

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**13 Electronic Communications System**

- (a) Service Provider has established an electronic communications system (**Electronic Communications System**) which is used (amongst other things) to:
  - (i) provide data relating to the supply and delivery of Gas at certain of the Receipt Points and Delivery Points on the Facility; and
  - (ii) allow the electronic communication of nominations, scheduling and other operational matters.
- (b) Except during periods in which the Electronic Communications System is not operational, Shipper must use the Electronic Communications System for those communications provided for in the operating protocols (referred to in clause 13(e)).
- (c) Shipper must bear all costs of connecting to the Electronic Communications System and of ensuring its communications equipment is compatible with the requirements of the Electronic Communications System.
- (d) Shipper acknowledges that it has no proprietary interest of any nature (including intellectual property rights) in the Electronic Communications System.
- (e) Shipper must comply with:
  - (i) those operating protocols for use and functioning of the Electronic Communications System notified by Service Provider to Shipper prior to Shipper's execution of Shipper's OTSA; and
  - (ii) any variation to those operating protocols from time to time, or new operating protocols introduced by Service Provider, provided the varied or new operating protocols are reasonable.
- (f) The Electronic Communications System is to be used for operational notices (as defined in clause 27.4 of Part 3 of the Operational Transportation Service Code).

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**14 Trading of Entitlements**

Given the nature of the Facility, being a short pipeline system with only minimal Line Pack, it is not possible to trade imbalance and hourly entitlements independently of Facility MDQ without adversely affecting the operational integrity of the Facility. However hourly and imbalance entitlements may be increased by acquiring additional Facility MDQ.

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**15 Accommodating Differences in Gas Days**

- (a) This clause outlines for the purposes of clause 18 of Part 5 of the Operational Transportation Service Code the current procedures used by Service Provider to accommodate the time

differences between the Facility (which operates on Adelaide Standard Time) and the South West Pipeline System (which operates on Australian Eastern Standard Time).

- (b) Transportation Facility Users for the Facility provide their daily nominations to Service Provider for use of the South West Connection Point in Australian Eastern Standard Time (which information Service Provider forwards to AEMO). All other Transportation Facility User nominations for the Facility are in Adelaide Standard Time but (if required by AEMO) Service Provider provides AEMO an Australian Eastern Standard Time equivalent figure.
- (c) Service Provider schedules hourly flows at the South West Connection Point to achieve both the daily requirements for each Transportation Facility User and for all Transportation Facility Users in aggregate at the South West Connection Point in Australian Eastern Standard Time.
- (d) Service Provider then determines for the relevant Day the deliveries/receipts on the Facility as measured in Adelaide Standard Time.
- (e) Service Provider provides to AEMO projected hourly flows on the Facility in Australian Eastern Standard Time.
- (f) Service Provider will apply the above procedures to Shipper or such other procedures as are applied to Transportation Facility Users on the Facility from time to time. If the procedures change Service Provider will notify Shipper.
- (g) This clause 15 will cease to operate as from the Standard Market Timetable Commencement Date.

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## **16 Specific Facility Issues**

### **16.1 Application**

The provisions of this clause 16 apply for the purposes of clause 20 of Part 5 of the Operational Transportation Service Code.

### **16.2 Nature of the Facility**

- (a) The Facility is a bidirectional pipeline system which maintains minimal Linepack and has minimal ability to permit imbalance allowances or hourly excursions. The Capacity of the Facility available on a Day, and the extent to which Gas may be transported, is highly dependent upon the pressure differential between Receipt Points and Delivery Points.
- (b) As the Facility is bidirectional there is no Backhaul Auction Service on the Facility. Flows of Gas in either direction are provided pursuant to the Traded Forward Haul Service or the Forward Haul Auction Service.

### **16.3 Langley Connection Point**

- (a) Where on a Day Shipper has nominated to supply Gas to the Langley Connection Point it must as soon as it has made that nomination notify Service Provider of each PCA Shipper which will be taking delivery of that Gas and the quantity it proposes to supply to each such PCA Shipper.
- (b) Where on a Day Shipper has nominated to take delivery of Gas at the Langley Connection Point it must as soon as it has made that nomination notify Service Provider of each PCA

Shipper which will be supplying that quantity of Gas and the quantity it proposes to accept from each such PCA Shipper.

- (c) Shipper must notify Service Provider of any revision to the information provided to Service Provider under clause 16.3(a) or clause 16.3(b) as soon as possible after Shipper makes any renomination or further nomination in respect of a Day.
- (d) Service Provider may adjust the quantities of Gas scheduled to be delivered to Shipper at the Langley Connection Point to ensure they do not exceed the quantity of Gas which each PCA Shipper which will take delivery of that Gas from Shipper at the Langley Connection Point is entitled to supply at the Langley Connection Point under its PCA Haulage Agreement (having regard to the quantity of Gas which each such PCA Shipper has nominated to supply at the Langley Connection Point from sources of supply other than Shipper and the quantity of Gas which each such PCA Shipper has nominated to supply at other receipt points on the PCA Pipeline System).
- (e) Service Provider may adjust the quantities of Gas scheduled to be supplied by Shipper to the Langley Connection Point to ensure they do not exceed the quantity of Gas which each PCA Shipper which will supply Gas to Shipper at the Langley Connection Point is entitled to take delivery of at the Langley Connection Point under its PCA Haulage Agreement (having regard to the quantity of Gas which each such PCA Shipper has nominated to take delivery of at the Langley Connection Point for delivery to parties other than Shipper and the quantity of Gas which each such PCA Shipper has nominated to take delivery of at other delivery points on the PCA Pipeline System).



## Schedule 1– Receipt Points and Delivery Points

**Table 1 – Receipt Points and Delivery Points**

Point	Location	Pipeline Zone	Responsible Party	Minimum and Maximum Temperature	Minimum and Maximum Pressure	Daily Capacity Limitation	Hourly Capacity Limitation <sup>1</sup>
Minerva (Receipt Point)	Connection between the Facility and the Minerva Gas Processing Plant	PCI-RZ-01	3rd Party	Min: 0°C Max: 50°C	Min: n/a Max: <del>15.0MPa</del> <u>3MPa</u>	200TJ/day	8.3TJ/hour
Minerva (Delivery Point)	Connection between the Facility and the Minerva Gas Processing Plant	PCI- <del>RZ</del> <u>DZ</u> -01	3rd Party	Min: 12°C Max: 30°C	Min: <del>n/a</del> <u>3.6MPa</u> Max: 15.0MPa	144TJ/day	6TJ/hour
Langley (Receipt Point)	Connection between the Facility and the PCA Pipeline System	PCI-RZ-01	N/A	N/A	N/A	314TJ/day	N/A
Langley (Delivery Point)	Connection between the Facility and the PCI Pipeline System	PCI-DZ-01	N/A	N/A	N/A	314TJ/day	N/A

<sup>1</sup> Note this varies from time to time depending on Pipeline System conditions, gas flow and utilisation.

Point	Location	Pipeline Zone	Responsible Party	Minimum and Maximum Temperature	Minimum and Maximum Pressure	Daily Capacity Limitation	Hourly Capacity Limitation <sup>1</sup>
Otway (Receipt Point)	Connection between the Facility and the Otway Gas Plant <u>high pressure manifold</u> , in the vicinity of Waarre Road, Port Campbell	PCI-RZ-01	Service Provider	Min: 2°C Max: 50°C	Min: n/a Max: 15.0MPa	<del>250TJ</del> 205TJ/day	<del>10.4TJ</del> 8.5TJ/hour
Otway UFM4 (Receipt Point)	Connection between the Facility and the Otway Gas Plant <u>medium pressure manifold</u> , in the vicinity of Waarre Road, Port Campbell	PCI-RZ- <del>01</del> 03	Service Provider	Min: 2°C Max: 55°C	Min: 3.8Mpa Max: 7.4MPa	105TJ/day	4.3TJ/hour
Otway UFM4 (Delivery Point)	Connection between the Facility and the Otway Gas Plant <u>medium pressure manifold</u> , in the vicinity of Waarre Road, Port Campbell	PCI-DZ- <del>01</del> 03	Service Provider	Min: 2°C Max: 55°C	Min: 3.8Mpa Max: 7.4MPa	50TJ/day	<del>1.2TJ</del> 2.1TJ/hour
SWCP (Receipt Point)	Connection between the Facility and South West Pipeline ( <del>DWGM</del> ), <del>known as DWGM connection point</del> MIRN 30000182PC)	PCI-RZ-02	Service Provider	Min: 2°C Max: 55°C	Min: 3.8Mpa Max: 7.4MPa	50TJ/day	<del>1.2TJ</del> 2.1TJ/hour
SWCP (Delivery Point)	Connection between the Facility and South West Pipeline ( <del>DWGM</del> ), <del>known as DWGM connection point</del> MIRN 30000181PC)	PCI-DZ-02	Service Provider	Min: 2°C Max: 55°C	Min: 3.8Mpa Max: 7.4MPa	105TJ/day	4.3TJ/hour

Point	Location	Pipeline Zone	Responsible Party	Minimum and Maximum Temperature	Minimum and Maximum Pressure	Daily Capacity Limitation	Hourly Capacity Limitation <sup>1</sup>
M-UGS (Receipt Point)	Connection between the Facility and the Iona Gas Plant, in the vicinity of Waarre Road, Port Campbell	PCI-RZ-04	Service Provider	Min: 2°C Max: 55°C	Min: 6Mpa Max: 15.3MPa	<del>160TJ</del> 100TJ/day	<del>6.67TJ</del> 4.17TJ/hour
M-UGS (Delivery Point)	Connection between the Facility and the Iona Gas Plant, in the vicinity of Waarre Road, Port Campbell	PCI-DZ-04	Service Provider	Min: 2°C Max: 55°C	Min: 6Mpa Max: 15.045MPa	25TJ/day	1.04TJ/hour
MIJ-001 (Receipt Point)	Connection between the Facility and Mortlake Pipeline	PCI-RZ-05	Service Provider	Min: 0°C Max: 50°C	Min: N/A Max: 12.5MPa	<del>280TJ</del> 100TJ/day	<del>11.66TJ</del> 4.16TJ/hour
MIJ-001 (Delivery Point)	Connection between the Facility and Mortlake Pipeline	PCI-DZ-05	Service Provider	Min: 0°C Max: 50°C	Min: N/A Max: 12.5MPa	<del>100TJ</del> 280TJ/day	<del>4.16TJ</del> 11.66TJ/hour
SWP (Receipt Point)	Connection between the Facility and South West Pipeline ( <del>DWGM</del> MIRN 30000169PC)	PCI-RZ-02	Service Provider	Min: <del>12</del> 10°C Max: <del>30</del> 45°C	Min: <del>7</del> 3.8MPa Max: <del>15</del> 10.0MPa	144TJ/day	6TJ/hour
SWP (Delivery Point)	Connection between the Facility and South West Pipeline ( <del>DWGM</del> MIRN 30000168PC)	PCI-DZ-02	Service Provider	Min: 0°C Max: 50°C	Min: <del>7</del> 3.8MPa Max: <del>15</del> 10.0MPa	200TJ/day	8.3TJ/hour

Point	Location	Pipeline Zone	Responsible Party	Minimum and Maximum Temperature	Minimum and Maximum Pressure	Daily Capacity Limitation	Hourly Capacity Limitation <sup>1</sup>
<a href="#">MPSWCP (Delivery Point)</a>	<a href="#">Connection between the Facility and South West Pipeline (MIRN 30000197PC)</a>	<a href="#">PCI-DZ-02</a>	<a href="#">Service Provider</a>	<a href="#">Min: 0°C Max: 50°C</a>	<a href="#">Min: 3.8MPa Max: 10.0MPa</a>	<a href="#">100TJ/day</a>	<a href="#">4.16TJ/hour</a>

**Allocation Agreements**

For the purposes of clause 16(b)(vii) of Part 5 of the Code there are existing allocation agreements for all Delivery Points and Receipt Points to which Shipper must accede before commencing use of the point, other than the Mortlake points (MIJ-001) .

## Schedule 2 – Charges

All charges/charge rates in this Schedule 2 will be escalated under clause 9.2.

**Table 1 –General Charges**

<b>Charge/Charge Rate</b>	<b>Quantum</b>
Connection Point Charges	Refer to Table 2
Unauthorised Overrun Charge Rate	\$22.80480
Imbalance Charge Rate	\$22.80480
Unauthorised Imbalance Charge	\$22.80480 per GJ of Accumulated Imbalance at the end of the relevant Day.
First Level Variation Rate	\$0.02687
Second Level Variation Rate	\$0.06712
Standardisation Cost Charge	As per schedule of OTSA charges published by Service Provider on its website
Bilateral Trade Charge	As per schedule of OTSA charges published by Service Provider on its website

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**Table 2 –Delivery and Receipt Point Charges**

<b>Point</b>	<b>Monthly Charge (\$/month)</b>
<del>South West Connection</del> <u>SWCP (Receipt Point) / (Delivery Point)</u>	\$97,039.41 (note for the purposes of escalation of this rate under clause 9.2 X is 0.7)
<u>M-UGS (Receipt Point) / (Delivery Point)</u>	<u>\$9,499.22</u>
<u>MIJ-001 (Receipt Point) / (Delivery Point)</u>	<u>\$47,511.91</u>

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Each Month, Shipper will pay an amount for its use of each of the points listed in Table 2, above, determined in accordance with the following formula:

$$SD/TD * MC$$

Where:

**SD** is the sum (for each Day of that Month) of the total deliveries and receipts (as applicable and expressed in GJ) allocated to Shipper at the relevant point during that Month;

**TD** is the sum (for each Day of that Month) of the total deliveries and receipts (as applicable and expressed in GJ) allocated to all Transportation Facility Users at the relevant point during that Month; and

MC is the rate per Month set out in Table 2, above, subject to escalation under clause 9.2.

## Annexure 1 – Gas Measurement at Connection Points and Gas Heaters

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### 1 General

The Responsible Party for a Connection Point must provide and maintain, or ensure that there is provided and maintained, in satisfactory working order and condition at that Connection Point a measuring station with such meters, gauges and other equipment as will make possible the determination of the instantaneous, Daily and hourly quantities of Gas supplied at, or delivered to, that Connection Point. All equipment installed for these purposes must comply and be maintained in compliance with all applicable Laws and good high pressure Gas industry practices as applied by Reasonable and Prudent operators.

The equipment must be capable of measuring data concerning quality, quantity and condition of Gas available for instantaneous transmission to the Service Provider's pipeline control centre. SCADA and communications equipment and protocols must be included and must be compatible with the equipment at that pipeline control centre.

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### 2 Standards

All fundamental constants, observations, records and procedures involved in determining and/or verifying the quantity and other characteristics of Gas supplied by Shipper to Service Provider and delivered by Service Provider to Shipper must, except as otherwise specified in this Annexure 1, be in accordance with such standards as are or may hereafter from time to time be approved and recommended by the American Gas Association and the International Organisation for Standardisation (as qualified by the requirements of all applicable Australian Standards, codes and regulations) or such standards as may be agreed in writing by the parties.

Measurement of the quantities of Gas supplied by Shipper and delivered by Service Provider must be computed in accordance with the methods prescribed in the standards agreed in this Annexure 1.

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### 3 Measuring and Recording Equipment

#### 3.1 Gas Chromatograph

The heating value and specific gravity of Gas must be measured by an on-line gas chromatograph (or other means as agreed) located at each Connection Point and designed to take a sample of Gas from the Connection Point no less frequently than every 5 minutes.

A sample probe will be used to extract the sample from the Pipeline System and the dead volume between the line and the analyser will be minimised. Sample condensation will be prevented. The samples will be analysed in accordance with ASTM D1945 'Standard Method for Analysis of Natural Gas by Gas Chromatography', and the calculations for Gross Heating Value and relative density will be determined in accordance with ISO 6976 'Natural Gas – Calculation of Calorific Value, Density and Relative Density' and American Gas Association Report No 8 'Compressibility and Super compressibility for Natural Gas and other Hydrocarbon Gases'.

The gas chromatograph will provide instantaneous outputs of dry Gross Heating Value in MJ/m<sup>3</sup>, real and ideal relative density, and compositions of inerts.

The gas chromatograph will be factory tested and calibrated using a certified natural gas gravimetric standard and will perform with an accuracy of  $\pm 0.08$  MJ/m<sup>3</sup> for Gross Heating Value and  $\pm 0.003$  for relative density. The gas chromatograph will include the facility for recalibrating itself automatically

against a certified calibration gas no less frequently than required by Law (where the obligation is set out under applicable Law) or otherwise at a frequency reasonably determined by Transporter.

Gas chromatographs are not required at Gas Heater metering stations. Heating values, densities and other data required in the determination of Gas consumption at Gas Heater metering stations will be estimated by Service Provider from data acquired at relevant Connection Points.

### 3.2 **Flow Measurement Devices**

Metering systems at Connection Points will be constructed in accordance with best Australian pipeline engineering practice and will have an error in volume of mass flow not exceeding  $\pm 0.7\%$  at any flow within the intended range of use.

Orifice metering systems will be constructed and installed in accordance with the provisions of American Gas Association Report No.3.

Turbine metering systems will be constructed and installed in accordance with the provisions of American Gas Association Report No.7.

Positive displacement metering systems will be constructed and installed in accordance with the provisions of ANSO B109-3 (1986).

Ultrasonic metering systems will be constructed and installed in accordance with the provisions of American Gas Association Report No. 9.

Other metering systems will be constructed and installed in accordance with good pipeline engineering practice and established industry standards.

Metering systems at Gas Heater metering stations must have an error not exceeding + or – 2% in volume or mass at any flow within the intended range of use.

### 3.3 **Differential Pressure Measurement for Orifice Metering**

Differential pressure will be measured using microprocessor based 'smart' type transmitters, with 4-20 mA analog output signals temperature compensated to minimise the effect of inaccuracies due to ambient temperature changes. The uncertainty of transmitters will be a maximum of 0.1% or better of the calibrated range. Calibrated ranges will be selected to minimise the uncertainty of readings. The Responsible Party may install high and low pressure differential pressure transmitters based on turn down requirements of metering. If fitted, the Responsible Party must ensure that they will be switched automatically by the flow computer to select the optimum operating range.

### 3.4 **Pressure Measurement**

Pressure will be measured using microprocessor based 'smart' type transmitters, with 4-20 mA analog output signals temperature compensated to minimise the effect of inaccuracies due to ambient temperature changes. Uncertainty of transmitters will be a maximum of  $\pm 0.1\%$  of the calibrated range. Calibrated ranges will be selected to minimise the uncertainty of readings.

### 3.5 **Temperature Measurement**

The temperature transmitter uncertainty will be a maximum of  $\pm 0.1\%$  of the calibrated range and the calibration range will be selected to minimise the uncertainty of readings.



### 3.6 **Flow Calculations**

For each flow device, a self contained proprietary type flow computer will be installed. Instantaneous values for at least the flowing inputs and outputs will be recorded and available for display from the flow computer or from SCADA trend data:

Inputs	Outputs
Differential pressure (high) (orifice meter)	Differential pressure (orifice meter)
Differential pressure (low) (orifice meter)	Pressure
Pressure	Temperature
Temperature	Density
Relative density (ideal)	Instantaneous volumetric flow (corrected and uncorrected)
Relative density (real)	Cumulative volumetric flow (corrected and uncorrected)
Carbon dioxide	Instantaneous energy flow
Nitrogen	Cumulative energy flow
Dry Gross Heating Value (real)	Instantaneous mass flow (ultrasonic meter)
Frequency (turbine meter)	Cumulative mass flow (ultrasonic meter)
Pulse count (positive displacement meter) (cumulative)	Control valve position
	Gas quality

The flow computer will be manually configured with input data for calculation factors, constants and Standard Temperature and Pressure as well as fall back values for out of limit input signals and alarm outputs. Configuration data will be available on a local display. The flow computer input and output circuits and central processing unit will not increase the uncertainty of any measurement or calculation by more than  $\pm 0.1\%$  of the range of that measurement or calculation.

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## 4 **Determinations**

### 4.1 **Volumetric Determination**

Volumetric flow rate in cubic meters per hour (m<sup>3</sup>/hr) will be calculated by a flow computer from flow meter signals, associated instruments and density and composition signals from an on-line gas chromatograph. The volumetric flow rate will be continuously recorded and integrated.

All measurements, calculations and procedures used in determining volume, except for the correction for the deviation from the Ideal Gas Law, will be made in accordance with the instructions contained in:

- (a) AGA 3 for the Orifice Plate Metering Systems;
- (b) AGA 7 for Turbine Metering;
- (c) ANSI B109-3 for Positive Displacement (PD) Metering;
- (d) AGA 9 for Ultra Sonic Metering; and
- (e) relevant industry standards and such other standards as may be specified by Service Provider for any other metering system,

together with all presently existing supplements and appendices to those reports or any revisions made to the reports which the parties agree will apply to Shipper's OTSA.

Those instructions will be converted where necessary for compliance with Australian Standard AS1000 'The International System of Units (SI) and its Application', the Commonwealth National Measurement Act 1960 and regulations under that Act and the Australian Gas Association publication 'Metric Units and Conversion Factors for use in the Australian Gas Industry'.

The correction for deviation from the Ideal Gas Law will be determined from the data contained in AGA 8, or any revision of that report which the parties agree will apply to Shipper's OTSA. The compositional data used in these calculations will be primarily derived from the on-line gas chromatograph.

#### 4.2 **Energy Flow Rate**

The energy flow rate will be calculated by the flow computer in GJ per hour (GJ/hr) from the product of Gross Heating Value and the volumetric flow, all at Standard Temperature and Pressure. The heating value will be continuously derived from the same on-line Gas chromatograph used for determining the relative density and composition used in the volumetric flow calculation. The energy flow rate will be recorded and continuously integrated.

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## 5 **Testing and Verification of Measuring Equipment Accuracy**

### 5.1 **Periodic Tests**

The accuracy of the measuring equipment at each Connection Point must be verified once every 3 months or as otherwise agreed and at other times upon request of a party. The Responsible Party must give the other party notice of the time of such tests of meters sufficiently in advance of the holding of the test that the other party may, if it desires, have representatives present. Such tests and adjustments must be made in the presence of representatives of the Responsible Party and if required by the other party in the presence of representatives of the other party.

### 5.2 **Special Tests**

Where a party gives verbal notice to the other (to be confirmed in writing as soon as reasonably practicable) that it has reason to believe that any measuring equipment may not be within the degree of tolerance specified for equipment in this Annexure 1, then notwithstanding the provisions of paragraph 5.1, the Responsible Party must as soon as reasonably practicable carry out a test upon that measuring equipment. The other party must reimburse the Responsible Party for the cost of any tests (other than the periodic tests set out in paragraph 5.1) carried out at that other party's request unless it is shown from the results of such tests that the equipment being tested is not operating within the permissible limits of tolerance set out in this Annexure 1.

### 5.3 **Chromatographs**

When a test reveals that the heating value measured by the gas chromatograph is in error by 0.5 per cent or less it will be deemed to be accurate but must be adjusted as soon as possible to eliminate the error that does exist.

### 5.4 **Other Measuring Equipment**

All other items of measuring equipment referred to in paragraph 3 of this Annexure 1 must be tested for accuracy of measuring and recording of their respective values over their design range of operation using American Gas Association procedures or such other procedures as agreed to by the parties for determining their accuracy.

Following all tests, measurement equipment will be adjusted to eliminate all errors found.

**5.5 Tolerance**

If the values recorded by any inaccurate measuring equipment have been used in the calculation of Gas quantity supplied by Shipper to Service Provider or delivered by Service Provider to Shipper then the quantity calculated for the Day immediately preceding the Day of discovery of the inaccuracy or inaccuracies will be compared with the quantity recalculated for the same Day using corrected and accurate values from the measuring equipment tested. If the difference in the quantity so calculated and recalculated is 2% or less of the first of these quantities then all readings of such measuring equipment since the previous test thereof will be considered correct for such period but all calculations from the Day of the current test onwards to the date of the next test must use the measurements and recordings of the measuring equipment tested and corrected. The value of 2% for recalculation of quantity can be altered by mutual agreement between the parties if operating experience indicates this tolerance to be unacceptable to both parties.

**5.6 Correction Of Earlier Readings**

If the limits of errors as set out in paragraph 5.5 are exceeded then any previous readings of such measuring equipment must be corrected for any period of inaccuracy which is definitely known or agreed upon and the quantities for such period must be corrected by recalculation using the corrected readings provided that the period for which such correction will apply must not extend back over a period further than the date of the previous test.

If the period of inaccuracy is not definitely known or agreed upon then the correction of the quantities must be calculated for the period elapsed since the Day of the previous test of the inaccurate measuring equipment but the measure of correction will be half of the extent of the inaccuracy discovered at the test showing the same.

Where quantities are corrected pursuant to this paragraph 5.6, the corrected figure or figures will be regarded as the quantity delivered during the period of correction.

**5.7 Failure Of Measuring Equipment**

If for any period of time any measuring equipment fails to make any measurement or record necessary for ascertaining or computing the quantity supplied or delivered during that period so that the quantity cannot be ascertained or computed from the reading (if any) of such measuring equipment the quantities delivered or supplied during such period of failure must be estimated as nearly as reasonably possible by using the first of the following methods which is feasible:

- (a) by using the registration of any check measuring equipment if such measuring equipment has been installed and is being operated in such a manner that the correct measurement of the quantity of Gas during the period of the failure can be reliably determined from the check measuring equipment;
- (b) by using all reliable data available relating to the period of the failure of the measuring equipment;
- (c) by making the appropriate correction if the deviation from the accurate reading is ascertainable by calibration test or mathematical calculation; and
- (d) by estimating the quantities delivered or supplied from deliveries or receipts during preceding periods under similar conditions when the measuring equipment was registering accurately.

5.8 ***Certified Inspection Report***

The Responsible Party must deliver to the other party within a reasonable time after the cleaning, installing, changing, repairing, inspecting, calibrating or adjusting of any of the measuring equipment for which it is the Responsible Party a certified inspection report for that equipment.

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6 **Multiple Shippers**

Where Shipper and one or more other shippers are entitled to use a Connection Point, those other shippers are entitled to attend tests of the measuring equipment at the Connection Point and Service Provider may provide records, charts and reports relating to that measuring equipment to those shippers (including where Shipper is the Responsible Party for the Connection Point).