



General Terms and Conditions for Tariff Reference Services

Jemena Gas Networks (NSW) Ltd

Version 3

1. INTERPRETATION

1.1 Definitions

In these Tariff Terms and Conditions and any service agreement in which these Tariff Terms and Conditions are incorporated, unless otherwise indicated:

'Access Arrangement' means the Access Arrangement in relation to the Network approved by the Regulator, for the purposes of and in accordance with the National Code, and in force at the Commencement Date;

'ACDC' means the Australian Commercial Dispute Centre;

"Additional Measuring Equipment" means any equipment (including Daily Meter Reading Facilities and Communications Facilities) other than Basic Metering Equipment installed by or on behalf of the User at a Delivery Station or Receipt Station;

'Agreement' means the Service Agreement into which these Tariff Terms and Conditions (and the Annexures) are incorporated;

'Ancillary Services Charge' means a charge specified as such in section 3.15 of the Access Arrangement;

'Alternative Local Network Tariff Structure' has the meaning given to that term in clause 6.7(a);

'Alternative Trunk Tariff Structure' has the meaning given to that term in clause 7.8(a);

'Annexure' means an annexure to these Tariff Terms and Conditions;

'Approved Scheme' means a scheme for the operation of the natural gas retail market in New South Wales approved by the Minister for Energy;

'Australian Standard AS ISO 1000-1998' means *'The International System of Units (SI) and its Application'*, the Commonwealth *'Weights Measures (National Standards) Act 1960 - 1965'* and Regulations thereunder, and AS/NZ 1376 - 1996 Conversion Factors;

'Authorised Supplier' has the meaning given to that term in the *Gas Supply Act 1996 (NSW)*;

'Bank' has the meaning given to that term in condition 17.5(b)(i);

'Bare Transfer' means a transfer or assignment of any interest in the right to obtain a Service (including, but without limitation, a sub-licence) in which the contract between the Service Provider and the User remains in effect in terms identical to those existing between the Service Provider and the User immediately prior to that transfer or assignment;

'Basic Metering Equipment' means the meter set at the Delivery Station comprising of the Gas meter, pressure regulator, filter and overpressure protection and may further include, where required by the Service Provider, safety valves, pressure and temperature measurement instruments, pipework, isolation valves and flow calculation equipment;

'Billing Period' means the period between the dates on which a meter is read;

'Business Day' means any Day which is not a Saturday, Sunday or gazetted public holiday in New South Wales;

'Calendar Month' means the period beginning at 06:30h on the first Day of a calendar month and ending at 06:30h on the first Day of the next succeeding calendar month;

'Calendar Year' means the period commencing at 06:30h on 1 January and terminating at 06:30h on 1 January of the following year;

'Charges' means any of the charges listed as payable for or in connection with a Service in the Agreement as adjusted from time to time pursuant to condition 16;

'Commencement Date' means the date of commencement of a Service to a Delivery Point, or a Trunk Exit Zone for a Nominated Delivery Point, specified in the Tariff List;

'Communications Facilities' means equipment used to communicate electronically daily metering data from the Daily Meter Reading Facilities at a Delivery Station to the Service Provider;

'Confidential Information' means all information which either party discloses to the other under or in connection with the performance of any obligations under this Agreement, whether that disclosure is made orally, in writing, electronically or by any other means;

'Corresponding Local Network Tariff Service' means a Local Network Tariff Service corresponding to the Trunk Tariff Service for the Nominated Delivery Point;

'Corresponding Trunk Tariff Service' means a Trunk Tariff Service corresponding to the Local Network Tariff Service for the Delivery Point;

'CPI' means the All Groups Consumer Price Index that is the weighted average of the 8 capital cities as first published by the Australian Statistician;

'Daily Meter Reading Facilities' means equipment at a Delivery Station necessary to enable an end-user's daily consumption of Gas to be recorded and measured;

'Damage' includes any costs, liabilities, losses or damages suffered or incurred by a person;

'Day' means a period of 24 consecutive Hours beginning at 06:30h and **'Daily'** has a corresponding meaning;

'Delivery Point' means a point at which Gas is withdrawn from the Network listed from time to time in the Tariff List;

'Delivery Station' means facilities (including Measuring Equipment) installed at a Delivery Point to enable the delivery of Gas from the Network and which regulate the delivery, and measure the Quantity, of Gas withdrawn at that Delivery Point;

'Disclosing Party' has the meaning given to that term in condition 25(b).

'Dispute' has the meaning given to that term in condition 28.2;

'DPI' means the numeric identifier assigned to a Delivery Point by the Service Provider;

'Due Date' has the meaning given to that term in condition 17.3;

'EGP' means the Eastern Gas Pipeline constructed from Victoria to New South Wales and delivering Gas to the Network;

'Existing Delivery Point' means a Delivery Point which as at 1 October 2000, being the date of the commencement of the Access Arrangement, was supplied under a transportation service agreement with the Service Provider;

'Existing Delivery Points List' has the meaning given to that term in clause 4.1;

'Expiry Date' means the date on which a Delivery Point is deleted from the Tariff List pursuant to condition 8;

'Fiduciary Guarantee' has the meaning given to that term in Annexure 2;

'Filtration and Liquid Separation System' has the meaning given to that term in Annexure 3;

'Financial Report' means:

- (a) in the case of a User to which the *Corporations Act 2001* applies, the meaning given to that term in the *Corporations Act 2001*; or
- (b) in the case of any other User, a report equivalent to a financial report within the meaning of *Corporations Act 2001*, as required to be prepared by any other applicable law or otherwise;

'Fixed Charge' means a charge payable in respect of the Local Network Tariff Service, determined in accordance with the Access Arrangement and specified in clause 6.7(a);

'Flow and Pressure Control System' has the meaning given to that term in Annexure 3;

'Force Majeure Event' has the meaning given to that term in condition 21.1;

'Gas' means natural gas;

'Gas Balancing Adjustments' means adjustments to the Quantity of Gas made pursuant to Annexure 2 (including, but not limited to, any Reconciliation Amount, any Quantities required under condition A5 of Annexure 2 and any Participant Imbalance Amounts);

'Gas Pipelines Access Law' means the *Gas Pipelines Access (NSW) Act 1998*;

'Gas Quality Measurement System' has the meaning given to that term in Annexure 3;

'Gas Quantity Measurement System' has the meaning given to that term in Annexure 3;

'Gas Retail Market Business Rules' means the business rules, as amended from time to time, for the retail market in New South Wales approved by the Minister whether approved under the *Gas Supply Act 1996 (NSW)* or otherwise;

'GST' means goods and services tax or similar value added tax levied or imposed in the Commonwealth of Australia pursuant to the GST law;

'GST law' has the meaning given to such term in *A New Tax System (Goods and Services Tax) Act 1999 (Cth)* or a successor Act;

'Hour' means any period of 60 consecutive minutes, the first Hour in a Day starting at 06:30h, and **'Hourly'** has a corresponding meaning;

'Impost' means any royalty (whether based on value, profit or otherwise), tax (other than income tax and capital gains tax or GST), duty, excise, levy, fee, rate or charge imposed from time to time during the term of this Agreement by any government or any governmental, semi-governmental or other body authorised by law, which is imposed on or applied to or in respect of the Network (or any of its components), the operation of the Network or the provision of Services by or on behalf of the Service Provider under the Agreement;

'Local Network' means the Service Provider's distribution system in New South Wales, consisting of a system of pipes and associated facilities including Local Network Receipt Station components, Delivery Station components and Measuring Equipment owned by the Service Provider, but excluding the Trunk Sections;

'Local Network Receipt Point' means:

- (a) in the Wilton-Newcastle Network Section, the Trunk Exit Zone applicable to the Delivery Point;
- (b) in the Wilton-Wollongong Network Section, the Trunk Exit Zone or point of connection between the EGP and the Local Network at Port Kembla; and
- (c) in other Network Sections, pressure reduction stations connected to a pipeline owned by a person other than the Service Provider;

'Local Network Tariff Service' means the Service described in clause 6;

‘Maximum Hourly Quantity’ or ‘MHQ’ means the maximum Quantity of Gas which the Service Provider is obliged to transport and deliver to a Delivery Point on behalf of the User in any Hour;

‘Measuring Equipment’ means all the equipment and facilities (including Basic Metering Equipment and any Additional Measuring Equipment) forming part of a Delivery Station or a Receipt Station required to measure the Quantity delivered to or at the Delivery Point or Receipt Point;

‘Meter Data Service Date’ means the date notified by the Service Provider to the User (by giving an amount of notice reasonable in the circumstances), acting reasonably and having due regard to the Gas Retail Market Business Rules and any other applicable law, regulation, code or other instrument which relates to the provision of meter reading or on-site data and communication services by a person other than the Service Provider;

‘Meter Data Service’ means the Service described by and to which clause 8 applies;

‘Minister’ means the minister responsible for administering the Gas Pipelines Access Law;

‘National Code’ means the *National Third Party Access Code for Natural Gas Pipeline Systems* established under the Gas Pipelines Access Law;

‘Network’ means the Service Provider’s system of pipes and associated facilities including any Receipt Station components, Delivery Station components and Measuring Equipment owned by the Service Provider;

‘Network Code’ means the Network Code, as amended from time to time, which the Service Provider is required to adopt under the conditions of its authorisation under the *Gas Supply Act 1996*;

‘Network Section’ means (as the case may be) the Wilton-Newcastle Network Section, the Wilton-Wollongong Network Section, or a country sub-network served by a particular Local Network Receipt Point;

‘Nominated Delivery Point’ means a Delivery Point nominated under a Corresponding Trunk Tariff Service ;

‘Other Tariff Market Users’ means any other parties entering into an agreement for the provision of one or more Tariff Reference Services;

‘Other Users’ means any other parties entering into a service agreement for the use of the Network or a Network Section;

‘Party’ means a party to the Agreement;

‘Pipelines’ means the Moomba-Sydney Pipeline and the EGP;

‘POTS’ means packaged off-take station;

‘Primary Measurement’ means the direct or inferential measurement of a mass or volumetric flow at Network conditions;

‘Prior Agreement’ means a service agreement between the User and the Service Provider entered into prior to this Agreement under which the Service Provider provides, as at the date of this Agreement, services to the User in respect of the Local Network and/or each of the Trunk Sections of the same or similar type as the Tariff Reference Services;

‘Provision of Basic Metering Equipment Charge’ means an annual charge determined on the basis of the type of metering device installed at the Delivery Point in accordance with section 3.8 of the Access Arrangement and referred to in clause 6.6(c);

‘Provision of Meter Reading Charge’ means a charge determined in accordance with section 3.7 of the Access Arrangement and referred to in clause 8.5(a);

‘Quantity’ means the quantity, expressed in GJ, calculated as the product of the Declared Heating Value and the Volume of Gas;

‘Queue’ means a queue of users and prospective users formed in accordance with the Queuing Policy;

‘Queuing Policy’ means the queuing policy set out in section 6 of the Access Arrangement;

‘Receipt Point’ means a Local Network Receipt Point or Trunk Receipt Point, as the case may be, as specified in the Tariff List;

‘Receipt Station’ means the facilities described in Annexure 3 at which Gas is received from the User into the Network;

‘Reference Service’ means the Local Network Tariff Service, the Trunk Tariff Service and, until the Meter Data Service Date, the Meter Data Service;

‘Reference Tariff’ means a tariff which relates to a Tariff Reference Service;

‘Register’ has the meaning given to that term in condition 6.10(a);

‘Regulator’ means the Tribunal or the Relevant Regulator;

‘Related Body Corporate’ has the meaning given to that term in the *Corporations Act 2001*;

‘Relevant Regulator’ has the same meaning as in the Gas Pipelines Access Law;

‘Request’ means a request for a Service using a Request for Service Form set out in Schedule 4 to the Access Arrangement or such other Request for Service Form as the Service Provider may determine and **‘Requesting’** and **‘Requested’** have a corresponding meaning;

‘Retail Contestability Cost’ means the costs incurred by the Service Provider in the implementation of retail competition in the New South Wales Gas market that may be recovered through Reference Tariffs in accordance with section 3.11 of the Access Arrangement;

‘Rules’ has the meaning given to that term in clause 12;

‘Safety and Operating Plan’ means a safety and operating plan lodged by the Service Provider with the Director-General of the New South Wales Ministry of Energy & Utilities as amended from time to time;

‘SCADA System’ means the System of Supervisory Control and Data Acquisition operated by the Service Provider;

‘Schedule’ means a schedule to the Service Agreement as amended from time to time;

‘Secondary Measurement’ means any measurement of the quality of the Gas or of the flowing Network conditions (such as pressure or temperature) used to convert the Primary Measurement to Quantity;

‘Security’ means, at the User’s option, one or a combination of the following:

- (a) a refundable deposit or bank guarantee; or
- (b) if the Service Provider agrees (in its sole discretion), a parent company guarantee,

which must be in a form satisfactory to the Service Provider;

‘Service’ means the service(s) to be provided by the Service Provider to the User under the Agreement;

'Service Agreement' means the tariff service agreement entered into by the Service Provider and the User;

'Service Provider' means Jemena Gas Networks (NSW) Ltd, or its successors or assigns;

'Special Conditions' means the provisions (if any) set out in Schedule 2 of the Service Agreement;

'Specification' means the specifications as described in condition 6.1(a);

'Substituted Transfer' means a transfer or assignment of any interest in the User's right to obtain a Service (including, but without limitation, an assignment) in which the contract between the Service Provider and the User either does not remain in effect or remains in effect with terms not identical to those existing between the Service Provider and the User immediately prior to that transfer or assignment;

'Supplier's Authorisation' has the meaning given to that term in the *Gas Supply Act 1996 (NSW)*;

'Tariff List' means the Tariff List referred to in clause 5.2;

'Tariff Reference Service' means the Local Network Tariff Service and the Trunk Tariff Service;

'Tariff Terms and Conditions' means these General Terms and Conditions for Tariff Reference Services, including the Annexures, each as amended or replaced from time to time;

'Term' means the periods referred to in clauses 6.5 and 7.6;

'Throughput Charge' means a charge payable in respect of the Local Network Tariff Service, determined in accordance with the Access Arrangement and specified in clause 6.6(b);

'Transportation Quantity':

(a) for the purpose of clause 6, has the meaning given to that term in clause 6.2; and

(b) for the purposes of clause 7, has the meaning given to that term in clause 7.2;

'Tribunal' means the Independent Pricing and Regulatory Tribunal of New South Wales established under the *Independent Pricing and Regulatory Tribunal Act 1992*;

'TRS' means trunk receiving station;

'Trunk' means all of the Trunk Sections;

'Trunk Exit Zone' means any point at which Gas is delivered from the Trunk to the Local Network;

'Trunk Receipt Point' means any point at which Gas is received into the Trunk;

'Trunk Section' means transmission pipelines being the Wilton-Wollongong Trunk Section and the Wilton-Newcastle Trunk Section;

'Trunk Tariff Charge' means a charge payable in respect of the Trunk Tariff Service, determined in accordance with the Access Arrangement and referred to in clause 7.7;

'Trunk Tariff Service' means the Service described by and to which clause 7 of the Agreement applies;

'Unaccounted for Gas' or **'UAG'** means Gas purchased by the Service Provider to make up for Gas unaccounted for in the Network;

'Wilton-Newcastle Network Section' means the Wilton-Newcastle Trunk Section and those parts of the Local Network supplied from the Wilton-Newcastle Trunk Section;

'Wilton-Newcastle Trunk Section' means the transmission pipeline being that part of the Network being the pipe system which extends from Wilton to the TRS at Kooragang Island in Newcastle and supplying TRSs at Appin, Campbelltown, West Hoxton, Horsley Park, Plumpton, Windsor, Gosford, Warnervale, Wyong, and Hexham, and POTS at Appin, Morisset, and Minmi and such other TRSs and POTS as may be installed from time to time;

'Wilton-Wollongong Network Section' means the Wilton-Wollongong Trunk Section and that part of the Local Network supplied from the Wilton-Wollongong Trunk Section; and

'Wilton-Wollongong Trunk Section' means the transmission pipeline being that part of the Network being the pipe system which extends from Wilton to the TRS at Mount Keira and then to Cordeaux Heights in Wollongong.

1.2 Volume, Energy and Pressure Units

In these Tariff Terms and Conditions and any Agreement in which these Tariff Terms and Conditions are incorporated:

'Joule' or **'J'** means a unit of energy as defined in Australian Standard AS ISO 1000-1998;

'MJ' means one megajoule and is equal to one million Joules;

'GJ' means one gigajoule and is equal to one thousand MJ;

'TJ' means one terajoule and is equal to one thousand GJ;

'PJ' means one petajoule and is equal to one thousand TJ;

'kPa' means one kilopascal and is equal to one thousand pascals as defined in Australian Standards AS ISO 1000-1998, and unless otherwise specified, refers to a gauge pressure in excess of the prevailing atmospheric pressure;

'Declared Heating Value' for a Day means the Heating Value of Gas applicable to the Delivery Point for the Day as determined by the Service Provider;

'Heating Value' is the number of megajoules liberated when one cubic metre of Gas at Standard Conditions, is completely burnt in air, with all water formed by the combustion process condensed to the liquid state, and with all products of combustion at Standard Conditions;

'Standard Conditions' means a temperature of 15 degrees Celsius and an absolute pressure of 101.325 kPa; and

'Volume' means volume measured in cubic metres (m³) at actual conditions converted to Standard Conditions using an algorithm determined by the Service Provider.

1.3 Terms defined in Service Agreement

Terms defined in the Service Agreement and used in these Tariff Terms and Conditions have the meaning ascribed to them in the Service Agreement.

1.4 Terms defined in Access Arrangement

Terms defined in the Access Arrangement have the same meaning when used in this Agreement unless otherwise defined.

1.5 Construction

In the construction of the Agreement, unless the context otherwise requires:

- (a) a reference to a clause or a schedule is to a clause in, or schedule to, the Service Agreement;
- (b) a reference to a condition or an annexure is to a condition in, or an annexure to, the Tariff Terms and Conditions;

- (c) the singular includes the plural and vice versa;
- (d) references to any statute, regulations, or other statutory instrument, standard or by-laws shall be deemed to be references to the statute, regulation, statutory instrument, standard or by-law as from time to time amended, consolidated, re-enacted or replaced including substituted provisions that substantially correspond to those referred to;
- (e) references to any agreement, deed, instrument or publication shall be deemed to be references to the agreement, deed, instrument or publication as from time to time amended, supplemented, novated or replaced;
- (f) clause or condition headings are inserted for convenience only and do not affect the interpretation of the Agreement;
- (g) expressions referring to writing will be construed as including references to words printed, type-written, telexed, lithographed, facsimiled or otherwise traced, copied or reproduced;
- (h) references to 'dollars' and '\$' are references to Australian dollars;
- (i) a reference to a Party includes a reference to its successors in title and permitted assigns;
- (j) an agreement, representation or warranty on the part of two or more persons binds them jointly and severally or if given in favour of the two or more persons may be enjoyed by it jointly or severally or jointly and severally;
- (k) where a term is defined in the Tariff Terms and Conditions it shall, unless the contrary intention is expressed, bear that same meaning in the Service Agreement;
- (l) references to time are Eastern Standard Time (EST) unless specified otherwise; and
- (m) when referring to a particular Day, the date of the Day shall be the date on which that Day begins.

2. MAXIMUM HOURLY QUANTITY

2.1 Obligations relating to MHQ

- (a) The User must not at any Delivery Point take in any Hour more than the MHQ for that Delivery Point.
- (b) The User must notify the Service Provider promptly upon becoming aware if the MHQ requirement of a Delivery Point as specified in the Tariff List decreases.
- (c) The User must notify the Service Provider promptly upon becoming aware if the MHQ requirement of a Delivery Point as specified in the Tariff List:
 - (i) increases to more than 6m³/Hour; or
 - (ii) increases, where the MHQ specified in the Tariff List is greater than 6m³/Hour.
- (d) The User may not withdraw Gas from a Delivery Point at a MHQ in excess of the greater of:

(i) 6m³/Hour; and

(ii) the MHQ specified in the Tariff List,

unless the request for service procedures set out in section 1.10 of the Access Arrangement have been followed and completed.

3. NOMINATION AND BALANCING

3.1 Nominations and Gas balancing

The User and the Service Provider must comply with the nomination, Gas balancing and other provisions set out in Annexure 2.

3.2 Single User

Provided that it does not cause the Service Provider to breach its obligations under the Gas Retail Market Business Rules, any other code or law or to any other party, the User and any Other User who is a Related Body Corporate may, for the purposes of Annexure 2 and by notice to the Service Provider, be treated as a single user so that, without limitation, all nominations, forecasts and calculations under Annexure 2 will be undertaken in aggregate in respect of all agreements between the Service Provider and the User and any of its Related Bodies Corporate for transportation of Gas through the Network.

4. DETERMINATION OF QUANTITY DELIVERED AT DELIVERY POINTS

4.1 Quantity of Gas delivered at a Delivery Point

The Parties agree that the Quantity of Gas delivered at a Delivery Point or Nominated Delivery Point is the Quantity of Gas measured by each Delivery Station in accordance with condition 4.2, or otherwise determined under this Agreement.

4.2 Quantity of Gas delivered at a Delivery Station

Subject to condition 12.7(b), the Quantity of Gas delivered at a Delivery Station is the product of the Volume of Gas (measured at the Delivery Station for the period between meter readings) and the average of the Declared Heating Values of Gas for all Days in the period, or as otherwise agreed.

5. COMMINGLING, CUSTODY, CONTROL, RESPONSIBILITY AND TITLE

5.1 Title

- (a) The User warrants that at the time of the delivery of Gas by or on behalf of the User to a Receipt Point, the User will have good title to the Gas.
- (b) Upon request by the Service Provider, the User must provide evidence of its title to the Gas for delivery by or on behalf of the User to a Receipt Point in a form satisfactory to the Service Provider.

5.2 Right to commingle

The Service Provider has the right to:

- (a) commingle the Gas delivered by or on behalf of the User to a Receipt Point with other Gas in the Network; and
- (b) subject to the obligation to deliver to the Delivery Point a Quantity of Gas, deliver Gas in a commingled state to the Delivery Point.

5.3 Custody and control of Gas

The custody and control of Gas:

- (a) delivered by or for the User at a Receipt Point passes from the User to the Service Provider at the Receipt Station at the Receipt Point; and
- (b) delivered by the Service Provider to or for the User at a Delivery Point passes from the Service Provider to the User at the Delivery Station at the Delivery Point.

5.4 Responsibility for Gas

- (a) The Service Provider is responsible for Gas in its custody and control between the Receipt Station at the Receipt Point and the Delivery Station at the Delivery Point and must replace (by way of purchase through a competitive tender) any Gas lost whilst in the care and control of the Service Provider at a time and on the terms determined by the Service Provider in its absolute discretion.
- (b) The Service Provider will not be liable to the User for any matter or thing which may be done, happen or arise with respect to Gas prior to the receipt of Gas by the Service Provider at a Receipt Station at a Receipt Point or after its delivery at a Delivery Station at a Delivery Point.

6. GAS QUALITY

6.1 Specification Gas

- (a) The User must ensure that Gas delivered by it or on its behalf at each Receipt Point complies with:
 - (i) the specifications prescribed by any New South Wales law, including but not limited to any regulation made under the *Gas Supply Act 1996 (NSW)*, applying during the Agreement that extends to any such Gas; and
 - (ii) where the law referred to in condition 6.1(a)(i) does not prescribe a particular matter or for any period during the Agreement in which there is no such law, the specification in Annexure 1 as varied from time to time by the Service Provider.
- (b) The User acknowledges that Gas delivered by or on behalf of the User to a Receipt Point will enter into the Network in close proximity to and will be available for use by a large number of persons, and that its failure to ensure that Gas delivered at any Receipt Point meets the Specification may result in those persons suffering damage.

6.2 Service Provider's rights in relation to Out-of-Specification Gas

If the Service Provider reasonably believes that Gas which is being or may be delivered to a Receipt Point fails to meet the Specification, whether the Gas is being delivered by or on behalf of the User, then the Service Provider may:

- (a) direct the User to cease the delivery of Gas to the Receipt Point or to cease the delivery of Gas to any pipe or system of pipes through which Gas is delivered to the Receipt Point; and/or
- (b) without prior notice to the User, cease to accept all or any portion of Gas being delivered by or on behalf of the User to that Receipt Point, and notify the User as soon as reasonably practicable thereafter of its actions.

6.3 Consequences of the Service Provider exercising rights under condition 6.2

- (a) On receipt of a direction under condition 6.2(a), the User must immediately cease the delivery of Gas to the Receipt Point or the delivery of Gas to any

pipe or system of pipes through which Gas is delivered by or on behalf of the User to the Receipt Point.

- (b) If the Service Provider issues a direction under condition 6.2(a), or ceases to accept Gas under condition 6.2(b), then the User will not be relieved of its obligation to pay any charges under the Agreement and if Gas delivered to the Receipt Point by or on behalf of the User did not meet the Specification, the User will be liable to the Service Provider for any Damage incurred as a result of, or associated with, the delivery of such Gas to the Receipt Point.

6.4 User to satisfy the Service Provider

The User must:

- (a) upon request by the Service Provider provide evidence to the satisfaction of the Service Provider that facilities exist to enable satisfactory measurement of the quality of Gas at the Receipt Point or any point where Gas is introduced into a pipe or system of pipes through which Gas is delivered by or on behalf of the User to a Receipt Point;
- (b) if the Service Provider so requires, provide facilities to enable the Service Provider to monitor continuously the quality of Gas at the points referred to in condition 6.4(a);
- (c) if the Service Provider so requires, provide evidence that gas quality measurement equipment at the points described in condition 6.4(a) is maintained and calibrated in accordance with good industry practice and appropriate Australian and internationally recognised standards; and
- (d) if the Service Provider so requires, provide access to maintenance records for any gas quality measurement equipment at the points described in condition 6.4(a).

6.5 User's preventative measures

The User must have, and upon request by the Service Provider, must satisfy the Service Provider that the User has the contractual rights and management procedures in place to prevent Gas which does not meet the Specification being delivered to a Receipt Point by or on behalf of the User.

6.6 Service Provider must deliver Gas to Specification

Provided that the Gas received by the Service Provider meets the Specification, the Service Provider must ensure that Gas delivered by it at each Delivery Point meets the Specification.

6.7 Amendment of Specification

The Service Provider must use reasonable endeavours to notify the User prior to any change to the Specification by the Service Provider pursuant to condition 6.1(a)(ii).

6.8 Gas Source

- (a) The User must notify the Service Provider in writing of the contractual and all the possible physical source or sources of the Gas prior to its entry into the Network, and must notify the Service Provider in writing prior to any anticipated change in the source or sources of the Gas.
- (b) Prior to a change in the contractual or physical source or sources of the Gas, the User must comply with its obligations to provide evidence and information to the Service Provider under conditions 5.1, 6.4 and 6.5 with respect to the Gas from the new source or sources.

6.9 User responsible for Gas Testing

The User must:

- (a) test the Gas; or
 - (b) cause the Gas to be tested,
- in accordance with the Service Provider's Safety and Operating Plan.

6.10 Gas Testing by User

- (a) The User must keep a register or cause a register ('**Register**') to be kept containing copies of all test results including raw measurements used to determine derived values such as Wobbe index values.
- (b) The Register must be kept at the User's main office or at the main office of the person conducting the tests.
- (c) The User must ensure (or cause the person conducting the tests to ensure) that the Register is open for public inspection during all business hours and copies are to be made available:
 - (i) to the Director General of the New South Wales Ministry of Energy and Utilities on request and at no cost to the Director General; and
 - (ii) to the Service Provider on request and at no cost to the Service Provider; and
 - (iii) to any other person upon request and on payment of a reasonable fee.
- (d) The User must maintain (or cause to be maintained) all testing equipment in accordance with the Service Provider's Safety and Operating Plan in respect of which the Service Provider will:
 - (i) make a copy available to the User upon request; and
 - (ii) provide reasonable notice to the User of relevant changes made by the Service Provider to the Safety and Operating Plan.
- (e) The User must make available (or cause to be made available to the Service Provider) all records relating to the maintenance of the testing equipment on the Service Provider's request.
- (f) The User must notify (or cause the person conducting the tests to notify) the Director General of the New South Wales Ministry of Energy and Utilities and the Service Provider without delay by telephone, facsimile or email if it becomes aware of any test result that shows that the Gas to be delivered to the Receipt Point does not meet the Specification.
- (g) Within 7 days of notifying the Director General and the Service Provider by telephone pursuant to condition 6.10(f), the User must send written notice (or cause such notice to be sent) to the Director General and the Service Provider.
- (h) Without limiting any of conditions 6.10(a)-6.10(g), the User must make available or cause to be made available to the Service Provider any information relating to the testing of Gas, whether or not any Gas meets the Specification, test equipment, test results or notifications to any person in relation to whether or not Gas meets the Specification.

7. ADDITION OF DELIVERY POINTS

7.1 User may Request Services to an additional Delivery Point

- (a) Subject to condition 7.3, the User may at any time Request the Service Provider to add a new Delivery Point to the Tariff List.
- (b) The Service Provider will deem the final notification by the Gas Market Company Limited to the Service Provider that a delivery point is being

transferred from one user to another user to be a Request pursuant to condition 7.1(a) if:

- (i) the delivery point is being transferred from another user's tariff list; and
- (ii) the MHQ required at that delivery point is less than or equal to 6m³/Hour, and the Service Provider must add the Delivery Point to the Tariff List.

7.2 Procedure for Requests

The Service Provider must agree to the addition of the Delivery Point to, and include the new Delivery Point in, the Tariff List at any time before the end of the term of the Agreement where:

- (a) the User complies with the provisions of the Access Arrangement relating to Requests, including payment of the costs of processing that Request as set out in the Access Arrangement;
- (b) the Service Provider is able to satisfy obligations to observe any Queue established under the Access Arrangement and there is no Queue or the User's Request for Service is at the head of the Queue and capacity is available;
- (c) if applicable to that Request, the Service Provider has sufficient capacity available in the Network to provide the Service to the proposed Delivery Point;
- (d) if applicable to that Request, the Service Provider and the User agree on the MHQ for the proposed delivery point;
- (e) if applicable to that Request, the Service Provider and the User agree on any connection charges payable by the User in respect of the proposed delivery point;
- (f) if the delivery point is not an Existing Delivery Point, the proposed delivery point is served by Network facilities having a maximum allowable operating pressure less than or equal to 500 kPa and, in the Service Provider's reasonable opinion, it is technically and economically feasible to connect the delivery point to such Network facilities (in which case, such connection will be subject to such charges and conditions as determined by the Service Provider); and
- (g) the User accepts the Service Provider's offer to provide the Reference Service to the Delivery Point.

7.3 Single User

At any time, Gas may be transported and delivered to a delivery point on behalf of one user only.

7.4 User to provide evidence

Prior to agreeing to the addition of a new delivery point to the Tariff List, the Service Provider may require the User to provide evidence that:

- (a) the User has the right or the capacity to provide the Service Provider with access to the Delivery Point and to the Measuring Equipment at the Delivery Point in accordance with condition 12; or
- (b) where the Service Provider will not be providing a Meter Data Service to the User, the User has suitable arrangements in place to enable the User to satisfy condition 14.

8. DELETION OF DELIVERY POINTS

8.1 Agreement to delete Delivery Point

Subject to the User complying with any relevant law, the User may at any time give to the Service Provider at least 3 Business Days' notice in writing to delete a Delivery Point from the Tariff List, and the Service Provider must delete the Delivery Point in accordance with such notice.

8.2 Deletion of corresponding Delivery Point

If the Service Provider deletes a Delivery Point from the Tariff List, then the Service Provider must also delete the corresponding Nominated Delivery Point for the Corresponding Trunk Tariff Service from the Tariff List.

8.3 Deletion from Tariff List on transfer of a Delivery Point to another user

If the Service Provider receives final notification from the Gas Market Company Limited that a Delivery Point is to be transferred to another user, the Service Provider must delete that Delivery Point from the Tariff List on the date on which the delivery point is transferred to the other user's tariff list.

8.4 User's entitlement to information ceases

If the Service Provider deletes a Delivery Point from the Tariff List under this condition 8, the User will not be entitled to Confidential Information concerning that Delivery Point from the date on which the Delivery Point is deleted from the Tariff List.

9. CHANGE OF RECEIPT POINT OR DELIVERY POINT

- (a) The User may change the Trunk Receipt Point under the Trunk Tariff Service and/or the Delivery Point under the Local Network Tariff Service with the prior written consent of the Service Provider which may be withheld only on reasonable commercial or technical grounds, and which may be given subject to reasonable commercial and technical conditions.
- (b) The Service Provider must reply to a request from the User to change a Trunk Receipt Point or a Delivery Point within 14 Business Days of receiving the User's request accompanied by all information reasonably necessary to enable the Service Provider to consider the request. If at the time the request is made, the User informs the Service Provider in writing that due to hardship, the User requires an urgent reply to its request, the Service Provider will use reasonable endeavours to respond to the request within 2 Business Days of receiving the request.

10. RECEIPT POINTS AND RECEIPT STATIONS

10.1 Application

- (a) Condition 10.5, 10.6, 10.7, 10.8 and 10.9 of this condition 10 apply to all Receipt Points.
- (b) Conditions 10.2, 10.3 and 10.4 of this condition 10 only apply to Receipt Points established after the date of this Agreement.

10.2 New Receipt Points

- (a) The User must ensure that, prior to establishing or using a Receipt Point, there is a Receipt Station at each Receipt Point that:
 - (i) is in physical operation at the Receipt Point; and
 - (ii) is immediately upstream of any connection to the Network; and
 - (iii) meets the requirements of this condition 10.
- (b) The User must ensure that a Receipt Station referred to in condition 10.2(a):

- (i) complies with specifications approved by the Service Provider from time to time; and
- (ii) conforms with the technical requirements for such facilities set out in Annexure 3 or as published from time to time by the Service Provider, which requirements will be in accordance with good industry practice for this type of facility and conform to appropriate Australian and internationally recognised standards and codes (including AS2885).

10.3 Approval of Receipt Station Specifications for new Receipt Points

- (a) The User must, at least 4 weeks prior to installation of a Receipt Station, submit Receipt Station specifications comprising design, operation and maintenance principles to the Service Provider.
- (b) The User must not install a Receipt Station unless and until the Service Provider gives written approval (which must not be unreasonably withheld or delayed) to the specifications submitted to it by the User pursuant to condition 10.3(a).

10.4 Additional Costs of new Receipt Points

The Service Provider may require each User of a new Receipt Point to pay a proportion of the reasonable costs incurred by the Service Provider, as reasonably determined by the Service Provider, in:

- (a) modifying any part of its Network; and/or
- (b) installing any systems required to enable the new Receipt Point to be established and integrated into the operation of the Network,

which the Service Provider has not recovered from the person who established the Receipt Point or from Other Users. Where reasonably practicable, the Service Provider must use reasonable endeavours to provide the User with an estimate of the User's proportion of costs.

10.5 Ownership of Receipt Station Components at Receipt Point

The Parties acknowledge that the ownership of the Receipt Station components will vary as between Receipt Points and such components may be owned by the Service Provider, the User or a third party.

10.6 Equipment at a Receipt Station

Except to the extent to which the Service Provider has agreed to provide them under the Agreement, the Service Provider may require the User to provide any or all of the following systems at a Receipt Station:

- (a) a Filtration and Liquid Separation System;
- (b) a Gas Quantity Measurement System;
- (c) a Flow and Pressure Control System; and
- (d) if the Service Provider reasonably requires, a Gas Quality Measurement System.

10.7 Service Provider may operate the Flow and Pressure Control System

Notwithstanding anything in the Agreement, the User must procure that the Service Provider may on giving reasonable notice to the User:

- (a) operate at the cost (such costs to be reasonable) of the User the Flow and Pressure Control System of any Receipt Station which is not owned by the Service Provider; and/or
- (b) modify the extent of the flow and pressure control requirements listed in paragraph 4 of Annexure 3 applicable to any existing and proposed Receipt

Stations and require the User to undertake such work as, in the reasonable opinion of the Service Provider, is necessary to ensure that all Receipt Stations comply with such modified requirements.

10.8 Alterations and Additional Equipment

- (a) The Service Provider may require (acting reasonably) alterations to equipment or the installation of additional equipment at a Receipt Station including, but not limited to, alterations to equipment or installation of additional equipment to achieve upgraded measurement performance, or to accommodate changes in Gas demand characteristics.
- (b) Where the Service Provider owns any Receipt Station components which are to be replaced or altered under condition 10.8(a), the Service Provider must undertake the work itself at the Service Provider's expense.
- (c) Where the Service Provider does not own the components, the Service Provider must notify the User of the alterations required under condition 10.8(a) and the User must promptly carry out such works or the User must procure the owner of the components to carry out such works and, if the User (or, if applicable, the owner of the components) does not complete the works within a reasonable period specified by the Service Provider, the Service Provider may carry out such alterations or install such equipment at the reasonable cost of the User.

10.9 Pressure at Receipt Point

- (a) The User must deliver Gas to the Receipt Point at a pressure greater than the pressure specified in Annexure 4.
- (b) The Service Provider may, from time to time, amend (after reasonable notice) Annexure 4 to reflect:
 - (i) new receipt points added pursuant to conditions 9 or 10; and
 - (ii) amendments by the Service Provider to the pressure for a Receipt Point.
- (c) The Service Provider is not obliged to provide a Service if the pressure at which Gas is received at the relevant Receipt Point is less than the pressure specified for that Receipt Point in Annexure 4 as amended from time to time pursuant to condition 10.9(b).

11. DELIVERY POINTS AND DELIVERY STATIONS

11.1 Provision of Basic Metering Equipment

- (a) The Service Provider must provide Basic Metering Equipment at the Delivery Station at a Delivery Point.
- (b) A Delivery Point will contain only one Delivery Station.

11.2 Alterations and Additional Equipment at Service Provider's request

- (a) In respect of Delivery Station components that the User owns, at the reasonable request of the Service Provider, the User must (at its own expense) alter equipment or install additional equipment at a Delivery Station for reasons including, but not limited to, alterations to equipment or installation of additional equipment to achieve upgraded measurement performance.
- (b) The User must carry out the alterations or installations referred to in condition 11.2(a) within such reasonable period of time specified by the Service Provider.
- (c) If the User does not finish the alterations or installations within the period of time specified by the Service Provider pursuant to condition 11.2(b), the Service Provider may carry out the alterations or installations at the reasonable cost of the User.

- (d) If the Service Provider is the owner of any Delivery Station components which are to be altered or replaced in accordance with condition 11.2(a) then the Service Provider must (at its own expense) alter or install those components.

11.3 Alterations or additions at User's request

Subject to condition 11.1, if the User requires alterations or additions to be made to a Delivery Station:

- (a) the Service Provider must alter any of the Delivery Station components that it owns; and
- (b) all alterations or additions (whether performed pursuant to condition 11.3(a) or otherwise) are to be carried out at the cost of the User.

11.4 Basic Metering Equipment Upgrade at existing Delivery Stations

- (a) The Service Provider must upgrade Basic Metering Equipment at a Delivery Station if it requires upgrading in order to accept the MHQ.
- (b) If required by the Service Provider, reasonable costs incurred by the Service Provider for upgrading the Basic Metering Equipment must be borne by the User.

11.5 Basic Metering Equipment Downgrade at existing Delivery Stations

- (a) The Service Provider may downgrade Basic Metering Equipment at its own discretion.
- (b) The User is not entitled to require the Service Provider to downgrade Basic Metering Equipment.
- (c) Where the Service Provider downgrades Basic Metering Equipment as a result of a change in load or pattern of usage by the User's customer, if the Service Provider requires the User to pay the reasonable cost of such a downgrade, it must advise the User in writing of such costs prior to the downgrade and the User must pay the full costs of such a downgrade.

11.6 Ownership of Delivery Station components at Delivery Points

- (a) The User is responsible for the operation and maintenance of the following Delivery Station components:
 - (i) the pipe from the point 225 millimetres outside the boundary of the site to the meter control valve; and
 - (ii) any facilities required at the Delivery Point which are not usually required for Delivery Points of that type (such as noise mitigation facilities or fencing required by any local council or other authority),such that the operation and maintenance of these components conforms to good engineering practice and industry standards as reasonably required by the Service Provider.
- (b) Where the Service Provider provides, operates and/or maintains any of the Delivery Station components listed in condition 11.6(a), the User must pay the reasonable costs of providing, operating and/or maintaining those components.
- (c) Subject to agreement to the contrary with the User, the Service Provider must own, operate and maintain and, if applicable, design the following Delivery Station components:
 - (i) Gas meter;
 - (ii) pressure regulator;
 - (iii) filter; and

- (iv) overpressure protection.
- (d) The costs of the installation and commissioning of the facilities described in condition 11.6(c) must be paid for by the User, if required by the Service Provider.

11.7 Disconnection of Delivery Stations

- (a) The Service Provider must, at the request of the User and subject to the payment of the relevant Ancillary Services Charge by the User, disconnect a Delivery Station.
- (b) The Service Provider will disconnect the Delivery Station in the manner determined by the Service Provider.
- (c) The User must provide the Service Provider with sufficient information to enable the Service Provider to determine the appropriate method of disconnection.
- (d) The Service Provider will deem any disconnection of a Delivery Station pursuant to this condition 11.7 to be a deletion of the Delivery Point from the Tariff List.
- (e) If requested by the Service Provider, a representative of the User must be present when the Service Provider disconnects the Delivery Station.

11.8 Temporary Disconnection and reconnection by User

- (a) The User may enter into an agreement with the Service Provider to permit the User to perform disconnections and reconnections of supply in which case the User may perform such disconnections and reconnections in accordance with the terms of that agreement.
- (b) If the User has not entered into an agreement described in condition 11.8(a), the User may not perform any disconnections or reconnections of supply.
- (c) Any disconnection of a Delivery Station pursuant to this condition 11.8 will not cause the Delivery Point to be deleted from the Tariff List.

11.9 Ownership of Network

- (a) The User does not acquire any right to, title to, or interest in the Network or any part thereof.
- (b) The Service Provider does not dedicate any particular portion of facilities forming part of the Network to the Services provided to the User.

11.10 No liability for disconnection

The Service Provider is not liable to the User or to the User's customer for any Damage if a Delivery Station is disconnected pursuant to conditions 11.7 or 11.8. The User indemnifies the Service Provider against any claims made by the User's customer (including against the User) arising out of the Service Provider's actions pursuant to conditions 11.7 or 11.8.

11.11 Repair of Basic Metering Equipment

Where the Service Provider is responsible for maintenance of the Basic Metering Equipment and provided that the User provides the Service Provider with access (or procures that the Service Provider is provided with access) at reasonable times to the Delivery Station and procures the co-operation of the User's end-use customer, the Service Provider must carry out necessary repairs within a reasonable time of becoming aware of the need to do so. This condition 11.11 does not limit the Service Provider's rights to recover costs in accordance with other provisions of this Agreement.

12. MEASURING EQUIPMENT - ACCESS AND ESTIMATION

12.1 Safe Access to Measuring Equipment

- (a) The User must use its reasonable endeavours to provide the Service Provider with clear and safe access to each Delivery Point and to the Measuring Equipment at each Delivery Point.
- (b) The User is responsible to ensure that any area surrounding the Measuring Equipment complies at all times with any applicable regulations, standards (including the Service Provider's standards and procedures and Australian Standards) or Gasfitting rules.

12.2 Service Provider's power of entry

The Service Provider may, and the User must, use reasonable endeavours to procure that the Service Provider may, at all reasonable times, and without giving prior notice to the User or the User's customer, enter and have access to any Delivery Point:

- (a) to obtain access to any Measuring Equipment;
 - (b) for any purpose associated with this Agreement; or
 - (c) under any power conferred on the Service Provider by law,
- free of any charge or hindrance from the User or any other person.

12.3 Consequences of no access

If the Service Provider is unable to access a Delivery Point for any of the purposes of condition 12.2, the Service Provider may at its option do any or all of the following:

- (a) estimate the Quantity of Gas delivered to that Delivery Point and render an invoice based on such estimate; and/or
- (b) except in the case of curtailment, reduction or interruption of the Services in accordance with conditions 20.3 or 20.4, after providing the User with 6 Hours written notice, cease providing the Service in respect of such Delivery Point; and/or
- (c) after giving the User 1 Business Day's written notice, replicate at a location accessible to the Service Provider, and at the User's reasonable cost, the Measuring Equipment required by the Service Provider at the Delivery Point.

12.4 Presence at tests

Subject to condition 12.2, each Party may have a representative present during the erection or alteration of Receipt Stations or Delivery Stations, and at any reading, inspection, testing, calibration, repairing or maintenance of Measuring Equipment and if the User is not the person who consumes Gas at the Delivery Point, a representative of that person may also be present during the testing or measurement of the Measuring Equipment at that Delivery Point.

12.5 No tampering with Measuring Equipment

- (a) The User must not tamper with, adjust, disconnect, by pass, interfere with or otherwise damage or render inoperable or inaccurate the Measuring Equipment or take or attempt to take Gas from any part of the Network before it passes the Measuring Equipment at the Delivery Point.
- (b) The User must use its best endeavours to ensure that no other person (except for the Service Provider or the Service Provider's agents) does or attempts to do anything described in condition 12.5(a).
- (c) Condition 12.5(a) does not prevent the User from performing:
 - (i) alterations or additions in accordance with condition 11.2(a);
 - (ii) maintenance of equipment in accordance with condition 11.6(a); or

- (iii) disconnections and reconnections of supply in accordance with condition 11.8,

provided that such actions do not otherwise damage or render inoperable or inaccurate any other part of the Measuring Equipment .

12.6 User to notify Service Provider of tampering or inaccuracy

The User must notify the Service Provider promptly upon becoming aware of any circumstances which might reasonably be expected to affect the accuracy of the Measuring Equipment. If the User has not already notified the Service Provider, upon becoming aware of any such circumstances, the Service Provider will promptly notify the User.

12.7 Quantity of Gas if Measuring Equipment fails

- (a) If the Measuring Equipment at a Delivery Point or Receipt Point fails to operate or register accurately for any period of time, then the Quantity of Gas delivered to that Delivery Point or Receipt Point for that period will be the amount agreed by the Service Provider and the User.
- (b) If the Service Provider and the User do not agree upon a Quantity of Gas pursuant to condition 12.7(a), the amount will be determined by the Service Provider:
 - (i) by using the registration of any installed check meter which is accurately registering; or, if that is not possible, then
 - (ii) if the percentage of error can be determined by calibration, tests or mathematical calculation, by varying the Quantity recorded during the period since the Measuring Equipment was previously tested by one half of the error; or
 - (iii) if neither of the options in conditions 12.7(b)(i) or 12.7(b)(ii) is possible, then by having regard to Gas consumption patterns for that Delivery Point.

13. METER DATA SERVICE

13.1 Availability

- (a) Conditions 13.2 to 13.5 inclusive of this condition 13 only apply where the Service Provider offers a Meter Data Service as a Reference Service.
- (b) Where the Service Provider ceases to offer a Meter Data Service as a Reference Service:
 - (i) if the Service Provider offers a Meter Data Service as a Service, the User may enter into a new agreement with the Service Provider for the provision of a Meter Data Service; or
 - (ii) the User must provide details of meter readings and meters to the Service Provider and comply with condition 14.

13.2 Description of Meter Data Service

Where the User Requests a Local Network Tariff Service, the Service Provider must provide, and the User must take, a Meter Data Service pursuant to which the Service Provider must read the meter at the relevant Delivery Point.

13.3 Frequency of readings

- (a) Where the Quantity of Gas delivered to the Delivery Point is expected to be greater than 1 TJ in any 12 month period, the Service Provider must read the Measuring Equipment every 30 days (plus or minus 2 days).

- (b) Where the Quantity of Gas delivered to the Delivery Point is expected to be less than 1 TJ in any 12 month period, the Service Provider must read the Measuring Equipment every 91 days (plus or minus 4 days).

13.4 Changes to Meter Reading Frequency

The Service Provider and the User may agree to read the meter at agreed Delivery Points at different frequencies to those specified in condition 13.3.

13.5 Meter Reading Cycle

- (a) The Service Provider must notify the User of the cycle in which the meter at each Delivery Point is read.
- (b) The Service Provider may, from time to time, vary the meter reading cycles referred to in condition 13.5(a).
- (c) The Service Provider must consult with the User prior to any change to the meter reading cycle and must not vary the meter reading cycle unreasonably or without giving reasonable notice.

13.6 Service Provider to provide meter readings to User

At the request of the User, the Service Provider must provide the User with details of the meters and meter readings, in writing or otherwise in such format as the Service Provider reasonably nominates, within 3 Business Days of the date of reading the meter.

14. METERING REQUIREMENTS WHERE THE USER DOES NOT TAKE A METER DATA SERVICE

14.1 Application

With the exception of condition 14.6, this condition 14 only applies where:

- (a) the Service Provider ceases to offer a Meter Data Service as a Reference Service; and
- (b) the Service Provider does not offer to provide, or the User does not take, a Meter Data Service.

14.2 User to read meters

The User must:

- (a) where the Quantity of Gas delivered to the Delivery Point is expected to be greater than 1 TJ in any 12 month period, read the Measuring Equipment at least each 30 days (plus or minus 2 days); or
- (b) where the Quantity of Gas delivered to the Delivery Point is expected to be less than 1 TJ in any 12 month period, read the Measuring Equipment each 91 days (plus or minus 4 days).

14.3 Changes to Meter Reading Frequency

The Service Provider and the User may agree that the meter be read at agreed Delivery Points at different frequencies to those specified in condition 14.2.

14.4 User to provide meter readings to Service Provider

The User must provide the Service Provider with details of the meters and meter readings, in writing or otherwise in such format that is reasonably acceptable to the Service Provider, within 3 Business Days of the date of reading the meter.

14.5 Interference with Measuring Equipment

- (a) Any Additional Measuring Equipment installed and operated by or on behalf of the User must not interfere with the proper operation of the other Measuring Equipment.

- (b) Prior to installation or modification of any Additional Measuring Equipment, the User must demonstrate to the Service Provider that the Additional Measuring Equipment conforms to good engineering practice and any Service Provider or industry standards and complies with all appropriate safety requirements.
- (c) If any Additional Measuring Equipment installed by the User interferes with or disrupts the operation of the Measuring Equipment owned and operated by the Service Provider or corrupts any meter data at the Delivery Point, the User must rectify the cause of such interference or disruption as soon as possible at its own cost.

14.6 Liability

Notwithstanding the fact that a party other than the Service Provider is providing the Meter Data Service and except to the extent that such Damage is caused by the negligence, wilful misconduct or breach of this Agreement by the Service Provider, the User is liable to the Service Provider for all Damage resulting from or associated with the installation, operation, maintenance or removal by the User or its agent of any Measuring Equipment or any connections installed or being installed at a Delivery Point.

15. CHARGES

15.1 Applicable Charges

The User must pay the relevant Charges during the term of this Agreement.

15.2 Charges based on Access Agreement

The User acknowledges that the Charges have been calculated in accordance with and on the basis of the Access Arrangement as amended from time to time.

16. VARIATIONS TO FEES AND CHARGES

16.1 Escalation of Charges

- (a) With effect from 1 July 2000 and 1 July each year thereafter during the Term, the Service Provider must adjust the Reference Tariffs by the rate of change in the average of the CPI-GST for the four quarters to March in the relevant year, divided by the average of the CPI-GST for the four quarters to March in the immediately preceding year, where:

'CPI-GST' means the CPI, exclusive of the net impact of:

- (i) the GST; and
- (ii) changes to any other Commonwealth, State or Territory taxes or charges, consequent upon the introduction of the GST;

as calculated and published by the Australian Bureau of Statistics from time to time.

- (b) If the Australian Bureau of Statistics does not, or ceases to, calculate and publish the index referred to in condition 16.1(a), then **'CPI-GST'** will mean:
 - (i) an index published by the Commonwealth Treasury which is its best estimate of CPI-GST; or
 - (ii) if Commonwealth Treasury does not, or ceases to, publish an index then an index published by the Reserve Bank of Australia which is its best estimate of CPI-GST; or
 - (iii) if the Reserve Bank of Australia does not, or ceases to, publish an index, then at the Relevant Regulator's discretion, either:
 - (A) an index published by a person appointed by the Tribunal which is that person's best estimate of CPI-GST; or

- (B) an index published by the Tribunal that is its best estimate of the CPI-GST.
- (c) If the methodology for escalation of Reference Tariffs under the Access Arrangement changes from that set out in conditions 16.1(a) and (b), the Service Provider will adjust the Charges in accordance with the changed methodology in the Access Arrangement.

16.2 Unaccounted for Gas

With effect from 1 July 2001 and 1 July each year thereafter, the Reference Tariffs will be adjusted by the Service Provider, in accordance with the Access Arrangement, to reflect the actual average price per GJ paid for UAG pursuant to the applicable competitive tender or tenders and, taking into account the actual volume of Gas transported through the Network during the previous year compared to the volume forecast to be transported and the percentage of UAG permitted under the Access Arrangement.

16.3 Contestability Costs, Imposts and other Statutory Charges

From time to time, the Service Provider may notify the User (by giving reasonable notice where practicable) of an adjustment to Reference Tariffs to reflect the Retail Contestability Cost, Imposts and other statutory charges permitted under the Access Arrangement.

17. INVOICING AND PAYMENTS

17.1 Service Provider to issue invoice

As soon as possible after each Billing Period, the Service Provider must provide the User with an invoice specifying the amounts due for all Services supplied to the User in the preceding Billing Period. Any adjustments or outstanding amounts in respect of any previous Billing Period (including, but not limited to, the amount referred to in clause 9(a)) must be included in the invoice.

17.2 Invoicing of Gas Balancing Charges

Any of the following amounts set out in the table may be included in any invoice under this condition 17, or separately invoiced in accordance with Annexure 2. In either event, the provisions of this condition 17 apply, except that payment of the amount is due within the time period specified in the table, failing which, in the case of the amount specified in condition 17.2(b) the Service Provider may call on the Fiduciary Guarantee.

Amount included in invoice	Time period within which payment is due
(a) the User's portion of the Operational Balancing Cost as specified in the notice given by the Service Provider under condition B17 of Annexure 2;	As specified in the notice
(b) the amount required to settle the User's Prior Imbalance Account as specified in the notice given by the Service Provider under condition A17 of Annexure 2; and	Within 7 days after date of notice
(c) the Notional Debt as specified in the notice given by the Service Provider under condition A20.9(a)(ii) of Annexure 2.	Within 5 Business Days after date of notice

17.3 Due Date for payment

- (a) Except as otherwise stated in condition 17.2, the User must pay the aggregate amount stated in each invoice within 14 days of the date of the invoice ('**Due Date**'). Where payment falls due on a day which is not a Business Day, the Due Date will be the last Business Day before the date which is 14 Days after the date of the invoice.
- (b) The User must nominate in writing the recipient of invoices if different to the party specified in Schedule 1.

17.4 Method of Payment

- (a) Unless otherwise agreed by the Service Provider, payment of invoices must be made by unendorsed bank cheque, telegraphic transfer or electronic funds transfer to an account nominated by the Service Provider.
- (b) If payment is made by telegraphic transfer or electronic funds transfer, the funds must be immediately available and payment will be deemed to be made only when the funds are credited to the Service Provider's account.

17.5 Interest on overdue payments

- (a) If the User fails to pay an invoice by the Due Date, the User must, if required by the Service Provider, pay the Service Provider interest on any amount outstanding.
- (b) Interest will be calculated from the Due Date to the date of payment (both inclusive) at an annual percentage rate equal to:
 - (i) the corporate overdraft reference rate (monthly charging cycle) applied by the Commonwealth Bank of Australia ('**Bank**') as at the Due Date (or if the Bank ceases to quote such a rate, then the rate which in the opinion of the Bank is equivalent to such rate in respect of similar overdraft accommodation) expressed as a percentage; plus
 - (ii) 2 per cent per annum.

17.6 Disputed payments

If the User disputes part or all of an invoice given by the Service Provider to the User under condition 17.1:

- (a) the User must, within 10 days after receipt of the invoice, notify the Service Provider in writing specifying the amount in dispute and the reasons for the dispute;
- (b) the Parties must comply with the dispute resolution process set out in condition 28; and
- (c) the User must pay the full aggregate amount of the invoice (except any amount which is manifestly wrong) in accordance with condition 17.3 and if the User fails to do so, the Service Provider may require the User to pay interest on the amount outstanding (excluding any amount which is manifestly wrong) in accordance with condition 17.5.

17.7 Payment on resolution of dispute

If as a result of resolution of a dispute referred to in condition 17.6 the Service Provider is obliged to pay an amount to the User, then the Service Provider must credit the amount payable by it in the next invoice. If the User so requires, the Service Provider must pay interest on the amount payable from the date of payment by the User to the date of payment by the Service Provider (both inclusive), calculated in accordance with condition 17.5.

17.8 Overcharging and undercharging

- (a) If the User has been overcharged or undercharged under the Agreement and the User has paid an invoice containing the overcharge or the undercharge, then the Parties must agree on the correct amount payable and either:
 - (i) the Service Provider will credit or debit that difference to the User in the next invoice as appropriate; or
 - (ii) within 5 Business Days of the Parties agreeing on the correct amount payable, the Service Provider will refund the User or the User must pay the difference as appropriate.
- (b) If the Party to whom the amount is owed so requires, the amount will include interest in accordance with condition 17.5 from the date of payment by the User or the date of invoice by the Service Provider (whichever is applicable), to the date of payment or refund under this condition 17.8 (whichever is applicable) (both inclusive).
- (c) A Party may not claim from the other Party any amount overcharged or undercharged if more than 2 Calendar Years have elapsed since the date of the relevant invoice.

17.9 User to provide information

If information necessary for billing purposes is in the control of the User, the User must on request from the Service Provider furnish that information to the Service Provider within 3 Business Days after the end of the relevant Billing Period. If the User fails to furnish the information the Service Provider is entitled to render an invoice based on the Service Provider's estimate.

17.10 Justification of calculations

Each Party is entitled to require the other Party to provide sufficient evidence to establish the accuracy of any statement, charge or computation made by the other Party under the Agreement.

17.11 Set-off

Either Party is entitled, without prejudice to any other rights or remedies it may have, to withhold and set-off payment of any moneys not under dispute that are due or owing under this Agreement to the other Party (excluding any amount described in condition 17.2) against any amounts not under dispute that are due or owing under this Agreement by the other Party (excluding any amount described in condition 17.2).

17.12 Payment free of deduction or withholding

The User must pay amounts payable under this Agreement free and clear of any deductions or withholding except if required by law to deduct or withhold.

18. GST

18.1 Definitions

For the purposes of this condition 18, terms defined in the GST law have the same meaning when used in this condition 18.

18.2 GST exclusive consideration

Unless otherwise stated, all amounts payable or the value of other consideration provided in respect of supplies made in relation to the Agreement are exclusive of GST (if any). Where a supply is a taxable supply, all amounts payable or other consideration provided must be increased by the amount of GST payable in relation to that supply.

18.3 Reimbursements

Where any amount is payable to a Party as a reimbursement, indemnification or similar payment calculated by reference to a loss, cost, expense or other amount incurred by that party, then such amount shall be reduced by the amount of any input tax credit available to that Party and, if a taxable supply, shall be increased by an amount equal to the GST payable in relation to that supply.

18.4 Payment of amount of GST

Subject to the issue of a tax invoice in accordance with condition 18.5, any additional amount payable pursuant to conditions 18.2 or 18.3 must be paid at the time any payment to which it relates is payable. Where an additional amount is not referable to an actual payment then it shall be payable within 10 days of a tax invoice being issued by the Party making the supply.

18.5 Tax Invoice

Where in relation to the Agreement a Party makes a taxable supply, that Party shall provide a tax invoice in respect of that supply before the additional amount payable in respect of that supply becomes due.

18.6 GST and Australian Business Number

Each Party warrants that it is GST registered and has a valid Australian Business Number.

19. SUSPENSION OF SERVICE

19.1 Suspension by Service Provider

The Service Provider may suspend the delivery of Gas to a Delivery Point if:

- (a) the User does not or is unable to deliver sufficient Gas to the Receipt Point to meet the User's withdrawal requirements (taking any Gas Balancing Adjustments into account);
- (b) the User has not ceased taking Gas at a Delivery Point or the delivery of Gas to a Receipt Point if notified to do so under condition 20.4(b);
- (c) the User is not a member of an Approved Scheme; or
- (d) the Service Provider is instructed by the manager of an Approved Scheme to suspend the delivery of Gas to the Delivery Point.

19.2 No Liability

The Service Provider is not liable to the User or to the User's customer for any Damage if it suspends delivery of Gas under this condition 19. The User indemnifies the Service Provider against any claims made by the User's customer (including against the User) arising out of the Service Provider's actions pursuant to this condition 19.

20. INTERRUPTIONS AND CURTAILMENTS

20.1 Application

This condition 20 applies to the User irrespective of the Receipt Point or the User's contractual obligations or physical arrangements upstream.

20.2 Scheduled Interruptions

- (a) Notwithstanding its obligations to provide Services and without being in breach of the Agreement, the Service Provider may effect any repairs, testing, maintenance, replacement or upgrading or any other works related to the Network which are reasonably required.
- (b) To the extent necessary to enable the work referred to in condition 20.2(a) to proceed, the Service Provider may interrupt or reduce the Services during the course of such work provided that the Service Provider:

- (i) notifies the User as early as reasonably practicable (and where the work will interrupt or substantially affect supply to the Delivery Point, the Service Provider must use best endeavours to provide no less than 5 Business Days' notice) prior to the interruption or reduction of Services of its intention to interrupt or reduce the Services; and
- (ii) uses reasonable endeavours to minimise the period during which the Services are interrupted or reduced.

20.3 Emergency Interruptions

- (a) The Service Provider may, without being in breach of the Agreement, interrupt or reduce the Services in cases of emergency or risk of injury or damage to any person or property (including the Network) for such period as the Service Provider reasonably believes is necessary.
- (b) The Service Provider must, as soon as is reasonably practicable, inform the User or the User's customer of the circumstances giving rise to an emergency interruption or reduction of Services and of the likely duration of such interruption or reduction.

20.4 Load Shedding

- (a) If on any Day for any reason there is, or the Service Provider reasonably believes there may be, a failure of supply or shortfall in supply in or to any part of the Network which cannot be commercially resolved to the satisfaction of the Service Provider (in its sole discretion), the Service Provider is entitled to curtail or interrupt the receipt, transportation or delivery of Gas.
- (b) If the Service Provider notifies the User or the User's customer that there has been a failure of supply in any part of the Network, or that it has reasonable grounds to believe that there may be a failure of supply in any part of the Network, the User must use its best endeavours to cease the delivery of Gas to any Receipt Points nominated by the Service Provider or the taking of Gas at any one or more Delivery Points nominated by the Service Provider.
- (c) The User must cease delivery or taking of Gas in accordance with the procedure and the priorities set out in the Access Arrangement.
- (d) If the User has not ceased to deliver the Gas to the Receipt Point or the taking of Gas at the Delivery Point after the Service Provider has notified the User in accordance with condition 20.4(b), the Service Provider may take any action necessary to do so.

20.5 User to provide information concerning each Delivery Point

The User must maintain and, upon request from the Service Provider, must provide to the Service Provider the following details for each Delivery Point:

- (a) the User's customer's name, address, telephone number and facsimile number;
- (b) a business hours emergency contact and telephone number; and
- (c) an after hours emergency contact and telephone number.

20.6 Service Provider not liable

- (a) If the Service Provider interrupts, curtails or reduces Services in accordance with this condition 20, the Service Provider will not be liable to compensate the User or the User's customer for any injury or Damage, howsoever caused (whether directly or indirectly), suffered by the User or the User's customer as a result of or in connection with that interruption, curtailment or reduction.
- (b) The Service Provider may not rely on condition 20.6(a) if:
 - (i) the interruption, curtailment or reduction in Services occurs solely as a result of a scheduled interruption under condition 20.2; and

- (ii) the Service Provider has failed to notify the User or the User's customer as early as reasonably practicable prior to the interruption or reduction of services.

21. FORCE MAJEURE

21.1 Definition

- (a) In this condition 21, '**Force Majeure Event**' means any event, circumstance or cause not within the control of a Party and which by the exercise of due diligence that Party is not reasonably able to prevent or overcome, including (without limitation):
 - (i) acts of God including, without limitation, earthquakes, floods, washouts, landslides, lightning and storms;
 - (ii) strikes, lockouts, bans, slowdowns or other industrial disturbances;
 - (iii) acts of enemy, wars, invasions, blockades or insurrections, riots and civil disturbances, arrest and restraint of rulers and peoples;
 - (iv) fire or explosion;
 - (v) epidemic or quarantine;
 - (vi) order of any court or tribunal or the order, act, or omission or failure to act of any government or governmental authority having jurisdiction, or failure to obtain any necessary governmental consent or approval;
 - (vii) equipment breakdown, breakages or accident to machinery, the Network or Pipelines, the necessity for making repairs and/or alterations in machinery, the Network or Pipelines (other than routine maintenance for which notice has not been given), freezing of wells or failure of reserves; or
 - (viii) native title claims.
- (b) It is acknowledged by the Parties that:
 - (i) lack of finances by any Party;
 - (ii) lack of funds by any Party;
 - (iii) changes in market conditions for transportation and/or the purchase and sale of Gas;
 - (iv) the inability of any Party to borrow funds or to obtain a supply of Gas; or
 - (v) if the User is not the person consuming Gas at the Delivery Point, the inability of that person to take Gas due to any event or circumstance within the control of that person,will, under no circumstances, constitute or cause a Force Majeure Event.
- (c) The User is responsible for establishing that a person's inability to take Gas referred to in condition 21.1(b)(v) arises from an event or circumstance which is not within that person's control.

21.2 Consequences of Force Majeure

Subject to conditions 21.4 and 21.5, if by reason of a Force Majeure Event a Party ('**Affected Party**') is affected in the performance of any obligation or condition under the Agreement:

- (a) that Party will be excused from the performance of that obligation or condition during the time, and to the extent that, such performance is so affected; and
- (b) that Party will not, to that extent, be liable to the other Party for any Damage of any kind arising out of, or in any way connected with, that non-performance.

21.3 Notification and Diligence

Upon the occurrence of a Force Majeure Event, the Affected Party must:

- (a) as soon as possible notify the other Party in writing, giving:
 - (i) full particulars of the Force Majeure Event;
 - (ii) the date of commencement of the Force Majeure Event 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 Event and the effects of the Force Majeure Event;
- (b) use all reasonable diligence and employ all reasonable means to remedy or abate the Force Majeure Event and the effects of the Force Majeure Event as expeditiously as possible. However, nothing in this condition 21 shall require a Party to settle a strike, lockout, ban, slowdown or other industrial disturbance, civil disobedience or native title claim against its judgment, and it is acknowledged that settlement of any such disturbance is entirely within the discretion of the Party affected;
- (c) resume performance as expeditiously as possible after termination of the Force Majeure Event or after the Force Majeure Event has abated to an extent which permits resumption of performance;
- (d) notify the other Party when the Force Majeure Event has terminated or abated to an extent which permits resumption of performance to occur; and
- (e) notify the other Party when resumption of performance has occurred.

21.4 Liability not Relieved

A Force Majeure Event which affects a Party's performance under the Agreement will not relieve that Party of liability in the event, and to the extent, that its negligence caused or contributed to its failure to perform under the Agreement. Neither will a Party be relieved if it failed to use all reasonable endeavours to remedy the situation and to remove the event or circumstances giving rise to the Force Majeure Event in an adequate manner with all reasonable dispatch.

21.5 Force Majeure does not affect obligations to pay

This condition 21 does not relieve the User from any obligation to pay any amounts owing by the User to the Service Provider pursuant to this Agreement.

21.6 Prolonged Force Majeure

The Service Provider and the User must consult in good faith to decide what action should be taken to carry out the intentions of this Agreement if, as a result of a Force Majeure Event a party is affected in the performance of any obligation or condition under the Agreement for a period of 12 Calendar Months. If after 1 Calendar Month the Parties are unable to agree upon resolving the Force Majeure Event, then:

- (a) if the Force Majeure Event wholly prevents the performance of the Agreement, either Party may terminate the Agreement by giving to the other not less than 30 Days' prior written notice to that effect; or
- (b) if the Force Majeure Event prevents delivery of Gas to some but not all of the Delivery Points, either Party may delete those Delivery Points from the Tariff List by giving to the other not less than 3 Business Days' notice,

and thereafter neither Party will be under any further obligation to the other in respect of this Agreement or the deleted Delivery Points as the case may be, but each Party will remain responsible for the performance of obligations under this Agreement arising

prior to the date of termination and after that date for the performance of obligations in respect of any Delivery Points which are not deleted from the Tariff List.

22. TERMINATION

22.1 Grounds for termination

Without prejudice to condition 22.2, if a Party:

- (a) materially defaults in the performance of any of the material covenants or obligations imposed upon it by the Agreement (other than the User's obligation to pay) and, where the default is capable of remedy, fails to remedy the default within 20 Business Days from the receipt of written notice from the other Party requiring it to remedy the default;
- (b) suffers a resolution passed or an order is made by the Court for its winding up except for the purposes of reconstruction or amalgamation;
- (c) is placed in liquidation or is placed under external administration; or
- (d) makes or enters into or endeavours to make or enter into any composition, assignment or other arrangement with or for the benefit of its creditors,

then the other Party may terminate the Agreement by notice in writing, such termination to take effect 48 Hours after delivery of the notice.

22.2 Failure to pay

If the User defaults in payment of any moneys payable under the Agreement for a period of 7 days after notification of the default then the Service Provider may terminate the Agreement by notice in writing, such termination to take effect 48 Hours after delivery of the notice and/or may call on the Security.

22.3 Preservation of Rights

Termination of this Agreement for any reason will not extinguish or otherwise affect:

- (a) any rights of either Party against the other which:
 - (i) accrued prior to the time of the termination including, without limitation, the Service Provider's right to payment by the User in respect of amounts owing prior to termination or amounts payable for Services for which no invoice has been rendered at the date of termination; or
 - (ii) otherwise relate to or may arise at any future time from any breach or non-observance of obligations under this Agreement which arose prior to the time of the termination; or
- (b) the provisions of this Agreement which by their nature survive termination including condition 25.

23. LIABILITY

23.1 Scope of Liability

Subject to the provisions of this condition 23 and any other express limitations in the Agreement, the liability of each party (the '**First Party**') to the other (the '**Second Party**') is limited to liability arising from:

- (a) damage by the First Party to the property of the Second Party or to any properties and facilities for which the Second Party is responsible under the Agreement;
- (b) the inaccuracy of any representation, warranty or covenant made by the First Party in this Agreement; or

- (c) any breach or failure to perform or satisfy any of the provisions of the Agreement by the First Party, including where caused by or arising out of the First Party's negligence.

23.2 Limitation of Liability

Without prejudice to condition 23.3, the First Party is liable to the Second Party only for direct loss or damage but is not liable for:

- (a) loss of revenue;
- (b) loss of reputation;
- (c) loss of profits;
- (d) loss of business opportunity or business interruption; or
- (e) punitive or exemplary damages,

whether direct or indirect and howsoever caused (including but not limited to, by the negligence of the First Party), suffered by the Second Party in connection with this Agreement.

23.3 Exclusions from limitations

The limitations on claims, damages and liability referred to in conditions 23.1 and 23.2 do not apply in respect of loss resulting from or associated with:

- (a) the delivery to a Receipt Point by or on behalf of the User of Gas which does not meet the Specification;
- (b) the failure by the User to cease the delivery or taking of Gas as required under the Agreement;
- (c) any damage or interference by the User or its agent to or with any Measuring Equipment, equipment or any connections installed or being installed at the Delivery Point; or
- (d) the delivery to a Delivery Point of Gas which does not meet the Specification as a result of the negligence or wilful default of the Service Provider.

23.4 Limitation where other Party contributes to loss or damage

Any liability of the First Party for loss or damage, howsoever caused (including, but not limited to, by the negligence of the First Party), suffered by the Second Party in connection with this Agreement is reduced to the extent that the Second Party or its employees or agents contributed to the loss or damage.

23.5 Indemnity

The First Party must indemnify and hold the Second Party harmless from and against any and all loss, damage, penalty, expense or cost suffered or incurred by the Second Party arising from, based on, related to or associated with any claim against the Second Party, including any claim in tort, arising out of or in connection with:

- (a) any damage to the property of the Second Party;
- (b) any inaccuracy of any representation, warranty or covenant made by the First Party under this Agreement; or
- (c) any failure by the First Party to comply with this Agreement.

24. TRANSFER

24.1 Service Provider may transfer

The Service Provider may transfer any or all of its rights under the Agreement, without the User's prior written consent. The Service Provider must notify the User in writing of an assignment.

24.2 User may make Bare Transfer

A User may make a Bare Transfer to another person without the consent of the Service Provider. Prior to making a Bare Transfer, the transferee must notify the Service Provider in writing of the Bare Transfer. A Bare Transfer under a Local Network Tariff Service will operate as a Bare Transfer under the Corresponding Trunk Tariff Service.

24.3 User's liability

Notwithstanding a Bare Transfer, the User will remain liable under the Agreement.

24.4 User may effect Substituted Transfer

- (a) A User may effect a Substituted Transfer with the prior written consent of the Service Provider which shall only be withheld on reasonable commercial or technical grounds, and which may be given subject to reasonable commercial and technical conditions. A transfer or assignment under a Local Network Tariff Service will operate as a transfer or assignment under the Corresponding Trunk Tariff Service.
- (b) The Service Provider must reply to a request from the User for the Service Provider's consent to a Substituted Transfer within 14 Business Days of receiving the request accompanied by all information reasonably necessary to enable the Service Provider to consider the request. If at the time the request is made, the User informs the Service Provider in writing that due to hardship, the User requires an urgent reply to its request, the Service Provider will use reasonable endeavours to respond to the request within 2 Business Days of receiving the request.
- (c) Notwithstanding any transfer or assignment under condition 24.4(a), the assigning User will not be released from any liabilities for anything done or omitted to be done under this Agreement prior to the date of transfer or assignment.

24.5 Deed of Covenant

If requested by the non-assigning Party, the assigning Party must procure the assignee to execute, prior to the assignment taking effect, a deed of covenant in favour of the non-assigning Party agreeing to comply with the provisions and obligations of the Agreement.

24.6 Effect of Transfer or Assignment by User

Unless otherwise agreed, any transfer or assignment made pursuant to this condition 24 by the User will be effective only on the first day of the Calendar Month following execution of any deed of covenant under condition 24.5.

24.7 Acknowledgment of transfer or assignment

Upon the reasonable request of either Party, the other Party shall acknowledge in writing any permitted transfer or assignment described in this condition 24 and, subject to the provisions of this condition 24, the right of any permitted transferee or assignee (and any transferee or assignee upon enforcement of any transfer or assignment made as security for indebtedness) to enforce the Agreement against the other Party, and shall also deliver such certificates and copies of corporate documents as may be reasonably requested by the permitted transferee or assignee relating to that Party, the Agreement or other relevant matter.

25. CONFIDENTIALITY

- (a) Subject to condition 25(b), the Service Provider must not disclose any Confidential Information under the Agreement except where permitted by the National Code.

- (b) Neither Party may disclose Confidential Information under the Agreement without the prior written consent of the other Party except to the extent that the disclosure:
- (i) is required by applicable laws or by regulations of any government or government agency having jurisdiction over that the disclosing Party (**'Disclosing Party'**);
 - (ii) is required by any securities commission having jurisdiction over the Disclosing Party or a Related Body Corporate of the Disclosing Party, or by the rules of any stock exchange on which are listed the shares in the capital of the Disclosing Party or a Related Body Corporate of the Disclosing Party;
 - (iii) is to the Disclosing Party's employees, directors, consultants, contractors, advisors or agents;
 - (iv) relates to information that is at the time of disclosure lawfully generally available to the public, other than as a result of a breach of this Agreement;
 - (v) is to a bona fide purchaser of substantially all of the Disclosing Party's assets or, in the case of the Service Provider, of any or all of its Network;
 - (vi) is required by an order of a court of competent jurisdiction;
 - (vii) is to a bank or other financial institution in connection with the Disclosing Party's financial affairs; or
 - (viii) is required to enable the Disclosing Party to comply with its obligations under the Gas Retail Market Business Rules, market operation rules or under its gas reticulator's or gas supplier's authorisation.
- (c) The User consents to the disclosure by the Service Provider to third parties of information relating to Quantities of Gas historically delivered to the Delivery Point or current Charges applicable to the Service(s) provided to that Delivery Point where the end-user at the Delivery Point has provided its written consent to the Service Provider.

26. BREACH OF AGREEMENT

A breach of the Agreement in respect of a Local Network Tariff Service or a Trunk Tariff Service will be deemed to be a breach of the Agreement in relation to the Corresponding Trunk Tariff Service or Corresponding Local Network Tariff Service as the case may be.

27. COMMENCEMENT AND TERMINATION OF SERVICE

- (a) The Commencement Date for the Trunk Tariff Service will be the Commencement Date of the Corresponding Local Network Tariff Service.
- (b) Termination of a Local Network Tariff Service or Trunk Tariff Service will terminate the Corresponding Trunk Tariff Service or Corresponding Local Network Tariff Service as the case may be.

28. DISPUTE RESOLUTION

28.1 Application

- (a) The Parties acknowledge and agree that this condition 28 does not, and is not intended to, limit or exclude in any way the provisions in the Gas Pipelines Access Law in relation to dispute resolution.

- (b) The Parties agree that where a Party refers any matter in connection with this Agreement or its performance to be dealt with in accordance with the dispute resolution provisions set out in the Gas Pipelines Access Law:
 - (i) any decision arising out of that referral is final and binding on the Parties; and
 - (ii) neither Party can subsequently utilise this condition 28 in respect of the same dispute.

28.2 Notification of Dispute

A Party claiming that there exists:

- (a) any dispute or difference of opinion between the Parties; or
 - (b) the absence of agreement by the Parties,
- about a matter in connection with this Agreement or its performance ('Dispute') must:
- (c) notify the other Party of the Dispute; and
 - (d) not start court proceedings (except proceedings seeking interlocutory relief) in respect of the Dispute unless it has complied with this condition 28.

28.3 Nomination of Representative

As soon as practicable after a notice is given under condition 28.2 each Party must nominate in writing a representative authorised to settle the Dispute on its behalf.

28.4 Good Faith Discussions

Each Party must enter into discussions in good faith, to resolve the Dispute or to agree on a process to resolve all or part of the Dispute without arbitration or court proceedings. Unless the parties otherwise agree, discussions between the Parties' representatives under this condition 28.4 must continue for 7 Business Days after notice of the Dispute was given under condition 28.2.

28.5 Mediation

- (a) If the Dispute is not resolved within 7 Business Days under condition 28.4 then the Parties agree to settle the Dispute by mediation administered by the ACDC and in accordance with the 1997 ACDC Mediation Guidelines before having recourse to legal proceedings.
- (b) Before any mediation under this condition 28.5, the Parties must sign a mediation agreement in the form of 1995 ACDC Commercial Mediation Agreement.
- (c) The mediator must be appointed by agreement between the Parties but, failing agreement, must be appointed by the Chairman of the ACDC or by the Chairman's authorised representative.

28.6 Urgent relief

Nothing in this condition 28 will prevent a Party from seeking urgent declaratory or injunctive relief.

28.7 Information confidential

Any information or documents disclosed by a representative during the course of the discussions under this condition 28:

- (a) must be kept confidential; and
- (b) may not be used except to attempt to settle the Dispute.

28.8 Without Prejudice Discussions

Any discussions which take place as contemplated by this condition 28 will be without prejudice to the respective rights and obligations of the Parties in relation to the subject-matter of the Dispute.

29. ENTIRE AGREEMENT

The Agreement including its Schedules and Annexures and the Tariff Terms and Conditions:

- (a) constitutes the entire agreement between the Parties as to its subject matter; and
- (b) in relation to that subject matter, supersedes any prior understanding or agreement between the Parties and any prior condition, warranty, indemnity or representation imposed, given or made by a Party.

30. SEVERABILITY

30.1 Preferred construction

The Parties agree that a construction of the Agreement that results in all provisions being enforceable is to be preferred to a construction that does not so result.

30.2 Severance of illegal or unenforceable provisions

If, despite the application of condition 30.1, a provision of the Agreement is illegal or unenforceable:

- (a) if the provision would not be illegal or unenforceable if a word or words were omitted without changing the primary intent of the provision, that word or those words are severed; and
- (b) in any other case, the whole provision is severed, and the remainder of the Agreement continues in force.

31. WAIVER

- (a) A waiver of any provision of or right under the Agreement:
 - (i) must be in writing signed by the Party entitled to the benefit of that provision or right; and
 - (ii) is effective only to the extent set out in any written waiver.
- (b) Without limiting condition 31(a), the Service Provider may waive strict compliance with the requirements of this Agreement by the User to the extent that such a waiver will not have the effect of contravening the National Code.

32. RELATIONSHIP BETWEEN PARTIES

The Agreement does not create a relationship of employment, agency or partnership between the Parties.

33. ENFORCEABILITY

Each party warrants that it has all necessary power and authority and holds all authorisations required by any law to enter into and perform its obligations under the Agreement and that the Agreement is binding on that party and enforceable against it in accordance with its terms.

34. FURTHER ASSURANCES

Each party must sign all such documents and do all such things that are necessary or desirable to give full effect to the Agreement.

35. INUREMENT

The Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

36. GOVERNING LAW AND JURISDICTION

The Agreement is governed by the law applicable in New South Wales. Each Party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales.

37. SURVIVAL

Condition 25 survives the termination of this Agreement.

ANNEXURE 1 - GAS SPECIFICATION

Parameter		Specification Limit	
1	Wobbe Index ¹	Min.	46.0 MJ/m ³
		Max	52.0 MJ/m ³
2	Oxygen ¹	Max.	0.2 mol%
3	Hydrogen Sulphide ¹	Max.	5.7 mg/m ³
4	Total Sulphur ^{1,2}	Max.	50 mg/m ³
5	Water Content ¹	Max. Dew Point 0°C at maximum transmission pressure upstream of receipt point, but in any case no more than 112.0 mg/m ³	
6	Hydrocarbon Dewpoint ¹	Max.	2° at 3,500 kPaG
7	Total Inert Gases ¹	Max.	7.0 mol %
8	Solid Matter and Liquids	Nil Permitted	
9	Temperature at Receipt Point	-5°C to 50°C	
10	Odorant	Odorant to be of a type approved by the Service Provider. Level of odorant to be 12 milligrams per cubic metre or such other level as the Service Provider may require.	

¹ The standard testing conditions for all gas properties are
 Temperature 15°C

Absolute Pressure 101.325 kPa

With the natural gas dry (that is, completely free of water vapour)

² Including odorant, or an allowance for odorant in cases where odorant is injected downstream of test points.

ANNEXURE 2 - GAS BALANCING

DEFINITIONS

In this Annexure 2, words and expressions used have the same meaning as they have in the General Terms and Conditions unless otherwise indicated below.

'Change in Target Linepack' means the User's Target Linepack at the end of the Day minus the User's Target Linepack at the end of the previous Day.

'Combined Cash Balancing Account' means the account established under condition A20.1(a).

'Daily Metered Delivery Point' means a Delivery Point where Gas consumption is recorded on a daily basis.

'Daily Nomination Error' means the amount calculated under condition A20.2.

'Fiduciary Guarantee' means a Bank Guarantee or other appropriate instrument such as a parent company guarantee (as agreed with the Service Provider) as a financial warranty for the underwriting of Settlement Amounts.

'Forecast Requirement' means the forecast requirement notified to the Service Provider under conditions A2 or B4, including each of its components.

'Forecast Withdrawal' has the meaning given to that term in condition B3(a).

'Gas Balancing' means operational gas balancing carried out to ensure safe and reliable supply of Gas.

'Incentive Charge' means the amount referred to in conditions A20.4 or B21.4.

'Input' means the User's input determined under condition B13.

'Monthly Nomination Infringement' means the amount calculated under condition A20.5(c).

'Nomination Day' means a Day for which a User must make nominations of Gas required by the User to be injected at a Receipt Point in accordance with Section A or Section B (as the case may be) of this Annexure.

'Nomination Error Threshold' means the threshold determined for a User under condition A20.3.

'Nomination Infringement' means the amount calculated under condition A20.5(a).

'Non Daily Metered Delivery Point' means a Delivery Point where Gas consumption is recorded at intervals of one Month or more.

'Notional Debt' means the debt calculated under condition A20.6.

'Operational Balancing Agreement' is the agreement from time to time between the Service Provider and the owners or operators of the pipelines other than the Network, to cooperate in the management of the interfaces between the Network and those pipelines.

'Operational Balancing Cost' has the meaning given in condition B15.

'Participant Imbalance Amount' means a quantity of Gas for trading purposes determined under the Network Code or the Gas Retail Market Business Rules (whichever is applicable).

'Pipeline Operator' means the operator of the Moomba-Sydney Pipeline or the EGP, as the case may be.

'Prior Imbalance Account' means the cumulative difference between the total of the User's Confirmed Nominations for a Receipt Point and the Withdrawal Quantity for the User for the Receipt Point for all Days prior to the Nomination Day for which metering information is

available from daily metered Delivery Points, minus the User's share of Linepack for that Receipt Point.

'Reconciliation Amount' means the quantity of Gas which the User nominates to rectify part or all of the imbalance caused by the reconciliation of withdrawals between the quantity determined by data estimation and the quantity withdrawn as measured by meter on any Day in accordance with the Network Code or the Gas Retail Market Business Rules (whichever is applicable).

'Settlement' of the User's Prior Imbalance Account means payment of the Settlement Amount.

'Settlement Amount' means the amount incurred by the Service Provider in purchasing by tender a quantity of gas for the purpose of reducing, in whole or in part, the quantity of gas in the User's Prior Imbalance Account. Where settlement is required under condition A16, the quantity of gas required to effect such settlement will be allocated between all relevant Users with a negative Prior Imbalance Account on a pro rata basis.

'Shipper' means a person contracted to supply gas to the Receipt Point via a pipeline other than the Network on behalf of the User or on behalf of the person from which the User purchases gas at that Receipt Point.

'Shipper's Aggregate Nomination' means the total Confirmed Nominations assigned to the Shipper at a Receipt Point for the Nomination Day.

'Target Linepack', for a User, means the target linepack determined by the Service Provider as at the end of a Day as follows:

- (a) target linepack for the Trunk Section at the end of the Day will be allocated to each User in proportion to its MDQ (or where there is no MDQ, an amount determined by the Service Provider after consultation with the User);
- (b) target linepack in all other Network Sections for a single designated User will be deemed to be equal to the linepack in that Network Section and the target linepack for each other User will be deemed to be zero.

'User's Adjusted Requirement' means the quantity of Gas advised by the Service Provider to the User under condition A5.

'User's Confirmed Nomination' means the quantity determined under condition A7 or B9.

'Withdrawal Quantity' of a User, at a Receipt Point on a Day in section A of this Annexure means the total of:

- (a) **Non-Tariff Withdrawals**, being the total quantity of Gas withdrawn on the Day at all of the User's non-Tariff Delivery Points, as determined by measurement or as otherwise agreed under the Agreement; and
- (b) **Tariff Withdrawals**, being:
 - (i) the total quantity of Gas withdrawn on the Day at all of the User's non daily metered Tariff Delivery Points, calculated, and allocated to the User, in accordance with the Network Code or the Gas Retail Market Business Rules (whichever is applicable) , and where neither code does so, the quantity calculated and allocated by the Service Provider for each Network Section in proportion to quantities nominated by all Users of that Network Section under condition A2(b) and allocated to the Receipt Point used by the User in supplying Tariff Delivery Points in proportion to the User's forecast requirement for non-daily metered Tariff Customers under condition A2(b) for that Receipt Point; plus
 - (ii) the total quantity of Gas withdrawn on the Day at all of the User's daily metered Tariff Delivery Points,

'Withdrawal Quantity' of a User at a Receipt Point on a Day in Section B of this Annexure means the total of:

- (a) **Non-Tariff Withdrawals**, being the total quantity of gas withdrawn on the Day at all of the User's non-Tariff Delivery Points, as determined by measurement or as otherwise agreed under the Agreement; and
- (b) **Tariff Withdrawals**, being:
 - (i) the total quantity of Gas withdrawn on the Day at all of the User's non daily metered Tariff Delivery Points, calculated, and allocated to the User, in accordance with the Network Code or the Gas Retail Market Business Rules (whichever is applicable), and where either code does not do so, the quantity withdrawn will be the quantity calculated and allocated by the Service Provider for each Network Section in proportion to quantities nominated by all Users of that Network Section under condition B3(b); plus
 - (ii) the total quantity of Gas withdrawn on the Day at all of the User's daily metered Tariff Delivery Points.

Section A: Gas Balancing with Operational Balancing Agreement

I. Daily Forecasts and Nominations

- A1. The User must provide written notification to the Service Provider of the identity of the User's Shipper:
 - (a) prior to the commencement of transportation of Gas to the Receipt Point on behalf of the User; and
 - (b) at any time at which the User changes its Shipper.
- A2. Each Day, and for each Receipt Point at which the User receives Gas under this Agreement and any other agreement for the transportation of Gas between the Service Provider and the User, the User must inform the Service Provider of its Gas requirements for the Nomination Day under all such transportation agreements being its forecast Gas requirements in total and for each Shipper at that Receipt Point calculated in accordance with condition A3 and itemising the following requirements;
 - (a) the total forecast withdrawals calculated in accordance with condition A3 and itemising the following amounts:
 - (i) in respect of the quantity referred to in condition A2(a), the forecast Gas requirement for non-daily metered Tariff Customers (which will not include any Reconciliation Amount); and
 - (ii) when required in advance of any Nomination Day by the Service Provider, the forecast withdrawal at designated Delivery Points, in such manner and in respect of such times as the User and the Service Provider agree; and
 - (b) Reconciliation Amount provided that the Service Provider is not required to accept the Reconciliation Amount as part of the Forecast Requirement unless the total of all Reconciliation Amounts for all Users on the Nomination Day in a Network Section equals zero.
- A3. The User must make nominations of the components of its Forecast Requirements in good faith so that:
 - (a) the total quantity of Gas nominated under condition A2(a) for all Receipt Points serving a Network Section is the aggregate amount which the User intends to withdraw from that Network Section on the Nomination Day under all transportation agreements relating to that Network Section; and
 - (b) the forecast Gas requirements in total and the forecast Gas requirement for each Shipper nominated under condition A2(a) are consistent with the quantities of Gas which the User is entitled to have delivered to the Receipt Point.

- A4. Where the User has a Local Network Service and a Corresponding Trunk Service, the User may make a single Forecast Requirement in respect of those Services for that Receipt Point.
- A5. The Service Provider must advise the User of the Quantity of Gas (**'User's Adjusted Requirement'**) which the User should deliver to a Receipt Point on the Nomination Day in order to enable the Service Provider to:
- (a) satisfy the User's Forecast Requirement for that Receipt Point;
 - (b) reduce the User's Prior Imbalance Account for that Receipt Point to zero; and
 - (c) satisfy any other aggregate needs for the relevant Network Section (including adjustment for the User's Change in Target Linepack) to ensure safe and reliable supply (as determined by the Service Provider).
- A6. Where the User has more than one Shipper at the Receipt Point, the User must apportion the User's Adjusted Requirement between its Shippers and advise the Service Provider of that apportioned quantity for each Shipper.
- A7. Where the User:
- (a) has only a single Shipper at the Receipt Point, the User's Adjusted Requirement is the User's Confirmed Nomination for the Nomination Day; and
 - (b) has more than one Shipper at the Receipt Point, the quantity apportioned to each Shipper under condition A6 is the User's Confirmed Nomination for that Shipper for the Nomination Day.
- A8. The Service Provider must advise:
- (a) each relevant Shipper of the User's Confirmed Nomination for that Shipper and of the Shipper's Aggregate Nomination for the Nomination Day; and
 - (b) the Pipeline Operator of the Shipper's Aggregate Nomination for each Shipper contracted to supply gas from its Pipeline to the Receipt Point.
- A9. If the User fails to provide the Service Provider with a valid Forecast Requirement or valid Confirmed Nomination, the Service Provider must determine the User's Confirmed Nomination, based on the User's Forecast Requirement (adjusted for any Reconciliation Amount) for the same day in the prior week (or where such day is a public holiday, based on the same day in the week two weeks prior).
- A10. The User and the Service Provider must complete each of their obligations set out in conditions A2 to A9 in accordance with a timetable:
- (a) determined through consultation between the Service Provider, the Pipeline Operators and (where one exists) any gas industry governance body which may be established to implement contestability in the NSW gas market, and
 - (b) published from time to time in the Gas Retail Market Business Rules (or where no such Rules exists or where the Rules do not contain such timetable, in the Network Code or by the Service Provider).

II. Prior Imbalance Account

- A11. The Service Provider must determine the User's Prior Imbalance Account for each Receipt Point.
- A12. The Service Provider may, by notice to the User, request the User:
- (a) to provide the Service Provider with a Fiduciary Guarantee; or
 - (b) if the User has already provided to the Service Provider a Fiduciary Guarantee, to vary the quantity required as the User's Fiduciary Guarantee.

The Service Provider must reasonably determine the quantum of the User's Fiduciary Guarantee or variation of the User's Fiduciary Guarantee having regard to the maximum amount which the User's Prior Imbalance Account may reach.

- A13. Upon receipt of a notice under condition A12, the User must provide a Fiduciary Guarantee or variation to an existing Fiduciary Guarantee by the date and to the amount specified in the notice.
- A14. If the User does not provide a Fiduciary Guarantee or variation to an existing Fiduciary Guarantee in accordance with condition A13, the Service Provider may terminate the Agreement in accordance with condition 25 or suspend the taking of Gas at the Receipt Point or the delivery of Gas to the Delivery Point.
- A15. The parties intend that the User's Prior Imbalance Account shall to the extent practicable be reduced to zero in accordance with condition A5.
- A16. The Service Provider may require Settlement by the User of the User's Prior Imbalance Account in part or whole, when:
- (a) the Operational Balancing Agreement requires settlement or is terminated; or
 - (b) on termination of this Agreement; or
 - (c) on deletion of a Delivery Point from the Schedules or the Tariff List, whichever applies, so that the User ceases to provide Gas at a particular Receipt Point for transportation under this Agreement; or
 - (d) where condition A21 applies.
- A17. Where the Service Provider requires Settlement of the User's Prior Imbalance Account, the Service Provider must, by notice to the User, require the User to pay the amount specified in the notice within 7 days from the date of the notice.
- A18. If the User fails to comply with the notice given under condition A17 within that time, the Service Provider may use the User's Fiduciary Guarantee to pay the amount or any part of the amount, required in the notice. The User remains liable for the payment of any balance of the amount which is not met by the User's Fiduciary Guarantee.
- A19. The Service Provider and the User must comply with the provisions dealing with participant balancing or incentive mechanisms for participants in:
- (a) the Network Code, or
 - (b) where they replace the relevant provisions in the Network Code, the Gas Retail Market Business Rules.
- A20. In the absence of participant balancing provisions in the Gas Retail Market Business Rules or the Network Code, the User must comply with the participant balancing provisions set out in conditions A20.1 to 20.10 inclusive or as otherwise notified to the User by the Service Provider.
- A20.1 Notional balancing account*
- (a) The Service Provider must establish a notional account for each Network Section (**Combined Cash Balancing Account**).
 - (b) For the avoidance of doubt, the Service Provider has no entitlement to any notional amounts or other monies credited to the Combined Cash Balancing Account or otherwise collected under conditions A20.1 to 20.10 inclusive.
- A20.2 User's Daily Nomination Error*
- On Nomination Day +2, the Service Provider must calculate each User's daily Nomination Error for each Network Section for the Nomination Day using the following formula:
- $$\text{DNE} = (\text{UAW} + \text{DW}) - \text{N}$$
- where
- DNE = the User's Daily Nomination Error for a Network Section for the Nomination Day;

- UAW = the sum of User's actual withdrawals at its Daily Metered Delivery Points within the Network Section for the Nomination Day;
- DW = the User's deemed withdrawal at its Non-Daily Metered Delivery Points within the Network Section for the Nomination Day; and
- N = the User's Forecast Requirement less any amount included in the Forecast Requirement under condition A2(b) for the Nomination Day.

A20.3 *User's Nomination Error Threshold*

Each User's Nomination Error Threshold in each Network Section is 6% of the User's Forecast Requirement (or as otherwise notified by the Service Provider if the Gas Retail Steering Group recommends a change to the percentage).

A20.4 *Incentive charge*

An incentive charge of 20 cents/GJ (excluding GST) applies (or as otherwise notified by the Service Provider if the Gas Market Company Limited (or its successor) recommends a change to the amount of the charge).

A20.5 *Service Provider to determine User's Nomination Infringement*

- (a) No later than 5 Business Days after the end of each Month, the Service Provider must determine the User's Nomination Infringement in each Network Section for each Nomination Day during the Month as follows:

$$\mathbf{NI} = |DNE| - (IT \times FR)$$

where

NI = the User's Nomination Infringement (in GJ) for the Nomination Day;

|DNE| = the absolute value of a User's Daily Nomination Error (in GJ) in the Network Section for the Nomination Day;

IT = the User's Nomination Error Threshold (in %); and

FR = User's Forecast Requirement (in GJ) for the Nomination Day.

- (b) If a User's Nomination Infringement for a Nomination Day in a Network Section is a negative amount, that User's Nomination Infringement for that Nomination Day is deemed to be zero.
- (c) No later than 5 Business Days after the end of each Month, for each User in a Network Section, the Service Provider must accumulate the User's Nomination Infringement for each Nomination Day during the Month to determine the User's Monthly Nomination Infringement.

A20.6 *Service Provider to determine User's Notional Debt*

No later than 5 Business Days after the end of each Month, the Service Provider must calculate a User's Notional Debt for each Network Section for the previous Month as follows:

$$\mathbf{ND} = \text{MIC} \times \text{IC}$$

where

ND = User's Notional Debt for a Month (in \$);

MIC = User's Monthly Nomination Infringement (in GJ); and

IC = Incentive Charge (\$/GJ)

A20.7 *Service Provider to Credit Combined Cash Balancing Account*

The Service Provider must make a notional credit to the Combined Cash Balancing Account equivalent to the quantum of a User's Notional Debt in a Network Section.

A20.8 Points Scoring System

- (a) For each Nomination Day in a Month, the Service Provider must give a User 1 balancing point if the User's:

$$|DNE| < = IT \times FR$$

where

|DNE| = the absolute value of the User's Daily Nomination Error (in GJ) in a Network Section for the Nomination Day;

IT = the User's Nomination Error Threshold (in %); and

FR = User's Forecast Requirement (in GJ) for the Nomination Day.

- (b) For each Nomination Day in a Month, the Service Provider must deduct 3 balancing points from a User if the User's:

$$|DNE| > 2 \times (IT \times FR)$$

where

|DNE| = the absolute value of the User's Daily Nomination Error (in GJ) in the Network Section for the Nomination Day;

IT = the User's Nomination Error Threshold (in %); and

FR = User's Forecast Requirement (in gigajoules) for the Nomination Day.

For the avoidance of doubt, the Service Provider must give to, and deduct from, a User balancing points only in accordance with this condition A20.8.

A20.9 Distribution of Combined Cash Balancing Account

- (a) No later than 5 Business Days after the end of each Month, the Service Provider:

(i) must redistribute notional funds credited to the Combined Cash Balancing Account for each Network Section under condition A20.7 in accordance with this condition A20.9; and

(ii) notify each User of their share of the distribution of notional funds for each Network Section determined under condition A20.9.

- (b) The Service Provider must distribute the notional funds in the Combined Cash Balancing Account to each User in a Network Section who has accumulated at least 1 point under condition A20.8(i) in accordance with the following formula:

Amount of User i =

$$\frac{P_i W_i \times CBA}{(P_1 W_1 + P_2 W_2 + P_3 W_3 + \dots + P_n W_n)}$$

where

P = the number of points scored by a User for the Month under condition A20.8. Only Users with positive points may be included in this formula;

W = the sum of the deemed withdrawals and daily withdrawals of a User for the Month (in gigajoules);

n = the number of Users transporting gas through the Network Section;

CBA = the amount in the Combined Cash Balancing Act (in \$).

- (c) Each User must settle its Notional Debt within 5 Business Days from notification by the Service Provider under condition A20.9(a)(ii).
- (d) The Service Provider must distribute the Combined Cash Balancing Account to Users in a Network Section in cash within 2 Business Days from when it has received settlement from all Users under condition A20.9.
- (e) If, during a Month, no User receives positive points under condition A20.8, each User's Notional Debt notionally credited to the Combined Cash Balancing Account must be rolled over, distributed and settled in accordance with condition A20.8 at the end of the following Month.

A20.10 Service Provider to notify User

No later than 6 Business Days after the end of a Month, the Service Provider must notify each User of the following information for each Network Section:

- (a) Daily Nomination Error for each Nomination Day during the Month;
- (b) Nomination Infringement for each Nomination Day during the Month;
- (c) Monthly Nomination Infringement;
- (d) balancing points scored during the Month; and
- (e) Notional Debt.

A21.

- (a) Where in the opinion of the Service Provider the Operational Balancing Agreement ceases to apply so as to effectively manage the interfaces between the Network and the Pipelines, the Service Provider must give notice to the User of the date on which the provisions of Section B "Gas Balancing with no Operational Balancing Agreement" of this Schedule will apply.
- (b) The User must comply with the provisions of section B of this Annexure from the date specified in the notice given under condition A21(a).

Section B: Gas Balancing with no Operational Balancing Agreement

III General Qualifications

- B1. In small Network Sections located upstream of Wilton, each User will be deemed to be in balance within the Network Section; that is, the User's Input will be deemed to be equal to the Withdrawal Quantity of that User on a Day.
- B2. Should any of the following circumstances cease to apply, the provisions of this Annexure 2 may be reviewed and varied by the Service Provider to the extent necessary to take account of the changed circumstances, subject to the approval of the Tribunal:
- (a) there is only one Receipt Point on each Network Section, other than the Wilton-North and Wilton-South Network Sections where there are two Receipt Points;
 - (b) input from the EGP pipeline is under flow control at Receipt Points established at Port Kembla in the Local Network and Horsley Park in the Trunk, such that the operator of that pipeline will aim to input a Quantity of Gas each Day at each Receipt Point equal to the Users' Confirmed Nominations of Users served by it through that Receipt Point;
 - (c) input at Wilton from the Moomba Sydney Pipeline is pressure controlled; and
 - (d) UAG is supplied by the Service Provider.

IV. Daily Forecasts and Nominations

- B3. Each Day, and for each Receipt Point at which the User receives Gas under this Agreement and any other agreement for the transportation of Gas between the Service Provider and the User, the User must provide the Service Provider with its forecast of withdrawals from the Network for each of the next three Days.
- B4. Each Day, and for each Receipt Point at which the User receives Gas under this Agreement and any other agreement for the transportation of gas between the Service Provider and the User, the User must inform the Service Provider of its Gas requirements for the Nomination Day under all such transportation agreements as follows:
- (a) forecast of Gas to be withdrawn from the Network in total (**'Forecast Withdrawals'**) calculated in accordance with condition B6 and itemising the following amounts:
 - (i) forecast Gas requirement for non-daily metered Tariff Customers (which will not include any Reconciliation Amount); and
 - (ii) when required in advance of any Nomination Day by the Service Provider, the forecast withdrawal at designated Delivery Points, in such manner and in relation to such times as the User and the Service Provider agree;
 - (b) Reconciliation Amount, provided that the Service Provider is not required to accept the Reconciliation Amount as part of the Forecast Requirement unless the total of all Reconciliation Amounts for all Users on a Day in a Network Section equals zero; and
 - (c) the Participant Imbalance Amount, provided that the Service Provider is not required to accept the Participant Imbalance Amount as part of the Forecast Requirement unless the total of all Participant Imbalance Amounts for all Users of a Day in a Network Section equals zero,
- (the requirements nominated by the User under conditions B4(a) to (c) inclusive are, together, the **'Forecast Requirement'**).

- B5. The User must satisfy the requirements of condition B4 for all Delivery Points other than a Delivery Point at which an automatic feedback control system is used to establish a direct relationship between input at a flow controlled Receipt Point and the quantity actually withdrawn at the Delivery Point.
- B6. The User must make nominations of the components of its Forecast Requirement in good faith so that the Forecast Withdrawals under condition B4(a) for all Receipt Points serving the Network Section is the aggregate amount which the User intends to withdraw from that Network Section on the Nomination Day under all transportation agreements.
- B7. Where the User has a Local Network Service and a Corresponding Trunk Service, the User may make a single Forecast Requirement in respect of those Services for that Receipt Point.
- B8. The Service Provider must advise the User of the Quantity of Gas which the User should plan to deliver or have delivered into the Network at each Receipt Point on the Nomination Day in order to enable the Service Provider to satisfy the User's Forecast Requirement.
- B9. The User must advise the Service Provider of the Quantity of Gas which the User intends to deliver or have delivered into the Network at each Receipt Point on the Nomination Day (**'User's Confirmed Nomination'**) and which Quantity must equal the Quantity advised by the Service Provider under condition B8.
- B10. If the User fails to provide the Service Provider with a valid Forecast Requirement and/or valid User's Confirmed Nomination, the Service Provider must determine the User's Confirmed Nomination on the basis of the quantity which was the User's Forecast Requirement (adjusted for any Reconciliation Amount and/or Participant Imbalance Amount) for the same day in the prior week (or where such day is a public holiday, based on the same day in the week two weeks prior).
- B11. The User and the Service Provider must complete each of their obligations set out in conditions B3 to B10 in accordance with a timetable:
- (a) determined through consultation between the Service Provider and (where one exists) any gas industry governance body which may be established to implement contestability in the NSW gas market, and
 - (b) published from time to time in the Gas Retail Market Business Rules (or where no such Rules exist or where the Rules do not contain such timetable, in the Network Code or by the Service Provider).

V User's Input

- B12. The Service Provider carries out Gas Balancing between the Receipt Point at which Gas intended for a Delivery Point first enters the Network, and that Delivery Point. Accordingly, where the User has corresponding Trunk and Local Network Services, the User's Input is determined at the Receipt Point specified under the Trunk Service and the User's Withdrawal Quantity is determined at the Delivery Point in the Local Network.
- B13. In this Section B of Annexure 2, the Service Provider must determine the User's Input as follows:
- (a) where there is only one User at the Receipt Point the User's Input will be the metered quantity at the Receipt Point net of Unaccounted for Gas purchased by the Service Provider.
 - (b) where two or more Users receive Gas at the EGP Horsley Park Receipt Point, or at the EGP Port Kembla Receipt Point, the User's Input will be:
 - (i) subject to (ii), the metered quantity at the Receipt Point net of Unaccounted for Gas purchased by the Service Provider allocated to

- the User and Other Users in proportion to their Users' Confirmed Nominations for the Day; and
- (ii) in respect of a User at a Delivery Point at which an automatic feedback flow control system is used to establish a direct relationship between input at an EGP Receipt Point and the quantity actually withdrawn at the Delivery Point, the difference between the metered quantity at the Receipt Point net of UAG purchased by the Service Provider, and the total of the Users' Confirmed Nominations for all other Users plus the User's Confirmed Nomination for its other Delivery Points; and
- (c) where two or more Users receive gas at the Wilton Receipt Point and:
- (i) where the quantity metered at the Wilton Receipt Point on a Day net of Unaccounted for Gas purchased by the Service Provider exceeds or is equal to the aggregate of Confirmed Nominations for Users of that Receipt Point for the Day, then the User will be deemed to have delivered its User's Confirmed Nomination for the Day and that will be the User's Input; and
 - (ii) where the quantity metered at the Wilton Receipt Point on a Day net of Unaccounted for Gas purchased by the Service Provider, is less than the aggregate of Users' Confirmed Nominations for Users of that Receipt Point for the Day, then the total Quantity metered at that Receipt Point on the Day net of UAG purchased by the Service Provider will be allocated among those Users in proportion to their Users' Confirmed Nominations for the Day and that allocation will be the User's Input; and
- (d) where there is more than one User at the Receipt Point on any other Network Section, the User's Input for each User will be deemed to be the User's Withdrawal Quantity plus Change in Target Linepack.

VI Gas Balancing

- B14. The User must act in good faith to ensure that the Quantity of gas delivered to each Network Section for or on behalf of the User on each Day is equal to the Quantity withdrawn from the Network Section by the User on the Day, adjusted for any Change in Target Linepack for the User for the Network Section (and subject to any amounts specified in accordance with conditions B4(b) or B4(c)). If a User has more than one agreement for the transportation of gas pertaining to a particular Network Section and Receipt Point, Gas Balancing arrangements will apply to the aggregates of Quantities input at the Receipt Point and withdrawn under those agreements.
- B15. Where condition B13(c)(i) applies in relation to a Day for the Wilton Receipt Point, the Service Provider must purchase³ a Quantity of operational balancing Gas equal to the difference between the total quantity metered at the Wilton Receipt Point on the Day net of UAG purchased by the Service Provider and the aggregate of Users' Confirmed Nominations for Users of that Receipt Point for the Day. The total costs to the Service Provider of acquiring the operational balancing gas is the "**Operational Balancing Cost**".
- B16. Where condition B15 applies, each Day, the Service Provider will apportion the Operational Balancing Cost between all Users of the Wilton-Newcastle Network Section or the Wilton-Wollongong Network Section whose Withdrawal Quantity exceeds their User's Input (adjusted for any Participant Imbalance Amount for that Day). The Service Provider will apportion the Operational Balancing Cost in proportion to the amounts of those differences between Withdrawal Quantity and User's Input.

³ The Service Provider will seek tenders for the supply of operational balancing gas on an annual or bi-annual basis.

- B17. The Service Provider will notify the User of its portion of the Operational Balancing Cost. The User must pay the amount specified in, and in accordance with the requirements of, the notice.
- B18. The Service Provider and the User must comply with the provisions dealing with participant balancing or incentive mechanisms for participants:
- (a) in the Network Code, or
 - (b) where they replace the relevant provisions in the Network Code, in Gas Retail Market Business Rules.

ANNEXURE 3 - RECEIPT POINTS AND RECEIPT STATIONS

1. FILTRATION AND LIQUID SEPARATION SYSTEM

The Receipt Station must include a filtration and liquid separation system (**'Filtration and Liquid Separation System'**) which meets the following requirements:

- (a) the filter and separator must not be fitted with a bypass;
- (b) a minimum of 2 parallel filter and separator runs must be installed, each capable of treating the MHQ of the Receipt Station at the lowest inlet pressure conditions;
- (c) the Gas filter must be capable of removing all solid particles greater than 1 micrometre in diameter;
- (d) the liquid separator must remove all liquids travelling in the Gas stream; and
- (e) the filter differential pressures and the liquid level of the separator holding vessel must be continuously measured and the signals telemetered to the SCADA System.

2. GAS QUALITY MEASUREMENT SYSTEM

2.1 Requirements of Gas Quality Measurement System

The Receipt Station must include a Gas quality measurement system (**'Gas Quality Measurement System'**) which enables the following measures of quality to be determined continuously and telemetered in real time to the SCADA System:

- (a) Gas Outlet Temperature;
- (b) Gas Relative Density;
- (c) Gas Heating Value;
- (d) Gas Water Dew Point;
- (e) Gas Carbon Dioxide Content;
- (f) Gas Hydrocarbon Dew Point;
- (g) Gas Oxygen Content;
- (h) Gas Total Sulphur Content;
- (i) Gas Hydrogen Sulphide Content; and
- (j) Gas Odorant Content.

2.2 Measurement other than at a Receipt Station

- (a) If the Service Provider consents, qualities other than Gas Outlet Temperature may be measured at a location other than the Receipt Station at the Receipt Point. The Service Provider may withhold its consent if it reasonably believes that measurement at such other location will not give a true indication of the quality of Gas being delivered at the Receipt Point.
- (b) If the Service Provider has consented to any quality being measured at a location other than the Receipt Point, the Service Provider may at any later time withdraw that consent and require the quality to be measured at the Receipt Point if it believes that measurement at such other location is not giving a true indication of the quality of Gas being delivered at the Receipt Point.
- (c) If measured other than at a Receipt Station, all equipment used for measuring the qualities of Gas must be designed, maintained and calibrated in

accordance with good engineering practice and industry standards as agreed by the Service Provider and the User.

2.3 Calibration and testing of equipment

- (a) The Service Provider may at any time require the User to test or calibrate the Gas Quality Measurement System.
- (b) The Service Provider is entitled to be present at a test or calibration of equipment and to receive copies of all test results.
- (c) The Service Provider must bear the costs of a test or calibration if the test or calibration results show that the Gas Quality Measurement System was accurate within the tolerances agreed between the Service Provider and the User.
- (d) If the Gas Quality Measurement System is being tested or calibrated other than under paragraph 2.3(a):
 - (i) the User must notify the Service Provider of the timing of such testing or calibration;
 - (ii) the Service Provider is entitled to attend such testing or calibration; and
 - (iii) promptly after receiving the results of such testing or calibration, the User must provide the Service Provider with a copy of those results.

3. GAS QUANTITY MEASUREMENT SYSTEM

- (a) A Receipt Station must include a Gas quantity measurement system ('**Gas Quantity Measurement System**') which ensures that continuous measurement is maintained in the event of routine calibration, equipment maintenance, individual equipment malfunction, loss of external electricity supplies or loss of telemetry signals.
- (b) The Gas Quantity Measurement System must be such that Primary Measurement elements and all Secondary Measurements required to convert the Primary Measurement to Standard Conditions and to calculate the Quantity of Gas are duplicated. The individual Primary and Secondary Measurements as well as the calculated Quantity of Gas must be telemetered in real time to the SCADA System.
- (c) The Service Provider may at any time require the User to test or calibrate the Gas Quantity Measurement System.
- (d) The Service Provider is entitled to be present at a test or calibration and to receive copies of all test results.
- (e) The Service Provider must bear the costs of a test or calibration if the test or calibration results show that the Gas Quantity Measurement System was accurate to within the tolerances agreed between the Service Provider and the User.
- (f) If the Gas Quantity Measurement System is being tested or calibrated other than under paragraph 3(c):
 - (i) the User must notify the Service Provider of the timing of such testing or calibration;
 - (ii) the Service Provider is entitled to attend such testing or calibration; and
 - (iii) promptly after receiving the results of such testing or calibration, the User must provide the Service Provider with a copy of those results.

4. FLOW AND PRESSURE CONTROL SYSTEM

The Receipt Station flow and pressure control system (**'Flow and Pressure Control System'**) must be designed to:

- (a) prevent over-pressure of the Network;
- (b) provide control of the Network pressures and inflows;
- (c) prevent backward flow through the Receipt Station;
- (d) enable the operation and balancing of a particular part of the Network when more than one Receipt Station supplies that part; and
- (e) enable the immediate termination of supply.

ANNEXURE 4 - GAS PRESSURE AT RECEIPT POINTS

TRS/POTS Location	Min. Delivery Pressure at Inlet to TRS/POTS
Bargo	1,750
Bathurst	1,750
Blayney	1,750
Boorowa	1,750
Bowral	1,750
Coolamon	1,750
Cootamundra	1,750
Cowra	1,750
Dubbo	1,750
Forbes	1,750
Ganmain	1,750
Goulburn	1,750
Horsley Park	3,600
Junee	1,750
Leeton	1,750
Lithgow	1,750
Marulan	1,750
Millthorpe	1,750
Moss Vale	1,750
Murrumbidgee	1,750
Narrandera	1,750
Narromine	1,750
Oberon	1,750
Orange	1,750
Parkes	1,750
Port Kembla	2,600
Rockdale	1,750
Sally's Corner	1,750
Wallerawang	1,750
West Wyalong	1,750
Wilton	3,800
Yass	1,750
Yoogali (Griffith)	1,750
Young	1,750

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