

SOUTH EAST AUSTRALIA GAS (MORTLAKE) PTY LTD

ACN 612 210 447

as agent for and on behalf of the SEA Gas (Mortlake) Partnership (ABN 16 743 861 923), a partnership of:

APA SEA Gas (Mortlake) Pty Ltd ABN 24 612 185 734

REST MPS Pty Limited ABN 39 612 152 575

[shipper]

Mortlake Pipeline

Standard Terms¹²³⁴

-
- ¹ This document contemplates multiple services. Certain ancillary changes may be required depending on the specific services a shipper selects.
 - ² At the date of publication of these Standard Terms the Pipeline System is fully contracted. The use of the Pipeline System by a new shipper is likely to require the construction of additional facilities to expand the Capacity of the Pipeline System. The terms of such expansion will in turn impact the form of contract appropriate to a new shipper and any required modifications to these Standard Terms. For example if a new delivery point is added to the Pipeline System which relies on pressure differential to facilitate flow of Gas, this would need to be reflected in the new shipper's contract.
 - ³ Where construction of additional facilities is required, Shipper may be required to enter into a Works Agreement with Transporter to record the terms upon which such facilities are to be designed, developed, constructed, commissioned and operated. Without limitation, the Works Agreement may require the Shipper to provide any gas required for commissioning of the additional facilities and any additional Line Pack required by Transporter.
 - ⁴ The Mortlake pipeline is fully contracted, with all currently available pipeline capacity committed to the provision of firm haulage and storage services under long term arrangements. Accordingly, SEA Gas is unable to provide services to others absent augmentation of the pipeline to fulfil the particular requirements, including the nature of services and capacity requirements, of new users. The feasibility of, cost, and time to effect any such augmentation would need to be assessed on a case-by-case basis, in response to such requirements. The applicability of any variable charges such as imbalance, unauthorised overrun or other haulage related charges will, similarly, depend on specific requirements and will be subject to negotiation between the parties.

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Mortlake Pipeline - Standard Terms

Date [Insert]

Parties

1 South East Australia Gas (Mortlake) Pty Ltd (ACN 612 210 447) (Transporter)

Address: Level 5, 57 Wyatt Street, Adelaide SA 5000

Email: secretariat@seagas.com.au

Contact: Company Secretary

as agent for and on behalf of the SEA Gas (Mortlake) Partnership (ABN 16 743 861 923), a partnership of:

APA SEA Gas Mortlake Pty Ltd ABN 24 612 185 734; and

REST MPS Pty Limited ABN 39 612 152 575.

2 [shipper] (ABN [Insert]) (Shipper)

Address: [Insert]

Email: [Insert]

Contact: [Insert]

Recitals

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

Operative part

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).

Allocation Procedures is defined in clause 19.1(b).

Annual Cap means an amount described as such in a schedule to this Agreement.

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 store 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 first Service Commencement Date.

Conditions is defined in clause 2.1.

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 Cap means an amount described as such in a schedule to this Agreement.

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 System Use Gas and excluding any Gas supplied pursuant to the Storage Service on that Day;

D is the quantity of Gas delivered by Transporter to Shipper on that Day from the Pipeline System excluding any Gas delivered pursuant to the Storage Service,

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%.

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 22.1.

Electronic Communications System is defined in clause 11(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.

Expansion Agreement means an agreement setting out the terms upon which the Expansion Works will be undertaken.

Expansion Works means works to expand the Capacity of, and/or extend the length of, the Pipeline System.

Expiration Date means the last Service Expiration Date to occur.

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) Force Majeure;
- (b) an Emergency Condition;
- (c) a requirement under Law;
- (d) a requirement of Transporter to carry out Maintenance Operations; and
- (e) the act or omission of that shipper,

and for the purposes of this Agreement, the services provided to the Foundation Shipper are taken to be provided on a Firm Basis.

Firm Haulage Service is defined in Schedule 1.

Firm Haulage MDQ means the quantity described as such in Annexure 1 (and, where applicable, includes that quantity as adjusted in accordance with this Agreement).

Firm Service means a service provided on a Firm Basis.

Flow Procedures is defined in clause 19.1(c).

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 Entities') 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 the shipper from time to time under the contract titled “Mortlake Pipeline Gas Transportation and Storage Agreement) and dated 20 May 2016 (which shipper as at the date of this Agreement is Origin Energy Retail Limited) and including any person to whom all or part of that contract is assigned or novated from time to time.

Foundation Shipper Haulage Service means the haulage service provided to the Foundation Shipper in respect of the Capacity of the Pipeline System contracted by the Foundation Shipper.

Foundation Shipper Storage Service means the storage service provided to the 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 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 AS4564 (2011) or such other specification as may be required by Law.

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.

GUFI means, for a period of time, the quantity of Gas determined by Transporter in accordance with the following formula:

TR – TD – HFG – LP – VG – SB – TE

Where:

- TR** is the total quantity of Gas measured as having been received into the Pipeline System during the period of time;
- TD** is the total quantity of Gas measured as having been delivered from the Pipeline System during the period of time;
- HFG** is the Heater Fuel Gas for the period of time;
- LP** is the quantity (which may be positive or negative) equal to the Linepack measured as at the end of the relevant period less the Linepack measured as at the start of the relevant period;
- VG** is the quantity (if any) of Gas vented or flared during the period of time as a result of Off Specification Gas being supplied into the Pipeline System;
- SB** is the quantity (which may be positive or negative) equal to the quantity of Gas stored in the Pipeline System on behalf of all shippers measured as at the end of the relevant period less the quantity of Gas stored in the Pipeline System on behalf of all shippers measured as at the start of the relevant period;
- TE** is the Gas (if any) lost from the Pipeline System due to an act or omission of Transporter which is not permitted by this Agreement and which act or omission was done or omitted to be done with deliberate or reckless disregard for the foreseeable, harmful and avoidable consequences of that act or omission.

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 22.3(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.

Interconnection Works and Construction Agreement means an agreement setting out the terms upon which the Interconnection Works will be undertaken.

Interconnection Works means the works required to establish a new delivery point and/or new receipt point for the Pipeline System.

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 PCI Pipeline System interconnects.

Iona Gas Plant means the underground gas storage facility operated (as at the date of this Agreement) by Lochard Energy (Iona Operations) Pty Ltd ABN 67 608 441 729 located at Iona, Victoria and known as the Iona Gas Plant (and formerly known as the Western Underground Storage Facility).

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 16.1(a).

MDQ means:

- (a) in relation to the haulage Services provided under this Agreement, the then current Firm Haulage MDQ (being that set out in Annexure 1 as adjusted in accordance with this Agreement); and
- (b) where used in relation to haulage 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.

MIJ-001 Receipt Point/Delivery Point means the point described as such in Annexure 1.

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.

Mortlake Party means the Foundation Shipper, the Mortlake Power Station Operator, each Related Entity of the Foundation Shipper and each related entity of the Mortlake Power Station Operator.

Mortlake Power Station Operator means the person who from time to time controls the dispatch (through ownership or under a lease, tolling or similar arrangement) of the Mortlake Power Station.

Mortlake Power Station means the gas fired power station of that name located near Mortlake, Victoria.

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

Pipeline Licence means Pipeline Licence No. 259 granted on 28 November 2008 under the *Pipelines Act 2005* (Vic) and includes any replacement authority or renewal.

PCI Pipeline System means the high pressure steel pipeline system for the transportation of Gas in either direction between the Port Campbell to Adelaide 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.

Pipeline System means the high pressure steel pipeline system for the transportation of Gas and all related facilities owned and operated by Transporter pursuant to the Pipeline Licence 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.

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 Entity of an entity means another entity that is:

- (a) a related body corporate as defined in the *Corporations Act 2001*; and
- (b) in any consolidated entity (as defined in section 9 of the *Corporations Act*) that contains the first entity.

Resolution Institute means Resolution Institute ABN 69 008 651 232.

Scheduled Quantities is defined in Schedule 4.

Service Commencement Date means, for a Service, the date specified as such in Annexure 1.

Service Expiration Date means, for a Service, the date specified as such in Annexure 1.

Service Term means, for a Service, the period from the Service Commencement Date to the Service Expiration Date.

Services means the services to be provided by Transporter to Shipper in the Pipeline System, as described in the schedules to this Agreement.

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 Pipeline System means that part of the Victorian transmission system known as the “South West Pipeline” (being the pipeline system between Iona and Lara).

SWP Connection Point means the point described as such in Annexure 1.

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

Storage Service is defined in Schedule 3.

System Use Gas means GUF1 and Heater Fuel Gas.⁵

Technical Dispute has the meaning given in clause 22.4(b).

Term is defined in clause 3.1(c).

TJ means terajoule.

Traded MDQ means, for a Day, the Firm Haulage MDQ of Shipper as adjusted for any Trades or Exchange Trades made by Shipper under Schedule 1.

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.

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.

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.

2 Conditions Precedent

2.1 Conditions

- (a) The commencement of this Agreement (other than clauses 1, 20, 22 to 29 and this clause 2) is conditional upon the satisfaction or waiver of each of the Conditions.
- (a) The Conditions are:
 - (i) entry by the parties into the Interconnection Works Agreement and the satisfaction or waiver of all conditions to the commencement of that agreement;

⁵ Note if a compressor(s) is installed on the Pipeline System to service shipper, these standard terms will also need to deal with provision of compressor fuel.

- (ii) entry by the parties into the Expansion Agreement and the satisfaction or waiver of all conditions to the commencement of that agreement;
- (iii) entry by Transporter into an Interface Agreement with each person who owns infrastructure which will connect to the Pipeline System upon the completion of works under the Interconnection Works Agreement and the satisfaction or waiver of all conditions to the commencement of each such agreement;
- (iv) [Insert].

2.2 Waiver of Condition

The Conditions may only be waived by Transporter.

2.3 Failure to satisfy or waive condition

If the Conditions are not satisfied or waived within 60 days of execution of this Agreement, this Agreement will automatically terminate.

3 Commencement and Term

3.1 Commencement

- (a) Subject to clause 2.1, this Agreement commences upon its execution.
- (b) Subject to the terms of this Agreement, the provision of a Service will commence as from the Day which begins on the Service Commencement Date for that Service.
- (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 3.2.
- (d) Subject to the terms of this Agreement, the provision of a Service will cease on the Service Expiration Date for that Service.

3.2 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.

4 Services

4.1 Transporter's Obligation to Provide Services

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

4.2 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.

4.3 Provision of System Use Gas and Fuel Gas

To enable Transporter to provide the Services to Shipper and maintain the operational integrity of the Pipeline System, Shipper must provide System Use Gas to Transporter in accordance with Schedule 4.

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 SWP Connection Point

Shipper acknowledges and agrees that:

- (a) the ability to flow Gas from the Pipeline System through the PCI Pipeline System and into the South West Pipeline is subject to the pressure in the Pipeline System being:
 - (i) sufficiently in excess of the pressure in the South West Pipeline at the SWP Connection Point; and
 - (ii) higher than 7 MPa (or such other pressure as determined by Transporter having regard to any works undertaken to change that pressure) in the South West Pipeline at the South West Connection Point;
- (b) Transporter does not have control over the pressure of the South West Pipeline; and
- (c) Transporter is not required to deliver Gas to Shipper at the MIJ-001 Delivery Point where the pressure in the Pipeline System is not:
 - (i) sufficiently in excess of the pressure in the South West Pipeline at the South West Connection Point; and
 - (ii) higher than the pressure referred to in clause 5.2(a)(i) in the South West Pipeline at the South West Connection Point.

5.3 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 5.3(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.

5.4 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 5.4(b) requires Transporter to install any odourising facility on the Pipeline System (or elsewhere).
- (c) Subject to clause 5.4(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.

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 [insert].
- (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 2 hours 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 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 6.8(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).

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 will pass from Shipper to Transporter at the time of the supply of that Gas to a Receipt Point.

7.4 *Responsibility for Gas*

- (a) Subject to clause 8, 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 8, 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.

8 Gas Specification

8.1 *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.

8.2 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.

8.3 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 8.3(c); and
 - (ii) Shipper must cease the supply of such Gas as from the time a notice given by Transporter under clause 8.3(d) takes effect.
- (f) Any references in this clause 8 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 8.3(c) or Off Specification Gas supplied after the time a notice under clause 8.3(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.

8.4 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 8.3(g), 8.4(c) or clause 8.4(d).

8.5 Indemnity

- (a) Subject to clauses 8.5(b) and 8.5(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 8.5(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 8.5(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.

8.6 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 8.6(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.

9 Measurement

9.1 Measurement and Testing

Subject to clause 9.6, 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 Transporter.

9.2 Gas Heater Metering

The quantity of Gas used by a Gas Heater will be determined by Transporter using metering equipment installed by Transporter at that Gas Heater.

9.3 Access Rights

Transporter will ensure that Shipper has:

- (a) access to the measuring and testing equipment at the Receipt Points and the Delivery Points 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.

9.4 Records and Charts

Upon request by Shipper, Transporter must promptly submit to Shipper records and charts from the measuring equipment together with calculations therefrom for inspection and verification and Shipper must return the same within 10 days after their receipt (provided that Shipper may, at its own cost,

make and retain copies of those records and charts). Transporter must preserve for a period of at least 4 years all test data, charts and other similar records.

9.5 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.

9.6 MIJ-001 Point

- (a) This clause 9.6 will apply until such time as Transporter elects to install Measuring Equipment at the MIJ-001 Receipt Point/Delivery Point.
- (b) As at the date of this Agreement Measuring Equipment is not installed at the MIJ-001 Receipt Point/Delivery Point. Transporter may elect to install such equipment, but has no obligation to do so.
- (c) The quantity of Gas supplied or delivered to the MIJ-001 Receipt Point/Delivery Point will be determined by Transporter pursuant to a differential calculation based on the Measuring Equipment installed on the remaining Receipt Points and Delivery Points on the Pipeline System and measuring equipment installed on any pipeline with which the Pipeline System interconnects.

10 Access Rights

10.1 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.

10.2 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.

10.3 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 10.1) use its reasonable endeavours to secure for the other party a right of access to the third party's premises.

11 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 11(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.

12 Charges

12.1 *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 12.
- (d) The circumstances in which a Charge is payable by Shipper are described in the remaining provisions of this Agreement (including the Schedules).

12.2 *Change in Imposts and Laws*

- (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 Services or the receipt of payments from Shipper under this Agreement, then Transporter will alter the Charges referred to in this Agreement to pass through to Shipper any increase or reduction in Transporter's liability for Imposts arising out of the variation, the imposition or the removal.

- (b) 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 Services (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 to pass through the increase or decrease in its costs to Shipper.

13 Invoicing and Payment

13.1 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 under each Service 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 under each Service 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.

13.2 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 13.2(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 13.1 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.

13.3 Adjustments

Where an error is discovered in an invoice issued under clause 13.1, an adjustment to compensate for such error will be effected on the next invoice issued under clause 13.1 or paid within 30 days of ascertainment of the error.

13.4 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.

14 GST

14.1 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**).

14.2 GST Invoice

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

14.3 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.

14.4 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 14.1.

14.5 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.

14.6 Definitions

- (a) Terms used in this clause 14 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 14, 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 14, exclusive of GST.

15 Credit Support

15.1 Standing

Transporter is not required to provide Services 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).

15.2 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, PCI Pipeline System, South West Pipeline or Mortlake Power Station 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 15.2 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 15.2(a).
- (c) Transporter is not required to provide any Services to Shipper until Shipper provides Transporter a certificate of currency evidencing that the insurance referred to in clause 15.2(a) is in effect or establishes to Transporter's reasonable satisfaction that the arrangements referred to in clause 15.2(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 15.2(a) is in effect or otherwise substantiate to Transporter's reasonable satisfaction that the self-insurance arrangements are in effect.

15.3 Credit Support

- (a) Transporter may require Shipper to provide credit support under this clause 15 except where one or more of the following apply:
 - (i) Shipper has a S&P Global 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 S&P Global 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 15.3(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 15.3(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 Service Commencement Date for a Service Transporter is not required to provide that Service until any credit support required by this clause 15 is in place.

15.4 Amount of Credit Support

Shipper's Credit Support Amount is equal to the sum of:

- (a) 150% of the fixed Charges payable by Shipper over 3 Months; and
- (b) the monetary amount of any credit support Shipper is required to provide pursuant to the Schedules to this Agreement.

15.5 Type of Credit Support

Where Shipper is required to provide credit support that credit support must be in the form of:

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

15.6 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.

15.7 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.

15.8 Replacement/Top Up

- (a) If due to an increase in the 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 15.8(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.

15.9 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 Maintenance

16.1 Maintenance Requirements

- (a) Subject to clause 16.1(c), 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 Services (**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 Firm Services.
- (b) Subject to clause 16.1(c), 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 Services 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 Firm Haulage Service and the Storage Service as is practicable.
- (c) Maintenance Operations which reduce the Capacity of the Pipeline System will generally be undertaken in April or May or between 1 September and 30 November and at such times as minimise the impact of those Maintenance Operations on the Foundation Shipper.

16.2 Forecasts of Maintenance

- (a) Service availability information published by Transporter under Part 10 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 10, 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 10.

16.3 No Liability when Forecasts adhered to

Transporter may interrupt or curtail the provision of the Services 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 10 of the National Gas Rules;
- (b) Maintenance Operations notified to Shipper in a quarterly rolling maintenance plan provided under clause 16.2(b);
- (c) Maintenance Operations, the undertaking of which has been agreed with Shipper.

16.4 Maintenance Interruption outside of Forecasts

Transporter may interrupt or curtail the provision of the Services (without liability to Shipper) to carry out Maintenance Operations to which clause 16.3 does not apply if and to the extent that:

- (a) Transporter complies with clause 16.1;
- (b) it was not reasonably practicable to include notice of those Maintenance Operations in the forecasts provided under Part 10 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 Services due to such Maintenance Operations.

16.5 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 16.

16.6 Shipper Co-operation

Shipper must, in accordance with Transporter's reasonable directions, co-operate with Transporter so as to facilitate Transporter undertaking Maintenance Operations (including pigging operations), including supplying or delivering Gas at the times and rates specified by Transporter.

16.7 Pipeline Modification

- (a) Transporter may, in accordance with this clause 16.7, interrupt or curtail the provision of the Services without incurring any liability under this Agreement as required to undertake any enhancement to the Pipeline System, expansion to the Capacity of the Pipeline System (including the installation of compressors), interconnection of the Pipeline System to another pipeline system or facility or construction of a new delivery point or receipt point.

- (b) If Transporter proposes to interrupt or curtail the provisions of Services under this clause 16.7 Transporter must:
 - (i) provide Shipper not less than 120 days notice of Transporter’s then best estimate of when the interruption or curtailment will commence and the extent of the interruption or curtailment;
 - (ii) update the information provided under clause 16.7(b)(i) as soon as reasonably practicable if there is a change to that information; and
 - (iii) as a Reasonable and Prudent operator seek to minimise the extent of the interruption or curtailment in the provision of Services.
-

17 Emergencies and Regulatory Requirements

17.1 Rights of Transporter

Transporter will be entitled not to commence or, if commenced, will be entitled to interrupt or curtail the Services either totally or partially for any period of time which Transporter, acting Reasonably and Prudently, considers to be required:

- (a) because of an Emergency Condition; or
- (b) to comply with Law (including any direction of a Government Agency).

17.2 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 Services; and
- (b) to minimise the period and extent of non-provision or interruption or curtailment of the Services.

17.3 No Liability

If Transporter fails to provide or interrupts or curtails the Services 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.

17.4 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 or requirement under Law.

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 due to the occurrence of an Emergency Condition or because a requirement under Law.

18 Force Majeure

18.1 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.

18.2 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 18 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.

18.3 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.

19 Shared Receipt and Delivery Points

19.1 Allocation and Flow Procedures

- (a) Subject to this clause 19 where Shipper and other shippers use a Receipt Point or Delivery Point the Allocation Procedures and (if applicable) Flow Procedures applicable to that

Receipt Point and Delivery Point will be those determined by Transporter acting reasonably having regard to the priority each shipper has to the Capacity of the Pipeline System.

- (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) **Flow Procedures** are procedures for regulating the flow rate at which Gas is delivered at a Delivery Point and are required for such other delivery points which Transporter determines require such procedures.
- (d) 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 19.1(e) occurs.
- (e) The circumstances referred to in clause 19.1(d) 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.
- (f) If Transporter ceases to implement procedures under clause 19.1(d) then clause 19.1(a) will apply until such time as Transporter agrees to implement new procedures under clause 19.1(d).

19.2 Negotiation Process with Existing Shippers

- (a) This clause 19.2 applies to any Receipt Point or Delivery Point where Annexure 1 indicates that Allocation Procedures (and if applicable Flow Procedures) must be agreed before Shipper may commence use of the Receipt Point or Delivery Point.
- (b) Where this clause 19.2 applies then Shipper may not commence use of a Receipt Point or Delivery Point until such time as Allocation Procedures (and if applicable Flow 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 or Flow 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.

19.3 Consent of Existing Shippers

- (a) This clause 19.3 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 19.3 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 (and if applicable Flow Procedures) which procedures are acceptable to Transporter acting reasonably; and
 - (ii) any other person referred to in clause 19.3(a).
- (c) Transporter will co-operate with Shipper to assist it obtain the consent referred to in clause 19.3(b) and to obtain agreement as to Allocation Procedures (and if applicable Flow Procedures).

19.4 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 19.4(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 PCI 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 Liability

20.1 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 Services or otherwise in connection with this Agreement (including without limitation all failures to deliver Gas) will be limited to the sum of the “Daily Caps” on Transporter’s liability for that Day as specified in the Schedules to this Agreement.
- (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 sum of the “Annual Caps” on Transporter’s liability for that Year as specified in the Schedules to this Agreement.
- (c) 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).
- (d) Transporter is not liable for a failure to comply with this Agreement where that failure was caused by another shipper's negligence, breach of its Transportation Agreement, breach of a Law or intentional misconduct.
 - (e) Clause 20.1(d) 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.
 - (f) 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.
 - (g) The limitations on Transporter's liability in this clause 20.1 do not apply to Losses arising due to Transporter's Wilful Misconduct.

20.2 Shipper's Liability

- (a) Shipper must indemnify Transporter and keep Transporter indemnified against:
 - (i) any liability incurred by Transporter to another shipper or Interface Party; and
 - (ii) any liability incurred by Transporter to a Mortlake Party; and
 - (iii) any costs incurred by Transporter in defending a claim against Transporter by another shipper, Interface Party or Mortlake Party,which liability or claim arises due to Shipper's breach of this Agreement or negligence.
- (b) Clause 20.2(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 to, for any one event, or series of events occurring within a Day, the sum of the "Daily Caps" on Transporter's liability for that Day as specified in the Schedules to this Agreement.
- (d) Shipper's maximum liability to Transporter for a breach of this Agreement or negligence in connection with this Agreement will be limited to, for any one event, or series of events occurring within a Year, the sum of the "Annual Caps" on Transporter's liability for that Year as specified in the Schedules to this Agreement.
- (e) Clause 20.2(c) and clause 20.2(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.

20.3 Third Party Claims Indemnity

- (a) Subject to clause 20.3(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 20.3(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.

20.4 Restriction on Claims

- (a) Shipper must ensure no Relevant Person bring a claim against the Foundation Shipper in connection with the Foundation Shipper's use of the Pipeline System under the Foundation Shipper Agreement.
- (b) Shipper must indemnify Transporter and keep Transporter indemnified against:
 - (i) any liability incurred by Transporter to the Foundation Shipper; and
 - (ii) any costs incurred by Transporter in defending a claim against Transporter by the Foundation Shipper,due to Shipper's failure to comply with clause 20.4(a).
- (c) For the purposes of clause 20.4(a), a Relevant Person means:
 - (i) Shipper;

- (ii) any Related Entity of Shipper;
- (iii) any customer or counterparty of Shipper;
- (iv) any customer or counterparty of a Related Entity of Shipper.

21 Suspension, Default and Termination

21.1 Suspension

- (a) Transporter may suspend the provision of Services to Shipper:
 - (i) if the insurance required by clause 15.2 is not in place, in which case Transporter may suspend the Services until such time as that insurance is put in place;
 - (ii) if credit support required by clause 15 is not in place, in which case Transporter may suspend the Services until such time as that credit support is put in place in accordance with that clause 15;
 - (iii) if Shipper fails to pay any amount due under this Agreement by the due date (other than amounts validly withheld under clause 13.2) and fails to remedy that default within 7 days of notice from Transporter, in which case Transporter may suspend the Services 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 PCI Pipeline System or which has had, or may have, a material adverse impact on other shippers, in which case Transporter may suspend the Services 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 Services 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 Services by Transporter under this clause 21.1 relieves Shipper of its payment obligations.

21.2 Termination by Transporter

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

- (a) a suspension under clause 21.1(a)(i), clause 21.1(a)(ii) or clause 21.1(a)(iii) continues for more than 14 days;
- (b) a suspension under clause 21.1(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 13.2) 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 21.2(c) to 21.2(e) apply irrespective of whether Transporter elected to exercise suspension rights under clause 21.1.

21.3 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).

21.4 Insolvency Event

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

21.5 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 Firm Services, 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 21.5(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 on a Firm Basis 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).

21.6 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 Firm Services 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 21.6(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 on a Firm Basis 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).

21.7 No Common Law Termination Rights

Any common law rights to terminate this Agreement are excluded.

21.8 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 13, 14, 20, 22, 24, 25, 28 and this clause 21 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 24 will cease to apply as from the fifth anniversary of the expiration or termination of this Agreement.

22 Dispute Resolution

22.1 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 22.13, 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 22.

22.2 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.

22.3 Proceedings

If the parties have not resolved the Dispute within the period specified in clause 22.2 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.

22.4 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.

22.5 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.

22.6 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.

22.7 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.

22.8 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.

22.9 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.

22.10 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.

22.11 Resolution Institutes Rules

Except to the extent inconsistent with this clause 22, the resolution of a Dispute by an Independent Expert will be governed by the “Expert Determination Rules” of the Resolution Institute.

22.12 Obligations not Affected

During the period of any resolution of a Dispute by an Independent Expert in accordance with this clause 22, the parties must continue to perform their obligations under this Agreement.

22.13 Injunctive or Declaratory Relief

Nothing in this clause 22 will prevent a party from seeking injunctive or declaratory relief from a court.

23 Novation

23.1 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 23.1(a) or give such consent on unreasonable conditions.

23.2 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 23.2(a) or give such consent on unreasonable conditions.

23.3 Transfer of Partnership Interests

- (a) Notwithstanding anything to the contrary in this Agreement, a partner in the SEA Gas (Mortlake) Partnership ABN 16 743 861 923 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 23.3(a) will be released from all obligations under this Agreement which accrue after the date of the assignment.

23.4 *Assignment As Security*

Despite any other provision of this Agreement, Transporter (and any one or more of the partners in the SEA Gas (Mortlake) Partnership ABN 16 743 861 923) 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 23, 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 23.4.

24 **Confidentiality**

24.1 *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.

24.2 *Permitted Disclosure*

- (a) Despite clause 24.1, 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 24.1;
 - (v) the information is known publicly other than as a consequence of a breach of clause 24.1 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, transportation agreement for the PCI Pipeline System or Interface Agreement;
 - (xii) to persons upstream and downstream of Receipt Points and Delivery Points as required to co-ordinate receipt and delivery of Gas; and
 - (xiii) 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 24.2(a)(iii), clause 24.2(a)(iv), clause 24.2(a)(v) and clause 24.2(a)(vii), a party disclosing Confidential Information under this clause 24.2 must use its reasonable endeavours to ensure that the persons to whom it discloses that information undertake to keep the information confidential.

25 Notices

25.1 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.

25.2 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.

25.3 Time of receipt

Subject to clause 25.4, 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* (Victoria).

However if due to this clause 25.3 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.

25.4 *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.

26 **Operator**

26.1 *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**).

26.2 *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 26.2(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 21, 22 and 23 to Transporter (at such address notified to Shipper under clause 25).

26.3 *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.

26.4 No relief from Obligations

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

27 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 27(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 be 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 27(a); or
 - (iii) proposes a revised form of the changes.
- (e) If Transporter serve a notice under clause 27(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 27(d)(ii) or clause 27(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 22.
- (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 27 a revised form of proposed changes to reflect the Change in Law (and this clause 27 will apply to those revised changes).

28 Miscellaneous

28.1 Governing Law

This Agreement is governed by the law of Victoria. 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.

28.2 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.

28.3 Further Assurances

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

28.4 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.

28.5 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.

28.6 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.

28.7 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.

28.8 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.

29 Interpretation

29.1 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".

29.2 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.

29.3 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.

29.4 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.

29.5 Calculations

- (a) Subject to clauses 29.5(b) to 29.5(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.

29.6 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.

29.7 Headings

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

29.8 Time

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

29.9 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 (Mortlake)
Pty Ltd ACN 612 210 447** 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 [Insert] 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 – Firm Haulage Service

1 Definitions and Interpretation

1.1 Definitions

In this Schedule 1 unless a contrary intention appears:

- (a) **Firm Haulage Service** is defined in clause 2.1(a);
- (b) **Fixed Monthly Charge** is defined in clause 3.1(a).

1.2 Interpretation

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

2 Overview of the Firm Haulage Service

2.1 Description of Services

- (a) The Firm Haulage Service consists of:
 - (i) Transporter receiving from Shipper at the Receipt Points each Day the quantities of Gas scheduled by Transporter under Schedule 4 for receipt at such Receipt Points, such quantities of Gas not exceeding the Firm Haulage MDQ;
 - (ii) the transportation of the Gas referred to in clause 2.1(a)(i); and
 - (iii) Transporter delivering to Shipper at the Delivery Points each Day, the quantities of Gas scheduled by Transporter under Schedule 4 for delivery at such Delivery Points, such quantities of Gas not exceeding the Firm Haulage MDQ,on a firm basis and without curtailment or interruption except to the extent such curtailment or interruption is expressly permitted under clause 2(b).
- (b) The Firm Haulage Service may be interrupted or curtailed by Transporter without liability where:
 - (i) an event of Force Majeure affects Transporter's ability to provide the Firm Service;
 - (ii) Transporter is permitted to interrupt or curtail the provision of Services under clause 16 or clause 17 of the body of this Agreement;
 - (iii) an act or omission of Shipper in breach of this Agreement (or which would constitute a breach of this Agreement but for clause 18 of the body of this Agreement) prevents Transporter from providing the Firm Haulage Service; or
 - (iv) 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 Services to Shipper.

3 Charges and Liabilities

3.1 Charges

- (a) Each Month, the Fixed Monthly Charge (as determined in accordance with Annexure 2) is payable by Shipper for the provision of the Firm Haulage Service.
- (b) The Fixed Monthly Charge is payable by Shipper irrespective of the quantity of Gas delivered to Shipper in a Month.

3.2 Liabilities

- (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 Firm Haulage Service and As Available Service will be limited to the amount equal to 0.3 multiplied by the Fixed Monthly Charge applicable as at the relevant Day. For the purposes of clause 20.1(a) and 20.2(c) this amount is a **Daily Cap**.
- (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 relating to or in connection with the Firm Haulage Service and As Available Service (including 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. For the purposes of clause 20.1(b) and 20.2(d) this amount is an **Annual Cap**.

4 Trading of MDQ

4.1 Entitlement to Trade

Subject to clauses 4.1 to 4.3 of this Schedule 1, Shipper may:

- (a) dispose of on a Day to another shipper (who is entitled to the provision of a "Firm Haulage Service" (defined in a similar manner to the Firm Haulage Service as defined in this Schedule 1)) or who is entitled to a Traded Forward Haul Service (as defined in the Operational Transportation Service Code) under a Standard OTSA for the Pipeline System) all or any part of its Firm Haulage MDQ; or
- (b) acquire on a Day from another shipper all or any part of the other shipper's MDQ for a "Firm Haulage Service" (defined in a similar manner to the Firm Haulage Service as defined under this Schedule 1),

(a **Trade**) on such terms as Shipper may agree with that other shipper. Upon such a disposal or acquisition being effected or an Exchange Trade being made, Shipper's Firm Haulage MDQ will be adjusted accordingly by the amount of the relevant exchange (such adjusted Firm Haulage MDQ being the **Traded MDQ**). To avoid doubt a single Trade may relate to a series of consecutive Days provided those Days are specified in the notice served under clause 4.2(a).

4.2 Restrictions on Trades

- (a) A Trade will not be effective unless Transporter receives notice from Shipper and the other shipper of the Trade by not later than 19 hours before the Day on which the Trade is to be effected, which notice must specify the quantity the subject of the Trade.

- (b) Where a Trade will, in Transporter's reasonable opinion, give rise to a Delivery Restriction (as defined in clause 4.2(c)) then Transporter may impose such reasonable conditions (including reasonable conditions as to the amount of the Traded MDQ which may be delivered to each delivery point (or each set of delivery points) on the Day to which the Trade relates (and in one or more hours of that Day)) so as to avoid giving rise to such Delivery Restriction.
- (c) A **Delivery Restriction** is a circumstance in which giving effect to a Trade (without the imposition of conditions under clause 4.2(b)) will prevent Transporter, acting as a Reasonable and Prudent operator and having regard to the configuration of the Pipeline System and PCI Pipeline System and the delivery points, fulfilling its contractual obligations to shippers.
- (d) Where Shipper acquires MDQ pursuant to a Trade, then Shipper must comply with any restrictions imposed by Transporter under clause 4.2(b) in respect of that Trade.
- (e) Transporter must notify Shipper of any conditions imposed under clause 4.2(b), with which conditions Shipper is required to comply, at the time Transporter notifies Shipper of its Scheduled Quantities for the relevant Day under Schedule 4.

4.3 Payment of Charges

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

4.4 Exchange Trades

- (a) Shipper may, if possible to do so under the National Gas Law, trade all or any part of its Firm Haulage MDQ through the Gas trading exchange referred to in section 642(2)(c) of the National Gas Rules (**Exchange Trade**).
- (b) Shipper's Firm Haulage MDQ will be reduced by the amount of any Firm Haulage MDQ it sells through an Exchange Trade.
- (c) 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).

4.5 Service Suspension

Shipper may not make Trades or Exchange Trades during a period in which the Services are suspended under clause 21.1(a)(i) to 21.1(a)(iv) or if Shipper is an externally administered body corporate (as defined in the *Corporations Act 2001*).

Schedule 2 –As Available Service

1 Definitions and Interpretation

1.1 Definitions

In this Schedule 2, unless a contrary intention appears:

As Available Service is defined in clause 2(b).

As Available Delivery Quantity is defined in clause 2(d).

As Available Receipt Quantity is defined in clause 2(c).

Scheduled As Available Delivery Quantity has the meaning given to that term in Schedule 4.

Scheduled As Available Receipt Quantity has the meaning given to that term in Schedule 4.

1.2 Interpretation

In this Schedule 2, unless a contrary intention appears, references to clauses are to clause of this Schedule 2.

2 As Available Service

- (a) Subject to the remainder of this Agreement Transporter will make available to Shipper the As Available Service on each Day of the Service Term for the As Available Service.
- (b) The **As Available Service** is a Firm Service and consists of:
 - (i) the receipt by Transporter on a Day of Shipper's Gas at the Receipt Points in a quantity not exceeding the As Available Receipt Quantity for that Day;
 - (ii) to the extent that Gas forms part of the As Available Delivery Quantity for that Day, the transportation of that Gas through the Pipeline System;
 - (iii) the delivery by Transporter to Shipper at the Delivery Points on that Day of a quantity of Shipper's Gas not exceeding the As Available Delivery Quantity.
- (c) The **As Available Receipt Quantity** for a Day is such quantity of Gas which Shipper has nominated to supply at the Receipt Points, and which Transporter has accepted for supply at the Receipt Points, on the relevant Day above the quantities being transported pursuant to the Firm Haulage Service.
- (d) The **As Available Delivery Quantity** for a Day is such quantity of Gas which Shipper has nominated for delivery to the Delivery Points, and which Transporter has agreed to deliver to the Delivery Points, on the relevant Day above the quantities being delivered pursuant to the Firm Haulage Service.
- (e) It is at Transporter's absolute discretion whether on a Day it accepts any part of Shipper's nomination for the As Available Service.
- (f) The provision of the As Available Service on a Day may be interrupted or curtailed by Transporter without liability:

- (i) where Transporter is relieved of the obligation to provide the As Available Service by an event of Force Majeure;
 - (ii) where and to the extent Transporter is permitted to interrupt or curtail the provision of Services under clause 16 or clause 17 of the body of this Agreement;
 - (iii) where an act or omission of Shipper in breach of this Agreement (or which would constitute a breach of this Agreement but for clause 18 of the body of this Agreement) prevents Transporter from providing the As Available Service;
 - (iv) where 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 Services to Shipper.
- (g) The provision of the As Available Service is subject to the requirements (including as to priority between services) of the National Gas Law.
-

3 Charges

- (a) Shipper must, in respect of a Day, pay the As Available Charge which is equal to the greater of:
 - (i) the As Available Charge Rate (as determined in accordance with Annexure 2) multiplied by the Scheduled As Available Delivery Quantity for that Day (expressed in GJ); and
 - (ii) the As Available Charge Rate (as determined in accordance with Annexure 2) multiplied by the Scheduled As Available Receipt Quantity for that Day (expressed in GJ).
- (b) The reference in clause 3(a) to the Scheduled As Available Delivery Quantity is to that quantity as scheduled under clause 3 of Schedule 4 as that quantity may be reduced under clause 7 of Schedule 4 or increased under clause 4 of Schedule 4 (and excluding any other reduction to that quantity).
- (c) The reference in clause 3(a) to the Scheduled As Available Receipt Quantity is to that quantity as scheduled under clause 3 of Schedule 4 as that quantity may be reduced under clause 7 of Schedule 4 or increased under clause 4 of Schedule 4 (and excluding any other reduction to that quantity).

Schedule 3 – Storage Service

1 Definitions and Interpretation

1.1 Definitions

- (a) In this Schedule 3 unless a contrary intention appears:

Daily Storage Adjustment is defined in clause 2.2(b).

Fixed Monthly Storage Service Charge is defined in clause 3.1.

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

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

Storage Balance is defined in clause 2.2(a).

Storage Service is defined in clause 2.1(b).

Storage Service Limit means the quantity described as such in Annexure 1 (and, where applicable, includes that quantity as adjusted in accordance with this Agreement).

Storage Service Delivery MDQ means the quantity described as such in Annexure 1 (and, where applicable, includes that quantity as adjusted in accordance with this Agreement).

Storage Service Receipt MDQ means the quantity described as such in Annexure 1 (and, where applicable, includes that quantity as adjusted in accordance with this Agreement).

Storage Account is defined in clause 2.1(b)(ii).

- (b) In this Schedule 3 references to clauses are to clauses of this Schedule 3 unless a contrary intention appears.

2 Overview of the Storage Service

2.1 Description of Service

- (a) Subject to the remainder of this Agreement Transporter will make available to Shipper the Storage Service on each Day of the Service Term for the Storage Service.
- (b) The Storage Service is a Firm Service and consists of:
- (i) the receipt by Transporter on a Day of a quantity of Shipper's Gas not exceeding the Storage Service Receipt MDQ for that Day at the Receipt Points for storage in the Pipeline System;
 - (ii) the storage in the Pipeline System in a notional account (**Storage Account**) of the Gas comprising the Storage Balance until such time as the Gas is scheduled in accordance with this Agreement to be discharged from storage; and
 - (iii) the delivery by Transporter on a Day of all or part of the Gas comprising the Storage Balance in a quantity not exceeding the Storage Service Delivery MDQ for that Day.
- (c) The Storage Service may be interrupted or curtailed by Transporter without liability where:

- (i) an event of Force Majeure affects Transporter’s ability to provide the Storage Service;
 - (ii) Transporter is permitted to interrupt or curtail the provision of Services under clause 17 or clause 18 of the body of this Agreement;
 - (iii) an act or omission of Shipper in breach of this Agreement (or which would constitute a breach of this Agreement but for clause 18 of the body of this Agreement) prevents Transporter from providing the Storage Service; or
 - (iv) 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 Services to Shipper.
- (d) The parties acknowledge that Transporter will, prior to the commencement of a Day, determine Shipper’s entitlement to use the Storage Service and schedule quantities of Gas to be received and delivered pursuant to that service based on Transporter’s reasonable estimate of the Storage Balance at the beginning of that Day. To the extent the actual Storage Balance is less than that estimated then Transporter may (without liability) reduce the quantities of Gas scheduled for receipt and delivery pursuant to the Storage Service to the extent they (as applicable) exceed the Storage Service Receipt MDQ or the Storage Service Delivery MDQ.
- (e) Where Transporter reduces the quantities of Gas scheduled for receipt and delivery pursuant to the Storage Service in accordance with clause 2.1(d) it must promptly notify Shipper.

2.2 Storage Balance

- (a) Subject to this clause 2.2, the Storage Balance is the sum of the Daily Storage Adjustment for each Day of the Term.
- (b) The Storage Balance is subject to any further adjustments provided for in Schedule 4.
- (c) The Daily Storage Adjustment for a Day is the amount determined in accordance with the following formula:

$$SR - SD + DI$$

Where:

SR is the quantity of Gas received at the Receipt Points pursuant to the Storage Service on a Day;

SD is the quantity of Gas delivered to the Delivery Points pursuant to the Storage Service on a Day; and

DI is the quantity of the Daily Imbalance for that Day which can be allocated to the Storage Account without causing the Storage Balance to exceed the Storage Service MDQ or to fall below zero.

- (d) The Storage Balance for a Day may not be increased to an amount greater than the Storage Service Limit for that Day. To the extent that the calculation in clause 2.2(b) would otherwise cause the Storage Balance to exceed the Storage Service Limit, the excess quantity of Gas will be transferred to Shipper’s Accumulated Imbalance as though it were a quantity of Gas supplied by Shipper into the Pipeline System.

- (e) Shipper's Accumulated Imbalance will be adjusted to reflect any quantity of Daily Imbalance transferred to the Storage Account under clause 2.2(b).
- (f) Upon the expiry or termination of this Agreement the Storage Balance will be transferred to Shipper's Accumulated Imbalance as though it were a quantity of Gas:
 - (i) in the case of a positive Accumulated Imbalance, supplied by Shipper into; and
 - (ii) in the case of a negative Accumulated Imbalance, taken by Shipper fromthe Pipeline System and Shipper must then reduce its Accumulated Imbalance to zero in accordance with clause 6.8.

3 Charges and Liabilities

3.1 Charges

- (a) Each Month during the Service Term for the Storage Service Shipper must pay Transporter the Fixed Monthly Storage Service Charge (as determined in accordance with Annexure 2).
- (b) The Fixed Monthly Storage Service Charge is payable by Shipper irrespective of the quantity of Gas delivered to, or stored by, Shipper in a Month.

3.2 Liabilities

- (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 Storage Service will be limited to the amount equal to 0.3 multiplied by the Fixed Monthly Storage Service Charge applicable as at the relevant Day. For the purposes of clause 20.1(a) and 20.2(c) this amount is a **Daily Cap**.
- (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 relating to or in connection with the Storage Service (including all failures to deliver Gas during the Year) will be limited to the amount equal to 1.2 multiplied by the Fixed Monthly Storage Service Charge applicable as at the first Day of the Year. For the purposes of clause 20.1(b) and 20.2(d) this amount is an **Annual Cap**.

4 Trading of Storage Service MDQ

4.1 Entitlement to Trade

Subject to the remainder of this clause 4, Shipper may dispose of on a Day to another shipper who has provisions in their Transportation Agreement which would allow them to utilise the Storage Service Limit, or who is entitled to a Traded Park Service (as defined in the Operational Transportation Service Code) under a Standard OTSA for the Pipeline System, all or any part of its Storage Service Limit (a **Trade**) on such terms as Shipper may agree with that other shipper. Upon such a disposal being effected, Shipper's Storage Service Limit will be reduced accordingly by the amount of the relevant exchange. To avoid doubt a single Trade may relate to a series of consecutive Days provide those Days are specified in the notice served under clause 4.2.

4.2 Restrictions on Trades

A Trade will not be effective unless Transporter receives notice from Shipper and the other shipper of the Trade by not later than 19 hours before the Day on which the Trade is to be effected, which notice must specify the quantity the subject of the Trade.

4.3 Payment of Charges

No Trade or Exchange Trade affects Shipper's liability to pay the Fixed Monthly Storage Service Charge.

4.4 Exchange Trades

- (a) Shipper may trade all or any part of its Storage Service Limit through the Gas trading exchange referred to in section 642(2)(c) of the National Gas Rules (**Exchange Trade**).
- (b) Shipper's Storage Service Limit will be reduced by the amount of any Storage Service Limit it sells through an Exchange Trade.
- (c) 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).

4.5 Service Suspension

Shipper may not make Trades or Exchange Trades during a period in which the Services are suspended under clause 21.1(a)(i) to 21.1(a)(iv) or if Shipper is an externally administered body corporate (as defined in the *Corporations Act 2001*).

Schedule 4 – Operational Provisions⁶

Part A – Definitions

1 Definitions and Interpretations

(a) In this Schedule 4 unless a contrary intention appears:

As Available Service has the meaning given to that term in Schedule 2.

Daily Delivery Entitlement is defined in clause 3.5.

Daily Receipt Entitlement is defined in clause 3.3.

Daily System Use Gas Requirement is defined in clause 2.6(a).

Daily Unauthorised Overrun Delivery Quantity is defined in clause 14.4(b).

Daily Unauthorised Overrun Receipt Quantity is defined in clause 14.4(a).

Delivery Point MHQ is defined in clause 11.3.

Delivery Point Nomination is defined in clause 2.2(c).

Delivery Point Storage Nomination is defined in clause 2.2(d).

GUFI Requirement is defined in clause 2.6(c).

Heater Fuel Gas Requirement is defined in clause 2.6(b).

Hourly Unauthorised Overrun Quantity is defined in clause 14.3.

In Pipe Delivery Restriction is defined in clause 15.1(d).

In Pipe Trade is defined in clause 15.1(a).

Nomination Service Charge is defined in clause 4.5(c).

Receipt Point MHQ is defined in clause 11.1.

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

Receipt Point Storage Nomination is defined in clause 2.2(b).

Scheduled As Available Delivery Quantity is defined in clause 3.7(b).

Scheduled As Available Receipt Quantity is defined in clause 3.7(a).

Scheduled Delivery Quantity is defined in clause 3.2(d).

Schedule of Priorities is defined in clause 3.8(c).

Scheduled Quantities is defined in clause 3.2.

⁶ References to storage services will be removed if no such services are provided.

Scheduled Receipt Quantity is defined in clause 3.2(b).

Scheduled Storage Delivery Quantity is defined in clause 3.2(e).

Scheduled Storage Receipt Quantity is defined in clause 3.2(c).

Storage Service Discharge MHQ means [Insert].

Storage Service Recharge MHQ means [Insert].

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

Total Delivery Point Storage Nomination is defined in clause 2.2(d).

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

Total Receipt Point Storage Nomination is defined in clause 2.2(b).

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

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

Total Scheduled Storage Delivery Quantity is defined in clause 3.2(e).

Total Scheduled Storage Receipt Quantity is defined in clause 3.2(c).

- (b) Unless a contrary intention appears, references in this Schedule 4 to parts and clauses are to parts and clauses of this Schedule 4.

Part B – Nomination and Scheduling

2 Forecasts, Nominations and Supply of Fuels

2.1 Shipper's Forecasts

Shipper must provide to Transporter:

- (a) not less than 6 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 3 months before the beginning of the Quarter in which the Commencement Date is reasonably expected to occur, any revision to the forecast provided under clause 2.1(a);
- (c) 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
- (d) 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 12.00 noon 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 all Services (other than the Storage Service) 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 for supply by Shipper to each Receipt Point on each Day of the following Week pursuant to the Storage Service (for each Receipt Point and each Day, **Receipt Point Storage Nomination** and in aggregate for each Day, **Total Receipt Point Storage Nomination**);
- (c) the nominated quantities of Gas required for delivery at each Delivery Point on each Day of the following Week for all Services other than the Storage Service (for each Delivery Point and each Day **Delivery Point Nomination** and in aggregate for each Day **Total Delivery Point Nomination**); and
- (d) the nominated quantities of Gas required for delivery at each Delivery Point on each Day of the following Week pursuant to the Storage Service (for each Delivery Point and each Day

Delivery Point Storage Nomination, and in aggregate for each Day **Total Delivery Point Storage 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.

2.3 Notification of Forecast Scheduled Quantities and Fuel Requirements

By not later than 2.00pm on each Friday (beginning with the Friday immediately prior to the Week in which the Commencement Date occurs (or is reasonably expected to occur)), Transporter must notify Shipper of:

- (a) Transporter's best estimate of the extent to which Transporter will be able to accept Shipper's nomination (other than for the As Available Service) for each Day of the following Week (which estimate is non-binding); and
- (b) Transporter's best estimate of the quantity of System Use Gas which Shipper must supply to Transporter on each Day of the following Week (which estimate is non-binding).

2.4 Fridays which are not Business Days

Where a Friday is not a Business Day, then the nominations referred to in clauses 2.2 to 2.3 will be provided by the corresponding times on the immediately preceding Business Day.

2.5 Transporter's Daily Notification

By 12.00 noon on each Day, Transporter must notify Shipper of:

- (a) Transporter's best estimate of the quantity of System Use Gas which Shipper is required to supply to Transporter on that following Day (including any adjustments being made to the System Use Gas Quantity pursuant to clause 5(c);
- (b) Transporter's best estimate of any quantities of Gas Transporter will debit or credit to the Storage Balance pursuant to clause 5(b).

2.6 System Use Gas

- (a) The quantity of System Use Gas Shipper is required to supply to Transporter on a Day (**Daily System Use Gas Requirement**) is, subject to any adjustment made by Transporter under clause 5(c), the sum of the Heater Fuel Gas Requirement for that Day and the GUF1 Requirement for that Day.
- (b) The **Heater Fuel Gas Requirement** for a Day is the sum of the following amount for each Delivery Point to which Shipper is scheduled to deliver Gas which Delivery Point has a Gas Heater:

SD/TD * HF

Where:

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

TD is the total quantity of Gas forecast to be delivered to all shippers at the relevant Delivery Point on that Day (excluding the Foundation Shipper); and

HF is Transporter’s estimate of the quantity of Heater Fuel Gas which will be consumed on the relevant Day by the Gas Heater at the relevant Delivery Point (excluding any Heater Fuel Gas required to be supplied by the Foundation Shipper).

(c) The **GUFI Requirement** for a Day is the amount determined by the following formula:

SD/TD * GUFI

SD is the total quantity of Gas forecast to be delivered to Shipper on that Day;

TD is the total quantity of Gas forecast to be delivered to all shippers on the Day (excluding the Foundation Shipper);

GUFI is Transporter’s estimate of the GUFI for that Day (excluding any part of that GUFI required to be supplied by the Foundation Shipper).

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

2.8 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.

2.9 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

- (a) 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).
- (b) Any adjustment on a Day under clause 3.1(a) must be made:
 - (i) after taking into account the extent (if any) to which the Daily Imbalance for a Day would be transferred to the Storage Balance; and
 - (ii) having regard to any In Pipe Trades which will be effected on the relevant Day.

3.2 *Scheduling by Transporter*

Transporter must, by no later than 5.00pm, determine and give notice to Shipper of:

- (a) Transporter's determination of the Daily System Use Gas Requirement for the following Day;
- (b) 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**);
- (c) the quantity of Gas which Shipper is required to supply to Transporter at each Receipt Point on the following Day pursuant to the Storage Service (for each Receipt Point, **Scheduled Storage Receipt Quantity** and in aggregate **Total Scheduled Storage Receipt Quantity**);
- (d) 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**); and
- (e) the quantity of Gas which Transporter is required to deliver to Shipper at each Delivery Point on the following Day pursuant to the Storage Service (for each Delivery Point, **Scheduled Storage Delivery Quantity** and in aggregate **Total Scheduled Storage Delivery Quantity**),

(together 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 (except to the extent Transporter at its absolute discretion elects to provide the As Available Service in which case Transporter will increase the Total Scheduled Receipt Quantity to reflect the amount of As Available Service it determines to provide) equal the lesser of:

- (a) the sum of the Total Receipt Point Nomination and the Daily System Use Gas Requirement for that Day; and
- (b) the Firm Haulage MDQ for that Day,

(**Daily Receipt Entitlement**).

3.4 *Scheduling Requirement – Total Scheduled Storage Receipt Quantity*

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

- (a) the Total Receipt Point Storage Nomination; and
- (b) the Storage Service Receipt MDQ for that Day.

3.5 *Scheduling Requirement – Total Scheduled Delivery Quantity*

Subject to the terms of this Agreement, the Total Scheduled Delivery Quantity for a Day must (except to the extent Transporter at its absolute discretion elects to provide the As Available Service in which case Transporter will increase the Total Scheduled Delivery Quantity to reflect the amount of As Available Service it determines to provide) equal the lesser of:

- (a) the Total Delivery Point Nomination for that Day; and
- (b) the Firm Haulage MDQ for that Day less the Daily System Use Gas Requirement,

(Daily Delivery Entitlement).

3.6 **Scheduling Requirement – Total Scheduled Storage Delivery Quantity**

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

- (a) the Total Delivery Point Storage Nomination; and
- (b) the Storage Service Discharge MDQ for that Day.

3.7 **As Available Service**

- (a) The amount (if any) by which the Total Scheduled Receipt Quantity exceeds the Firm Haulage MDQ represents Gas to be received pursuant to the As Available Service (such quantity being the **Scheduled As Available Receipt Quantity** and which quantity will change over a Day if the Total Scheduled Receipt Quantity changes).
- (b) The amount (if any) by which the Total Scheduled Delivery Quantity exceeds the Firm Haulage MDQ represents Gas to be delivered pursuant to the As Available Service (such quantity being the **Scheduled As Available Delivery Quantity** and which quantity will change over a Day if the Total Scheduled Delivery Quantity changes).

3.8 **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 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 Storage Receipt Quantity equals the Total Receipt Point Storage Nomination, then the Scheduled Storage Receipt Quantity for a Receipt Point must equal the Receipt Point Storage Nomination for that Receipt Point;
 - (iii) 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; and
 - (iv) the Total Scheduled Storage Delivery Quantity equals the Total Delivery Point Storage Nomination, then the Scheduled Storage Delivery Quantity for a Delivery Point must equal the Delivery Point Storage 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 and the Total Receipt Point Storage Nomination or at the Delivery Points a quantity of Gas equal to the Total Delivery Point Nomination and the Total Delivery Point Storage Nomination then, unless Shipper has provided Transporter with a Schedule of Priorities in accordance with clause 3.8(c), Transporter may, at its discretion, determine what part of the Receipt Point Nominations, the Receipt Point Storage Nominations, the Delivery Point Nominations and the Delivery Point Storage 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, Receipt Point Storage Nominations, Delivery Point Nominations and Delivery Point Storage 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, the Total Receipt Point Storage Nomination, the Total Delivery Point Nomination or the Total Delivery Point Storage Nomination (as applicable) (**Schedule of Priorities**). To the extent practicable, Transporter must comply with any such Schedule of Priorities.

3.9 *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 and Total Scheduled Storage 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 and the Total Scheduled Storage Delivery Quantity for that Day.

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);
- (e) an increase or decrease in the Total Scheduled Storage Receipt Quantity and a variation to one or more Scheduled Storage Receipt Quantities for that Day;
- (f) an increase or decrease in the Total Scheduled Storage Delivery Quantity and a variation to one or more Scheduled Storage Delivery Quantities for that Day;
- (g) a variation in two or more Scheduled Receipt Storage Quantities for that Day (but without variation to the Total Scheduled Storage Receipt Quantity); and
- (h) a variation in two or more Scheduled Storage Delivery Quantities for that Day (but without variation to the Total Scheduled Storage Delivery Quantity).

4.2 *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) that giving effect to the request will result in an increased volume of Gas being transported pursuant to the As Available Service;

- (b) it is not physically possible to transport the varied quantity of Gas without placing Transporter in breach of its obligations to another shipper;
- (c) there is insufficient differential in the pressure between the relevant Receipt Point and Delivery Point to allow Transporter to transport the varied quantity of Gas;
- (d) 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);
- (e) 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;
- (f) 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;
- (g) giving effect to the request would adversely affect the operational integrity of the Pipeline System or PCI Pipeline System;
- (h) 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);
- (i) the Total Scheduled Receipt Quantity (as increased in accordance with the request) would exceed the Daily Receipt Entitlement for the relevant Day;
- (j) the Total Scheduled Delivery Quantity (as increased in accordance with the request) would exceed the Daily Delivery Entitlement for the relevant Day;
- (k) the Total Scheduled Storage Receipt Quantity (as increased in accordance with the request) would exceed the Storage Service Receipt MDQ for the relevant Day;
- (l) the Total Scheduled Storage Delivery Quantity (as increased in accordance with the request) would exceed the Storage Service Delivery MDQ for the relevant Day; or
- (m) acceptance of the request would otherwise be inconsistent with any of Shipper’s contractual entitlements under this Agreement.

4.3 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;

- (iv) the Scheduled Delivery Quantities;
- (v) the Total Scheduled Storage Receipt Quantity;
- (vi) the Scheduled Storage Receipt Quantities;
- (vii) the Total Scheduled Storage Delivery Quantity; and
- (viii) the Scheduled Storage Delivery Quantities,

as a result of the acceptance by Transporter of all or part of that request; and

- (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).

4.4 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, comply with any Schedule of Priorities provided by Shipper to Transporter (whether under clause 3.8 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, the Scheduled Storage Receipt Quantities, the Scheduled Delivery Quantities and the Scheduled Storage Delivery Quantities will be varied to give effect to Shipper's request.

4.5 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 4.5(c)) for the greater of:
 - (i) the quantity by which the aggregate of the Total Scheduled Receipt Quantity and the Total Scheduled Storage Receipt Quantity for that Day is varied;
 - (ii) the quantity by which the aggregate of the Total Scheduled Delivery Quantity and the Total Scheduled Storage Delivery Quantity for that Day 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 the aggregate of (as applicable) the Total Scheduled Receipt Quantity and the Total Scheduled Storage Receipt Quantity and the Total Scheduled Delivery Quantity and the Total Scheduled Storage Delivery Quantity.

4.6 *Interaction with Flow Procedures*

A change to Shipper's flow profile made in accordance with Flow Procedures (as that term is defined in the body of this Agreement) is not a renomination by Shipper for the purposes of this clause.

Part C – Priorities, Allocations and System Use Gas Adjustment

5 System Use Gas Reconciliation

- (a) At the end of each month Transporter will:
- (i) determine the actual Gas consumed by the Gas Heaters and actual GUF_I for that month;
 - (ii) apportion those amounts to Shipper in accordance with the formula in clause 2.7 but on the basis references to forecast deliveries are replaced with actual deliveries and reference to estimated Heater Fuel Gas and estimated GUF_I are replaced by reference to actual Heater Fuel Gas and actual GUF_I; and
 - (iii) determine whether the sum of those apportioned amounts exceeds the System Use Gas actually supplied by Shipper during that month. To the extent there is a differential this will be accounted for in accordance with clause 5(b) or clause 5(c).
- (b) If a Service Term for the Storage Service has commenced and not ended, Transporter will debit or credit the differential to the Storage Balance. To the extent that such crediting or debiting would result in the Storage Balance falling below zero or exceeding the Storage Limit, then the crediting or debiting of any such amount will be deferred until the amounts may be credited or debited to the Storage Balance without causing the Storage Balance to fall below zero or to exceed the Storage Limit.
- (c) If a Service Term for the Storage Service has not commenced or has ended, then Transporter will adjust the quantities of System Use Gas Shipper is required to supply under this Agreement over the following month to account for the differential. To the extent that by the end of that following month the differential has not been accounted for, Transporter may adjust Shipper's Accumulated Imbalance by the amount of any differential not yet accounted for.

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

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.

7 Priorities

7.1 Scheduling Priorities

Where Transporter, acting Reasonably and Prudently, forms the view that there will be insufficient Capacity in the Pipeline System on a Day 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 Transporter undertaking scheduling, then the available Capacity for that Day must be allocated by Transporter as follows:

- (a) first to the Foundation Shipper as required to meet its nominations for the Foundation Shipper Haulage Service;
- (b) secondly as required to meet shipper's requirements for Storage Services (including the Foundation Shipper Storage Service) and where the available Capacity is insufficient to meet all such requirements it will be pro-rated based on the respective maximum quantity of Gas each such shipper is entitled to have stored in the Pipeline System (and excluding from the allocation any storage services which may be scheduled at Transporter's discretion); and
- (c) thirdly to Shipper for the Firm Haulage Service and to any other shippers for services provided on similar terms, and where there is insufficient remaining Capacity to meet the requirements of all such shippers, Capacity will be allocated pro-rata based on the MDQ of each such shipper.

7.2 Shortfalls identified after scheduling

Where after Transporter has notified Shipper of the Scheduled Quantities for a Day Transporter forms the view that there will be insufficient Capacity in the Pipeline System on that Day to provide services in respect of the quantity of Gas scheduled for all shippers on that Day then services will be curtailed in the following order:

- (a) first any services which may be interrupted at the discretion of Transporter;
- (b) second the As Available Service provided under this Agreement and any equivalent service provided to other shippers (other than the Foundation Shipper) and where there is sufficient Capacity to provide part but not all of those services, the available Capacity will be allocated between the shippers pro-rata based on the MDQ of each such shipper;
- (c) third any haulage service provided to the Foundation Shipper in respect of quantities of Gas above what it is entitled to pursuant to the Foundation Shipper Haulage Service;
- (d) fourth the Firm Haulage Service provided under this Agreement and any equivalent service provided to other shippers (other than the Foundation Shipper) and where there is sufficient Capacity to provide part but not all of those services, the available Capacity will be allocated between the shippers pro-rata based on the MDQ of each such shipper;
- (e) fifth Storage Services (excluding any curtailed under clause 7.2(a) or any provided to the Foundation Shipper) and where there is sufficient Capacity to provide part but not all of those services, the available Capacity will be allocated between the shippers pro-rata based on the respective maximum quantity of Gas each such shipper is entitled to have stored in the Pipeline System;
- (f) sixth services provided to the Foundation Shipper (other than the services referred to in clause 7.2(c)).

7.3 Notification of Revised Scheduled Quantities

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 7, Transporter must notify Shipper of any revision to the quantities of Gas scheduled for Shipper.

7.4 National Gas Law

The allocation procedures in this clause 7 apply subject to any allocation procedures required to be applied under the National Gas Law or any other Laws.

8 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, the Scheduled Storage Receipt Quantities, the Scheduled Delivery Quantities and the Scheduled Storage Delivery Quantities for that Day 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, the Scheduled Storage Receipt Quantities, the Scheduled Delivery Quantities and the Scheduled Storage Delivery Quantities.

To the extent of any inconsistency between the Schedule of Priorities and directions given by Shipper under clause 8(b), Transporter will, to the extent reasonably practicable, comply with the directions given by Shipper.

9 Advice of Receipt Point Shortfall

Shipper must as soon as reasonably practicable notify Transporter if Shipper becomes aware that Shipper is unable to supply on any Day a quantity of Gas equal to:

- (a) the Scheduled Receipt Quantity for a Receipt Point; and/or
- (b) the Scheduled Storage Receipt Quantity for a Receipt Point,

for that Day, which notice must set out the reduced quantity of Gas which Shipper is able to supply to the relevant Receipt Point.

10 Allocations Between Services

- (a) Where on a Day Shipper is scheduled to supply at a Receipt Point both a Scheduled Receipt Quantity and a Scheduled Storage Receipt Quantity then receipts will be allocated between those Services on a Day:
 - (i) in accordance with such allocation procedure as advised by Shipper to Transporter prior to the commencement of the Day (provided that Transporter is reasonably able to give effect to the procedure and the procedure will, over the course of the Day, allocate the entire Scheduled Receipt Quantity and Scheduled Storage Receipt Quantity); and
 - (ii) if an allocation procedure complying with clause 10(a)(i) has not been advised by Shipper, then pro-rata based on the Scheduled Receipt Quantity and the Scheduled Storage Receipt Quantity (provided the maximum amount which will be allocated as receipts from the Storage Service is the Scheduled Storage Receipt Quantity).

- (b) Where on a Day Shipper is scheduled to take at a Delivery Point both a Scheduled Delivery Quantity and a Scheduled Storage Delivery Quantity then deliveries will be allocated between those Services in an hour:
- (i) in accordance with such allocation procedure as advised by Shipper to Transporter prior to the commencement of the Day (provided that Transporter is reasonably able to give effect to the procedure and the procedure will, over the course of the Day, allocate the entire Scheduled Delivery Quantity and Scheduled Storage Delivery Quantity); and
 - (ii) if an allocation procedure complying with clause 10(b)(i) has not been advised by Shipper, then pro-rata based on the Scheduled Delivery Quantity and the Scheduled Storage Delivery Quantity (provided the maximum amount which will be allocated as deliveries from the Storage Service is the Scheduled Storage Delivery Quantity).

Part D – Hourly Entitlements

11 Hourly Limitations

11.1 Receipt Point Hourly Limitation

Subject to the terms of this Agreement, the maximum quantity of Gas which Shipper may supply to the Receipt Points in an hour (**Receipt Point MHQ**) is 4.4% of the greater of:

- (a) the Firm Haulage MDQ; and
- (b) the Total Scheduled Receipt Quantity (as determined at the commencement of the relevant hour).

11.2 Receipt Point Hourly Limitation – Recharge of Storage Balance

Clause 11.1 does not apply to quantities of Gas supplied pursuant to the Storage Service. Subject to the terms of this Agreement, the maximum quantity of Gas which Shipper may supply to the Receipt Points in an hour pursuant to the Storage Service is the Storage Service Recharge MHQ.

11.3 Delivery Points - Hourly Limitation

Subject to the terms of this Agreement, the maximum quantity of Gas which Shipper may take delivery of at the Delivery Points in an hour (**Delivery Point MHQ**) is 5% of the greater of:

- (a) the Firm Haulage MDQ; and
- (b) the Total Scheduled Delivery Quantity (as determined at the commencement of the relevant hour).

11.4 Delivery Point Hourly Limitation – Recharge from Storage Balance

Clause 11.3 does not apply to quantities of Gas delivered pursuant to the Storage Service. Subject to the terms of this Agreement, the maximum quantity of Gas which Shipper may take delivery of at the Delivery Points in an hour pursuant to the Storage Service is the Storage Service Discharge MHQ.

11.5 Minimum Flow Rates

- (a) Where:
 - (i) due to operational requirements at a Receipt Point or Delivery Point a minimum hourly flow rate must be achieved to allow Gas to be received at or delivered to that Receipt Point or Delivery Point; and
 - (ii) the scheduled quantities of shippers using the point on a Day are such that if the flow was profiled evenly (or approximately evenly) over the Day this minimum hourly flow rate would not be achieved,

Transporter must use reasonable endeavours to reprofile the hourly flows so that the minimum hourly flow rate is achieved (in a manner consistent with receiving or delivering the scheduled quantities), and:

- (iii) Shipper will not be in breach of this clause 11 to the extent the exceeding of the Receipt Point MHQ, Storage Service Recharge MHQ, Delivery Point MHQ or Storage Service Discharge MHQ is caused by the action taken by Transporter under this clause 11.5(a); and

- (iv) any Gas taken in excess of the Receipt Point MHQ, Storage Service Recharge MHQ, Delivery Point MHQ or Storage Service Discharge MHQ due to the action taken by Transporter under this clause 11.5(a) is excluded from the calculation of the Hourly Unauthorised Overrun Quantity (under clause 14.3).
- (b) Transporter will from time to time advise Shipper which Receipt Points and Delivery Points have a minimum hourly flow rate and of the quantum of that flow rate.

Part E – Restrictions on Receipts and Deliveries

12 Restrictions

12.1 Receipt Point Restrictions

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

12.2 Delivery Point Restrictions

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

13 Curtailment Rights

13.1 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 the sum of the Scheduled Receipt Quantity and the Scheduled Storage 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 sum of the Total Scheduled Receipt Quantity and the Total Scheduled Storage Receipt Quantity for that Day;
- (c) takes delivery at a Delivery Point of a quantity of Gas in excess of the sum of the Scheduled Delivery Quantity and the Scheduled Storage 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 sum of the Total Scheduled Delivery Quantity and the Total Scheduled Storage Delivery Quantity for that Day;
- (e) supplies a quantity of Gas to the Receipt Points in an hour which exceeds the sum of the Receipt Point MHQ and the Storage Service Recharge MHQ;
- (f) takes delivery of a quantity of Gas at the Delivery Points in an hour which exceeds the sum of the Delivery Point MHQ and the Storage Service Discharge MHQ,

and:

- (g) 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 PCI Pipeline System; or
- (h) 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:

- (i) in the case of clause 13.1(g), to an extent not greater than necessary to prevent the occurrence or continuance of the circumstances described in clause 13.1(g) ; and
- (j) 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.

13.2 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 13.1; 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.

13.3 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 13.1.

14 Unauthorised Overrun Charge

14.1 Liability for Unauthorised Overrun Charge

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

- (a) supplies a quantity of Gas in an hour at the Receipt Points in excess of the sum of the Receipt Point MHQ and the Storage Service Recharge MHQ for that hour; or
- (b) supplies a quantity of Gas on that Day at the Receipt Points in excess of the sum of the Total Scheduled Receipt Quantity and the Total Scheduled Storage Receipt Quantity for that Day; or
- (c) takes delivery of a quantity of Gas in an hour in excess of the sum of the Delivery Point MHQ and the Storage Service Discharge MHQ for that hour; or

- (d) takes delivery of a quantity of Gas on that Day at the Delivery Points in excess of the sum of the Total Scheduled Delivery Quantity and the Total Scheduled Storage Delivery Quantity for that Day,

then Shipper will be liable to pay an Unauthorised Overrun Charge (as determined in accordance with the provisions of this clause 14).

14.2 Quantum of Unauthorised Overrun Charge

The Unauthorised Overrun Charge for a Day is equal to the Unauthorised Overrun Charge Rate (as determined under Annexure 2) multiplied by the greater of:

- (a) the Hourly Unauthorised Overrun Quantity for that Day (as defined in clause 14.3);
- (b) the Daily Unauthorised Overrun Receipt Quantity for that Day (as defined in clause 14.4); and
- (c) the Daily Unauthorised Overrun Delivery Quantity for that Day (as defined in clause 14.4).

14.3 Hourly Unauthorised Overrun Quantity

The Hourly Unauthorised 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 sum of the Delivery Point MHQ and Storage Service Discharge MHQ for that hour; or
- (b) supplied by Shipper to the Receipts Points in that hour in excess of the sum of the Receipt Point MHQ and the Storage Service Recharge MHQ for that hour.

14.4 Daily Unauthorised Overrun Receipt Quantity

- (a) The Daily Unauthorised Overrun Receipt Quantity is the quantity of Gas supplied by Shipper on a Day in excess of the quantity of Gas referred to in clause 14.1(b).
- (b) The Daily Unauthorised Overrun Delivery Quantity is the quantity of Gas taken by Shipper on a Day in excess of the quantity of Gas referred to in clause 14.1(d).

Part F – In Pipe Trading

15 Trading

15.1 Entitlement to Trade

- (a) Subject to this clause 15, Shipper and another shipper may give notice to Transporter that, with effect from the time and Day specified in the notice:
- (i) Shipper will acquire from the other shipper a quantity of Gas at a notional point in the Pipeline System; or
 - (ii) Shipper will sell a quantity of Gas to the other shipper at a notional point in the Pipeline System,
- such transaction being an **In Pipe Trade**.
- (b) Transporter is only required to give effect to a notice served by Shipper under clause 15.1(a) if:
- (i) the other shipper has a right under its Transportation Agreement to undertake a trade which is in substance the same as an “In Pipe Trade”;
 - (ii) Transporter receives either a joint notice from Shipper and the other shipper of the In Pipe Trade or receives a separate notice from each party which, in substance, sets out an In Pipe Trade which is in identical terms (including the time, Day and quantity of Gas to which the Trade relates);
 - (iii) the notice is received no later than 3.00pm prior to the commencement of the Day to which the In Pipe Trade relates;
 - (iv) both Shipper and the other shipper are not in breach of their respective Transportation Agreements (both when the notice is served and when the In Pipe Trade would take effect if effected in accordance with the notice);
 - (v) Transporter is satisfied (as a Reasonable and Prudent operator) the shipper selling Gas pursuant to the In Pipe Trade will have access to and ownership of the Gas it proposes to sell; and
 - (vi) in Transporter’s opinion, as a Reasonable and Prudent operator, giving effect to the In Pipe Trade will not:
 - (A) place either Shipper or the other shipper in breach of any obligation under their respective Transportation Agreements; or
 - (B) result in either Shipper or the other shipper exceeding their entitlements to services under their respective Transportation Agreements, including resulting in the imbalance allowance of either Shipper or the other shipper being exceeded or any daily or hourly allowance of Shipper or the other shipper being exceeded; or
 - (C) adversely affect the operational integrity of the Pipeline System.
- (c) Where an In Pipe Trade will, in Transporter’s reasonable opinion, give rise to a In Pipe Delivery Restriction (as defined in clause 15.1(d)) then Transporter may impose such reasonable conditions (including reasonable conditions as to the amount of the Gas the

subject of the In Pipe Trade which may be delivered to each delivery point (or each set of delivery points) on the Day to which the In Pipe Trade relates (and in one or more hours of that Day)) so as to avoid giving rise to such In Pipe Delivery Restriction.

- (d) An **In Pipe Delivery Restriction** is a circumstance in which giving effect to an In Pipe Trade (without the imposition of conditions under clause 15.1(c)) will prevent Transporter, acting as a Reasonable and Prudent operator and having regard to the configuration of the Pipeline System and PCI Pipeline System and the delivery points, fulfilling its contractual obligations to shippers.
- (e) Where Shipper acquires Gas pursuant to an In Pipe Trade, then Shipper must comply with any restrictions imposed by Transporter under clause 15.1(c) in respect of that In Pipe Trade.
- (f) Transporter must notify Shipper of any conditions imposed under clause 15.1(c), with which conditions Shipper is required to comply, at the time Transporter notifies Shipper of its Scheduled Quantities for the relevant Day under this Schedule 4.

15.2 Giving Effect to Trade

- (a) Where Transporter is required to give effect to an In Pipe Trade under which Shipper is acquiring Gas from another shipper then on the Day of the Trade for the purposes of calculating Shipper's Accumulated Imbalance, Shipper will be treated as having supplied into the Pipeline System a quantity of Gas equal to the lesser of:
 - (i) the quantity of Gas scheduled to be the subject of the In Pipe Trade; and
 - (ii) the quantity of Gas Transporter (as a Reasonable and Prudent operator) determines was subject to the actual In Pipe Trade given any interruptions or curtailments to the provision of services on the Day.
- (b) Where Transporter is required to give effect to an In Pipe Trade under which Shipper is selling Gas to another shipper then on the Day of the Trade for the purposes of calculating Shipper's Accumulated Imbalance, the quantity of Gas Shipper will be treated as having taken delivery of from the Pipeline System will be deemed to be increased by the lesser of:
 - (i) the quantity of Gas scheduled to be the subject of the In Pipe Trade; and
 - (ii) the quantity of Gas Transporter (as a Reasonable and Prudent operator) determines was subject to the actual In Pipe Trade given any interruptions or curtailments to the provision of services on the Day.

15.3 Consequences of In Pipe Trade

An In Pipe Trade does not give Shipper any entitlement to use any additional Capacity of the Pipeline System on a Day (above the Capacity represented by Shipper's Firm Service MDQ, Storage Service MDQ and any As Available Service agreed to be provided to Shipper on that Day).

Annexure 1 – Contract Details

Table 1 – MDQ

Firm Haulage MDQ:	[Insert] TJ
Storage Service Receipt MDQ	[Insert] TJ
Standard Service Delivery MDQ	[Insert] TJ
Storage Limit	[Insert] TJ

Table 2 – Term

Firm Haulage Service Commencement Date	[insert]
Firm Haulage Service Expiration Date	[insert]
As Available Service Commencement Date	[insert]
As Available Service Expiration Date	[insert]
Storage Service Commencement Date	[insert]
Storage Service Expiration Date	[insert]

Table 3 – Receipt Points and Delivery Points

Point	Location	Minimum and Maximum Temperature	Minimum and Maximum Pressure	Physical Maximum Capacity of Point
[Insert]	[Insert]	[Insert]	[Insert]	[Insert]
[Insert]	[Insert]	[Insert]	[Insert]	[Insert]
[Insert]	[Insert]	[Insert]	[Insert]	[Insert]
[Insert]	[Insert]	[Insert]	[Insert]	[Insert]

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

Point	Pre-Conditions to Use
[Insert]	[Insert]
[Insert]	[Insert]
[Insert]	[Insert]
[Insert]	[Insert]

Annexure 2 – Charges

Table 1 – Firm Haulage Service

Charge/Charge Rate	Quantum
Establishment Fee	\$(Insert)
Fixed Monthly Charge	\$(Insert)

Table 2 – Storage Service Charge

Charge/Charge Rate	Quantum
Establishment Fee	\$(Insert)
Fixed Monthly Storage Charge	\$(Insert)

Table 3 – Charges Applicable to As-Available Services

Charge/Charge Rate	Quantum
As Available Charge Rate	\$(Insert)

Table 4 – Charges Applicable to all Services

Charge/Charge Rate	Quantum
Connection Point Charges	Refer to Table 5
Unauthorised Overrun Charge Rate	\$(Insert)
Imbalance Charge Rate	\$(Insert)
Variation Rate	\$(Insert)
Nomination Request Charge	\$(Insert)

Table 5 – Delivery and Receipt Point Charges

Point	Monthly Charge (\$/month)
[Insert]	\$(Insert)
[Insert]	\$(Insert)
[Insert]	\$(Insert)
[Insert]	\$(Insert)

Each Month, Shipper will pay an amount for its use of each of the points listed in Table 5 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 shippers at the relevant point during that Month; and

MC is the rate per month set out in Table 4, above, subject to escalation as set out below.

All Charges, Charge Rates and Caps are expressed as at 1 January [Insert] and are subject to escalation from each 1 January (commencing on 1 January [Insert]) in accordance with the formula set out below. All Charges and Charge Rates are also subject to adjustment under clause 12.2 of the body of this Agreement.

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

Where:

P_{n-1} is the relevant charge, charge rate or liability cap immediately prior to the 1 January for which the calculation is made;

P_n is the relevant charge, charge rate or liability cap to apply as from the 1 January for which the calculation is made;

CPI_n is the CPI for the September Quarter ending immediately prior to the 1 January for which the calculation is made;

CPI_{n-1} 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

1 General

Transporter must provide and maintain, or ensure that there is provided and maintained, in satisfactory working order and condition at each 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.

2 Standards

2.1 All fundamental constants, observations, records and procedures involved in determining and verifying the quantity, quality and other characteristics of Gas received or delivered must, except as otherwise specified herein, be in accordance with such standards as are or may from time to time be approved and recommended by the American Gas Association and the International Standards Organisation (as qualified by the requirements of all applicable Australian Standards, codes and regulations) or such future standards as are determined Transporter (acting reasonably).

2.2 Legislation and specific standards applicable to metering equipment as at the date of execution of this Agreement include:

- (a) the National Measurement Act 1960 (Commonwealth);
 - (b) AGA 9 - Measurement of Gas by Multipath Ultrasonic Meters;
 - (c) AGA 11 — Measurement of Natural Gas by Coriolis Meter;
 - (d) AGA 8 — Compressibility (Density); and
 - (e) ISO 6976 — Heating value, Relative Density].
-

3 Basis for Verification

The accuracy of metering equipment must be verified on the basis that:

- (a) acceleration due to gravity at the metering equipment is 9.79146 metres per second; and
 - (b) the density of air is 1.2257 kilograms per cubic metre at 15°C and 101.325 kPa
-

4 Testing and Verification of Measuring Equipment Accuracy

4.1 *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. Transporter must give Shipper notice of the time of such tests of meters sufficiently in advance of the holding of the test that Shipper may, if it desires, have representatives present. Such tests and adjustments must be made in the presence of representatives of Transporter and if required by Shipper in the presence of representatives of Shipper.

4.2 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 4.1, Transporter must as soon as reasonably practicable carry out a test upon that measuring equipment. Shipper must reimburse Transporter for the cost of any tests (other than the periodic tests set out in paragraph 4.1) carried out at Shipper's request unless it is shown from the results of such tests that the equipment being tested is not operating within a 2% tolerance.

4.3 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.

4.4 Correction Of Earlier Readings

If the limits of errors as set out in paragraph 4.3 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 4.4, the corrected figure or figures will be regarded as the quantity delivered during the period of correction.

4.5 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.

4.6 *Certified Inspection Report*

Transporter must deliver to Shipper within a reasonable time after the cleaning, installing, changing, repairing, inspecting, calibrating or adjusting of any of the measuring equipment a certified inspection report for that equipment.

5 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.