Standard service offering*

Type	Service name	Description	Price structure	Pricing methodology	Priority
Transportation	Firm Forward Haulage	The EGP firm forward service is the highest priority transportation service which provides a highly reliable forward haulage product to all delivery points along the EGP route day in day out.	Firm forward haulage service charge is the applicable firm forward haulage rate (by area) x MDQ on each day that this service is contracted. It is charged on a take or pay basis and has tariffs for three areas. There are also charges which may apply for: – Authorised overruns – Unauthorised overruns – Imbalance – Odourisation – Minimum monthly service charge which is rebated against usage charges – Bairnsdale lateral charge for shippers seeking services to Bairnsdale City Gate or Bairnsdale Power Station – Wilton lateral charge for shippers seeking service to MSP. – Additional Day Ahead Firm MDQ (which can be requested subject to availability)	The standing price has been calculated from the foundation tariff in place at the time of pipeline commissioning (which was $0.30 for area 1, $0.65 for area 2 and $0.86 for area 3 in real December 1998 dollar terms applying to calendar year 1999) adjusted by a factor of annual CPI (CPI adjustment formula specified below). This reference tariff was originally set at levels designed to encourage pipeline utilisation, as the EGP was not fully contracted by foundation contracts.	1
	As Available Forward Haulage	The EGP as available forward haulage service is a flexible 'pay as you go' service which can be used to complement firm transportation services all year round.	As available forward haulage service charge is the applicable as available forward haulage rate (by area) x gas delivered on each day that this service is provided. It is charged on a pay as you go basis and has tariffs for three areas. There are also charges which may apply for: – Authorised overruns – Unauthorised overruns – Imbalance – Odourisation – Minimum monthly service charge which is rebated against usage charges – Bairnsdale lateral charge for shippers seeking services to Bairnsdale City Gate or Bairnsdale Power Station – Wilton lateral charge for shippers seeking service to MSP.	The standing price is calculated as 130% of the firm forward price. This premium was defined in the foundation contract, and reflects the flexibility benefits available to shippers under this service (relative to a firm take-or-pay service) and risk for Jemena associated with not having certainty of cash flows from shippers under this service.	10
	Firm Back Haulage	The EGP firm backhaul haulage service is a transportation service for delivery of gas in the opposite direction of the gas flow in the pipeline. This service suits shippers who are seeking a high utilisation service. Because it is subject to sufficient forward flow, it does not constitute firm capacity rights in itself.	The firm backhaul haulage service is charged at 38.46 % of the applicable firm forward zonal segments x MDQ on each day that this service is provided. It is charged on a take or pay basis and has tariffs for three areas. There are also charges which may apply for: – Authorised overruns – Unauthorised overruns – Imbalance	The standing price is calculated as 38.46% of the firm forward haulage price.	3

Type	Service name	Description	Price structure	Pricing methodology	Priority
			– Minimum monthly service charge which is rebated against usage charges – Bairnsdale lateral charge for shippers seeking services to Bairnsdale City Gate or Bairnsdale Power Station – Wilton lateral charge for shippers seeking service to MSP.		
	As Available Back Haulage	The EGP as available backhaul haulage service is a flexible 'pay as you go' transportation service for delivery of gas in the opposite direction of the gas flow in the pipeline. It is subject to sufficient forward flow.	The as available backhaul haulage service charge is the applicable as available backhaul haulage rate by area x delivered quantity on each day that this service is provided. It is charged on a pay as you go basis and has tariffs for three areas. There are also charges for: – Authorised overruns – Unauthorised overruns – Imbalance – Minimum monthly service charge which is rebated against usage charges – Bairnsdale lateral charge for shippers seeking services to Bairnsdale City Gate or Bairnsdale Power Station – Wilton lateral charge for shippers seeking service to MSP.	Standing price is calculated as 50% of the firm forward haulage price. This reflects a 130% difference between firm backhaul and as available backhaul service prices.	15
	TGP – Class A	This TGP transfer service is a high priority transportation service to the Tasmanian Gas Pipeline.	This is a take or pay service charged as MDQ x tariff, and can include charges for overruns and imbalance.	On the separation of ownership of the TGP from the EGP, it was agreed a foundation tariff of $0.06 $/GJ would apply for the 2008 calendar year (in real September 2007 dollar terms). The standing price has been calculated from this foundation tariff, escalated for CPI (CPI adjustment formula specified below).	1
	TGP – Class B2	This TGP transfer service is a flexible 'pay as you go' transportation service to the Tasmanian Gas Pipeline.	Pay as you go, charged as gas delivered x tariff, and can include charges for overruns and imbalance.	On the separation of ownership of the TGP from the EGP, it was agreed a foundation tariff of $0.06 $/GJ would apply for the 2008 calendar year (in real September 2007 dollar terms). The standing price has been calculated from this foundation tariff, escalated for CPI (CPI adjustment formula specified below).	1

Eastern Gas Pipeline

Type	Service name	Description	Price structure	Pricing methodology	Priority
Storage	Premium Park	The EGP premium park service is a highly reliable storage product located at Longford (Victoria) which provides intraday rights to allow shippers to manage risk within the market and respond to intraday supply and demand changes as well as attractive spot market conditions. This service can be used only in association with a transportation service. It is ideally suited to shippers with high expected utilisation or Short Term trading market (STTM) Market Operator Service (MOS) providers.	Take or pay, charged as MDQ x tariff on each day that this service is provided with a minimum monthly service charge. There are also charges for: – Minimum monthly charge which is rebated against usage charges – Excess Imbalance Charge (when you exceed the MDQ or have negative balance)	The standing price is calculated as 40% of the firm forward haulage price. This 40% factor reflects the opportunity cost of capacity utilised by park services on the EGP relative to haulage services at the time of introducing this service.	4
	Firm Park	The EGP firm park service is a storage product located at Longford (Victoria) which provides intraday rights to shippers allowing them to optimise their portfolio and responding to intraday supply and demand changes as well as attractive spot market conditions. This service can be used only in association with a transportation service. It is ideally suited to shippers with high expected utilisation. Due to its relative prioritisation to other services it does not constitute a firm capacity right.	Take or pay, charged as firm park rate x MDQ on each day that this service is provided. There are also charges for: – Minimum monthly charge which is rebated against usage charges – Excess Imbalance Charge (when you exceed the MDQ or have negative balance)	The standing price is calculated as 40% of the premium park service.	19
	As Available Park	Storage product located at Longford (Victoria) which provides intraday rights to allow shippers to take advantage of As Available Forward transportation services post any producer scheduling cut off times	Pay as you go, charged as gas delivered x tariff. There are also charges for: – Minimum monthly charge which is rebated against usage charges – Excess Imbalance Charge (when you exceed the MDQ or have negative balance)	The standing price is calculated as 130% of the firm park, reflecting the 130% difference between firm and as available service prices.	20

*Only available for current Receipt and Delivery Points

Annual inflation adjustment

Tariffs have been escalated for each year commencing 1 January in accordance with the following:

$$P_n = P_{n-1} \times AF_n \times \left[1 + \frac{CPI_{n-1} - CPI_{n-2}}{CPI_{n-2}}\right]$$

Where:

P_n	the applicable tariff, charge or fees for the n calendar year
P_{n-1}	the applicable tariff, charge or fees for the (n-1) calendar year
AF_n	Adjustment factor when determining tariff, charge or fee for the n calendar year
	for EGP: the adjustment factor is equal to 0.75 when n is equal to 2020 and below, when n is 2021 and above the adjustment factor is 1
	for TGP: the adjustment factor is 1 for all calendar years
CPI	Quarterly Consumer Price Index, 6401.0 (All Groups weighted Average of Eight Capital Cities) published by the Australian Bureau of Statistics.
CPI_{n-1}	the indicator for the CPI for the December quarter immediately preceding the n calendar year
CPI_{n-2}	the indicator for the CPI for the December quarter immediately preceding the n calendar year

NB: Given the base tariffs for TGP are in September 2007 dollar terms. To determine TGP prices for 2008 in December 2007 dollar terms, the base tariffs are escalated by 3 months of inflation (Sep 07 to Dec 07). For all other calendar years, 2009 onwards, TGP tariffs are escalated by the annual adjustment formula specified above.