

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:

APT SPV2 Pty Ltd (ACN 095 483 453)

APT SPV3 Pty Ltd (ACN 095 483 462)

ANP SEA Gas SPV2 Pty Ltd (ACN 099 332 368)

ANP SEA Gas SPV3 Pty Ltd (ACN 099 332 395)

REST SEA Gas SPV1 Pty Ltd (ACN 095 483 444)

REST SEA Gas SPV2 Pty Ltd (ACN 099 332 331)

[shipper]

## **Port Campbell to Iona Gas Pipeline**

### **Standard Terms**

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## Port Campbell to Iona Pipeline - Standard Terms

**Date** DD12-Execution Date

### Parties

**1 South East Australia Gas Pty Ltd (ABN 73 096 437 900) (Transporter)**

Address: Level 4, 70 Hindmarsh Square Adelaide SA 5000

Email: secretariat@seagas.com.au

Contact: Company Secretary

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

APT SPV2 Pty Ltd (ACN 095 483 453); and

APT SPV3 Pty Ltd (ACN 095 483 462);

ANP SEA Gas SPV2 Pty Ltd (ACN 099 332 368); and

ANP SEA Gas SPV3 Pty Ltd (ACN 099 332 395);

REST SEA Gas SPV1 Pty Ltd (ACN 095 483 444); and

REST SEA Gas SPV2 Pty Ltd (ACN 099 332 331).

**2 [shipper] (ABN P6-Business/Organisation number) (Shipper)**

Address: P9-Address

Email: P10-Email

Contact: P13-Contact person

### Recitals

This Agreement sets out the terms upon which Transporter will provide pipeline services to Shipper in respect of the Port Campbell to Iona Pipeline System.

### Operative part

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#### 1 Defined Terms

##### 1.1 Definitions

In this Agreement (including the Recitals, Schedules and Annexures), unless a contrary intention appears:

**Accumulated Imbalance** means, for a shipper at any point in time, the aggregate of that shipper's Daily Imbalances up to that point in time (as adjusted in accordance with the provisions of that shipper's Transportation Agreement).

**Adjustment Period** is defined in clause 8.5(b).

**Allocation Procedures** is defined in clause 20.1(b).

**Athena Processing Plant** means the Gas processing plant operated (as at the date of publication of these Facility Specific Terms) by, or on behalf of, Cooper Energy (CH) Pty Ltd (ABN 70 615 355 023) which plant is located approximately 5 kilometres northwest of Port Campbell, Victoria.

**Athena Receipt Point** means the point at which the Facility connects to the Athena Processing Plant.

**Business Day** means a day other than a Saturday, Sunday or public holiday in South Australia or Victoria.

**Capacity** means, for a period of time, the capability of the Pipeline System (or a part thereof) to receive and/or deliver Gas during that period of time.

**Change in Law** means the enactment, amendment, repeal, revocation or change in the application or interpretation of any Law (including Government Agency policy relating to the practical application of the Law) but excluding any Law relating to the imposition of income tax or capital gains tax.

**Charges** means the charges payable by Shipper under this Agreement as calculated by reference to Annexure 2 and the remaining provisions of this Agreement.

**Commencement Date** means the date specified as such in Annexure 1.

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

- (a) loss or damage which does not arise directly or naturally from a breach of this 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.

**Daily Capacity Entitlement** means the amount of Capacity determined in accordance with Schedule 1.

**Daily Imbalance** means, for Shipper, the quantity of Gas determined for a Day in accordance with the following formula:

**R-D**

Where:

- R** is the quantity of Gas received by Transporter from Shipper on that Day at the Receipt Points (less quantities of Gas supplied by Shipper on that Day as Heater Fuel Gas or System Use Gas);
- D** is the quantity of Gas delivered by Transporter to Shipper on that Day from the Pipeline System,

and for another shipper means the quantity of Gas determined under its Transportation Agreement as its daily imbalance by means the same as, or similar to, the way in which Shipper's Daily Imbalance is determined.

**Day** means, subject to this Agreement, a period of 24 consecutive hours beginning and ending at 6.00am.

**Default Rate** means the Interest Rate plus 2%.

**Defaulting Shipper** is defined in clause 8.1.

**Delivery Point** means the point on the downstream side of the insulating flange at the outlet of a meter station described in Annexure 1 as a delivery point; and "**Delivery Points**" means all such points.

**delivery point** means a point from which Gas may be delivered from the Pipeline System and includes each Delivery Point.

**Dispute** has the meaning given in clause 23.1.

**Easterly Direction** means the transportation of Gas through the Pipeline System from one or more receipt points to one or more delivery points located east of those receipt points.

**Electronic Communications System** is defined in clause 12(a).

**Emergency Condition** means a condition or situation that (in the reasonable opinion of Transporter) presents an imminent or current physical threat of danger to life, health or significant property.

**Expiration Date** means the date specified as such in Annexure 1.

**Firm Basis** means, in relation to the provision of services to a shipper, the provision of services using the Pipeline System without interruption or curtailment, or without interruption or curtailment except by reason of one or more of the following:

- (a) there being insufficient pressure differential between the receipt points at which the shipper wishes to supply Gas and the delivery points at which the shipper wishes to take delivery of Gas;
- (b) there being insufficient quantities of Gas transported through the Pipeline System in a reverse direction on a Day to the direction in which that shipper requires Gas to be transported;
- (c) Force Majeure;
- (d) an Emergency Condition;
- (e) a requirement of Transporter to carry out Maintenance Operations; and
- (f) the act or omission of that shipper.

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

**Fixed Monthly Charge** means the amount set out in Annexure 2 as adjusted in accordance with this Agreement.



**Force Majeure** means any event or circumstance not within the reasonable control of a party, and which by the exercise of reasonable care that party is not able to prevent or overcome, including, without limitation, the following events to the extent they are not within the reasonable control of the relevant party:

- (a) an act of God, landslide, earthquake, flood, wash-out, lightning, storm and the elements;
- (b) strike, lock-out, ban or other industrial disturbance (other than those which solely involve the affected party's (or its Related Bodies Corporates') employees);
- (c) act of the enemy, war, blockade or insurrection, riot or civil disturbance;
- (d) fire or explosion including radio-active and toxic explosion;
- (e) epidemic or quarantine;
- (f) order of any court or the order, act or omission or failure to act of any Government Agency or failure to obtain any necessary consent or approval of a Government Agency; and
- (g) accidents, breakage or accident to plant, machinery, pipeline or associated equipment.

**Foundation Shipper** means:

- (a) the shipper 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 Transporter which restatement was executed on or about April 2003; and
- (b) the shipper 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 Transporter which restatement was executed on or about April 2003.

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

**Gas** means any hydrocarbons naturally occurring in a gaseous state and any naturally occurring mixture of one or more hydrocarbons in a gaseous state which may contain other gases (including the residue resulting from the treatment or processing of gas).

**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.

**Gas Specification** means such specifications for Gas as comply with the requirements of both the Laws applicable in South Australia and the Laws applicable in Victoria.

**GJ** means gigajoule.

**Government Agency** means:

- (a) a government (whether federal, state, territorial or local);
- (b) a governmental, semi-governmental or judicial entity or authority including a department, office or minister of a government acting in that capacity;
- (c) a statutory, public, municipal, local or other authority charged with the responsibility for administering any relevant legislation, regulation, ordinance or by-law; and

(d) the Australian Energy Market Operator.

**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.

**Haulage Service** means the Second Tier Firm Service defined in Schedule 1.

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

**Imbalance Allowance** is defined in clause 6.1(b).

**Imbalance Charge** has the meaning given in clause 6.4.

**Impost** means any tax (excluding income tax, capital gains tax and GST), duty, impost, levy or other charge imposed by any government or Government Agency.

**Independent Expert** has the meaning given in clause 23.3(a).

**Insolvency Event** means:

- (a) an application (other than a frivolous or vexatious application) is made to a court for an order that a body corporate be wound up and that application is not dismissed or stayed within 30 days of the application;
- (b) an order is made that a body corporate be wound up;
- (c) an application (other than a frivolous or vexatious application) is made to a court for an order appointing a liquidator, or provisional liquidator, in respect of a body corporate and that application is not dismissed or stayed within 30 days of the application;
- (d) a liquidator or provisional liquidator is appointed to a body corporate whether or not under an order;
- (e) an administrator is appointed;
- (f) otherwise than for the purpose of a solvent amalgamation, restructure or reorganisation, a body corporate enters into, or resolves to enter into, a scheme of arrangement or composition with, or assignment for the benefit of, all or any of its creditors, or it proposes a re-organisation, moratorium or other administration involving any of its creditors;
- (g) a body corporate resolves to wind itself up, or otherwise dissolve itself, or gives notice of its intention to do so;
- (h) a body corporate is, or states that it is, unable to pay its debts as and when they become due and payable;
- (i) as a result of section 459F(1) of the Corporations Act 2001 a body corporate is taken to have failed to comply with a statutory demand; or
- (j) in relation to the property of a body corporate, a receiver, or receiver and manager, is appointed in relation to substantially all of that property or a mortgagee of the body corporate takes possession of substantially all of that property for the purpose of enforcing a mortgage.

**Interest Rate** means the ANZ “Reference Rate” as published on ANZ’s website under “ANZ Business Variable Rates” (or if that rate ceases to be published, such substitute rate determined by Transporter acting reasonably).

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

**Interface Party** means a person who is either owner or operator of infrastructure or facilities with which the Pipeline System or PCA Pipeline System interconnects.

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

**Laws** means:

- (a) the common law;
- (b) all Acts of Parliament;
- (c) all legally binding regulations, codes, ordinances, local laws, by-laws, legislative instruments, orders, judgments, licences, rules, and permits; and
- (d) legally binding requirements of all Government Agencies.

**Line Pack** means the Gas in the Pipeline System at a given time excluding any Gas for which a shipper holds title.

**Losses** means losses, damages, costs, expenses and liabilities.

**Maintenance Operations** is defined in clause 17.1(a).

**MHQ** is defined in Schedule 2.

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

**MDQ** means:

- (a) where used in relation to the Haulage Service provided under this Agreement, the amount specified as such in Annexure 1; and
- (b) where used in relation to services provided under a Transportation Agreement other than this Agreement, the maximum Capacity of the Pipeline System which Transporter is required to make available to provide services to the shipper under that Transportation Agreement on a Day on a Firm Basis or Second Tier Firm Basis.

**Month** means the period beginning at 6.00am on the first day of a calendar month and ending at 6.00am on the first day of the next calendar month provided that:

- (a) the first Month will be the period commencing at 6.00am on the Commencement Date and ending at 6.00am on the first day of the next calendar month; and
- (b) where the date of termination or expiration of this Agreement is other than the first day of a month, the final Month will be the period from 6.00am on the first day of the month in

which the date of termination or expiration occurs to 6.00am on the date of termination or expiration.

**Nominated PCA Shipper** means a person appointed as such in accordance with clause 4.

**Off Specification Gas** means Gas which does not comply with the Gas Specification.

**Operational Transportation Service Code** has the meaning given to that term in the National Gas Rules.

**PCA Shipper** means any person who is entitled to receive services from Transporter in the PCA Pipeline System.

**PCA Transportation Agreement** means an agreement between Transporter and another person for the provision of services in 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 Transporter (including the WUGS Lateral) 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.

**Pipeline System** means the high pressure steel pipeline system for the transportation of Gas in either direction between the PCA Pipeline System and the South West Pipeline System and all related facilities including laterals owned and operated by Transporter 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.

**Quarter** means a period of 3 consecutive months commencing on the first day of each of the months of January, April, July and October.

**Reasonable and Prudent** means the practices, methods and acts engaged in or approved by a firm or body corporate who, in the conduct of its undertaking, exercises that degree of diligence, prudence and foresight reasonably and ordinarily exercised by skilled and experienced Australian operators engaged in the same type of undertaking under the same or similar circumstances.

**Receipt Point** means an inlet to the Pipeline System at the outlet of a meter station described in Annexure 1 as a receipt point; and **"Receipt Points"** means all such points.

**receipt point** means a point at which Gas may be supplied into the Pipeline System and includes each Receipt Point.

**Related Body Corporate** has the meaning given by the Corporations Act 2001.

**Resolution Institute** means Resolution Institute ABN 69 008 651 232.

**Responsible Party** is defined in clause 10.1.

**Scheduled Quantities** is defined in Schedule 2.

**Second Tier Firm Basis** means, in relation to the provision of services to a shipper, a service which has the following attributes:

- (a) the service may be interrupted or curtailed by Transporter as required by Transporter to give effect to its obligations to the Foundation Shippers (including the obligation to meet a renomination by a Foundation Shipper); and
- (b) in the event of any shortfall in Capacity in the Pipeline System, the service ranks behind the entitlements of Foundation Shippers; and
- (c) subject to paragraphs (a) and (b) above, the service is provided on a Firm Basis.

**Second Tier Firm Service** means:

- (a) a service provided on a Second Tier Firm Basis; and
- (b) a Traded Forward Haul Service provided under a Standard OTSA.

The Haulage Service under this Agreement is a Second Tier Firm Service.

**shipper** means any person (including Shipper) who is entitled to receive services from Transporter in the Pipeline System.

**Shipper's Accumulated Imbalance** means, at a given time, the aggregate of all Shipper's Daily Imbalances up to that time (as further adjusted in accordance with the provisions of this Agreement).

**South West Connection Point** means the point described as such in Annexure 1.

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

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

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

**System Use Gas** means:

- (a) gas unaccounted for; and
- (b) instrument gas.

**Technical Dispute** has the meaning given in clause 23.4(b).

**Term** is defined in clause 2.1(c).

**TJ** means terajoule.

**Traded Forward Haul Service** has the meaning given to that term in the Operational Transportation Service Code.

**Transportation Agreement** means an agreement (including this Agreement) between Transporter and another person for the provision of transportation services in the Pipeline System.

**Week** means the period of 7 consecutive Days commencing at 6.00am on a Monday.

**Westerly Direction** means the transportation of Gas through the Pipeline System from one or more receipt points to one or more delivery points located west of those receipt points.

**Wilful Misconduct** means a deliberate and pre-meditated act or omission by a party which that party knows, at the time of committing (and planning to commit) the act or making the omission, is a breach of this Agreement and, to avoid doubt, excludes a negligent or inadvertent act or omission or a mistake.

**WUGS Lateral** means the approximately 9 kilometre, 450 millimetre (nominal) diameter lateral connecting to the Iona Gas Plant.

**Year** means a period of 365 (or 366 in a leap year) consecutive days beginning at 6.00am on the 1st day of January in each year and ending at 6.00am on the 1st day of January in the following year but:

- (a) where the Commencement Date is other than 1 January, the first Year will be the period from 6.00am on the Commencement Date to 6.00am on the following 1 January; and
- (b) where the date of termination or expiration of this Agreement is other than 1 January, the final Year of the Term will be the period beginning at 6.00am on 1 January immediately preceding the date of termination or expiration and ending at 6.00am on the date of termination or expiration.

## **1.2 Definitions in other Clauses**

Where a defined term is only used in a single clause of this Agreement it is defined in that clause and may not be referred to in clause 1.1.

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## **2 Commencement and Term**

### **2.1 Commencement**

- (a) This Agreement commences upon its execution.
- (b) Subject to the terms of this Agreement, the provision of the Service will commence as from the Day which begins on the Commencement Date.
- (c) The **Term** of this Agreement is the period from the Commencement Date until the earlier of when this Agreement is terminated or when it expires under clause 2.2.

### **2.2 Expiration**

Unless earlier terminated in accordance with its terms, this Agreement will expire on the end of the Day which ends on the Expiration Date.

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## **3 Services**

### **3.1 Transporter's Obligation to Provide Services**

- (a) On each Day during the Term Transporter must, subject to the terms of this Agreement, provide the Haulage Service to Shipper.
- (b) Transporter must provide the Haulage Service:
  - (i) as a Reasonable and Prudent operator, acting at all times with due care and skill; and
  - (ii) in accordance with all applicable Laws.

### **3.2 Shipper's Obligations**

Shipper must:

- (a) comply with all Laws applicable to the subject matter of this Agreement; and
- (b) in exercising its rights and performing its obligations under this Agreement, at all times act Reasonably and Prudently.

### **3.3 Provision of System Use Gas and Fuel Gas**

To enable Transporter to provide the Service to Shipper and maintain the operational integrity of the Pipeline System, Shipper must provide System Use Gas and Heater Fuel Gas to Transporter in accordance with Schedule 2.

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## **4 Nominated PCA Shipper**

- (a) Shipper may, by 10 days' notice to Transporter, nominate a PCA Shipper to act as Shipper's Nominated PCA Shipper for the purposes of this Agreement.
- (b) A nomination under clause 4(a) will not be of any effect unless Transporter receives a written notice from the relevant PCA Shipper (signed by an authorised officer of the PCA Shipper) agreeing to act as Shipper's Nominated PCA Shipper and:
  - (i) that Nominated PCA Shipper's PCA Transportation Agreement contains provisions which provide for that Nominated PCA Shipper's Accumulated Imbalance (as that term is defined in that PCA Transportation Agreement) to be adjusted, in the manner contemplated by clause 6.9 of this Agreement, by the amount of Shipper's Accumulated Imbalance under this Agreement; or
  - (ii) where the requirements of clause 4(b)(i) are not satisfied, the Nominated PCA Shipper enters into an agreement with Transporter to amend its PCA Transportation Agreement so as to give effect to the requirements of clause 4(b)(i).
- (c) Shipper may by not less than 10 days' notice revoke the appointment of a Nominated PCA Shipper, which revocation will, unless otherwise agreed by Transporter, be effective from the first Day of the Month commencing after the expiration of that notice period.
- (d) A Nominated PCA Shipper's appointment will cease to be of any effect if:
  - (i) the Nominated PCA Shipper's PCA Transportation Agreement is terminated; or
  - (ii) Transporter suspends the provision of services to that Nominated PCA Shipper under its PCA Transportation Agreement due to a breach by the Nominated PCA Shipper of that PCA Transportation Agreement.
- (e) Revocation by Shipper of the appointment of a Nominated PCA Shipper (or cessation of the appointment of a Nominated PCA Shipper under clause 4(d)) does not prevent Shipper appointing another Nominated PCA Shipper in accordance with the requirements of this clause 4.
- (f) Where Shipper appoints a Nominated PCA Shipper, then Shipper must procure that the Nominated PCA Shipper performs under its PCA Transportation Agreement all acts which this Agreement contemplates will be performed by that Nominated PCA Shipper.

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## 5 Pressure, Temperature and Odourisation

### 5.1 Pressure

- (a) Shipper must supply Gas to a Receipt Point at a pressure:
  - (i) that is greater than the prevailing pressure at that Receipt Point at the time; but
  - (ii) not more than the maximum pressure specified for that Receipt Point in Annexure 1.
- (b) Subject to Shipper complying with clause 5.1(a), Transporter must deliver Gas to a Delivery Point at a pressure of not less than the minimum pressure and not more than the maximum pressure specified for that Delivery Point in Annexure 1.

### 5.2 Temperature

- (a) Shipper must supply Gas to a Receipt Point at a temperature of not less than the minimum temperature and not more than the maximum temperature specified for that Receipt Point in Annexure 1.
- (b) Subject to Shipper complying with clause 5.2(a), Transporter must deliver Gas to a Delivery Point at a temperature of not less than the minimum temperature and not more than the maximum temperature specified for that Delivery Point in Annexure 1.

### 5.3 Odourisation

- (a) Shipper must supply Gas into the Pipeline System with the level of odorant required by applicable Victorian legislation.
- (b) Transporter must use its reasonable endeavours to ensure that Gas delivered by Transporter from the Pipeline System to Shipper has the level of odorant required by applicable Victorian legislation but nothing in this clause 5.3(b) requires Transporter to install any odorising facility on the Pipeline System (or elsewhere).
- (c) Subject to clause 5.3(b), Shipper is solely responsible for entering into such arrangements as required to ensure that any Gas it takes at the Delivery Points has such level of odorant (if any) required by Law.

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## 6 Gas Balancing

### 6.1 Positive and Negative Imbalance and Imbalance Allowances

- (a) Where at any time during the Term:
  - (i) the sum of Shipper's Daily Imbalances (for each elapsed Day of the Term) is negative, Shipper's Accumulated Imbalance is negative; and
  - (ii) the sum of Shipper's Daily Imbalances (for each elapsed Day of the Term) is positive, Shipper's Accumulated Imbalance is positive.
- (b) The **Imbalance Allowance** is 0.25% of the MDQ.
- (c) To avoid doubt, where Shipper's Accumulated Imbalance is negative, then for the purposes of determining:



- (i) the Imbalance Charges (if any) payable by Shipper; and
  - (ii) whether Shipper's Accumulated Imbalance exceeds the Imbalance Allowance, the absolute value of Shipper's Accumulated Imbalance (as defined in paragraph (d) below) will be used.
- (d) For the purposes of paragraph (c) above, the absolute value of Shipper's Accumulated Imbalance is the difference between the quantity of Shipper's Accumulated Imbalance and zero (for example, where Shipper's Accumulated Imbalance is -2 TJ, the absolute value of that Accumulated Imbalance is 2 TJ).

## **6.2 *Obligation to Balance***

Shipper must use its reasonable endeavours to ensure that there is not a Shipper's Accumulated Imbalance at the end of each Day, but nothing in this clause 6.2 limits Shipper's ability to effect transfers of Accumulated Imbalance under clause 6.7.

## **6.3 *Transporter's Obligations***

Transporter must, as soon as reasonably practicable but in any event within 4 hours after the end of each Day, notify Shipper of Shipper's Accumulated Imbalance as at the end of that Day.

## **6.4 *Imbalance Charge***

- (a) Where as at the end of a Day Shipper's Accumulated Imbalance exceeds the Imbalance Allowance, then (subject to clause 6.5) an Imbalance Charge will be payable by Shipper. The Imbalance Charge for that Day will be calculated in accordance with the following formula:

$$EI * ICR$$

Where:

**EI** is the number of GJ of Shipper's Accumulated Imbalance in excess of the Imbalance Allowance; and

**ICR** is the Imbalance Charge Rate as determined under Annexure 2.

- (b) This clause 6.4 continues to apply after the expiration or termination of this Agreement until such time as Shipper's Accumulated Imbalance is reduced to zero.

## **6.5 *Reduction in Liability***

Shipper's liability to pay an Imbalance Charge on a Day will be reduced if and to the extent that it arises as a result of Transporter's breach of this Agreement or negligence.

## **6.6 *Rights of Transporter***

Despite any other provision of this clause 6, where:

- (a) a Shipper's Accumulated Imbalance exists (whether during or at the end of a Day) which exceeds the Imbalance Allowance; or
- (b) Transporter, acting Reasonably and Prudently, forms the opinion that Shipper's Accumulated Imbalance at the end of a Day will exceed the Imbalance Allowance,

then Transporter may require (by notice in writing) Shipper to adjust the quantity of Gas being supplied at the Receipt Points by Shipper and/or to adjust the quantity of Gas being taken at the Delivery Points by Shipper and, if Shipper fails to comply with that requirement within 30 minutes of receiving notification of it from Transporter, then:

- (c) Shipper must indemnify and keep indemnified Transporter for any Losses suffered by Transporter as a result of that failure and as a result of any action taken by Transporter under clause 6.6(d); and
- (d) Transporter may access and close or restrict deliveries to one or more Delivery Points and/or Receipt Points or remotely close (whether wholly or partially) any shutdown valve at one or more Delivery Points and/or Receipt Points.

## **6.7 Transfers of Imbalances**

- (a) Shipper may, in accordance with this clause 6.7:
  - (i) transfer all or part of its Accumulated Imbalance (as determined at the end of a Day) to another shipper; or
  - (ii) accept from another shipper a transfer of all or part of that other shipper's Accumulated Imbalance (as determined at the end of a Day).
- (b) To avoid doubt, under paragraph (a) above Shipper may:
  - (i) transfer a positive Accumulated Imbalance so as to reduce Shipper's positive Accumulated Imbalance but increase the positive Accumulated Imbalance of another shipper;
  - (ii) accept a transfer of a positive Accumulated Imbalance from another shipper so as to increase Shipper's positive Accumulated Imbalance but reduce the positive Accumulated Imbalance of that other shipper;
  - (iii) transfer a negative Accumulated Imbalance so as to reduce Shipper's negative Accumulated Imbalance but increase the negative Accumulated Imbalance of another shipper;
  - (iv) accept a transfer of a negative Accumulated Imbalance from another shipper so as to increase Shipper's negative Accumulated Imbalance but reduce the negative Accumulated Imbalance of that other shipper; and
  - (v) exchange a quantity of Accumulated Imbalance for an equal but opposite quantity of Accumulated Imbalance.
- (c) A transfer under clause 6.7(a) will only be effective if written notice is received by Transporter from both Shipper and the other shipper of the transfer within the later of:
  - (i) 6 hours of the end of the relevant Day; or
  - (ii) 4 hours of receipt of notification by both shippers (who are party to the transfer) from Transporter of their respective Accumulated Imbalance for the relevant Day.
- (d) Where notice is received by Transporter in accordance with clause 6.7(c), then the Accumulated Imbalance of Shipper and the other shipper will be adjusted to reflect the

transfer and any Imbalance Charge otherwise payable by Shipper will be adjusted to reflect Shipper's new Accumulated Imbalance.

**6.8      *Transfer of Imbalances – Shipper PCA Transportation Agreement***

- (a)      Where Shipper is party to a PCA Transportation Agreement then Shipper may by 5 Business Days' notice to Transporter elect that, in respect of a period, Shipper's Accumulated Imbalance under that PCA Transportation Agreement (as that term is defined in that PCA Transportation Agreement) as at the end of each Day of that period will be adjusted by the amount of Shipper's Accumulated Imbalance under this Agreement as at the end of that Day.
- (b)      The parties acknowledge that the effect of an election by Shipper under clause 6.8(a) is that Shipper's Accumulated Imbalance under this Agreement as at the end of each Day during the relevant period will be reset to zero and no Imbalance Charge will be payable by Shipper for each such Day.
- (c)      An election by Shipper under clause 6.8(a) will cease to be of effect if Shipper ceases to be party to a PCA Transportation Agreement.
- (d)      Shipper may revoke an election under clause 6.8(a) by 5 Business Days' notice to Transporter.
- (e)      Revocation of an election by Shipper under clause 6.8(a) does not prevent Shipper making a subsequent election under that paragraph.

**6.9      *Transfer of Imbalances – Nominated PCA Shipper***

- (a)      Where Shipper has appointed a Nominated PCA Shipper then Shipper may by 5 Business Days' notice to Transporter elect that, in respect of a period, the Nominated PCA Shipper's Accumulated Imbalance under its PCA Transportation Agreement (as that term is defined in that PCA Transportation Agreement) as at the end of each Day of that period will be adjusted by the amount of Shipper's Accumulated Imbalance under this Agreement as at the end of that Day.
- (b)      The parties acknowledge that the effect of an election by Shipper under clause 6.9(a) is that Shipper's Accumulated Imbalance under this Agreement as at the end of each Day during the relevant period will be reset to zero and no Imbalance Charge will be payable by Shipper for each such Day.
- (c)      An election by Shipper under clause 6.9(a) will cease to be of effect if there is no Nominated PCA Shipper under this Agreement.
- (d)      Shipper may revoke an election under clause 6.9(a) by 5 Business Days' notice to Transporter.
- (e)      Revocation of an election by Shipper under clause 6.9(a) does not prevent Shipper making a subsequent election under that paragraph.

**6.10     *Accumulated Imbalance at end of Term***

- (a)      Where as at the date of expiration or termination of this Agreement Shipper's Accumulated Imbalance is not equal to zero then Shipper must reduce that Accumulated Imbalance to zero within 2 Days by either supplying Gas to the Receipt Points (at such times acceptable to Transporter acting reasonably), taking delivery of Gas at the Delivery Points (at such times

acceptable to Transporter acting reasonably) or entering into imbalance trades. If Shipper fails to do so within that 2 Day period then:

- (i) Shipper must pay the Imbalance Charge Rate for each GJ of Shipper's Accumulated Imbalance until such time as the Accumulated Imbalance is reduced to zero;
  - (ii) Transporter may take such steps as it considers necessary to reduce the Shipper's Accumulated Imbalance to zero including buying or selling Gas (including Gas represented by any positive Accumulated Imbalance of Shipper) and may recover from Shipper the costs it incurs in taking such steps.
- (b) Nothing in clause 6.10(a) reduces Shipper's liability to pay an Imbalance Charge for each Day after the expiration or termination of this Agreement for any quantity of Shipper's Accumulated Imbalance in excess of the Imbalance Allowance (and to avoid doubt as from the expiration or termination of this Agreement the Imbalance Allowance is OTJ).

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## **7 Title, Risk and Responsibility**

### **7.1 *Co-mingling of Gas***

From the time Gas is delivered into the possession of Transporter at the Receipt Points, Transporter will have the right to co-mingle that Gas with other Gas in the Pipeline System and to subject the Gas to compression, cleaning and other processes consistent with Transporter's operation of the Pipeline System but nothing in this clause 7.1 relieves Transporter of its obligations under this Agreement.

### **7.2 *Warranty as to Title to Gas***

Shipper warrants to Transporter that, at the time of supply of Gas to Transporter, Shipper has good title to the Gas, free and clear of all liens, encumbrances and claims of a nature inconsistent with Transporter's operation of the Pipeline System.

### **7.3 *Title to Gas***

- (a) Subject to clause 7.3(b), the title to Gas supplied by Shipper to Transporter will at all times remain with Shipper.
- (b) Title to Gas supplied by Shipper to Transporter on account of System Use Gas or Heater Fuel Gas will pass from Shipper to Transporter at the time of the supply of that Gas to a Receipt Point.
- (c) Title to System Use Gas returned by Transporter to Shipper will pass from Transporter to Shipper at the time of delivery of that Gas to a Delivery Point.

### **7.4 *Responsibility for Gas***

- (a) Subject to clause 9, Shipper will have no responsibility or liability whatsoever for any Gas after it has been supplied to Transporter at the Receipt Points and prior to the delivery of that Gas to Shipper at the Delivery Points on account of anything which may be done, happen or arise with respect to that Gas during that period.
- (b) Subject to clause 9, Transporter will have no responsibility or liability whatsoever for any Gas prior to its supply to Transporter at the Receipt Points or after its delivery to Shipper at the Delivery Points on account of anything which may be done, happen or arise with respect to that Gas prior to supply at the Receipt Points or after delivery at the Delivery Points.

### **7.5 Deemed Delivery of Gas**

The parties agree that by delivering Gas to Shipper at the Delivery Points in accordance with the terms of this Agreement, Transporter will be deemed to have delivered Shipper's Gas to Shipper. Such Gas delivered at the Delivery Points is and will be deemed to be that received by Transporter from Shipper at the Receipt Points.

### **7.6 Title to Line Pack**

Transporter has title, control and possession of all Line Pack within the Pipeline System.

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## **8 Priority**

### **8.1 Capacity Shortfall due to act or omission of a Transportation shipper**

(a) To the extent that there is insufficient Capacity in the Pipeline System on a Day to meet the requirements of all Transportation shippers on that Day due to a Shipper (**Defaulting Shipper**):

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

then, subject to clause 8.1(b), Transporter must interrupt or curtail deliveries of Gas to, or the supply of Gas from (or reduce the quantities of Gas scheduled for), the Defaulting Shipper to the extent necessary to remedy the effects of the acts or omissions referred to in clauses 8.1(a)(i) to 8.1(a)(iv) on the Capacity of the Pipeline System prior to interrupting or curtailing deliveries of Gas to or receipts of Gas from any other Transportation shipper (including, to avoid doubt, under clause 8.4).

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

- (i) Transporter will have no liability for failure to interrupt or curtail deliveries of Gas to or receipts of Gas from a Defaulting Shipper to the extent required by clause 8.1(a); and
- (ii) where Transporter reasonably considers that Shipper is a Defaulting Shipper, Transporter will have no liability for interrupting or curtailing Shipper pursuant to clause 8.1(a),

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

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

Where Transporter, acting Reasonably and Prudently, forms the view that, after having curtailed all Defaulting Shippers (if any), there will be insufficient Capacity in the Pipeline System on a Day (for any

reason) to provide the services nominated by or scheduled for all shippers on that Day and that shortfall in Capacity is identified by Transporter prior to the commencement of the relevant Day, then the available Capacity for that Day must be allocated by Transporter as follows:

- (a) the quantities of Gas nominated by, or scheduled for, Foundation Shippers will have priority over the provision of any other services in the Pipeline System;
- (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 shippers' nominated or scheduled quantities for transportation pursuant to Second Tier Firm Services;
- (c) if the available Capacity of the Pipeline System is insufficient to meet the quantities referred to in clause 8.2(b), the available Capacity will be allocated in priority between the shippers referred to in clause 8.2(b) pro-rata based on the MDQ of each such shipper.

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

Where:

- (a) Transporter, acting Reasonably and Prudently, forms the view that, after having curtailed all Defaulting Shippers (if any), there will be insufficient Capacity in the Pipeline System on a Day (for any reason) to provide services in respect of the quantity of Gas nominated by or scheduled for all shippers on that Day; and
- (b) that shortfall in Capacity is not identified by Transporter 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 shippers on that Day pursuant to services other than Firm Services or Second Tier Firm Services as determined by Transporter as a Reasonable and Prudent operator), be allocated by Transporter in accordance with the procedures set out in clause 8.2.

### **8.4 Hourly Curtailment**

Where due to a shortfall in the Capacity of the Pipeline System on a Day Transporter (acting Reasonably and Prudently) forms the view that, in addition to the allocation of that Capacity in accordance with clauses 8.1 to 8.3, it is necessary, for the purpose of preserving the operational integrity of the Pipeline System, to restrict the quantity of Gas which may be supplied by, or delivered to, shippers in one or more hours of that Day, then Transporter 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 8.1 to 8.3.

### **8.5 Notification of Revised Scheduled Quantities**

- (a) Where Transporter interrupts or curtails or intends to interrupt or curtail receipts of Gas from or deliveries of Gas to Shipper on a Day (pursuant to this clause 8), Transporter must, as soon as reasonably practicable, notify Shipper of any variation to the quantities of Gas scheduled to be supplied by, or delivered to, Shipper for that Day.
- (b) Shipper will not be liable to Transporter if, within a period of not greater than 30 minutes after the time of receipt of any notice from Transporter under clause 8.5(a) (**Adjustment**

**Period**), Shipper supplies, or takes delivery of, a quantity of Gas which results in the total quantity of Gas supplied or taken by Shipper on the relevant Day exceeding the reduced Scheduled Quantities.

- (c) Nothing in clause 8.5(b) relieves Shipper of liability:
  - (i) for any quantity of Gas supplied or taken delivery of from the expiration of the Adjustment Period; and
  - (ii) if, as at the expiration of the Adjustment Period, Shipper has supplied or taken delivery of a quantity of Gas in excess of the Scheduled Quantities (as determined prior to the time of reduction of those quantities by virtue of the notice served under clause 8.5(a)).

## **8.6 Impact of National Gas Law**

The allocation procedures in this clause 8 apply subject to any allocation procedures required to be applied under the National Gas Law or any other Laws.

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# **9 Gas Specification**

## **9.1 Obligation to ensure Gas Complies with Gas Specification**

Shipper must:

- (a) ensure all Gas supplied by Shipper to the Receipt Points meets the Gas Specification; and
- (b) notify Transporter as soon as practicable if Shipper becomes aware or has grounds to suspect that Gas being supplied or to be supplied by Shipper to a Receipt Point does not comply with the Gas Specification or there is a material and probable threat that such Gas will not comply with the Gas Specification, which notification must specify, to the extent known by Shipper, the extent of non-compliance with the Gas Specification.

## **9.2 Transporter Notification**

Transporter must notify Shipper as soon as practicable if Transporter becomes aware that Gas supplied by Shipper at a Receipt Point does not comply with the Gas Specification.

## **9.3 Acceptance of Off Specification Gas**

- (a) Within 2 hours of Transporter becoming aware that Gas supplied, or to be supplied, by Shipper is or may be Off Specification Gas Transporter must notify Shipper whether or not, and if so to what extent, Transporter will accept delivery of that Gas. If Transporter fails to give such a notice, Transporter is taken to have not accepted the Off Specification Gas.
- (b) It is at Transporter's absolute discretion whether, and to what extent, Transporter agrees to accept delivery of Off Specification Gas.
- (c) Any acceptance of Off Specification Gas by Transporter may:
  - (i) specify a maximum volume of Off Specification Gas Transporter is prepared to accept; and
  - (ii) specify parameters with which Off Specification Gas must comply (such that Transporter will not be taken to have accepted Off Specification Gas which does not comply with those parameters).

- (d) Transporter may, at any time after Transporter has agreed to accept Off Specification Gas, notify Shipper that Transporter will no longer accept such Gas which notice will take effect 2 hours after Shipper receives such notice from Transporter.
- (e) Where Transporter notifies Shipper that Transporter will accept Off Specification Gas then Shipper may, without incurring liability on account of the supply of that Off Specification Gas, supply such Off Specification Gas to the Receipt Points provided that:
  - (i) Shipper complies with any conditions imposed by Transporter under clause 9.3(c); and
  - (ii) Shipper must cease the supply of such Gas as from the time a notice given by Transporter under clause 9.3(d) takes effect.
- (f) Any references in this clause 9 to Off Specification Gas which Transporter has agreed to accept do not include Off Specification Gas supplied by Shipper in breach of any conditions imposed by Transporter under clause 9.3(c) or Off Specification Gas supplied after the time a notice under clause 9.3(d) takes effect.
- (g) If Transporter does not accept Off Specification Gas or if Shipper notifies Transporter that Shipper does not wish to supply Off Specification Gas into the Pipeline System, then Transporter must use reasonable endeavours to prevent such Off Specification Gas entering the Pipeline System.

#### **9.4      *Actions in Response to Off Specification Gas***

- (a) Unless Transporter notifies Shipper that Transporter will accept Off Specification Gas, Shipper must cease the supply of Off Specification Gas to the Receipt Points as soon as is possible.
- (b) Irrespective of whether or not Transporter agrees to accept Off Specification Gas, upon becoming aware that Gas being supplied, or to be supplied, by Shipper does not comply with the Gas Specification, or there is a material and probable threat such Gas will not comply with the Gas Specification, Shipper must take all necessary measures to ensure Gas that it supplies into the Pipeline System complies with the Gas Specification.
- (c) Where Shipper is supplying, or has notified Transporter that it will supply, or there is a material and probable threat it will supply, Off Specification Gas to a Receipt Point and Transporter has not agreed to accept that Gas then Transporter may take such action as Transporter considers (as a Reasonable and Prudent operator) is required to prevent the supply of such Gas into the Pipeline System, including closing or restricting supply at any Receipt Point.
- (d) Where Off Specification Gas is supplied by Shipper into the Pipeline System and Transporter has not agreed to accept that Gas then Transporter must, as a Reasonable and Prudent operator, use reasonable endeavours to take (having regard to the technical characteristics and limitations of the Pipeline System) all technically feasible steps to minimise the impact (or, if possible, avoid any impact) of that Gas on the safety and operational integrity of the Pipeline System and on Transporter's ability to fulfil its contractual obligations to shippers. Such steps may include blending the Off Specification Gas with Gas which does meet the Gas Specification.
- (e) Where Transporter flares, vents or combusts any Gas supplied by Shipper as a result of Shipper supplying Off Specification Gas into the Pipeline System (which Gas Transporter has



not agreed to receive), then for the purposes of calculating Shipper's Daily Imbalance such Gas will be treated as having been delivered by Transporter to Shipper.

- (f) Transporter has no liability for failure to receive Gas from or deliver Gas to Shipper (or for interrupting or curtailing the receipt of Gas from or delivery of Gas to Shipper) to the extent that failure, interruption or curtailment is a consequence of any steps taken by Transporter under clause 9.3(g), 9.4(c) or clause 9.4(d).

## **9.5 Indemnity**

- (a) Subject to clauses 9.5(b) and 9.5(c) Shipper must indemnify Transporter and keep Transporter indemnified against all Losses suffered or incurred by Transporter due to each of the following:
  - (i) Shipper supplying Off Specification Gas into the Pipeline System;
  - (ii) the measures taken by Transporter as a Reasonable and Prudent operator to deal with such Off Specification Gas.
- (b) Clause 9.5(a) does not apply to the supply of Off Specification Gas which Transporter has agreed to accept and Shipper has no liability to Transporter under the indemnity or at common law in respect of such Gas.
- (c) Clause 9.5(a) does not apply to Losses which Transporter would have avoided had Transporter complied with its obligations under this Agreement, including its obligation to act as a Reasonable and Prudent operator and Shipper has no liability to Transporter under the indemnity or at common law in respect of such Losses.
- (d) Where Shipper and other shippers have supplied a commingled stream of Off Specification Gas (for example because Shipper and those shippers have acquired the Off Specification Gas from the same source) then Shipper's liability to Transporter (under the indemnity and at common law) is capped at a pro-rata share of the Losses suffered by Transporter, such pro-rata share being determined by reference to the proportion of the Off-Specification Gas which was supplied by Shipper.

## **9.6 Gas Specification at Delivery Points**

- (a) Transporter must ensure Gas delivered by Transporter to the Delivery Points complies with the Gas Specification.
- (b) Transporter is not in breach of clause 9.6(a) to the extent:
  - (i) Gas does not comply with the Gas Specification because Shipper has supplied Off Specification Gas to Transporter (whether or not Transporter has agreed to accept that Off Specification Gas); or
  - (ii) Shipper has agreed to accept the delivery of the Off Specification Gas; or
  - (iii) Off Specification Gas has been supplied into the Pipeline System by another shipper without Transporter's consent and Transporter was not, as a Reasonable and Prudent operator, able to prevent the delivery of that Gas to Shipper.
- (c) If a Party becomes aware that Gas being delivered or to be delivered to a Delivery Point does not comply with the Gas Specification or there is a material and probable threat that such Gas will not comply with the Gas Specification it must as soon as is practicable give notice to the other Party.

- (d) If Shipper does not wish to accept delivery of Off Specification Gas then Shipper must take such steps, within its control, to ensure Shipper does not take delivery of that Gas.
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## **10 Measurement**

### **10.1 Measurement and Testing**

Subject to clause 10.8, 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**).

### **10.2 Gas Heater Metering**

Transporter must ensure that measuring equipment complying with the requirements of Annexure 3 is installed at each Gas Heater for the purpose of measuring and accurately recording the quantity of Gas consumed by that Gas Heater.

### **10.3 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).

### **10.4 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.

### **10.5 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 3.

### **10.6 Shared Points**

Shipper agrees that where it is the Responsible Party for a Receipt Point or Delivery Point used by other shippers that:

- (a) records, charts and data relating to the measurement of receipts or deliveries at that point may be provided by Transporter to those other shippers; and
- (b) Shipper will ensure those other shippers are able to exercise equivalent access and attendance rights to those granted by Shipper to Transporter under clause 10.3.

### **10.7 Allocation Agent at South West Connection Point**

Transporter will act as the “Allocation Agent” for the South West Connection Point for the purposes of Part 19 of the National Gas Rules.

### **10.8 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 10.8(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:

$$\text{TR} - (\text{IC} + \text{OD})$$

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 Scheduled Receipt Quantity for the relevant Day less the Total 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:

$$\text{THR} - (\text{IC} + \text{OHD})$$

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 Scheduled Receipt Quantity for the relevant Day less the Total 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 10.8(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:

$$(\text{TD} + \text{IC}) - \text{OR}$$

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 Scheduled Receipt Quantity for the relevant Day less the Total 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:

$$(\text{THD} + \text{IC}) - \text{OHR}$$

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 Scheduled Receipt Quantity for the relevant Day less the Total 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 Pipeline System),

the result of which is that the procedure in clauses 10.8(b) to 10.8(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 Transporter (which quantity will be determined in accordance with the principles set out in clauses 10.8(b) to 10.8(c) modified to the extent necessary to reflect the occurrence of the circumstances referred to in paragraphs 10.8(d)(i) to 10.8(d)(ii)); and
- (iv) Transporter must provide to Shipper all information reasonably requested by Shipper to substantiate the determination of that quantity by Transporter.

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## 11 Access Rights

### 11.1 *Grant of Rights*

Each party grants to the other party, and the other party's employees, agents and officers, such access as is reasonably required to premises owned or controlled by it and upon which any of its gas infrastructure (related to the performance of this Agreement) is located for the purpose of allowing the other party to exercise its rights and perform its obligations under this Agreement.

### 11.2 *Obligations*

The party seeking access:

- (a) must give reasonable notice to the other party specifying the time of such proposed access, the reason access is required and the identity of each representative of the party who will access the premises;
- (b) must take all reasonable steps to ensure that its officers, agents and employees who enter the premises cause as little inconvenience as possible and observe all safety and security procedures at all times; and
- (c) will be liable for all acts and omissions of its officers, agents and employees who enter the other party's premises except where such acts and omissions result from the negligence or default of the other party.

### 11.3 *Third Party Access*

If any gas infrastructure of either party is, or will be, located on premises of a third party, then the party owning the infrastructure will (for the purposes of complying with its obligation under clause 11.1) use its reasonable endeavours to secure for the other party a right of access to the third party's premises.

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## 12 Electronic Communications System

- (a) Transporter 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 Pipeline System;
  - (ii) allow the electronic communication of nominations, scheduling and other operational matters;
  - (iii) provide historical information as to deliveries during the previous 12 months.
- (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 12(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 Transporter to Shipper prior to Shipper's execution of this Agreement; and
    - (ii) any variation to those operating protocols from time to time, or new operating protocols introduced by Transporter, provided the varied or new operating protocols are reasonable.
- 

## **13 Charges**

### **13.1 *Obligation to Pay***

- (a) Shipper must pay to Transporter any Charges referred to in this Agreement which are incurred by Shipper.
- (b) The amount of each Charge (or rate used to calculate a Charge) payable by Shipper under this Agreement is set out in Annexure 2.
- (c) The Charges are subject to escalation in accordance with the provisions of Annexure 2 and to adjustment in accordance with this clause 13.
- (d) The circumstances in which a Charge is payable by Shipper are described in the remaining provisions of this Agreement (including the Schedules).

### **13.2 *Change in Imposts***

- (a) The Charges payable under this Agreement have been determined by the parties having regard to Imposts in force as at the date of this Agreement. If after the date of execution of this Agreement those Imposts are varied, new Imposts imposed or existing Imposts are removed, with the result that there is an increase or decrease in Transporter's liability for Imposts arising as a result of the provision of the Haulage Service or the receipt of payments from Shipper under this Agreement, then Transporter will alter the Charges referred to in this Agreement in accordance with clause 13.2(b).
- (b) Transporter will apportion its increase in liability or reduction in liability (as applicable) arising out of the variation of an Impost, the imposition of a new Impost or the removal of an existing Impost between the shippers to which it supplies the services which attract the additional or reduced liability. Any such apportionment must be determined by Transporter on such basis, as reasonably determined by Transporter, as best reflects the extent to which Transporter's liability for the Impost is attributable to the services provided by Transporter to each shipper.

### **13.3 *Change in Law***

- (a) The Charges payable under this Agreement have been determined by the parties having regard to Laws in force as at the date of this Agreement. If after the date of execution of this Agreement a Change in Law occurs with the result that there is an increase or decrease in Transporter's costs as a result of the provision of the Haulage Service (including because of modifications Transporter is required to make to the Pipeline System or its operation due to the Change in Law or the actions third parties take because of the Change in Law) then Transporter will alter the Charges referred to in this Agreement in accordance with clause 13.3(b).

- (b) Transporter will apportion its increase in costs or reduction in costs (as applicable) arising out of a Change in Law between the shippers to which it supplies the services which attract the additional or reduced costs. Any such apportionment must be determined by Transporter on such basis, as reasonably determined by Transporter, as best reflects the extent to which Transporter's liability for those costs is attributable to the services provided by Transporter to each shipper.
- 

## **14 Invoicing and Payment**

### **14.1 Invoicing**

- (a) Each Month Transporter may issue an invoice to Shipper for any Charges incurred by Shipper under this Agreement in respect of the previous Month. An invoice must include such information as is reasonably required to substantiate the Charges payable by Shipper.
- (b) Each invoice must be accompanied by a report showing for each Day of the previous Month:
  - (i) the quantity of Gas supplied by Shipper at each Receipt Point in that Month on each Day and in aggregate across all Receipt Points;
  - (ii) the quantity of Gas delivered to Shipper at each Delivery Point in that Month on each Day and in aggregate across all Delivery Points; and
  - (iii) Shipper's Accumulated Imbalance as at the end of each Day.
- (c) Transporter must provide to Shipper such additional information in respect of an invoice as Shipper reasonably requests to explain or substantiate amounts included in that invoice.
- (d) An invoice may be based upon estimated data where actual data is not available to Transporter at the time it prepares the invoice. In such circumstances Transporter must issue an adjustment invoice to Shipper once the actual data becomes available to Transporter.
- (e) Shipper must pay an invoice within 14 days of receipt of the invoice.
- (f) If the day on which an invoice falls due for payment is not a Business Day, then Shipper must pay the invoice by the next Business Day.
- (g) Unless otherwise agreed by Transporter, Shipper must pay Transporter by electronic funds transfer to such account notified by Transporter to Shipper from time to time.

### **14.2 Disputed invoices**

- (a) Where Shipper, in good faith, disputes an invoice then it may withhold payment of the disputed portion of the invoice but only where it notifies Transporter of the amount disputed and the reason for the dispute not less than 5 Business Days before the invoice is due for payment.
- (b) Where Shipper withholds an amount of an invoice under clause 14.2(a) and it is subsequently agreed or determined that such amount was due under this Agreement then Shipper must pay such amount within 5 Business Days of that agreement or determination with interest at the Interest Rate calculated on a daily basis from the date the relevant invoice was due for payment under clause 14.1 until such time as the amount is paid.
- (c) Where it is agreed or determined that Shipper has paid an amount invoiced by Transporter to Shipper and such amount was not in fact due to Transporter then Transporter must

refund that amount to Shipper with interest at the Interest Rate calculated from the time the amount was received by Transporter until the time the amount is refunded to Shipper.

- (d) Payment of an invoice by Shipper does not prevent Shipper subsequently disputing its liability to pay that invoice provided Shipper disputes the invoice within 12 months of the date of receipt of the invoice.

#### **14.3 Adjustments**

Where an error is discovered in an invoice issued under clause 14.1, an adjustment to compensate for such error will be effected on the next invoice issued under clause 14.1 or paid within 30 days of ascertainment of the error.

#### **14.4 Late Payments**

If Shipper fails to pay an amount due under this Agreement by the due date then it must pay interest at the Default Rate on the amount overdue, calculated on a daily basis from its due date until the date of actual payment.

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### **15 GST**

#### **15.1 GST Gross-Up**

If a party (**Supplier**) is required to pay GST in respect of a supply made under or in connection with (including by reason of a breach of) this Agreement, the recipient of the supply must (in addition to any other payment for, or in connection with, the supply) pay to the Supplier an amount equal to such GST (**GST gross-up**).

#### **15.2 GST Invoice**

If a GST gross-up is payable, then the Supplier must give the recipient a tax invoice for the supply.

#### **15.3 Payment**

Provided a tax invoice has been given, the GST gross-up must be paid by the recipient:

- (a) if any monetary consideration is payable for the supply, at the same time and in the same manner as such monetary consideration;
- (b) if no monetary consideration is payable for the supply, within 10 Business Days after the day on which the tax invoice is given.

#### **15.4 Reimbursements**

If any payment to be made to a party under or in connection with this Agreement is a reimbursement or indemnification of an expense or other liability incurred or to be incurred by that party, then the amount of the payment must be reduced by the amount of any input tax credit to which that party is entitled for that expense or other liability, such reduction to be effected before any increase in accordance with clause 15.1.

#### **15.5 Adjustments**

If an adjustment event has occurred in respect of a supply made under or in connection with this Agreement, any party that becomes aware of the occurrence of that adjustment event must notify the other party as soon as practicable, and the parties agree to take whatever steps are necessary (including to issue an adjustment note), and to make whatever adjustments are required, to ensure



that any GST or additional GST on that supply, or any refund of GST (or part thereof), is paid no later than 20 Business Days after the Supplier first becomes aware that the adjustment event has occurred.

#### **15.6 Definitions**

- (a) Terms used in this clause 15 which are defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) have the meaning given to them in that Act.
  - (b) In this clause 15, a reference to a payment includes any payment of money and any form of consideration other than payment of money.
  - (c) In this Agreement, all references to payments and obligations to make payments, including all references to compensation (including by way of reimbursement or indemnity), are, but for the operation of this clause 15, exclusive of GST.
- 

### **16 Credit Support**

#### **16.1 Standing**

Transporter is not required to provide the Haulage Service to Shipper unless:

- (a) Shipper is resident in Australia or has a permanent establishment in Australia;
- (b) Shipper is incorporated or constituted under the *Corporations Act 2001* or, if not, satisfies Transporter (acting reasonably) that:
  - (i) it is duly incorporated;
  - (ii) it has the legal capacity to enter into and perform this Agreement; and
  - (iii) it has duly executed this Agreement and this Agreement is enforceable against it;
- (c) Shipper is capable of being sued in its own name in courts established under the laws of Australia; and
- (d) Shipper does not enjoy any immunity from legal proceedings or legal process (including, but without limitation, any immunity from execution).

#### **16.2 Insurance**

- (a) Shipper must maintain throughout the Term third party public and product liability insurance covering liability for death or bodily injury (including illness) and loss of, damage to and loss of use of, property arising out of anything done or omitted to be done by Shipper under or in connection with this Agreement (including damage caused to the Pipeline System or PCA Pipeline System by Off Specification Gas) for a liability of not less than \$20 million in respect of any one occurrence and, in respect of the public liability component, unlimited as to the number of occurrences.
- (b) Shipper may discharge its obligations under this clause 16.2 by substantiating to Transporter's reasonable satisfaction that Shipper is part of a corporate group with self-insurance arrangements (which apply for the benefit of Shipper) providing equivalent financial support to Shipper, for liabilities which Shipper may incur, to that which would be provided by the third party public and product liability insurance referred to in clause 16.2(a).

- (c) Transporter is not required to provide the Haulage Service to Shipper until Shipper provides Transporter a certificate of currency evidencing that the insurance referred to in clause 16.2(a) is in effect or establishes to Transporter's reasonable satisfaction that the arrangements referred to in clause 16.2(b) are in place.
- (d) Transporter may, from time to time, but not more than once in any 6 month period unless Transporter has reasonable grounds for believing the insurance or self-insurance may no longer be in effect, request Shipper to provide a certificate of currency evidencing the insurance referred to in clause 16.2(a) is in effect or otherwise substantiate to Transporter's reasonable satisfaction that the self-insurance arrangements are in effect.

### **16.3 Credit Support**

- (a) Transporter may require Shipper to provide credit support under this clause 16 except where one or more of the following apply:
  - (i) Shipper has a Standard & Poor's or Fitch credit rating of BBB-, or Moody's credit rating of Baa3, or better; or
  - (ii) Shipper's obligations under this Agreement are guaranteed (on terms satisfactory to Transporter acting reasonably) by an Australian resident body corporate with a Standard & Poor's or Fitch credit rating of BBB-, or Moody's credit rating of Baa3, or better; or
  - (iii) Shipper otherwise establishes to Transporter's satisfaction (acting in good faith) that Shipper has access to the financial resources required to ensure Shipper is able to meet all of its obligations under this Agreement.
- (b) Where Shipper is not originally required to provide credit support but, due to a change in circumstances, Shipper is no longer relieved by clause 16.3(a) from the obligation to provide credit support, then Shipper must provide credit support within 10 Business Days of request by Transporter. Where Shipper originally satisfied clause 16.3(a)(iii), a change in circumstances includes Shipper ceasing to establish to Transporter's satisfaction (acting in good faith) that Shipper has access to the financial resources required to ensure Shipper is able to meet all of its obligations under this Agreement.
- (c) Despite the occurrence of the Commencement Date Transporter is not required to provide the Haulage Service until any credit support required by this clause 16 is in place.

### **16.4 Amount of Credit Support**

**Shipper's Credit Support Amount** is equal to 150% of the fixed Charges payable by Shipper over 3 Months.

### **16.5 Type of Credit Support**

Where Shipper is required to provide credit support that credit support must be in the form of (as elected by Shipper):

- (a) a bank guarantee for Shipper's Credit Support Amount from a bank, and on terms, reasonably acceptable to Transporter; or
- (b) a cash deposit of an amount equal to Shipper's Credit Support Amount; or
- (c) such other form of credit support acceptable to Transporter in its absolute discretion.

#### **16.6 Recourse to Credit Support**

Transporter may have recourse to the credit support provided by Shipper to recover:

- (a) any amounts due from Shipper to Transporter under this Agreement but unpaid by the due date and which are not paid within a further 5 Business Days after receipt by Shipper of notice from Transporter; and
- (b) any Losses suffered or incurred by Transporter (for which Shipper is liable) due to Shipper's act or omission which are not paid within 20 Business Days after notice from Transporter seeking payment of such amounts.

#### **16.7 No Injunction**

Shipper must not bring an application to injunct or otherwise seek to restrain Transporter from having recourse to the credit support provided by Shipper.

#### **16.8 Replacement/Top Up**

- (a) If due to an increase in the fixed Charges payable by Shipper over 3 Months the amount of credit support provided by Shipper is less than 90% of the new Shipper's Credit Support Amount then Transporter may require Shipper to provide new or additional credit support such that the total credit support then held by Transporter is equal to Shipper's Credit Support Amount. Shipper must provide such new or additional credit support within 10 Business Days of receipt of Transporter's notice requiring the provision of such new or additional credit support.
- (b) If Transporter draws upon credit support then Shipper must within 5 Business Days of the credit support being drawn upon provide replacement credit support to Transporter complying with the requirements of this Agreement and so that the total credit support held by Transporter is equal to Shipper's Credit Support Amount.
- (c) If:
  - (i) a provider of credit support is subject to an Insolvency Event;
  - (ii) a credit support ceases to be valid or to comply with the reasonable requirements of Transporter; or
  - (iii) the provider of the credit support claims it is not binding or valid,then that credit support will no longer be regarded as complying with the requirements of this Agreement. In such case Shipper must within 5 Business Days of the existing credit support ceasing to comply with the requirements of this Agreement, provide replacement credit support which complies with the requirements of this Agreement.
- (d) Shipper must ensure that any credit support provided by it which has an expiry date is replaced with a new valid form of credit support complying with the requirements of this Agreement not later than 10 Business Days prior to that expiry date. Transporter will release the existing credit support upon a new valid credit support being provided by Shipper, provided that upon release of such existing credit support Transporter will still hold credit support complying with the requirements (including that Transporter holds credit support equal to the Credit Support Amount) of this Agreement.

- (e) If Shipper fails to comply with clause 16.8(d) Transporter may have recourse to the existing credit support and hold any monies obtained by Transporter as security until such time as the new valid credit support is provided.

#### **16.9 Return**

- (a) If at any time the credit support held by Transporter exceeds Shipper's Credit Support Amount then Shipper may request Transporter to return the excess amount and if so Transporter will return any excess credit support then held by it unless Transporter has reasonable grounds to believe it has a claim in damages or debt against Shipper in which case Transporter may continue to hold that credit support until the claim is resolved or until Transporter ceases to have reasonable grounds to believe it has such a claim.
- (b) Upon the expiry or termination of this Agreement and Transporter receiving all payments to which it is entitled under this Agreement in immediately available funds, Transporter will return any credit support then held by it unless Transporter has reasonable grounds to believe it has a claim in damages or debt against Shipper in which case Transporter may continue to hold that credit support until the claim is resolved or until Transporter ceases to have reasonable grounds to believe it has such a claim.

#### **16.10 Cash Deposits – Specific Provisions**

- (a) Where credit support is provided to Transporter in the form of a cash deposit, then Transporter must deposit the amount in an interest bearing account maintained with such financial institution determined by Transporter. Any interest which accrues on the cash deposit shall form part of the credit support. Transporter may deduct from such interest any fees and taxes attributable to maintaining the account (and to the extent the fees and taxes exceed that amount may recover the excess from Shipper).
- (b) Nothing in this Agreement is to be taken as imposing any obligation on Transporter to maximise or obtain any return on any cash deposit amounts held by Transporter as security.

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### **17 Maintenance**

#### **17.1 Maintenance Requirements**

- (a) Transporter must use reasonable endeavours to arrange for all maintenance, repairs, testing, adding to, altering, replacing or cleaning of the Pipeline System which affects, or is likely to affect, the provision of the Haulage Service (**Maintenance Operations**) to be carried out at such times and in such a way that, having regard to the forecasts and nominations of Shipper from time to time, the Maintenance Operations will have the least amount of disruption as is practicable in the circumstances to the supply of the Haulage Service.
- (b) Where the nature or extent of any Maintenance Operations render it likely that, despite all Reasonable and Prudent efforts by Transporter, some restriction in the supply of the Haulage Service may be required, then Transporter must, to the extent practicable given the circumstances and nature of the Maintenance Operations, consult with Shipper to arrange for those Maintenance Operations to be carried out with the least amount of disruption to the Haulage Service as is practicable.

## **17.2 Forecasts of Maintenance**

- (a) Service availability information published by Transporter under Part 23 of the National Gas Rules will set out Maintenance Operations which impact the Capacity of the Pipeline System.
- (b) In addition to the information published under Part 23, Transporter will provide to Shipper each Month a quarterly rolling maintenance plan setting out any Maintenance Operations which will impact Capacity of part of the Pipeline System but which Maintenance Operations are not required to be notified under Part 23.

## **17.3 No Liability when Forecasts adhered to**

Transporter may interrupt or curtail the provision of the Haulage Service without incurring any liability under this Agreement to the extent that such interruption or curtailment was caused as a result of one of the following:

- (a) Maintenance Operations carried out in accordance with the information published by Transporter under Part 23 of the National Gas Rules;
- (b) Maintenance Operations notified to Shipper in a quarterly rolling maintenance plan provided under clause 17.2(b);
- (c) Maintenance Operations, the undertaking of which has been agreed with Shipper.

## **17.4 Maintenance Interruption outside of Forecasts**

Transporter may interrupt or curtail the provision of the Haulage Service (without liability to Shipper) to carry out Maintenance Operations to which clause 17.3 does not apply if and to the extent that:

- (a) Transporter complies with clause 17.1;
- (b) it was not reasonably practicable to include notice of those Maintenance Operations in the forecasts provided under Part 23 of the National Gas Rules or in the quarterly rolling maintenance plans; and
- (c) Transporter provides as much notice to Shipper as reasonably practicable of:
  - (i) the timing of such Maintenance Operations; and
  - (ii) the extent of any interruption or curtailment in the provision of the Haulage Service due to such Maintenance Operations.

## **17.5 Closure of Delivery Points and Receipt Points**

Transporter may close, or restrict deliveries or receipts of Gas at, a Delivery Point or Receipt Point to the extent necessary to allow Transporter to undertake Maintenance Operations in accordance with this clause 17.

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# **18 Emergencies**

## **18.1 Rights of Transporter**

Transporter will be entitled not to commence or, if commenced, will be entitled to interrupt or curtail the Haulage Service either totally or partially for any period of time which Transporter, acting Reasonably and Prudently, considers to be necessary because of an Emergency Condition.

## **18.2      *Obligations of Transporter***

Where an Emergency Condition arises, Transporter will use its reasonable endeavours:

- (a) to notify Shipper as early as practicable of its intention not to commence or, if commenced, of its intention to interrupt or curtail the Haulage Service; and
- (b) to minimise the period and extent of non-provision or interruption or curtailment of the Haulage Service.

## **18.3      *No Liability***

If Transporter fails to provide or interrupts or curtails the Haulage Service in accordance with clause 18.1, Transporter will not be liable to compensate Shipper for Losses arising as a result of that failure, interruption or curtailment unless it is caused by the negligence or default of Transporter.

## **18.4      *Compliance by Shipper***

Shipper must as soon as possible comply with any notice issued by Transporter under this clause 18 requiring Shipper to cease or limit receipt or delivery of Gas because of an Emergency Condition.

## **18.5      *Closure of Delivery Points and Receipt Points***

Transporter may close, or restrict deliveries or receipts of Gas at, a Delivery Point or Receipt Point to the extent necessary due to the occurrence of an Emergency Condition.

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# **19      *Force Majeure***

## **19.1      *Party Excused***

Non-performance as a result of Force Majeure by either party of an obligation or condition required by this Agreement to be performed:

- (a) will be excused during the time and to the extent that such performance is prevented, wholly or in part, by Force Majeure; and
- (b) will not to that extent give rise to any liability to the other party for any direct, indirect, consequential or special losses or damages of any kind arising out of, or in any way connected with, that non-performance,

but no party will be relieved by Force Majeure of any obligation to pay a sum of money under this Agreement.

## **19.2      *Obligations***

A party which is, by reason of Force Majeure, unable to perform an obligation or condition required by this Agreement to be performed will:

- (a) notify the other party as soon as possible giving:
  - (i) reasonably full particulars of the event or circumstance of Force Majeure;
  - (ii) the date of commencement of the event or circumstance and an estimate of the period of time required to enable it to resume full performance of its obligations; and

- (iii) where possible, the means proposed to be adopted to remedy or abate the Force Majeure;
- (b) use reasonable diligence and employ all reasonable means to remedy or abate the Force Majeure as expeditiously as possible provided that nothing in this clause 19 will require a party to settle a strike, lockout, ban or other industrial disturbance against its judgment;
- (c) resume performance as expeditiously as possible after termination of the Force Majeure; and
- (d) notify the other party when the Force Majeure has terminated or abated to an extent which permits resumption of performance to occur.

### **19.3 Rights of Other Party**

No event of Force Majeure affecting the performance of this Agreement by either party will operate to prevent a cause of action arising from and after the expiration of the period of time within which, by the exercise of reasonable diligence and the employment of all reasonable means, that party could have remedied the situation preventing its performance.

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## **20 Shared Receipt and Delivery Points**

### **20.1 Allocation and Flow Procedures**

- (a) Subject to this clause 20 where Shipper and other shippers use a Receipt Point or Delivery Point the Allocation Procedures applicable to that Receipt Point and Delivery Point will be those determined by Transporter acting reasonably.
- (b) **Allocation Procedures** are the procedures for allocating between shippers using a Receipt Point or Delivery Point on a Daily and hourly basis the total quantity of Gas supplied to that Receipt Point or Delivery Point.
- (c) Where all the shippers using a Receipt Point or Delivery Point agree Allocation Procedures then, if those agreed procedures are acceptable to Transporter (acting reasonably), Transporter will implement those procedures until such time a circumstance referred to in clause 20.1(d) occurs.
- (d) The circumstances referred to in clause 20.1(c) are:
  - (i) a new shipper wishes to use the Receipt Point or Delivery Point;
  - (ii) there is a change in circumstances such that the procedures cease to be acceptable to Transporter (acting reasonably); or
  - (iii) Transporter (in good faith) forms the view that operational practice has demonstrated the procedures operate in a manner which is unreasonable, unfair or unworkable to either Transporter or to one or more shippers using the Receipt Point or Delivery Point.
- (e) If Transporter ceases to implement procedures under clause 20.1(c) then clause 20.1(a) will apply until such time as Transporter agrees to implement new procedures under clause 20.1(c).

## **20.2      *Negotiation Process with Existing Shippers***

- (a)      This clause 20.2 applies to any Receipt Point or Delivery Point where Annexure 1 indicates that Allocation Procedures must be agreed before Shipper may commence use of the Receipt Point or Delivery Point.
- (b)      Where this clause 20.2 applies then Shipper may not commence use of a Receipt Point or Delivery Point until such time as Allocation Procedures have been agreed between Shipper, Transporter and the existing shippers using the Receipt Point or Delivery Point.
- (c)      Where the contractual arrangements with the existing shippers provide for a negotiation process to determine Allocation Procedures (including a dispute resolution process where the procedures cannot be agreed) Transporter will notify Shipper of that process and Transporter and Shipper must comply with that process.

## **20.3      *Consent of Existing Shippers***

- (a)      This clause 20.3 applies to any Receipt Point or Delivery Point where Annexure 1 indicates that Shipper is not able to commence use of that Receipt Point or Delivery Point until it has the consent of an existing shipper using the Receipt Point or Delivery Point or the consent of some other person who has rights in respect of the Receipt Point or Delivery Point or infrastructure downstream or upstream of that point or land on which the point is located.
- (b)      Where this clause 20.3 applies to a Receipt Point or Delivery Point Shipper may not commence use of that point until it has the consent of:
  - (i)      the relevant existing shippers at the point and has agreed with them Allocation Procedures which procedures are acceptable to Transporter acting reasonably; and
  - (ii)      any other person referred to in clause 20.3(a).
- (c)      Transporter will co-operate with Shipper to assist it obtain the consent referred to in clause 20.3(b) and to obtain agreement as to Allocation Procedures.

## **20.4      *Factors Relevant to Transporter's consent***

In determining whether Allocation Procedures are acceptable to it (acting reasonably) Transporter may (without limitation) have regard to whether:

- (a)      the procedures allocate between all shippers using the relevant Receipt Point or Delivery Point the total quantity of Gas supplied to the Receipt Point or delivered to the Delivery Point in an hour and on a Day;
- (b)      the procedures allow Transporter to undertake the allocations referred to in clause 20.4(a) within a timeframe which allows Transporter to provide services and information in accordance with its contractual obligations to shippers and at law and within a timeframe which is otherwise consistent with maintaining the operational integrity of the Pipeline System and the PCA Pipeline System;
- (c)      the procedures expose Transporter to any unreasonable risks;
- (d)      the procedures are consistent with the requirements of any relevant Interface Parties; and
- (e)      the procedures are consistent with any applicable Law.



## **20.5 Disputes Over Allocation Procedures**

Where there is a dispute over the application of Allocation Procedures at a Delivery Point or Receipt Point then that dispute will be resolved by an Independent Expert in accordance with clause 23.5 to 23.13 but with the application of that clause modified as required to enable all shippers using the Delivery Point or Receipt Point to be party to the dispute (such that each such shipper, Shipper and Transporter will be treated as a party). However if a Foundation Shipper is party to the dispute then the application of clauses 23.5 to clause 23.13 will be modified as follows:

- (a) the second sentence of clause 23.5 will be amended to read: "If the parties are unable to agree upon an Independent Expert within this time period, then either party may ask the President of the Institute of Engineers Australia to appoint a suitably qualified person as the Independent Expert."; and
  - (b) clause 23.11 will not apply.
- 

## **21 Liability**

### **21.1 Transporter Liability Caps**

- (a) Transporter's maximum aggregate liability to Shipper (whether for breach of contract, in tort (including negligence) or on any other basis whatsoever), for any one event or any series of events occurring within a Day relating to or in connection with the Haulage Service or otherwise in connection with this Agreement (including without limitation all failures to deliver Gas) will be limited to the amount equal to 0.3 multiplied by the Fixed Monthly Charge applicable as at the relevant Day.
- (b) Transporter's maximum aggregate liability to Shipper under this Agreement (whether for breach of contract, in tort (including negligence) or on any other basis whatsoever) for all events, acts or omissions occurring during a Year (including without limitation all failures to deliver Gas during the Year) will be limited to the amount equal to 1.2 multiplied by the Fixed Monthly Charge applicable as at the first Day of the Year.
- (c) Except as otherwise provided in any PCA Transportation Agreement to which Shipper is party, Transporter has no liability to Shipper for failure to receive Gas from, or deliver Gas to, Shipper under this Agreement where that failure is caused by Transporter's failure to deliver:
  - (i) a quantity of Gas to Shipper in accordance with the terms of Shipper's PCA Transportation Agreement (but only to the extent Shipper intended to obtain transportation of that quantity of Gas under this Agreement); or
  - (ii) a quantity of Gas to another PCA Shipper in accordance with the terms of that PCA Shipper's PCA Transportation Agreement (but only to the extent Shipper intended to take delivery of that Gas from that PCA Shipper for transportation by Shipper under this Agreement).
- (d) Transporter will have no liability for any failure to deliver a quantity of Gas to Shipper at a Delivery Point or receive a quantity of Gas from Shipper at a Receipt Point if that failure is the result of an Interface Party (operating gas infrastructure downstream of that Delivery Point or upstream of that Receipt Point):
  - (i) notifying Transporter that it will not accept delivery of, or supply, that Gas; or

- (ii) closing, or restricting deliveries or supplies of Gas at, that Delivery Point or Receipt Point,

unless the Interface Party's refusal to take delivery of, or supply, Gas or closure of, or restriction of Gas at, the Delivery Point or Receipt Point was as a result of:

- (iii) Transporter's negligence; or
  - (iv) Transporter's breach of that Interface Agreement (but excluding breaches resulting from a failure of Shipper to comply with the requirements of this Agreement).
- (e) Transporter is not liable for a failure to comply with this Agreement where that failure was caused by another shipper's or PCA Shipper's negligence, breach of its Transportation Agreement or PCA Transportation Agreement, breach of a Law or intentional misconduct.
  - (f) Clause 21.1(e) does not apply if and to the extent that had Transporter acted as a Reasonable and Prudent operator it would have been able to comply with this Agreement despite the act or omission of the relevant shipper.
  - (g) Transporter is not liable to Shipper (whether for breach of contract, in tort (including negligence) or on any other basis whatsoever) for any Consequential Loss.
  - (h) The limitations on Transporter's liability in this clause 21.1 do not apply to Losses arising due to Transporter's Wilful Misconduct.

## **21.2 Shipper's Liability**

- (a) Shipper must indemnify Transporter and keep Transporter indemnified against:
  - (i) any liability incurred by Transporter to another shipper, PCA Shipper or Interface Party; and
  - (ii) all costs incurred by Transporter in defending a claim against Transporter by another shipper, PCA Shipper or Interface Party,which liability or claim arises due to Shipper's breach of this Agreement or negligence.
- (b) Clause 21.2(a) does not apply to Losses which Transporter would have avoided had Transporter complied with its obligation under this Agreement to act as a Reasonable and Prudent operator.
- (c) Shipper's maximum liability to Transporter for a breach of this Agreement or negligence in connection with this Agreement will be limited, for any one event, or series of events occurring within a Day, to the amount equal to 0.3 multiplied by the Fixed Monthly Charge applicable as at the relevant Day.
- (d) Shipper's maximum liability to Transporter for a breach of this Agreement or negligence in connection with this Agreement will be limited, for any one event, or series of events occurring within a Year, to the amount equal to 1.2 multiplied by the Fixed Monthly Charge applicable as at the first Day of the Year.
- (e) Clause 21.2(c) and clause 21.2(d) do not limit Shipper's liability:
  - (i) to pay any Charge under this Agreement;
  - (ii) pursuant to any indemnity given by Shipper under this Agreement;

- (iii) for any Losses suffered by Transporter where Transporter terminates this Agreement due to Shipper's breach of this Agreement;
- (iv) for any Losses arising due to Shipper's Wilful Misconduct.

### **21.3 Third Party Claims Indemnity**

- (a) Subject to clause 21.3(c), Shipper must indemnify and keep indemnified Transporter for all liability incurred by Transporter to Identified Third Parties which liability arises by reason of, or in connection with:
  - (i) a failure by Transporter to deliver Gas to Shipper under this Agreement; or
  - (ii) a failure by Transporter to deliver Gas complying with the Gas Specification to Shipper under this Agreement.
- (b) An **Identified Third Party** means:
  - (i) a Related Body Corporate of Shipper;
  - (ii) any person with whom Shipper enters into an agreement pursuant to which Shipper uses its rights under this Agreement to provide services in respect of the Pipeline System to that person; and
  - (iii) any person who owns or operates facilities or infrastructure at a site to which Gas is delivered by Transporter to Shipper which facilities or infrastructure use or consume the Gas delivered by Transporter to that site (or a Related Body Corporate of any such person).
- (c) Clause 21.3(a) does not apply to:
  - (i) liability which arises due to Transporter's Wilful Misconduct; or
  - (ii) liability incurred by Transporter to an Interface Party as a result of Transporter's breach of its Interface Agreement with that Interface Party.

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## **22 Suspension, Default and Termination**

### **22.1 Suspension**

- (a) Transporter may suspend the provision of the Haulage Service to Shipper:
  - (i) if the insurance required by clause 16.2 is not in place, in which case Transporter may suspend the Haulage Service until such time as that insurance is put in place;
  - (ii) if credit support required by clause 16 is not in place, in which case Transporter may suspend the Haulage Service until such time as that credit support is put in place in accordance with that clause 16;
  - (iii) if Shipper fails to pay any amount due under this Agreement by the due date (other than amounts validly withheld under clause 14.2) and fails to remedy that default within 7 days of notice from Transporter, in which case Transporter may suspend the Haulage Service until Shipper pays the amount due plus any accrued interest;
  - (iv) if Shipper shows a repeated disregard of its obligations under this Agreement relating to imbalance, unauthorised overrun, gas specification, or any other

obligations breach of which poses a material threat to the operational integrity of the Pipeline System or PCA Pipeline System, in which case Transporter may suspend the Haulage Service until Shipper satisfies Transporter that Shipper will be able to and will endeavour to comply with such obligations;

- (v) if Shipper is subject to an Insolvency Event, in which case Transporter may (to the extent permitted by Law) suspend the Haulage Service until the impact of the Insolvency Event upon Shipper's ability to perform its obligations under this Agreement is remedied to Transporter's reasonable satisfaction.
- (b) No suspension of the Haulage Service by Transporter under this clause 22.1 relieves Shipper of its payment obligations.

## **22.2 Termination by Transporter**

Transporter may by notice to Shipper terminate this Agreement with immediate effect if:

- (a) a suspension under clause 22.1(a)(i), clause 22.1(a)(ii) or clause 22.1(a)(iii) continues for more than 14 days;
- (b) a suspension under clause 22.1(a)(iv) continues for more than 30 days;
- (c) if Shipper fails to pay any amount due under this Agreement by the due date (other than amounts validly withheld under clause 14.2) and fails to remedy that default within 21 days of notice from Transporter;
- (d) Shipper commits a material breach of this Agreement (other than a failure to pay amounts due or being subject to an Insolvency Event) and fails to remedy that breach to the reasonable satisfaction of Transporter within 21 days of receipt of notice from Transporter of the breach; or
- (e) Shipper is subject to an Insolvency Event and the impact of the Insolvency Event upon Shipper's ability to perform its obligations under this Agreement is not remedied to Transporter's reasonable satisfaction within 21 days (and Transporter is not restrained by any Law from exercising that right of termination for an Insolvency Event).

The termination rights in clause 22.2(c) to 22.2(e) apply irrespective of whether Transporter elected to exercise suspension rights under clause 22.1.

## **22.3 Termination by Shipper**

Shipper may by notice to Transporter terminate this Agreement if:

- (a) Transporter fails to pay an amount due under this Agreement to Shipper by the due date for payment of that amount (but excluding any amount the liability for payment of which is subject to a genuine unresolved dispute) and does not correct that failure within 21 days of receipt of notice from Shipper; or
- (b) Transporter is subject to an Insolvency Event and the impact of the Insolvency Event upon Transporter's ability to perform its obligations under this Agreement is not remedied to Shipper's reasonable satisfaction within 21 days (and Shipper is not restrained by any Law from exercising that right of termination for an Insolvency Event).

## **22.4 Insolvency Event**

Each party must ensure it is not subject to an Insolvency Event.

## **22.5      *Delivery Failures***

- (a)      Where in any rolling 12 Month period Transporter, due to Transporter's breach of this Agreement, delivers to Shipper less than 80% of the quantity of Gas which Transporter is required to deliver to Shipper during that period pursuant to the Haulage Service, Shipper may, within 10 Business Days of the expiration of that period, by 10 Business Days' notice to Transporter terminate this Agreement.
- (b)      For the purposes of clause 22.5(a), where Transporter notifies Shipper more than 15 hours prior to a Day that Transporter is not able to deliver to Shipper on that Day a quantity of Gas equal to the total quantity of Gas which Shipper is entitled to nominate and have scheduled for delivery on that Day under Schedule 1, Transporter will be deemed to have failed to deliver a quantity of Gas to Shipper on that Day equal to that quantity Transporter notifies Shipper it is unable to deliver (in addition to any other Gas which Transporter fails to deliver to Shipper on that Day).

## **22.6      *Termination for Extended Force Majeure***

- (a)      Where, due to the effects of an event of Force Majeure, Transporter, during a period of 18 consecutive Months, delivers to Shipper less than 50% of the quantity of Gas (complying with the Gas Specification) which Transporter is required to deliver to Shipper under this Agreement pursuant to the Haulage Service during that 18 Month period (but for the occurrence of that event of Force Majeure), then either party may, while non-performance of Transporter's obligations under this Agreement continues, terminate this Agreement without further liability by giving a notice to that effect to the other party. Any such termination will not prejudice any rights which have accrued prior to the date of termination.
- (b)      For the purposes of clause 22.6(a), where Transporter notifies Shipper more than 15 hours prior to a Day that Transporter is not able to deliver to Shipper on that Day a quantity of Gas equal to the total quantity of Gas which Shipper is entitled to nominate and have scheduled for delivery on that Day under Schedule 1, Transporter will be deemed to have failed to deliver a quantity of Gas to Shipper on that Day equal to that quantity Transporter notifies Shipper it is unable to deliver (in addition to any other Gas which Transporter fails to deliver to Shipper on that Day).

## **22.7      *No Common Law Termination Rights***

Any common law rights to terminate this Agreement are excluded.

## **22.8      *Effect of Expiration or Termination***

- (a)      The expiry or termination of this Agreement is without prejudice to the accrued rights of the Parties as at the date of expiration or termination.
- (b)      Clauses 14, 15, 21, 23, 25, 26, 29 and this clause 22 survive the expiration or termination of this Agreement as do any other clauses which of their nature are intended to survive, or which evidence an intention to survive, termination or expiration. Clause 25 will cease to apply as from the fifth anniversary of the expiration or termination of this Agreement.

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## **23 Dispute Resolution**

### **23.1 Limitation on Legal Proceedings**

Except where a Party, in good faith, considers it necessary to seek urgent relief to preserve its position and subject to clause 23.13, a party may only commence legal proceedings in respect of a dispute relating to this Agreement (**Dispute**) if it has complied with the procedures in this clause 23.

### **23.2 Notice of Dispute**

If a Dispute arises between the parties, a party may give notice to the other party specifying in reasonable detail the nature of the Dispute. During the 21 day period following the service of that notice (or such longer period as the parties may agree) the parties must use their respective reasonable endeavours to resolve the Dispute.

### **23.3 Proceedings**

If the parties have not resolved the Dispute within the period specified in clause 23.2 then either party may:

- (a) if the Dispute is a Financial Dispute or Technical Dispute, refer the matter to resolution by an expert (**Independent Expert**); and
- (b) otherwise, commence court proceedings in respect of the Dispute.

### **23.4 Meaning of Financial Dispute or Technical Dispute**

- (a) A Financial Dispute is a Dispute as to whether an invoice under this Agreement has been calculated correctly and which Dispute does not require a determination to be made as to a disagreement between the Parties as to the correct construction of this Agreement.
- (b) A Technical Dispute is a Dispute whose resolution primarily depends on matters of engineering or mathematical expertise and which Dispute does not require a determination to be made as to a disagreement between the Parties as to the correct construction of this Agreement.

### **23.5 Reference to Independent Expert**

If either party refers a Dispute to resolution by an Independent Expert then the parties must endeavour to agree upon an Independent Expert within 21 days of the service of the notice. If the parties are unable to agree upon an Independent Expert within this time period, then either party may ask the Resolution Institute to appoint a suitably qualified person as the Independent Expert. Immediately upon the appointment of the Independent Expert the Dispute will be referred to the Independent Expert.

### **23.6 Qualifications of Independent Expert**

An Independent Expert must not (unless otherwise agreed):

- (a) be an officer or employee, or former officer or employee, of a party or a Related Body Corporate of a party; nor
- (b) at the time of appointment, have any financial relationship or other direct or indirect association with a party which might jeopardise the Independent Expert's impartiality.

### **23.7 *Presentation of Evidence***

Each party:

- (a) will be entitled to produce to the Independent Expert any materials or evidence which that party believes is relevant to the Dispute;
- (b) will make available to the Independent Expert all materials requested by him or her and all other materials which are relevant to his or her determination; and
- (c) may be represented by a legal representative (or any other person nominated by the party) before the Independent Expert.

### **23.8 *Role of Independent Expert***

The Independent Expert will:

- (a) act as an expert and not as an arbitrator;
- (b) not be bound by the rules of evidence; and
- (c) have the power to inform himself or herself independently as to the facts to which the Dispute relates and to take such measures as he or she thinks fit to expedite the determination of the Dispute.

### **23.9 *Determination***

The Independent Expert will make a determination on the Dispute and will determine what, if any, adjustments may be necessary between the parties. The determination of the Independent Expert will be, in the absence of manifest error of fact or error of law, final and binding upon the parties.

### **23.10 *Costs***

To the extent permitted by law the costs of the Independent Expert will be dealt with as follows:

- (a) unless the parties otherwise agree, the Independent Expert will determine which party will bear the costs of the determination (including, without limitation, the remuneration of the Independent Expert), and in what proportion, having regard to the degree to which he or she considers that party was at fault or unreasonable in failing to agree to the matter under reference, and that party will bear those costs accordingly; and
- (b) the parties will bear their own costs incurred in the preparation and presentation of any submission or evidence to the Independent Expert.

### **23.11 *Resolution Institutes Rules***

Except to the extent inconsistent with this clause 23, the resolution of a Dispute by an Independent Expert will be governed by the "Expert Determination Rules" of the Resolution Institute.

### **23.12 *Obligations not Affected***

During the period of any resolution of a Dispute by an Independent Expert in accordance with this clause 23, the parties must continue to perform their obligations under this Agreement.

### **23.13 *Injunctive or Declaratory Relief***

Nothing in this clause 23 will prevent a party from seeking injunctive or declaratory relief from a court.

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## 24 **Novation**

### **24.1 Dealings by Shipper**

- (a) Shipper may only assign, novate or otherwise transfer its rights and obligations under this Agreement if it has the prior written consent of Transporter.
- (b) Transporter will not unreasonably withhold or delay its consent under clause 24.1(a) or give such consent on unreasonable conditions.

### **24.2 Dealings by Transporter**

- (a) Transporter may only assign, novate or otherwise transfer its rights and obligations under this Agreement if it has the prior written consent of Shipper.
- (b) Shipper will not unreasonably withhold or delay its consent under clause 24.2(a) or give such consent on unreasonable conditions.

### **24.3 Transfer of Partnership Interests**

- (a) Notwithstanding anything to the contrary in this Agreement, a partner in the SEA Gas Partnership ABN 81 366 072 976 may at any time, by notice to Shipper, assign or transfer all or part of its right, title and interest under this Agreement to another partner in the SEA Gas Partnership.
- (b) A partner who assigns or transfers all of its rights, title and interest under this Agreement in accordance with clause 24.3(a) will be released from all obligations under this Agreement which accrue after the date of the assignment.

### **24.4 Assignment As Security**

Despite any other provision of this Agreement, Transporter (and any one or more of the partners in the SEA Gas Partnership ABN 81 366 072 976) is entitled to mortgage, pledge, charge or otherwise encumber its rights and interest in, to and under this Agreement. Subject to compliance with this clause 24, a mortgagee, chargee, receiver or controller is free to transfer, assign, novate or otherwise dispose of such rights and interests to a reputable and solvent person with the financial and technical capacity to perform Transporter's obligations under this Agreement on enforcement of any such security granted pursuant to this clause 24.4.

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## 25 **Confidentiality**

### **25.1 Confidential Information**

Each party will treat and keep confidential all information disclosed to that party, under this Agreement, pursuant to the transactions contemplated by this Agreement or during the negotiations preceding the execution of this Agreement by the other party, (**Confidential Information**) irrespective of the form in which that information was provided.

### **25.2 Permitted Disclosure**

- (a) Despite clause 25.1, Confidential Information may be disclosed by a party receiving that information in the following circumstances:



- (i) to its employees, its professional advisers or its financiers who require that information for the purpose of carrying out the functions assigned to them by the party;
  - (ii) to its insurers;
  - (iii) with the consent of the party who provided the information, which consent may not be unreasonably withheld;
  - (iv) where the information was already known to it at the time it received it in the manner contemplated by clause 25.1;
  - (v) the information is known publicly other than as a consequence of a breach of clause 25.1 by that party;
  - (vi) to a bona fide prospective purchaser of its share capital or of any relevant part of its business undertaking;
  - (vii) when required by Law or by the requirements of any stock exchange on which the shares of the party or any of its Related Bodies Corporate are listed;
  - (viii) in connection with the refinancing of any debt of that party;
  - (ix) to any Related Body Corporate (as defined in the Corporations Act);
  - (x) as necessary to enable a party to claim force majeure under another contract or to enable a party to deal with any claim that it is in breach of another contract;
  - (xi) as required by Transporter to discharge its obligations under another Transportation Agreement, PCA Transportation Agreement or Interface Agreement;
  - (xii) disclosure as required under the Foundation Shipper Agreement;
  - (xiii) to persons upstream and downstream of Receipt Points and Delivery Points as required to co-ordinate receipt and delivery of Gas; and
  - (xiv) as required to discharge a party's obligations under this Agreement or to exercise its rights under this Agreement.
- (b) Except in the case of clause 25.2(a)(iii), clause 25.2(a)(iv), clause 25.2(a)(v) and clause 25.2(a)(vii), a party disclosing Confidential Information under this clause 25.2 must use its reasonable endeavours to ensure that the persons to whom it discloses that information undertake to keep the information confidential.

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## **26 Notices**

### **26.1 Form of Notices**

Except where otherwise provided in this Agreement, any notice or other communication required of a party by this Agreement:

- (a) must be in writing in English; and
- (b) must be sent by priority post or email, or delivered, to the address or email of the recipient, and sent to the attention of the recipient's contact, each as set out in the Agreement Details.

A party may replace its address and other details for receipt of communications set out in the Agreement Details by giving not less than 5 Business Days' notice to the other party.

### **26.2 Email communications**

Any communication required by this Agreement that is sent by email must be in a format (such as a scanned pdf) that is an accurate and legible image of the original of the communication including the signature. Each such communication must be attached to an email that states that the attachment is a communication under this Agreement. The party sending the communication by email must maintain an electronic or printed copy of the email and the attached communication.

### **26.3 Time of receipt**

Subject to clause 26.4, a notice or other communication will be taken to be received:

- (a) if hand-delivered, at the time of delivery;
- (b) if sent by pre-paid priority post, three days after the date of posting;
- (c) if sent by email, at the time determined in accordance with the *Electronic Communications Act 2000* (SA).

However if due to this clause 26.3 a communication (including an email) would be taken to be received on a day that is not a Business Day, or after 5.00pm on a Business Day, the communication is taken to have been received at 9.00 am on the first Business Day after that day.

### **26.4 Operational Notices**

- (a) Operational notices must be sent by the Electronic Communications System or by email sent to the email address notified by Transporter (for notices sent to Transporter) and by Shipper (for notices sent to Shipper) from time to time. Such emails take effect when actually received.
- (b) Operational notices means notices relating to nominations, scheduling, Off Specification Gas and interruptions and curtailments and such other day to day operational matters nominated by Transporter (acting reasonably) from time to time.
- (c) An Operational notice given via the Electronic Communications System takes effect when it is posted on the Electronic Communications System.

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## 27 **Operator**

### 27.1 ***Appointment of Operator***

Transporter may, by notice to Shipper, appoint an operator to administer Transporter's obligations under this Agreement on behalf of Transporter (**Operator**).

### 27.2 ***Effect of Appointment***

Where an Operator is appointed by Transporter:

- (a) to the extent specified in the contractual arrangements between Transporter and the Operator, the Operator will perform Transporter's obligations under this Agreement on behalf of Transporter;
- (b) all notices and other communications required to be given or made by Transporter under this Agreement may be made or given on behalf of Transporter by the Operator (except for any notices or communications which Transporter notifies Shipper in writing that the Operator is not permitted to issue on behalf of Transporter);
- (c) all notices and communications issued by the Operator in accordance with clause 27.2(b) will be deemed to have been fully and effectually given for all purposes of this Agreement as if given by Transporter and Shipper may rely on all such notices and communications as though they were issued by Transporter; and
- (d) all notices and other communications required to be made or given by Shipper will, except to the extent otherwise notified by Transporter to Shipper, be sent to the Operator at the address notified to Shipper by Transporter or the Operator, but Shipper must also provide a copy of any notices issued by Shipper under clauses 22, 23 and 24 to Transporter (at such address notified to Shipper under clause 26).

### 27.3 ***Revocation of Appointment***

Transporter may, by notice to Shipper, revoke the appointment of an Operator (or amend the scope of an Operator's appointment) but any such revocation does not prevent Transporter appointing a subsequent Operator under clause 27.1.

### 27.4 ***No relief from Obligations***

The appointment of an Operator does not relieve Transporter from any of its obligations under this Agreement.

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## 28 **Change in Law**

- (a) If due to a Change in Law relating to the gas transportation market this Agreement (in the reasonable opinion of Transporter) is not capable of operating consistently with the varied regulatory environment for gas transportation, then Transporter may submit to Shipper its proposed reasonable changes to this Agreement to enable this Agreement to operate consistently with the varied regulatory environment.
- (b) A notice may be given under clause 28.3(a) if the final form of a Change in Law has been announced even if it has not yet taken effect.
- (c) This Agreement will be taken to be amended in accordance with the changes proposed by Transporter with effect from the later of 30 days after the change is notified to Shipper and

the date the relevant Change in Law takes effect unless during the 30 day period Shipper notifies Transporter that it objects to the change on the basis no reasonable transporter would have proposed such change. Such objection must outline the specific objections Shipper has to the proposed change and the modifications Shipper considers should be made to it so as to ensure that it represents changes which would made by a reasonable transporter.

- (d) Upon receipt of Shipper's notice Transporter must serve a notice on Shipper which does one of the following:
  - (i) modifies Transporter's proposal to give effect to Shipper's comments; or
  - (ii) notifies Shipper that Transporter will not modify its proposed changes, because Transporter considers the changes Transporter has proposed comply with clause 28.3(a); or
  - (iii) proposes a revised form of the changes.
- (e) If Transporter serve a notice under clause 28.3(d)(i) then this Agreement will be taken to be amended in accordance with Transporter's modified proposal as from the later of when Transporter serves its notice and when the relevant Change in Law takes effect.
- (f) If Transporter serves a notice under clause 28.3(d)(ii) or clause 28.3(d)(iii) then this Agreement will be taken to be amended to give effect to the changes proposed by Transporter from the later of when Transporter serves its notice and when the relevant Change in Law takes effect unless Shipper notifies Transporter within 14 days of receipt of Transporter's notice that it continues to object to the proposed changes and refers the matter to independent expert dispute resolution under clause 23.
- (g) If a dispute is referred to an independent expert then the Independent Expert will determine whether the changes proposed by Transporter reflect those which would be proposed by a reasonable transporter.
- (h) If the Independent Expert determines the changes proposed by Transporter reflect those which would be proposed by a reasonable transporter then this Agreement will be taken to be amended to give effect to those changes from the later of the date of the Independent Expert's determination and the date the relevant Change in Law takes effect.
- (i) If the Independent Expert determines the changes proposed by Transporter do not reflect those which would be proposed by a reasonable transporter then the changes proposed by Transporter will not take effect, but Transporter may submit under this clause 28.3 a revised form of proposed changes to reflect the Change in Law (and this clause 28.3 will apply to those revised changes).
- (j) This clause 28.3 does not limit the scope of clause 28.1 or clause 28.2.

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## 29 **Miscellaneous**

### **29.1 *Governing Law***

This Agreement is governed by the law of South Australia. The parties submit irrevocably and unconditionally to the jurisdiction of the courts of that State and the courts of the Commonwealth of Australia. The parties waive any objection they might have to any action in these courts and any right to claim that any action in these courts has been brought in an inconvenient forum or that these courts do not have jurisdiction.

**29.2      *No Waiver***

If either party fails to insist on strict performance of any of the terms and conditions of this Agreement that failure will not be treated as a waiver of any rights or remedies that party may have in connection with any subsequent non-performance. The right of either party to insist on strict performance of this Agreement will not be affected by any previous waiver or course of dealing.

**29.3      *Further Assurances***

Each party must, at its own expense, do all that is reasonably necessary to give effect to this Agreement.

**29.4      *Counterparts***

This Agreement may be executed in counterparts, each of which will be treated as an original, but which will constitute one and the same instrument.

**29.5      *Entire Agreement***

This Agreement is the entire agreement between the parties as to its subject matter. It supersedes all prior agreements, representations, conduct and understandings. The parties acknowledge that they have not relied on any representation or conduct in deciding whether to enter into this Agreement, other than as expressly set out in this Agreement.

**29.6      *Amendments***

Except where expressly provided in this Agreement to the contrary, no amendment of, nor addition to, this Agreement is binding unless it is in writing and executed by the parties to this Agreement.

**29.7      *Costs***

Each party will bear its own legal and other costs and expenses incurred in connection with the negotiation, preparation and execution of this Agreement.

**29.8      *Warranties***

Each party represents and warrants to the other that:

- (a) it is a corporation validly existing under the laws of its place of incorporation;
- (b) it is empowered to enter into and perform its obligations under this Agreement;
- (c) it has taken all necessary action to authorise the entry into and performance of this Agreement;
- (d) this Agreement is valid and binding on it and enforceable against it in accordance with its terms, subject to any necessary stamping and registration and to laws affecting contracting parties' rights generally; and
- (e) the execution and performance of this Agreement by it will not result in it violating, in any respect, a provision of a law or treaty or a judgment, ruling, order or decree of a Government Agency binding on it.

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## **30 Interpretation**

### **30.1 Standards**

Terminology used in this Agreement to describe units will, unless otherwise stated or otherwise agreed, be in accordance with Australian Standard AS1000-1979 "The International System of Units (SI System) and Its Application", the Commonwealth National Measurement Act 1960 and the regulations under that Act, Australian Standard AS1376-1973 "Conversion Factors" and the Australian Gas Association publication "Metric Units and Conversion Factors for Use in the Australian Gas Industry".

### **30.2 Shipper**

References in this Agreement to Shipper supplying Gas to Transporter at the Receipt Points and taking delivery of Gas from Transporter at the Delivery Points include, where the context permits, Gas supplied or taken (as applicable) by or on behalf of Shipper.

### **30.3 Quantities**

References in this Agreement to quantities of Gas being supplied at the Receipt Points or delivered at the Delivery Points are references to, unless the context otherwise requires, quantities so supplied or delivered under this Agreement.

### **30.4 Part Years and Part Months**

- (a) Where it is necessary under this Agreement to make a calculation by reference to part of a Year or to a Year which is less than 12 consecutive Months, the part or the number of days in that Year (as applicable) will be the portion that the number of whole days in the relevant period bears to 365 (or 366 in a leap year).
- (b) Where it is necessary under this Agreement to make a calculation by reference to part of a Month or to a Month which contains less than the number of days of the calendar month in which that Month falls, the part or the number of days in that Month (as applicable) will be the portion that the number of whole days in that Month bears to the number of days of the calendar month in which that Month falls.

### **30.5 Calculations**

- (a) Subject to clauses 30.5(b) to 30.5(c), the final result of any numerical calculation that results in more than 5 decimal places must be rounded to 5 decimal places by being rounded up, if the decimal place following the fifth decimal place is greater than or equal to 5, and rounded down, if the decimal place following the fifth decimal place is less than 5.
- (b) The final result of any numerical calculation of a quantity of Gas must be rounded to the nearest GJ (with amounts greater than or equal to 0.5GJ being rounded up).
- (c) The final result of any numerical calculation of a dollar amount to be paid by a party to this Agreement will be rounded to the nearest cent by being rounded up, if the third decimal place is greater than or equal to 5, and rounded down, if the third decimal place is less than 5.

### **30.6 Body of this Agreement**

A reference to the body of this Agreement is to those parts of this Agreement other than the Schedules and Annexures.

### **30.7 Headings**

Any heading, index, table of contents or marginal note is for convenience only and does not affect the interpretation of this Agreement.

### **30.8 Time**

In this Agreement all references to time are to Australian Eastern Standard Time (and not adjusted for daylight saving time in any jurisdiction).

### **30.9 General Interpretation Provisions**

In this Agreement, the following rules of interpretation apply unless a contrary intention appears.

- (a) The singular includes the plural and vice versa and a reference to a gender includes all other genders.
- (b) A person includes an individual, body corporate, firm, partnership, joint venture, unincorporated body and Government Agency.
- (c) A reference to:
  - (i) a person includes that person's successors, permitted substitutes and permitted assigns;
  - (ii) a clause, schedule, attachment, annexure or exhibit is to a clause of, or a schedule, attachment, annexure or exhibit to, this Agreement;
  - (iii) this Agreement or another document includes this Agreement or that document as amended, varied, supplemented, novated or replaced from time to time and any schedule, attachment, annexure or exhibit to that document;
  - (iv) legislation or a provision of legislation includes all regulations, orders or instruments issued under that legislation or provision and any modification, consolidation, amendment, re-enactment, replacement or codification of such legislation or provision;
  - (v) "include", "including" and "for example", and similar expressions, when introducing a list of items, does not limit the meaning of the words to which the list relates to those items or to items of a similar kind;
  - (vi) dollars or \$ is to Australian dollars; and
  - (vii) writing includes any mode of representing or reproducing words in tangible and permanently visible form.
- (d) Where a word or expression is defined or given meaning, another grammatical form has a corresponding meaning.
- (e) A provision of this Agreement must not be construed to the disadvantage of a party merely because that party was responsible for the preparation of this Agreement or the inclusion of the provision in this Agreement.
- (f) Where a payment under this Agreement falls due on a day which is not a Business Day, that payment will be due on the next succeeding Business Day.

- (g) A period of time:
- (i) expressed to commence before or after a given day, or before or after the day of an act or event, is to be calculated exclusive of that day; and
  - (ii) a period of time expressed to commence on a given day, or on the day of an act or event, is to be calculated inclusive of that day.



## Execution

**EXECUTED** as an agreement

**Executed** by **South East Australia Gas Pty Ltd** by its  
duly appointed officer in the presence of:

---

Witness signature

---

Officer signature

---

Witness full name  
(BLOCK LETTERS)

---

Officer full name and title  
(BLOCK LETTERS)

**Executed** by **[shipper]** in accordance with  
section 127 of the *Corporations Act 2001* (Cth) by:

---

Director signature

---

Director/Secretary signature

---

Director full name  
(BLOCK LETTERS)

---

Director/Secretary full name  
(BLOCK LETTERS)

## Schedule 1 – Second Tier Firm Haulage Service

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### 1 Definitions and interpretation

#### 1.1 Definitions

In this Schedule 1 unless a contrary intention appears:

- (a) **Daily Eastern Capacity** means, for a Day, the capability of the Pipeline System (as measured in TJ/Day) to transport Gas in an Easterly Direction as determined by Transporter acting as a Reasonable and Prudent operator.

**Daily Western Capacity** means, for a Day, the capability of the Pipeline System (as measured in TJ/Day) to transport Gas in a Westerly Direction as determined by Transporter acting as a Reasonable and Prudent operator.

**Exchange Trade** is defined in clause 5.

**Net Daily Eastern Capacity** is defined in clause 3.1(a).

**Net Daily Western Capacity** is defined in clause 3.1(c).

**Net Delivery Point Capacity** means, for a Day and a Delivery Point, the maximum quantity of Gas which may be delivered to that Delivery Point (as determined by Transporter acting as a Reasonable and Prudent operator) on that Day having regard to:

- (i) the physical capacity of that Delivery Point; and
- (ii) the quantity of Gas to be supplied to that Delivery Point by shippers using the Delivery Point as a receipt point on that Day,

less any part of that quantity of Gas capable of delivery which is required to meet the requirements of the Foundation Shippers.

**Net Receipt Point Capacity** means, for a Day and a Receipt Point, the maximum quantity of Gas which may be supplied to that Receipt Point (as determined by Transporter acting as a Reasonable and Prudent operator) on that Day having regard to:

- (i) the physical capacity of that Receipt Point; and
- (ii) the quantity of Gas to be delivered to that Receipt Point by shippers using the Receipt Point as a delivery point on that Day,

less any part of that quantity of Gas capable of being supplied which is required to meet the requirements of the Foundation Shippers.

#### 1.2 Interpretation

In this Schedule 1 references to clauses are to clauses of this Schedule 1 unless a contrary intention appears.

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### 2 Provision of Haulage Service

- (a) The parties agree that Transporter will make available to Shipper in accordance with the terms of this Schedule 1 the Haulage Service on each Day of the Term.
- (b) The **Haulage Service** consists of:

- (i) the receipt by Transporter on a Day of Shipper's Gas at the Receipt Points in a quantity not exceeding the MDQ;
  - (ii) the transportation through the Pipeline System of that quantity of Shipper's Gas without interruption or curtailment, except as is expressly permitted under the terms of this Agreement; and
  - (iii) the delivery by Transporter to Shipper at the Delivery Points on that Day of a quantity of Shipper's Gas not exceeding the MDQ less the quantities of Gas required to be provided by Shipper on that Day on account of System Use Gas and Heater Fuel Gas.
- (c) The provision of the Haulage Service on a Day:
  - (i) is subject to there being sufficient pressure differential between the pressure at the Receipts Points at which Shipper wishes to supply Gas and the pressure at the Delivery Points at which Shipper wishes to take delivery of Gas on that Day to allow the transportation of Gas from the Receipts Points to the Delivery Points; and
  - (ii) may, on a Day, be dependent upon the quantity of Gas nominated by shippers for transportation through the Pipeline System in a reverse direction to the direction in which Shipper has nominated Gas for transportation; and
  - (iii) is subject to there being sufficient Capacity available on a Day to provide the Haulage Service after the requirements of the Foundation Shippers have been satisfied.
- (d) Shipper acknowledges that the effect of clause 2(c) is that, irrespective of the Daily Capacity Entitlement or MDQ of Shipper for a Day, Transporter may be unable to deliver Gas to Shipper at a Delivery Point if:
  - (i) there is insufficient pressure differential between that Delivery Point and the Receipt Points at which Shipper wishes to supply Gas on that Day;
  - (ii) insufficient quantities of Gas have been supplied by other shippers to that Delivery Point on a Day; or
  - (iii) there is insufficient Capacity available to deliver Gas after the requirements of the Foundation Shippers have been satisfied.
- (e) The Haulage Service may be interrupted or curtailed by Transporter without liability where:
  - (i) necessitated by the factors referred to in clause 2(c);
  - (ii) required to enable the provision of services to the Foundation Shippers;
  - (iii) an event of Force Majeure affects Transporter's ability to provide the Haulage Service;
  - (iv) Transporter is permitted to interrupt or curtail the provision of the Haulage Service under clause 17 or clause 18 of the body of this Agreement;
  - (v) an act or omission of Shipper in breach of this Agreement (or which would constitute a breach of this Agreement but for clause 19 of the body of this Agreement) prevents Transporter from providing the Haulage Service;

- (vi) such interruption or curtailment occurs in circumstances where Transporter is expressly permitted by a provision of this Agreement to interrupt or curtail the provision of the Haulage Service.

---

### **3 Daily Capacity entitlement**

#### **3.1 Quantum of Daily Capacity Entitlement**

- (a) Where Shipper has nominated Gas for transportation in an Easterly Direction, Shipper's Daily Capacity Entitlement is the lesser of:

- (i) the MDQ; and
- (ii) the amount determined in accordance with the following formula:

$$\text{MDQ} / \text{TEMDQ} * \text{NDEC}$$

Where:

**MDQ** is Shipper's MDQ;

**TEMDQ** is the aggregate of the MDQ of each Shipper other than the Foundation Shippers; and

**NDEC** is the Daily Eastern Capacity for the relevant Day less that part of that Daily Eastern Capacity required to satisfy the requirements of the Foundation Shippers (such net amount being the **Net Daily Eastern Capacity**).

- (b) The Daily Eastern Capacity for a Day:

- (i) is dependent upon the pressure differential on that Day between Receipt Points and Delivery Points located east of those Receipt Points; and
- (ii) may be dependent upon the quantity of Gas transported on that Day in a Westerly Direction.

- (c) Where Shipper has nominated Gas for transportation in a Westerly Direction, then Shipper's Daily Capacity Entitlement is the lesser of:

- (i) the MDQ; and
- (ii) the amount determined in accordance with the following formula:

$$\text{MDQ} / \text{TWMDQ} * \text{NDWC}$$

Where:

**MDQ** is Shipper's MDQ;

**TWMDQ** is the aggregate of the MDQ of each Shipper other than the Foundation Shippers; and

**NDWC** is the Daily Western Capacity for the relevant Day less that part of that Daily Western Capacity required to satisfy the requirements of the Foundation Shippers (such net amount being the **Net Daily Western Capacity**).

- (d) The Daily Western Capacity for a Day:
  - (i) is dependent upon the pressure differential on that Day between Receipt Points and Delivery Points located west of those Receipt Points; and
  - (ii) may be dependent upon the quantity of Gas transported on that Day in an Easterly Direction.

### **3.2 Delivery Point Limitations**

Where on a Day the Net Delivery Point Capacity of a Delivery Point is insufficient to meet the requirements of Shippers (other than Foundation Shipper), then that Net Delivery Point Capacity will be allocated amongst those Shippers pro-rata based on the MDQ of each Shipper.

### **3.3 Receipt Point Limitations**

Where on a Day the Net Receipt Point Capacity of a Receipt Point is insufficient to meet the requirements of Shippers (other than Foundation Shipper), then that Net Receipt Point Capacity will be allocated amongst those Shippers pro-rata based on the MDQ of each Shipper.

---

## **4 Charge for Haulage Service**

- (a) Each Month, the Fixed Monthly Charge is payable by Shipper for the provision of the Haulage Service.
- (b) The Fixed Monthly Charge is payable by Shipper irrespective of the quantity of Gas delivered to Shipper in the relevant Month.

---

## **5 Trades**

### **5.1 Entitlement to Trade**

- (a) Subject to this clause 5, Shipper may dispose of on a Day to another shipper who is entitled to a Traded Forward Haul Service under a Standard OTSA for the Pipeline System all or any part of its MDQ (**Exchange Trade**). Upon such a disposal being effected Shipper's MDQ will be reduced by the amount of the relevant exchange.
- (b) Transporter may refuse to give effect to an Exchange Trade where permitted by the National Gas Rules (including the Capacity Transfer and Auction Procedures as defined in Part 24 of the National Gas Rules).

### **5.2 Payment of Charges**

An Exchange Trade will not affect Shipper's liability to pay the Fixed Monthly Charge.

### **5.3 Service Suspension**

Shipper may not make Exchange Trades during a period in which the Haulage Service is suspended under clause 22.1(a)(i) to 22.1(a)(iv) or if Shipper is an externally administered body corporate (as defined in the *Corporations Act 2001*).

## Schedule 2 – Operational Provisions

### Part A - Definitions

---

#### 1 Definitions and Interpretations

##### 1.1 Definitions

In this Schedule 2 unless a contrary intention appears:

**Daily Capacity Entitlement** is defined in Schedule 1.

**Daily Delivery Entitlement** is defined in clause 3.4.

**Daily Fuel Gas** means, for a Day, the sum of the Daily Shipper's Heater Fuel Gas and the Daily System Use Gas Requirement for that Day.

**Daily Overrun Quantity** is defined in clause 11.4.

**Daily Receipt Entitlement** is defined in clause 3.3.

**Daily Shipper's Heater Fuel Gas** is defined in clause 2.7(c).

**Daily System Use Gas Requirement** is defined in clause 2.6.

**Delivery Point Nomination** is defined in clause 2.2(b).

**Hourly Overrun Quantity** is defined in clause 11.3.

**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 Transporter) 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.

**MHQ** is defined in clause 8.1(b).

**Net Daily Eastern Capacity** is defined in Schedule 1.

**Net Daily Western Capacity** is defined in Schedule 1.

**Net Delivery Point Capacity** is defined in Schedule 1.

**Net Receipt Point Capacity** is defined in Schedule 1.

**Quarter** means a period of 3 Months beginning on 1 September, 1 December, 1 March and 1 June.

**Receipt Point Nomination** is defined in clause 2.2(a).

**Scheduled Delivery Quantity** is defined in clause 3.2(h).

**Schedule of Priorities** is defined in clause 3.6(c).

**Scheduled Quantities** is defined in clause 3.2.

**Scheduled Receipt Quantity** is defined in clause 3.2(g).

**Shipper's Heater Fuel Gas** is defined in clause 2.7(b).

**Total Delivery Point Nomination** is defined in clause 2.2(b).

**Total Receipt Point Nomination** is defined in clause 2.2(a).

**Total Scheduled Delivery Quantity** is defined in clause 3.2(h).

**Total Scheduled Receipt Quantity** is defined in clause 3.2(g).

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

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

## **1.2 Interpretation**

Unless a contrary intention appears, references in this Schedule 2 to parts and clauses are to parts and clauses of this Schedule 2.

## Part B – Nomination and Scheduling

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### 2 Forecasts, Nominations and Supply of Fuels

#### 2.1 Shipper's Forecasts

Shipper must provide to Transporter:

- (a) not less than 3 months before the beginning of the Quarter in which the Commencement Date is reasonably expected to occur, its best estimate of the quantities of Gas it will require for delivery at the Delivery Points in each of the next 12 Months on and from the Commencement Date;
- (b) not less than 14 days before the beginning of:
  - (i) the Quarter in which the Commencement Date occurs (or is reasonably expected to occur)); and
  - (ii) each subsequent Quarter,its best estimate of the quantities of Gas it will require for delivery at the Delivery Points in each of the next 12 Months; and
- (c) not less than 14 days before the beginning of each Month (beginning with the Month in which the Commencement Date occurs (or is reasonably expected to occur)), its best estimate of the quantities of Gas it will require for delivery at the Delivery Points on each Day of that Month.

#### 2.2 Weekly Nomination by Shipper

By not later than 12.00pm on each Friday (beginning with the Friday immediately prior to the Week in which the Commencement Date occurs (or is reasonably expected to occur)), Shipper must provide written notice to Transporter of:

- (a) the nominated quantities of Gas for supply by Shipper to each Receipt Point on each Day of the following Week (for each Receipt Point and each Day, **Receipt Point Nomination** and in aggregate for each Day, **Total Receipt Point Nomination**); and
- (b) the nominated quantities of Gas required for delivery at each Delivery Point on each Day of the following Week (for each Delivery Point and each Day **Delivery Point Nomination** and in aggregate for each Day **Total Delivery Point Nomination**).

To avoid doubt, the reference to nominated quantities of Gas for supply by Shipper to the Receipt Points in clause 2.2(a) does not include quantities of Gas to be supplied by Shipper on account of System Use Gas and Heater Fuel Gas.

#### 2.3 Langley Connection Point

- (a) Where for a Day Shipper makes a Delivery Point Nomination for the Langley Connection Point then Shipper must, at the same time as providing that nomination to Transporter, notify Transporter of:
  - (i) that part of that Delivery Point Nomination which Shipper nominates to supply to the Langley Connection Point under each PCA Transportation Agreement to which Shipper is party; and



- (ii) that part of that Delivery Point Nomination which Shipper nominates to deliver to each other PCA Shipper for supply by that PCA Shipper to Transporter under that PCA Shipper's PCA Transportation Agreement
- (b) Where for a Day Shipper makes a Receipt Point Nomination for the Langley Connection Point then Shipper must, at the same time as providing that nomination to Transporter, notify Transporter of:
  - (i) that part of that Receipt Point Nomination which Shipper nominates to take delivery of at the Langley Connection Point under each PCA Transportation Agreement to which Shipper is party;
  - (ii) that part of that Receipt Point Nomination which Shipper nominates to take delivery of from each other PCA Shipper that has taken delivery of that Gas under that PCA Shipper's PCA Transportation Agreement.

## 2.4 **Daily Capacity Forecast**

By not later than 1.00pm before a Day, Transporter must notify Shipper of Transporter's best estimate of:

- (a) the Net Daily Eastern Capacity and the Net Daily Western Capacity for that Day;
- (b) Shipper's Daily Capacity Entitlement for that Day;
- (c) the Net Delivery Point Capacity for each Delivery Point for that Day;
- (d) the Net Receipt Point Capacity for each Receipt Point for that Day;
- (e) the quantity of System Use Gas which Shipper is required to supply to Transporter on that following Day; and
- (f) the quantity of Heater Fuel Gas which Shipper is required to supply to Transporter on the following Day.

## 2.5 **Fridays which are not Business Days**

Where a Friday is not a Business Day, then the nominations referred to in clause 2.2 will be provided by the corresponding times on the immediately preceding Business Day.

## 2.6 **System Use Gas**

The quantity of System Use Gas Shipper is required to supply to Transporter on a Day (**Daily System Use Gas Requirement**) is the amount determined in accordance with the following formula:

$$\text{SDSQ/TDSQ} * (\text{SUG} - \text{FSSUG})$$

Where:

**SDSQ** is the Total Scheduled Delivery Quantity for the Day;

**TDSQ** is the total quantity of Gas scheduled for delivery to all shippers on the Day (other than the Foundation Shippers);

**SUG** is Transporter's determination (as a Reasonable and Prudent operator) of the total quantity of System Use Gas required by Transporter for the Day;

**FSSUG** is the System Use Gas required to be supplied by the Foundation Shipper in respect of the Day.

## **2.7 Heater Fuel Gas**

- (a) Where, on a Day, Gas is delivered to Shipper at a Delivery Point at which one or more Gas Heaters is installed then Shipper must supply to Transporter a quantity of Heater Fuel Gas determined in accordance with the following formula:

$$\text{SD/TD} * \text{HF}$$

Where:

**SD** is the total quantity of Gas delivered to Shipper at the relevant Delivery Point on that Day;

**TD** is the total quantity of Gas delivered to all shippers at the relevant Delivery Point on that Day; and

**HF** is the quantity of Heater Fuel Gas consumed by the Gas Heaters at the relevant Delivery Point on that Day.

- (b) The sum of the total quantity of Heater Fuel Gas which Shipper is required to supply to Transporter on a Day is referred to as **Shipper's Heater Fuel Gas**.

- (c) The parties acknowledge that:

(i) Transporter will not be able to determine the Shipper's Heater Fuel Gas for a Day until the expiration of that Day; and

(ii) therefore on each Day the quantity of Heater Fuel Gas which must be supplied by Shipper to the Receipt Points on that Day (**Daily Shipper's Heater Fuel Gas**) will be equal to Transporter's best estimate of the Shipper's Heater Fuel Gas for that Day:

(A) less, where the sum of the quantity of Heater Fuel Gas actually supplied by Shipper to Transporter for each Day more than 2 Days prior to that Day exceeds the sum of the Shipper's Heater Fuel Gas for each such Day, the amount of that excess; or

(B) add, where the sum of the Shipper's Heater Fuel Gas for each Day more than 2 Days prior to that Day exceeds the sum of the quantity of Heater Fuel Gas actually supplied by Shipper to Transporter for each such Day, the amount of that excess.

- (d) Where as at the date of expiration or termination of this Agreement:

(i) the sum of the quantity of Heater Fuel Gas actually supplied by Shipper to Transporter for each Day of the Term exceeds the sum of the Shipper's Heater Fuel Gas for each such Day, that excess quantity will be added to Shipper's Accumulated Imbalance (as if it were an amount of Gas supplied into the Pipeline System); and

(ii) the sum of the quantity of Heater Fuel Gas actually supplied by Shipper to Transporter for each Day of the Term is less than the sum of the Shipper's Heater Fuel Gas for each such Day, that deficit will be deducted from Shipper's

Accumulated Imbalance (as if it were an amount delivered from the Pipeline System).

## **2.8 Shipper's Daily Nomination**

By not later than 3.00pm on a Day Shipper must notify Transporter of:

- (a) any variation to any of the Receipt Point Nominations and to the Total Receipt Point Nomination for that following Day; and
- (b) any variation to any of the Delivery Point Nominations and to the Total Delivery Point Nomination for the following Day.

## **2.9 Application of Nominations**

A nomination made by a party for a Day under this clause 2 will apply unless and until superseded by a subsequent valid nomination.

## **2.10 Manner of Giving Nominations**

Nominations under this clause 2 must be made using the Electronic Communications System unless Transporter instructs Shipper to use email (because the Electronic Communications System is not operational for a period).

---

# **3 Scheduling**

## **3.1 Adjustments on account of Imbalance**

Transporter may (at its discretion) adjust the quantities of Gas which would otherwise be scheduled for Shipper so as to reduce the level of Shipper's Accumulated Imbalance (including reducing it to zero).

## **3.2 Scheduling by Transporter**

Transporter must, by no later than 6.00pm, determine and give notice to Shipper of:

- (a) the Net Daily Eastern Capacity and the Net Daily Western Capacity for the following Day;
- (b) Shipper's Daily Capacity Entitlement for the following Day;
- (c) the Net Delivery Point Capacity for each Delivery Point for the following Day at which Shipper has nominated to take delivery of Gas;
- (d) the Net Receipt Point Capacity for each Receipt Point for the following Day at which Shipper has nominated to supply Gas;
- (e) the Daily System Use Gas Requirement for the following Day;
- (f) the Daily Shipper's Heater Fuel Gas for the following Day;
- (g) the quantity of Gas which Shipper is required to supply to Transporter at each Receipt Point on the following Day (for each Receipt Point, **Scheduled Receipt Quantity** and in aggregate **Total Scheduled Receipt Quantity**);
- (h) the quantity of Gas which Transporter is required to deliver to Shipper at each Delivery Point on the following Day (for each Delivery Point, **Scheduled Delivery Quantity** and in aggregate **Total Scheduled Delivery Quantity**);

( the quantities in clause 3.2(g) and 3.2(h) together being the **Scheduled Quantities**).

### **3.3 Scheduling Requirement – Total Scheduled Receipt Quantity**

Subject to the terms of this Agreement, the Total Scheduled Receipt Quantity for a Day must equal the lesser of:

- (a) the sum of the Total Receipt Point Nomination and the Daily Fuel Gas for that Day; and
  - (b) Shipper's Daily Capacity Entitlement for the relevant Day,
- (Daily Receipt Entitlement).**

### **3.4 Scheduling Requirement – Total Scheduled Delivery Quantity**

Subject to the terms of this Agreement, the Total Scheduled Delivery Quantity for a Day must equal the lesser of:

- (a) the Total Delivery Point Nomination for that Day; and
  - (b) Shipper's Daily Capacity Entitlement for the relevant Day,
- (Daily Delivery Entitlement).**

### **3.5 Delivery and Receipt Point Limitations**

- (a) Transporter is not required to schedule for delivery to a Delivery Point a quantity of Gas greater than the amount of the Net Delivery Point Capacity for that Delivery Point allocated to Shipper under Schedule 1.
- (b) Transporter is not required to schedule for supply to a Receipt Point a quantity of Gas greater than the amount of the Net Receipt Point Capacity for that Receipt Point allocated to Shipper under Schedule 1.

### **3.6 Allocation of Scheduled Quantities between Receipt Points and Delivery Points**

- (a) Subject to the remaining provisions of this clause 3, where on a Day:
  - (i) the Total Scheduled Receipt Quantity equals or exceeds the Total Receipt Point Nomination, then the Scheduled Receipt Quantity for a Receipt Point must equal the Receipt Point Nomination for that Receipt Point; and
  - (ii) the Total Scheduled Delivery Quantity equals the Total Delivery Point Nomination, then the Scheduled Delivery Quantity for a Delivery Point must equal the Delivery Point Nomination for that Delivery Point.
- (b) Where, on a Day, Transporter is not able or required to schedule at the Receipt Points a quantity of Gas equal to the Total Receipt Point Nomination or at the Delivery Points a quantity of Gas equal to the Total Delivery Point Nomination then, unless Shipper has provided Transporter with a Schedule of Priorities in accordance with clause 3.5(c), Transporter may, at its discretion, determine what part of the Receipt Point Nominations and the Delivery Point Nominations (as applicable) will not be scheduled for that Day.
- (c) Shipper may, by not later than 3.00pm before a Day, provide Transporter with a schedule of priorities for that Day, setting out the priority in which Receipt Point Nominations and Delivery Point Nominations should be scheduled if Transporter is not able or required to schedule on that Day a quantity of Gas equal to the Total Receipt Point Nomination and the

Total Delivery Point Nomination (as applicable) (**Schedule of Priorities**). To the extent practicable and subject to the remaining terms of this Agreement, Transporter must endeavour to give effect to any such Schedule of Priorities.

### **3.7 Langley Adjustments**

Notwithstanding anything else in this Agreement Transporter may adjust:

- (a) the Scheduled Delivery Quantity for the Langley Connection Point to ensure that quantity does not exceed the sum of:
  - (i) the quantity of Gas which Shipper is entitled to supply at the Langley Connection Point under all PCA Transportation Agreement to which Shipper is party; and
  - (ii) the quantity of Gas which each other 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 Transportation 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);
- (b) the Scheduled Receipt Quantity for the Langley Connection Point to ensure that quantity does not exceed the sum of:
  - (i) the quantity of Gas which Shipper is entitled to take delivery of at the Langley Connection Point under any PCA Transportation Agreement to which Shipper is party; and
  - (ii) the quantity of Gas which each other 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 Transportation 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),

and where a Scheduled Receipt Quantity or Scheduled Delivery Quantity is adjusted under this clause 3.7 Transporter may adjust the Total Scheduled Receipt Quantity and the Total Scheduled Delivery Quantity for the relevant Day to reflect the amount of that adjustment.

### **3.8 Scheduled Quantities to bind Parties**

The Scheduled Quantities will bind Shipper and Transporter respectively and, accordingly, Transporter must on each Day (except in circumstances where it is excused from so doing under the terms of this Agreement):

- (a) accept from Shipper at the Receipt Points a quantity of Gas equal to the Total Scheduled Receipt Quantity for that Day; and
- (b) deliver to Shipper at the Delivery Points a quantity of Gas equal to the Total Scheduled Delivery Quantity for that Day.

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## **4 Renomination Rights**

### **4.1 *Request to vary Scheduled Quantities***

At any time after Transporter has notified Shipper of the Scheduled Quantities for a Day, Shipper may by notice to Transporter request:

- (a) an increase or decrease in the Total Scheduled Receipt Quantity and a variation to one or more Scheduled Receipt Quantities for that Day;
- (b) an increase or decrease in the Total Scheduled Delivery Quantity and a variation to one or more Scheduled Delivery Quantities for that Day;
- (c) a variation in two or more Scheduled Receipt Quantities for that Day (but without variation to the Total Scheduled Receipt Quantity);
- (d) a variation in two or more Scheduled Delivery Quantities for that Day (but without variation to the Total Scheduled Delivery Quantity).

### **4.2 *Langley Notifications***

Where Shipper requests a variation to the Scheduled Delivery Quantity or the Scheduled Receipt Quantity for the Langley Connection Point Shipper must notify Transporter of:

- (a) where Shipper has requested an increase in the Scheduled Delivery Quantity, the PCA Shipper or Shippers (including, to avoid doubt, Shipper) to whom that increased quantity of Gas is to be supplied;
- (b) where Shipper has requested a decrease in the Scheduled Delivery Quantity, the PCA Shipper or PCA Shippers (including, to avoid doubt, Shipper) to whom Shipper intends to supply a reduced quantity of Gas;
- (c) where Shipper has requested an increase in the Scheduled Receipt Quantity, the PCA Shipper or Shippers (including, to avoid doubt, Shipper) who will supply that increased quantity of Gas to the Langley Connection Point under PCA Transportation Agreements; and
- (d) where Shipper has requested a decrease in the Scheduled Receipt Quantity, the PCA Shipper or Shippers (including, to avoid doubt, Shipper) from whom Shipper intends to take delivery of a reduced quantity of Gas.

### **4.3 *Permitted Reasons for Non-Acceptance of Request***

Transporter must use its reasonable endeavours to accept a request under clause 4.1, but is not required to accept such a request if and to the extent:

- (a) it is not physically possible to transport the varied quantity of Gas without placing Transporter in breach of its obligations to another shipper;
- (b) where a request is made to decrease a Scheduled Quantity, Shipper has already supplied or taken delivery of a quantity of Gas equal to or in excess of that Scheduled Quantity (as reduced in accordance with the request);
- (c) Transporter is not able to give effect to the request due to:
  - (i) the occurrence of an event of Force Majeure;

- (ii) the carrying out of Maintenance Operations (provided that those Maintenance Operations are carried out in accordance with this Agreement);
  - (iii) the occurrence of an Emergency Condition; or
  - (iv) an act or omission of Shipper in breach of its obligations under this Agreement;
- (d) giving effect to the request would adversely affect Transporter's ability to provide services to another shipper in respect of the quantities of Gas scheduled for that shipper;
- (e) giving effect to the request would adversely affect the operational integrity of the Pipeline System or PCA Pipeline System;
- (f) the Scheduled Quantities (as varied in accordance with the request) would increase the level of Shipper's Accumulated Imbalance (from what it would be in the absence of the variation);
- (g) an increased Scheduled Quantity would result in Shipper's Daily Capacity Entitlement being exceeded or Shipper's share of Net Delivery Point Capacity or Net Receipt Point Capacity being exceeded;
- (h) where a request is made to vary the Scheduled Delivery Quantity for the Langley Connection Point, that Scheduled Delivery Quantity (as varied) will not equal the sum of:
  - (i) the quantity of Gas which Shipper is scheduled to supply at the Langley Connection Point under all PCA Transportation Agreements to which Shipper is party; and
  - (ii) the quantity of Gas which each other PCA Shipper which will take delivery of that Gas from Shipper at the Langley Connection Point is scheduled to supply at the Langley Connection Point under its PCA Transportation Agreement (having regard to the quantity of Gas which each such PCA Shipper is scheduled to supply at the Langley Connection Point from sources of supply other than Shipper and the quantity of Gas which each such PCA Shipper is scheduled to supply at other receipt points on the PCA Pipeline System);
- (i) where a request is made to vary the Scheduled Receipt Quantity for the Langley Connection Point, that Scheduled Receipt Quantity (as varied) will not equal the sum of:
  - (i) the quantity of Gas which Shipper is scheduled to take delivery of at the Langley Connection Point under all PCA Transportation Agreements to which Shipper is party; and
  - (ii) the quantity of Gas which each other PCA Shipper which will supply Gas to Shipper at the Langley Connection Point is scheduled to take delivery of at the Langley Connection Point under its PCA Transportation Agreement (having regard to the quantity of Gas which each such PCA Shipper is scheduled to take delivery of at the Langley Connection Point for supply to persons other than Shipper and the quantity of Gas which each such PCA Shipper is scheduled to take delivery of at other delivery points on the PCA Pipeline System); or
- (j) acceptance of the request would otherwise be inconsistent with any of Shipper's contractual entitlements under this Agreement.

#### **4.4 Notification of Variation to Scheduled Quantities**

Within 60 minutes of receipt of a request from Shipper under clause 4.1, Transporter must notify Shipper of:

- (a) the variation (if any) made by Transporter to:
  - (i) the Total Scheduled Receipt Quantity;
  - (ii) the Scheduled Receipt Quantities;
  - (iii) the Total Scheduled Delivery Quantity; and
  - (iv) the Scheduled Delivery Quantities,as a result of the acceptance by Transporter of all or part of that request;
- (b) any additional System Use Gas Transporter requires from Shipper due to accepting the request (and the consequent adjustment to the Daily System Use Gas Requirement); and
- (c) any adjustment to the Daily Shipper's Heater Fuel Gas.

#### **4.5 Partial Acceptance**

- (a) Where Shipper requests a variation to the Scheduled Quantities for a Day and Transporter accepts part (but not all) of that request, then (in determining which of the Scheduled Quantities will be varied to the extent requested by Shipper under clause 4.1) Transporter must, to the extent practicable, endeavour to comply with any Schedule of Priorities provided by Shipper to Transporter (whether under clause 3.6 or at the time of Shipper's request under clause 4.1).
- (b) Where no Schedule of Priorities is provided by Shipper for the relevant Day, then Transporter may, in its absolute discretion, determine the order in which the Scheduled Receipt Quantities and the Scheduled Delivery Quantities will be varied to give effect to Shipper's request.

#### **4.6 Obligation to Request Variation**

- (a) Where:
  - (i) the Total Scheduled Receipt Quantity for a Day exceeds the quantity of Gas which Shipper reasonably determines it is able to supply at the Receipts Points on that Day (**Available Supply Quantity**); and/or
  - (ii) the Scheduled Receipt Quantity for a Receipt Point for a Day exceeds the quantity of Gas which Shipper reasonably determines it is able to supply at that Receipt Point on that Day (**Available Receipt Point Supply Quantity**),

then Shipper must, as soon as possible after becoming aware of such circumstances, serve a notice on Transporter under clause 4.1 requesting a reduction to the Total Scheduled Receipt Quantity for that Day and the relevant Scheduled Receipt Quantities to such extent as necessary to ensure that:

- (iii) the Total Scheduled Receipt Quantity does not exceed the Available Supply Quantity;



- (iv) the Scheduled Receipt Quantity for each Receipt Point does not exceed the Available Receipt Point Supply Quantity for that Receipt Point; and
  - (v) Shipper's Accumulated Imbalance will not exceed the Imbalance Allowance.
- (b) A notice served by Shipper under clause 4.6(a) must state:
  - (i) that the Total Scheduled Receipt Quantity exceeds the Available Supply Quantity;
  - (ii) specify which Scheduled Receipt Quantities exceed the Available Receipt Point Supply Quantity; and
  - (iii) Shipper's determination of the Available Supply Quantity and, for each relevant Receipt Point, the Available Receipt Point Supply Quantity.
- (c) Where Transporter reduces the Total Scheduled Receipt Quantity in accordance with a request made by Shipper under this clause 4.6 Transporter may also reduce the Total Scheduled Delivery Quantity (and the Scheduled Delivery Quantities) by such amount as necessary to ensure that the reduction to the Total Scheduled Receipt Quantity will not (assuming on a Day Shipper supplies to Transporter a quantity of Gas equal to the Total Scheduled Receipt Quantity and takes delivery of a quantity of Gas equal to the Total Scheduled Delivery Quantity) cause Shipper's Accumulated Imbalance to exceed the Imbalance Allowance.
- (d) In determining which Scheduled Delivery Quantities to reduce under this clause 4.6 Transporter must, to the extent practicable, endeavour to comply with any Schedule of Priorities provided by Shipper to Transporter (whether under clause 3.6 or at the time of Shipper's request under this clause 4.6). Where no such Schedule of Priorities has been provided by Shipper for the relevant Day then Transporter may, in its absolute discretion, determine which Scheduled Delivery Quantities will be reduced.

#### **4.7 Nomination Variation Charge**

- (a) Where Shipper makes a request under clause 4.1 for a Day it must pay the Nomination Request Charge (as determined under Annexure 2) irrespective of whether and the extent to which the request is accepted. A separate Nomination Request Charge is payable in respect of each request made for a Day.
- (b) Where the Scheduled Quantities for a Day are varied under this clause 4, Shipper must pay the Nomination Service Charge (as calculated in accordance with clause 4.6(c)) for the greater of:
  - (i) the quantity by which the Total Scheduled Receipt Quantity is varied;
  - (ii) the quantity by which the Total Scheduled Delivery Quantity is varied.
- (c) The Nomination Service Charge for a Day is the amount determined in accordance with the following formula:

$$VR * X$$

Where:

**VR** is the Variation Rate (as determined in accordance with Annexure 2);

**X** is the number of GJ of the increase in (as applicable) the Total Scheduled Receipt Quantity and the Total Scheduled Delivery Quantity.

## **Part C – Allocation of Receipts and Deliveries**

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### **5 Receipt Point Allocation**

For the purposes of determining the quantity of System Use Gas and Heater Fuel Gas supplied by Shipper to Transporter on a Day, the total quantity of Gas supplied by Shipper to the Receipt Points on a Day (as determined by the measuring equipment and by the application of any Allocation Procedures applying under clause 20 of the body of this Agreement) will be allocated:

- (a) first, up to a quantity of Gas equal to the Daily System Use Gas Requirement, as System Use Gas supplied by Shipper to Transporter;
- (b) thereafter, up to a quantity of Gas equal to the Daily Shipper's Heater Fuel Gas, as Heater Fuel Gas supplied by Shipper to Transporter.

## **Part D – Effect of Excess Take on Fuel Requirements**

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### **6 Supply of Additional System Use Gas**

Where on a Day Shipper:

- (a) supplies to the Receipt Points a quantity of Gas in excess of the Total Scheduled Receipt Quantity; and/or
- (b) takes delivery at the Delivery Points of a quantity of Gas in excess of the Total Scheduled Delivery Quantity,

then, at the election of Transporter:

- (c) Transporter may increase the Daily System Use Gas Requirement for the following Day (or a Day subsequent to that following Day) by such amount as necessary to provide to Transporter any additional System Use Gas required to remedy the effects of Shipper exceeding its scheduled quantities; or
- (d) Shipper must reimburse Transporter the cost of purchasing that additional System Use Gas from a third party (provided that such additional System Use Gas is purchased on an arm's length basis).

## **Part E – Priority and Shortfall Issues**

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### **7 Allocation of Interruptions and Curtailments Between Receipt Points and Delivery Points**

Where, on a Day, Transporter interrupts or curtails the supply of Gas by, or delivery of Gas to, Shipper then, to the extent reasonably practicable having regard to the circumstances of the interruption or curtailment, Transporter must in determining the reduction to the Scheduled Receipt Quantities and the Scheduled Delivery Quantities for that Day endeavour to comply with:

- (a) any Schedule of Priorities provided by Shipper to Transporter; and
- (b) any directions given by Shipper to Transporter in respect of the relevant Day as to the manner in which Shipper requests the effect of the interruption or curtailment be allocated to the Scheduled Receipt Quantities and the Scheduled Delivery Quantities.

To the extent of any inconsistency between the Schedule of Priorities and directions given by Shipper under clause 7(b), Transporter will, to the extent reasonably practicable, comply with the directions given by Shipper.

## Part F – Hourly Entitlements

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### 8 Hourly Capacity

#### 8.1 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 Scheduled Receipt Quantity for the Day in which that hour occurs (as determined at the commencement of that hour);
  - (ii) the Total 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 MDQ; and
    - (B) the Daily Capacity Entitlement.
- (c) Subject to clause 8.1(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 Transporter'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. Transporter 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 Pipeline System, the PCA Pipeline System or the gas infrastructure of any Interface Party;
  - (ii) acceptance of the request will not prevent Transporter fulfilling its contractual obligations to all remaining Transportation shippers to provide Firm Services or Second Tier Firm Services or to any Interface Party; and
  - (iii) Shipper (or a Nominated PCA Shipper) enters into arrangements (reasonably satisfactory to Transporter) to provide such additional Line Pack as required by Transporter to enable it to meet Shipper's request without jeopardising the reliable operation of the Pipeline System.
- (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 Transporter for the purposes of ensuring that:

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

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

- (a) Where prior to the commencement of an hour:
  - (i) Shipper is the sole shipper 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 Transporter to Shipper in accordance with clauses 8.2(d) to 8.2(f)); and
  - (ii) Shipper is the sole shipper 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 Transporter to Shipper in accordance with clauses 8.2(d) to 8.2(f)).
- (b) Where, prior to the commencement of an hour, more than one shipper 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 Transporter to Shipper in accordance with clauses 8.2(d) to 8.2(f), which amount will be determined in accordance with the following formula:

$$\text{Net MHR} * \text{SS/TSS}$$

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 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 shipper (excluding a Foundation Shipper).

- (c) Where, prior to the commencement of an hour, more than one shipper 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 Transporter to Shipper in accordance with clauses 8.2(d) to 8.2(f), which amount will be determined in accordance with the following formula:

$$\text{Net MHR} * \text{SS/TSS}$$

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 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 shipper (excluding a Foundation Shipper).

(d) By not later than 6.00pm on each Day, Transporter must notify Shipper of Transporter's determination of:

(i) where Shipper is scheduled to supply Gas to the South West Connection Point on the following Day:

(C) the Maximum Hourly Rate for the South West Connection Point for each hour of that following Day; and

(D) (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:

(E) the Maximum Hourly Rate for the South West Connection Point for each hour of that following Day; and

(F) (if applicable) Shipper's SWC Delivery Share for each such hour.

(e) Transporter must (within 30 minutes of Transporter becoming aware of the change) notify Shipper of any change to the hourly rates notified by Transporter to Shipper under clause 8.2(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 Transporter; and

(ii) the rescheduling by Transporter of the quantities of Gas to be supplied or delivered by a shipper 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, Transporter 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.



## Part G – Restrictions on Receipts and Deliveries

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### 9 Restrictions

#### 9.1 *Receipt Point Restrictions*

- (a) Shipper must not supply on a Day a quantity of Gas at the Receipt Points which exceeds the Total Scheduled Receipt Quantity for that Day.
- (b) Shipper must not supply on a Day a quantity of Gas at a Receipt Point which exceeds the Scheduled Receipt Quantity for that Receipt Point for that Day.

#### 9.2 *Delivery Point Restrictions*

- (a) Shipper must not take delivery on a Day of a quantity of Gas at the Delivery Points which exceeds the Total Scheduled Delivery Quantity for that Day.
- (b) Shipper must not take delivery on a Day of a quantity of Gas at a Delivery Point which exceeds the Scheduled Delivery Quantity for that Delivery Point for that Day.

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### 10 Curtailment Rights

#### 10.1 *Conditional Curtailment Rights*

Where on a Day Shipper (without the prior consent of Transporter):

- (a) supplies at a Receipt Point a quantity of Gas in excess of Scheduled Receipt Quantity for that Receipt Point for that Day;
- (b) supplies, in aggregate, at the Receipt Points a quantity of Gas in excess of the Total Scheduled Receipt Quantity for that Day;
- (c) takes delivery at a Delivery Point of a quantity of Gas in excess of the Scheduled Delivery Quantity for that Delivery Point for that Day;
- (d) takes delivery, in aggregate, at the Delivery Points of a quantity of Gas in excess of the Total Scheduled Delivery Quantity for that Day; or
- (e) breach a limitation set out in clause 8,

and:

- (f) Transporter, acting Reasonably and Prudently, forms the belief that Shipper's act or omission will:
  - (i) prevent Transporter meeting its obligations to provide transportation services to other shippers; or
  - (ii) pose a material threat to the safety or operational integrity of the Pipeline System or the PCA Pipeline System; or
- (g) Transporter considers Shipper is wilfully disregarding the obligation to comply with the limitations on its entitlements to supply or take delivery of Gas or is not taking sufficient measures to ensure it complies with those entitlements,

then Transporter may, by notice to Shipper, interrupt or curtail receipts from, or deliveries of Gas to, Shipper:

- (h) in the case of clause 10.1(f), to an extent not greater than necessary to prevent the occurrence or continuance of the circumstances described in clause 10.1(f) ; and
- (i) otherwise until such time as Shipper establishes to Transporter's reasonable satisfaction that Shipper will comply with the limitations in this Agreement on the quantities of Gas which may be supplied or taken delivery of by Shipper.

## **10.2      *No Liability***

To avoid doubt, Transporter will incur no liability to Shipper:

- (a) as a result of the issue of a notice by Transporter under clause 10.1; and
- (b) where it closes, or restricts deliveries or receipts of Gas at, a Delivery Point or Receipt Point to give effect to such a notice,

including in circumstances where Transporter reasonably, but incorrectly, forms the view it was entitled to serve such a notice or close, or restrict deliveries or receipts of Gas at, a Delivery Point or a Receipt Point.

## **10.3      *Indemnity***

Shipper must indemnify and keep indemnified Transporter against all Losses suffered or incurred by Transporter as a result of Shipper failing to comply with a notice served under clause 10.1.

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# **11      *Unauthorised Overrun Charge***

## **11.1      *Liability for Overrun Charge***

Where Shipper (without the consent of Transporter):

- (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 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 Scheduled Receipt Quantity,

for that Day, then, subject to this clause 11, Shipper will be liable to pay an Overrun Charge (as determined in accordance with the provisions of this clause 11).

## **11.2      *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 11.3); and
- (b) the Daily Overrun Quantity for that Day (as defined in clause 11.4).

### **11.3      *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.

### **11.4      *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)          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 Scheduled Receipt Quantity for that Day.
- (c)          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 Scheduled Delivery Quantity for that Day.

### **11.5      *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, Shipper's Daily Capacity Entitlement for that Day is the greater of:

- (b)          that notifies to Shipper under clause 3.2 for that Day; and
  - (c)          Shipper's Daily Capacity Entitlement as determined at the expiration of that Day by Transporter on the basis of the actual Pipeline System conditions for that Day.
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## Annexure 1 – Contract Details

**Table 1 – MDQ**

<b>MDQ:</b>	[insert – note that the standard offer on which the Fixed Monthly Charge in Annexure 2 is based is for an MDQ of 10TJ/d]
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**Table 2 – Term**

<b>Commencement Date</b>	[insert]
<b>Expiration Date</b>	[insert – note that the standard offer on which the Fixed Monthly Charge in Annexure 2 is based is for a term of 1 year]

**Table 3 – Receipt and Delivery Points**

<b>Point</b>	<b>Location</b>	<b>Responsible Party</b>	<b>Minimum and Maximum Temperature</b>	<b>Minimum and Maximum Pressure</b>	<b>Hourly Capacity Limitation<sup>1</sup></b>
Athena (Receipt Point)	Connection between the Pipeline System and the Athena Gas Processing Plant	3rd Party	Min: 0°C Max: 50°C	Min: n/a Max: 15.3MPa	8.3TJ/hour
Athena (Delivery Point)	Connection between the Pipeline System and the Athena Gas Processing Plant	3rd Party	Min: 12°C Max: 30°C	Min: 3.6MPa Max: 15.0MPa	6TJ/hour
Langley (Receipt Point) / (Delivery Point)	Connection between the Pipeline System and the PCA Pipeline System	N/A	N/A	N/A	N/A

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

Point	Location	Responsible Party	Minimum and Maximum Temperature	Minimum and Maximum Pressure	Hourly Capacity Limitation <sup>1</sup>
Otway (Receipt Point)	Connection between the Pipeline System and the Otway Gas Plant high pressure manifold, in the vicinity of Waarre Road, Port Campbell	Transporter	Min: 2°C Max: 55°C	Min: n/a Max: 15.0MPa	8.5TJ/hour
Otway UFM4 (Receipt Point)	Connection between the Pipeline System and the Otway Gas Plant medium pressure manifold, in the vicinity of Waarre Road, Port Campbell	Transporter	Min: 2°C Max: 55°C	Min: 3.8Mpa Max: 7.4MPa	4.3TJ/hour
Otway UFM4 (Delivery Point)	Connection between the Pipeline System and the Otway Gas Plant medium pressure manifold, in the vicinity of Waarre Road, Port Campbell	Transporter	Min: 2°C Max: 55°C	Min: 3.8Mpa Max: 7.4MPa	2.1TJ/hour
SWCP (Receipt Point)	Connection between the Pipeline System and South West Pipeline (MIRN 30000182PC)	Transporter	Min: 2°C Max: 55°C	Min: 3.8Mpa Max: 7.4MPa	2.1TJ/hour

Point	Location	Responsible Party	Minimum and Maximum Temperature	Minimum and Maximum Pressure	Hourly Capacity Limitation <sup>1</sup>
SWCP (Delivery Point)	Connection between the Pipeline System and South West Pipeline (MIRN 30000181PC)	Transporter	Min: 2°C Max: 55°C	Min: 3.8Mpa Max: 7.4MPa	4.3TJ/hour
M-UGS (Receipt Point)	Connection between the Pipeline System and the Iona Gas Plant, in the vicinity of Waarre Road, Port Campbell	Transporter	Min: 2°C Max: 55°C	Min: 6Mpa Max: 15.3MPa	4.17TJ/hour
M-UGS (Delivery Point)	Connection between the Pipeline System and the Iona Gas Plant, in the vicinity of Waarre Road, Port Campbell	Transporter	Min: 2°C Max: 55°C	Min: 6Mpa Max: 15.045MPa	1.04TJ/hour
MIJ-001 (Receipt Point)	Connection between the Pipeline System and the Mortlake Pipeline	Transporter	Min: 0°C Max: 50°C	Min: N/A Max: 12.5MPa	4.16TJ/hour
MIJ-001 (Delivery Point)	Connection between the Pipeline System and the Mortlake Pipeline	Transporter	Min: 0°C Max: 50°C	Min: N/A Max: 12.5MPa	11.66TJ/hour
SWP (Receipt Point)	Connection between the Pipeline System and South West Pipeline (MIRN 30000169PC)	Transporter	Min: 10°C Max: 45°C	Min: 3.8MPa Max: 10.0MPa	6TJ/hour

Point	Location	Responsible Party	Minimum and Maximum Temperature	Minimum and Maximum Pressure	Hourly Capacity Limitation <sup>1</sup>
SWP (Delivery Point)	Connection between the Pipeline System and South West Pipeline (MIRN 30000168PC)	Transporter	Min: 0°C Max: 50°C	Min: 3.8MPa Max: 10.0MPa	8.3TJ/hour
MPSWCP (Delivery Point)	Connection between the Pipeline System and South West Pipeline (MIRN 30000197PC)	Transporter	Min: 0°C Max: 50°C	Min: 3.8MPa Max: 10.0MPa	4.16TJ/hour

**Table 4 – Receipt Points and Delivery Points with Pre-Conditions to Use**

Point	Pre-Conditions to Use
Athena (Receipt Point) / (Delivery Point)	Access subject to agreed Allocation Procedures (Clause 20.2).
Langley (Receipt Point) / (Delivery Point)	Access subject to agreed Allocation Procedures (Clause 20.2).  Deliveries/receipts from PCA Pipeline System subject to pressure differential.
Otway (Receipt Point)	Access subject to agreed Allocation Procedures (Clause 20.2).
Otway UFM4 (Receipt Point) / (Delivery Point)	Access subject to agreed Allocation Procedures (Clause 20.2).  Deliveries/receipts from Otway Gas Plant subject to arrangements with Otway Gas Plant operator.
SWCP (Receipt Point) / (Delivery Point)	Access subject to agreed Allocation Procedures (Clause 20.2).  Receipts from South West Pipeline subject to pressure differential.
M-UGS (Receipt Point) / (Delivery Point)	Access subject to agreed Allocation Procedures (Clause 20.2).
MIJ-001 (Receipt Point) / (Delivery Point)	Access subject to agreed Allocation Procedures (Clause 20.2).
SWP (Receipt Point) / (Delivery Point)	Access subject to agreed Allocation Procedures (Clause 20.2).

<b>Point</b>	<b>Pre-Conditions to Use</b>
MPSWCP (Delivery Point)	Access subject to agreed Allocation Procedures (Clause 20.2).

**Table 5 – Pressure Differential Constrained Delivery Points**

Langley (Receipt Point) / (Delivery Point)	Deliveries/receipts from PCA Pipeline System subject to pressure differential.
SWCP (Receipt Point)	Receipts from South West Pipeline subject to pressure differential.
MPSWCP (Receipt Point)	Receipts from South West Pipeline subject to pressure differential.



## Annexure 2 – Charges

**Table 1 – Haulage Service Charge**

Charge	Quantum
Fixed Monthly Charge	[insert – note that the Fixed Monthly Charge for the standard offer is \$0.08/GJ * MDQ (in GJ/day) *365/12 per month]

**Table 2 – Other Charges**

Charge/Charge Rate	Quantum
Connection Point Charges	Refer to Table 3
Unauthorised Overrun Charge Rate	\$22.80480 per GJ
Imbalance Charge Rate	\$22.80480 per GJ
Variation Rate	\$0.04075 per GJ
Nomination Request Charge	\$362.71

**Table 3 –Delivery and Receipt Point Charges**

Point	Monthly Charge (\$/month)
Athena (Receipt Point) / (Delivery Point)	\$9,570.07
Langley (Receipt Point) / (Delivery Point)	Nil
Otway (Receipt Point)	\$35,567.07
Otway UFM4 (Receipt Point) / (Delivery Point)	\$24,897.16
SWCP (Receipt Point) / (Delivery Point)	\$97,039.41 (note for the purposes of escalation of this rate X is 0.7)
M-UGS (Receipt Point) / (Delivery Point)	\$9,499.22
MIJ-001 (Receipt Point) / (Delivery Point)	\$47,511.91

Each Month, Shipper will pay an amount for its use of each of the points listed in Table 3, 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 T shippers at the relevant point during that Month; and

**MC** is the rate per Month set out in Table 3, above, subject to escalation in accordance with this Annexure 2.

All Charges and Charge Rates 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. All Charges and Charge Rates are also subject to adjustment under clause 13.2 and clause 13.3 of the body of this Agreement.

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

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;

**P<sub>n</sub>** 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 Agreement, 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.

(a) 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 is determined by Transporter acting reasonably,

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 this Agreement and Transporter will (acting reasonably and having regard to any advice provided by the Australian Bureau of Statistics) determine a method for transitioning from the old index to the new index.

(b) To avoid doubt, paragraph (a) above will apply (with the necessary modifications) if any replacement CPI measure determined in accordance with that paragraph 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.

## Annexure 3 – Gas Measurement

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### Gas Measurement at Gas Heaters, Receipt Points and Delivery Points

#### 1 General

- 1.1** The Responsible Party for a Delivery Point or Receipt Point must provide and maintain, or ensure that there is provided and maintained, in satisfactory working order and condition at that Delivery Point or Receipt Point (as applicable) 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 Delivery Point or Receipt 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.

Subject to clause 3.1, the equipment must be capable of measuring data concerning quality, quantity and condition of Gas available for instantaneous transmission to the Transporter'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

- 2.1** All fundamental constants, observations, records and procedures involved in determining and/or verifying the quantity and other characteristics of Gas supplied by Shipper to Transporter and delivered by Transporter to Shipper must, except as otherwise specified in this Annexure 3, 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.
- 2.2** Measurement of the quantities of Gas supplied by Shipper and delivered by Transporter must be computed in accordance with the methods prescribed in the standards agreed in this Annexure 3.
- 

#### 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 Receipt Point and each Delivery Point and designed to take a sample of Gas from the Receipt Point or Delivery 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 or Delivery Points at which the flow rate does not exceed 1TJ per Day. Heating values, densities and other data required in the determination of Gas consumption at Gas Heater metering stations will be estimated by Transporter from data acquired at relevant Receipt Points and Delivery Points.

### **3.2 *Flow Measurement Devices***

Metering systems at Receipt Points and Delivery Points will be constructed in compliance with all applicable Laws and in accordance with good high pressure Gas industry practice consistent with the standards of Reasonable and Prudent operation 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 ANSI B109-3.
- 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 the appropriate transmitter is automatically selected for flow calculations.

### **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*

Instantaneous values for at least the flowing inputs and outputs will be recorded and available for display from SCADA trends:

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

Flow calculations will be based on 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 calculation 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:

- AGA 3 for the Orifice Plate Metering Systems;
- AGA 7 for Turbine Metering;
- ANSI B109-3 for Positive Displacement (PD) Metering;
- AGA 9 for Ultra Sonic Metering; and
- relevant industry standards and such other standards as may be specified by Transporter 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 this Agreement.

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 this Agreement. 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 Receipt Point and each Delivery 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 3, 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 3.

#### **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 3 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 Transporter or delivered by Transporter 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 supplied or delivered during such period of failure must be estimated as nearly as reasonably possible by using the first of the following methods which is feasible:

- 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;
- by using all reliable data available relating to the period of the failure of the measuring equipment;
- by making the appropriate correction if the deviation from the accurate reading is ascertainable by calibration test or mathematical calculation; and
- by estimating the quantities delivered from deliveries 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 Receipt Point or Delivery Point, those other shippers are entitled to attend tests of the measuring equipment at the Receipt Point or Delivery Point and Transporter may provide records, charts and reports relating to that measuring equipment to those shippers (including where Shipper is the Responsible Party for the Receipt Point or the Delivery Point).