

**APT Pipelines (NSW) Pty Limited**  
**ACN 080 842 360**  
**(formerly known as AGL Pipelines**  
**(NSW) Pty Limited )**

**Access Arrangement**  
**for Central West Pipeline**

## **INTRODUCTION**

This Access Arrangements is established pursuant to the Gas Pipelines Access Law and the National Third Party Access Code for Natural Gas Pipeline Systems. It reflects the proposed Access Arrangement submitted to the Australian Competition and Consumer Commission on 31 December 1998, amended as required by the Commission's Final Decision dated 30 June 2000.

This Access Arrangement contains the Services policy, reference tariffs, reference tariff policy, terms and conditions of Service, trading policy, queuing policy, extensions/expansions policy and capacity management policy for the Pipeline.

As of 6 November 2000, APT Pipelines (NSW) Pty Limited ACN 080 842 360 ("**APT(NSW)**") is the owner of the Pipeline. This company was formerly known as AGL Pipelines (NSW) Pty Limited.

## OVERVIEW

This Access Arrangement is set out as follows:

**Section 1: Services Policy** describes the Services offered under this Access Arrangement and the procedure to obtain access to the Services.

**Section 2: Terms and Conditions of Service** describes together with Schedule 2 the terms and conditions applicable to the Reference Service.

**Section 3: Reference Tariffs** describes the Reference Tariffs applicable to the Reference Service.

**Section 4: Reference Tariff Policy** describes the principles used to determine the Reference Tariffs, and additional matters regarding New Facilities Investment, Redundant Capital and Incentive Mechanisms.

**Section 5: Trading Policy** allows for Bare Transfer, assignment with consent and change of Delivery and Receipt Points.

**Section 6: Queuing Policy** describes the order in which capacity will be allocated to Prospective Users where there is insufficient capacity in the Pipeline to satisfy all Requests for Service.

**Section 7: Extensions/Expansions Policy** describes the manner in which extensions or expansions to the Pipeline will be dealt with under this Access Arrangement.

**Section 8: Capacity Management Policy** specifies whether the Pipeline is a contract carriage pipeline or a market carriage pipeline for the purposes of the National Code.

**Section 9: Term and Review of the Access Arrangement** sets out the date of commencement of this Access Arrangement, the Revisions Submission Date and the Revisions Commencement Date.

## SCHEDULES:

**Schedule 1:** Definitions of Terms

**Schedule 2:** General Terms and Conditions applying to Reference Services

**Schedule 3:** Gas Quality Specification

**Schedule 4:** Request for Access

## SECTION 1: SERVICES POLICY

*In order to encourage maximum usage of the Pipeline during the initial phase of its operation, APT(NSW) is offering as a Reference Service a Transportation Service with:*

- *Reference Tariff based on throughput, without the adjustment for load factor which is customarily adopted in established pipelines to encourage load management,*
- *payment based on actual throughput, without the usual obligation to pay for a minimum quantity in each Contract Year whether or not that quantity is taken, and*
- *no charges for Authorised OVERRUNS until Contracted Capacity reaches 85%.*

*APT(NSW) anticipates that at the review of this Access Arrangement, the pattern of usage of the Pipeline will be sufficiently known to establish a Service with capacity and throughput charges. It is APT(NSW)'s present intention to offer such a Service as a Reference Service at that time.*

APT(NSW)'s Service Policy consists of a Reference Service and Negotiated Services as follows:

- **Transportation Service** — transport Service from the Receipt Point to any Delivery Points on the Pipeline with tariffs charged on the basis of throughput (\$ per GJ of throughput).
- **Negotiated Services** — agreements negotiated to meet the needs of a User which differ from those in the Reference Service.

## **1.1 Transportation Service**

### ***General***

APT(NSW) will receive Gas at the Receipt Points, transport it through the Pipeline and deliver it at the Delivery Points.

### ***MHQ, MDQ and ACQ***

- Users will be required to establish a level of MHQ which fairly reflects their maximum hourly requirement at each Delivery Point, and to establish for each Receipt Point and Delivery Point a level of MDQ and ACQ which fairly reflects their needs. Normally, MHQ will be no greater than  $MDQ \times 24 \div 1.2$ .
- APT(NSW)'s maximum obligation to deliver gas is MHQ in any Hour, MDQ on any Day and ACQ over a Contract Year.

### ***Overruns***

- An Overrun will have occurred if withdrawals by the User at a Delivery Point exceed the MHQ in any Hour or the MDQ on any Day. Overruns may be authorised or unauthorised.
- There will be no charges for Overruns until Contracted Capacity reaches 85% of the nominal capacity of the Pipeline from time to time.

### ***Term***

- The Term of the Service will be one year or such longer period as the User elects at the time of entering into the Service Agreement.

### ***Reference Tariff Applicable under a Transportation Service***

The charges for a Transportation Service are described in Section 3.

### ***Terms and Conditions***

General Terms and Conditions in Schedule 2 apply.

## **1.2 Negotiated Services**

Where a Prospective User has specific needs which differ from those which would be satisfied by a Reference Service, the Prospective User may seek to negotiate different terms and conditions as a Negotiated Service. Such different terms and conditions may include transportation charges based on payment for capacity reservation and throughput.

Should a dispute arise, it will be resolved in accordance with the dispute resolution procedures in the Gas Pipeline Access Law and the Code, unless the parties agree otherwise.

### 1.3 Access and Requests for Services

In order to obtain access to a Service, a Prospective User must observe the following procedures:

- A Prospective User must lodge a Request and meet the Prudential Requirements set out below. A Request must include as a minimum the level of detail envisaged by Schedule 4.
- A Prospective User may have only one active Request for the same tranche of capacity to a particular Delivery Point.
- APT(NSW) will advise the Prospective User where a Request is incomplete. If the Prospective User corrects the deficiency within 7 Days, the priority of the Request will depend on the date on which APT(NSW) first received the Request. Otherwise, the priority will depend on the date on which APT(NSW) receives the complete Request.
- APT(NSW) will within the shortest reasonable time and in any event within 30 Days of receiving a complete Request advise whether capacity is available and at what price, and whether a queue exists for the capacity.
- A Request will lapse unless, within 30 Days of APT(NSW) advising that capacity is available, the Prospective User has either entered into a Service Agreement, or commenced bona fide negotiations<sup>1</sup>.
- Where there is sufficient capacity to meet a Request, there will be no queue.
- Where there is insufficient capacity to satisfy a Request, then a queue will be formed and the Queuing Policy (set out in Section 6) will apply.

The “Prudential Requirements” applicable to Prospective Users of the Pipeline are:

- The Prospective User must be resident in, or have a permanent establishment in, Australia;
- The Prospective User must not be under external administration as defined in the Corporations Law or under any similar form of administration in any other jurisdiction;
- The Prospective User may be required to provide reasonable security in the form of a parent company guarantee or a bank guarantee or similar security. The nature and extent of the security will be determined having regard to the nature and extent of the obligations of the Prospective User under the Service Agreement.

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<sup>1</sup> A Request for Service will not lapse in the event of a dispute being notified under the Code until that dispute has been resolved in accordance with the Code.

## **SECTION 2: TERMS AND CONDITIONS OF REFERENCE SERVICE**

1. APT(NSW) will provide the Reference Service on the terms and conditions set out in its standard Service Agreement for the Reference Service from time to time.
2. The terms and conditions on which the Reference Service will be provided will include the matters set out in Schedule 2. The terms and conditions of the Service Agreement will be consistent with this Access Arrangement including Schedule 2.
3. APT(NSW) will not discriminate between Prospective Users in the provision of Services on the basis of:
  - (a) past transactions or relationships with APT(NSW) or Australian Pipeline Limited ACN 091 344 704) (the Australian Pipeline Trust);
  - (b) the identity of the Prospective User;
  - (c) the fact that the Prospective User is a related party of APT(NSW) or the Australian Pipeline Trust; or
  - (d) the source of the gas proposed to be transported, subject only to the gas meeting the Specifications.



## SECTION 3: REFERENCE TARIFFS AND OTHER CHARGES

### 3.1 Description of Reference Tariffs

The Reference Tariff for the Transportation Service for the year ending 30 June 2001 and 30 June 2002 is:

| Year ending<br>30 June | Tariff in \$/GJ of<br>throughput<br>(including GST) |
|------------------------|---|
| 2001                   | 2.38 <sup>2</sup>                                   |
| 2002                   | 2.60 <sup>3</sup>                                   |

The Reference Tariff for the Transportation Service for each of the remaining years of the Access Arrangement Period will be determined in accordance with CPI-X as follows<sup>4</sup>.

On 1 July 2002 and on 1 July each year thereafter, the Reference Tariff will be adjusted as follows:

$$RT_n = RT_{n-1} \times \left\{ 1 + \left[ \left( \frac{CPI_n - CPI_{n-1}}{CPI_{n-1}} \right) \times (1 - X) \right] \right\} \text{ where:}$$

**CPI** means the Consumer Price Index (All Groups - Weighted Average Eight Capital Cities) published quarterly by the Australian Statistician. If the Australian Statistician ceases to publish the quarterly value of that Index, then CPI means the quarterly values of another Index which APT(NSW) reasonably determines most closely approximates that Index.

**CPI<sub>n</sub>** means the value of the CPI for the March quarter in year<sub>n</sub>.

**CPI<sub>n-1</sub>** means the value of the CPI for the March quarter in year<sub>n-1</sub>.

**X** means 0.06.

**RT<sub>n</sub>** means the Reference Tariff in year<sub>n</sub> and RT<sub>n-1</sub> means the Reference Tariff in year<sub>n-1</sub>

<sup>2</sup> This equates to a pre-ANTS tariff of \$2.17 per GJ/throughput; the GST component of the tariff is \$0.22, resulting in a tariff net of GST of \$2.16.

<sup>3</sup> This equates to a pre-ANTS tariff of \$2.37 per GJ/throughput; the GST component of the tariff is \$0.24, resulting in a tariff net of GST of \$2.36.

<sup>4</sup> Final Decision, amendment A3.8.

### **3.2 Notification of adjustment to tariff under section 3.1<sup>5</sup>**

- APT(NSW) will advise the Regulator of the revised tariff proposed under section 3.1 at least 30 business days prior to the intended commencement of the tariff.
- The Regulator will be taken to have approved the revised tariff if within 20 business days of receiving notification the Regulator does not notify APT(NSW) that the revised tariff does not comply with section 3.1 and, in the event of such notification, of the tariff which the Regulator believes complies with section 3.1.
- The revised tariff proposed by APT(NSW) or notified by the Regulator as the case may be will be taken to be approved with effect from the 21<sup>st</sup> business day after APT(NSW) advises the Regulator of the revised tariff.

### **3.3 Term of Service Agreement extending beyond Revisions Commencement Date**

Where the Term of a Service Agreement extends beyond the Revisions Commencement Date, the tariffs payable under the Service Agreement will be the Reference Tariff then payable for a comparable Service, or as otherwise agreed.

### **3.4 Overrun Charges – Authorised Overruns**

- Where APT(NSW) agrees to an Authorised Overrun, the User may be required to pay an Authorised Overrun Charge, calculated as the Authorised Overrun Quantity multiplied by the Authorised Overrun Rate.
- **“Authorised Overrun Rate”** means:
  - where the Contracted Capacity on the Pipeline is less than or equal to 85% of the Capacity of the Pipeline, 0% of the Reference Tariff, and
  - where the Contracted Capacity on the Pipeline is greater than 85% of the Capacity of the Pipeline, 20% of the Reference Tariff.

### **3.5 Overrun Charges – Unauthorised Overruns**

- Where there is an Unauthorised Overrun, the User may be required to pay an Unauthorised Overrun Charge calculated by multiplying the Unauthorised Overrun quantity by the Unauthorised Overrun Rate.
- **“Unauthorised Overrun Rate”** means:
  - where the Contracted Capacity on the Pipeline is less than or equal to 85% of the Capacity of the Pipeline, 0% of the Reference Tariff, and
  - where the Contracted Capacity on the Pipeline is greater than 85% of the Capacity of the Pipeline, 100% of the Reference Tariff.

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<sup>5</sup> This process of notification of application of the CPI formula is required by Amendment A3.8 of the Final Decision.

### 3.6 Daily Variance Charges

- A Daily Variance will occur when the quantity of gas:
  - (a) delivered to or for the account of the User at a Delivery Point during a Day is different from the Nomination for that Delivery Point; or
  - (b) received from or on behalf of the User at a Receipt Point during a Day is different from the Nomination for that Receipt Point;by more than 10% of the Delivery Point MDQ or the Receipt Point MDQ respectively (excluding any portion of that variation that has been caused by APT(NSW)).
  
- For any Day in excess of:
  - (a) 4 Days in the Month; or
  - (b) 24 Days in a Contract Year;in which a Daily Variance occurs, APT(NSW) may require the User to pay a Daily Variance Charge calculated by multiplying the Daily Variance Rate by the Daily Variance Quantity.
  
- **“Daily Variance Quantity”** means, on any Day on which a Daily Variance occurs, the greater of:
  - (a) the sum, for all Delivery Points, of the absolute differences between the Nomination and the actual quantity of gas delivered to or for the account of the User at each Delivery Point for the Day; and
  - (b) the sum, for all Receipt Points, of the absolute differences between the Nomination and the actual quantity of gas received from or on behalf of the User at each Receipt Point for the Day,(excluding any portion of that quantity which has been caused by APT(NSW)).
  
- **“Daily Variance Rate”** means 20% of the Reference Tariff payable by the User on the Day on which the Daily Variance occurred.

### 3.7 Charges in respect of Receipt Points or Delivery Points

APT(NSW) is entitled to recover from a User or group of Users:

- (a) the cost of constructing capital improvements for Receipt Stations and Delivery Stations for the Pipeline (which will remain the property of APT(NSW)) specifically required to deliver gas to or receive gas from that User or group of Users, including the construction of Receipt Stations and Delivery Stations; and
- (b) the cost of operating and maintaining those capital improvements.

### **3.8 General**

Any charge payable by a User in respect of an Overrun quantity, Imbalance or Daily Variance is payable in addition to, and not substitution for, any other charge payable by the User and does not affect the MDQ specified in the Service Agreement.

### **3.9 Imposts and Other Statutory Charges**

This Access Arrangement reflects Imposts and the Goods and Services Tax as at the date of commencement.

If Imposts or the level of the Goods and Services Tax vary after that date:

- Users will pay for all new or increased Imposts, and will bear increases in the level of the Goods and Services Tax,
- APT(NSW) will reflect in charges and fees any reductions of Imposts and any reduction in the level of the Goods and Services Tax.

## SECTION 4: REFERENCE TARIFF POLICY

1. Reference Tariffs are derived through a price path approach based on an application of the NPV methodology. This is designed to permit APT(NSW) to recover revenue to cover the efficient costs of the Pipeline over the expected life of the assets, and to provide an incentive to APT(NSW) through permitting it to retain the benefit of greater than forecast volumes and lower than forecast costs.
2. The key elements of the NPV methodology applied to derive the Reference Tariffs include:

### Back-ended Depreciation

- Back-ended depreciation is a mechanism whereby revenue under-recovery in the early years of the Pipeline is recovered over the life of the asset. It is calculated in the following manner:

$$\textit{back-ended depreciation} = \textit{total revenue} - \textit{operating costs} - \textit{return on capital}$$

- Back-ended depreciation can be either positive or negative. The depreciation is either deducted or added to the Capital Base each year. In the case of the Pipeline, this approach results in an increase in the Capital Base in the early years of the Access Arrangement period as negative depreciation is added to the Capital Base.

### Adjustment to Capital Base for the Prepayment of Tax

- The Capital Base is adjusted each year to account for an item described as “prepayment of tax”<sup>6</sup>. In the absence of any tax liability this item represents a early repayment of capital.
  - This repayment of capital is offset by a reduced return of capital when tax liabilities are incurred in the Pipeline.
  - The amount of the adjustment for “pre-payment of tax” forms part of the roll-forward of the Capital Base.
  - A return on capital is not derived on the amount of the adjustment for “pre-payment of tax”.
3. Reference Tariffs are structured on a zonal basis. This structure reflects the following:
    - the Pipeline was constructed by APT(NSW) (then a subsidiary of The Australian Gas Light Company) following a tender process in which zonal pricing was sought by the Orana Regional Development Organisation and supported by the local communities; and
    - for the Pipeline to be economically viable across the zone, the Pipeline required the total forecast load at Forbes, Parkes, Narromine and Dubbo. Under other pricing methodologies – such as distance based pricing – the Pipeline tariffs would have been such that natural gas could not compete with alternate fuels and the Pipeline would not have been extended to all of these towns. The absence of the total

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<sup>6</sup> Final Decision Schedule C

forecast load at all of these towns would have rendered the Pipeline project not viable. Accordingly, the allocation of costs other than on a zonal basis is not commercially reasonable<sup>7</sup>.

4. APT(NSW) may undertake New Facilities Investment that does not satisfy the requirements of section 8.16 of the Code and may include in the Capital Base that part of the New Facilities Investment which does satisfy section 8.16<sup>8</sup>.
5. An amount in respect of the balance after deducting the Recoverable Portion of New Facilities Investment may subsequently be added to the Capital Base if at any time the type and volume of Services attributable to the New Facility change such that any part of the Speculative Investment Fund would then satisfy the requirements of the Code for inclusion in the Capital Base<sup>9</sup>.
6. For the purposes of calculating the Capital Base at the commencement of the subsequent Access Arrangement Period, where the actual cost of New Facilities differs from the forecast New Facilities Investment on which the Capital Base was determined, any New Facilities Investment will be included at actual cost.
7. With effect from the commencement of the next Access Arrangement Period, the Regulator may remove an amount from the Capital Base for the Pipeline so as to:
  - ensure that assets which cease to contribute in anyway to the delivery of Services are not reflected in the Capital Base; and
  - share costs associated with a decline in the volume of sale of Services provided by means of the Pipeline between APT(NSW) and Users<sup>10</sup>.
8. The Incentive Mechanism used in calculating Reference Tariffs is as follows:
  - The level of the Reference Tariff is determined to enable APT(NSW) to develop the market for Reference and other Services<sup>11</sup>.
  - The prospect of retaining improved returns for the period to 30 June 2010 provides an incentive to APT(NSW) to increase the volume of sales and to minimise the overall cost of providing Services.
  - In determining Reference Tariffs after 30 June 2010, APT(NSW) will ensure that Users and Prospective Users will benefit from increased efficiencies achieved by APT(NSW) up to that date<sup>12</sup>.
9. The value of the Capital Base at 1 July 1999 in dollars of the day is \$28.48 million<sup>13</sup>.

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<sup>7</sup> Sections 8.38 and 8.42 of the Code provide that allocation of revenue between Services and Users is required “to the maximum extent that is technically and commercially reasonable”.

<sup>8</sup> Code section 8.18

<sup>9</sup> Code section 8.19

<sup>10</sup> This reflects the provisions of section 8.27 of the Code dealing with redundant capital.

<sup>11</sup> Section 8.1(f) of the Code provides one of the objectives that a Reference Tariff and the Reference Tariff Policy should be designed to achieve is ‘providing an incentive to the Service Provider to reduce costs and to develop the market for Reference and other Services’.

<sup>12</sup> Final Decision, amendment A3.9.

10. The value of the Capital Base at the commencement of the next Access Arrangement Period will be determined on the basis of the revenue model submitted to the ACCC by APT(NSW) in September 2000 with the revised Access Arrangement Information subject to:

- incorporating actual CPI outcomes (subject to the following) rather than the forecast inflation assumed in the modelling of revenue as outlined in paragraph 1 above<sup>14</sup>; and
- the impact of the New Tax System on the CPI being recognised through an adjustment to the amount of back-ended depreciation to correct for any additional revenue collected during the Access Arrangement Period due to the impact of the New Tax System on CPI<sup>15</sup>, with the intention that there is no “double counting” of the economy wide changes in cost structures for which APT(NSW) is compensated through the permitted cost pass through of 9.73%<sup>16</sup>.

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<sup>13</sup> Final Decision, amendment A3.1.

<sup>14</sup> Final Decision, amendment A3.5.

<sup>15</sup> Final Decision, amendment A3.6

<sup>16</sup> Final Decision, page 73

## **SECTION 5: TRADING POLICY<sup>17</sup>**

1. A User may make a Bare Transfer without the consent of APT(NSW) provided that prior to utilising it the transferee notifies APT(NSW) of the portion of Contracted Capacity subject to the Bare Transfer and of the nature of the Contracted Capacity subject to the Bare Transfer.
2. A User may only transfer or assign all or part of its Contracted Capacity other than by way of a Bare Transfer with the prior consent of APT(NSW), which will only be withheld on reasonable commercial or technical grounds, and which may be given subject to reasonable commercial or technical conditions.
3. A User may only change the Receipt Point and/or Delivery Point specified in a Service Agreement with the prior consent of APT(NSW), which will only be withheld on reasonable commercial or technical grounds, and which may be given subject to reasonable commercial or technical conditions.

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<sup>17</sup> It is considered unlikely that the Users will seek to rely on their rights under this Trading Policy during the Access Arrangement Period due to the nature of the Reference Service being offered by APT(NSW).



## **SECTION 6: QUEUING POLICY**

### **6.1 Forming the Queue<sup>18</sup>**

- Where there is insufficient capacity to satisfy a Request, a queue will be formed.
- A queue will include all relevant Requests which cannot be satisfied. Where an offer has been made in response to a Request received prior to formation of the queue, that Request will take first position in the queue.
- At the time a Request is placed in a new or existing queue, APT(NSW) will advise the Prospective User of:
  - (a) its position on the queue;
  - (b) the aggregate capacity sought under Requests which are ahead on the queue;
  - (c) its estimate of when capacity may become available; and
  - (d) the size of any surcharge that may apply to Developable Capacity.
- When the position of a Request changes relative to other Requests which are ahead in the queue (such as where a Request ceases to be on the queue) or where the timing of availability of a new tranche of Developable Capacity changes, APT(NSW) will provide revised information to the Prospective User.

### **6.2 Conditions Applicable on Queue**

- A Prospective User may reduce but not increase the capacity sought in a Request which is in a queue.
- Once every three months, APT(NSW) may seek confirmation from a Prospective User that it wishes to continue with its Request. If a Prospective User fails to respond within 14 Days the Request will lapse.
- A Prospective User will advise APT(NSW) if it does not wish to proceed with a Request, which will then lapse.
- Any lapsed Request will be removed from the queue and priority will be lost.
- A Prospective User may only assign a Request on a queue to a bona fide purchaser of the Prospective User's business and/or assets, subject to APT(NSW)'s prudential requirements.
- A Request may lapse if, on assignment of a controlling interest in the shares of the Prospective User, the assignee fails to provide a guarantee as required by APT(NSW) or to meet APT(NSW)'s prudential requirements.

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<sup>18</sup> It is considered unlikely that a queue will be formed during the Access Arrangement Period due to the extent of capacity available.

### **6.3 Procedure When Capacity Can Be Made Available**

- When capacity can be made available which meets the requirements of any Request in a queue:
  - that capacity will be progressively offered to each Prospective User in the queue in order of priority (notwithstanding that such capacity is not sufficient to meet the needs of that Prospective User);
  - APT(NSW) will advise each of those Prospective Users of its plans to make capacity available, and the terms and conditions on which the capacity will be available.
- A Prospective User will have 30 Days after an offer is made to enter into a Service Agreement (conditional if necessary on APT(NSW) entering into Service Agreements with other Prospective Users), failing which the Request will lapse or lose priority to those entering into such a Service Agreement (upon that Service Agreement becoming unconditional).

### **6.4 Priority of Prospective Users in Obtaining Services**

- The priority date of a Request is the date a complete Request is received by APT(NSW).
- Where APT(NSW) determines that two or more Requests relate to the same tranche of capacity for the same Delivery Point, all those Requests will have the priority date of the earliest Request.
- A Request for a Reference Service will have priority over a Request for a Negotiated Service.

### **6.5 General**

- A Request will not lapse and will retain its priority in a queue in the event of a dispute being notified, until that dispute has been resolved in accordance with the Code.
- Where a queue exists a Prospective User must on request demonstrate to APT(NSW) that the Prospective User will have access to a supply of gas at the time it is anticipated that the Prospective User will be offered access to the Service.

## **SECTION 7: EXTENSIONS / EXPANSIONS POLICY**

1. In the event that APT(NSW) undertakes a geographic extension to the Pipeline it will elect, after consultation with the Regulator, whether the extension forms part of the Pipeline for the purposes of this Access Arrangement.
2. Any expansion to the capacity of the Pipeline will form part of the Pipeline, and such capacity will be offered at the Reference Tariff under this Access Arrangement.
3. APT(NSW) will notify the Regulator when it commences providing Services through any expansion or extension to the Pipeline.

## **SECTION 8: CAPACITY MANAGEMENT POLICY**

For the purposes of section 3.7 of the Code, the Pipeline is a Contract Carriage Pipeline.

## **SECTION 9: TERM AND REVIEW**

### **9.1 Commencement**

This Access Arrangement will commence on the date on which the approval by the Regulator takes effect under section 2 of the National Code.

### **9.2 Revisions Submission Date**

APT(NSW) will submit revisions to this Access Arrangement on the date being 9 years and 6 months from the commencement of this Access Arrangement.

### **9.3 Revisions Commencement Date**

The revisions to this Access Arrangement will commence on the later of:

- the date being 6 months after the Revisions Submission Date; and
- the date on which the approval by the Regulator of the revisions takes effect under the Code.

## SCHEDULE 1: DEFINITIONS

Terms used in this Access Arrangement which are defined in the Code have the meaning given to those terms in the Code as at the date of commencement of this Access Arrangement.

**“Annual Contract Quantity”** or **“ACQ”** means the quantity agreed between APT(NSW) and the User as the maximum quantity of gas which APT(NSW) agrees to receive, transport and deliver each Contract Year.

**“APT(NSW)”** means the owner from time to time of the Pipeline which at the date of commencement of this Access Arrangement is APT Pipelines (NSW) Pty Limited A.C.N. 080 842 360.

**“Authorised Overrun”** means an Overrun approved before the Overrun occurs.

**“Code”** means the National Third Party Access Code for Natural Gas Pipeline Systems established under the Gas Pipelines Access Law.

**“Contract Year”** means the period of a Year commencing on the first Day of the Term for a Delivery Point which shall in turn be the first Day of a Month, or commencing on the anniversary of the first Day of the Term.

**“Day”** means a period of 24 consecutive hours beginning at 6.30am Australian Eastern Standard Time and **“Daily”** has a corresponding meaning. When referring to a particular Day, the date of the Day shall be the date on which that Day begins.

**“Delivery Point”** means a point on the Pipeline at which gas is delivered from the Pipeline to or for the account of any User.

**“Delivery Station”** means those facilities installed at a Delivery Point to enable delivery of gas from the Pipeline including a tapping point, remote shutoff valve, SCADA and other communications facilities, and associated power supply.

**“Delivery Point MDQ”** means the MDQ established by the User for that Delivery Point. Where gas is to be delivered to only one Delivery Point under a Service Agreement, the User’s MDQ will be taken to be the Delivery Point MDQ.

**“Force Majeure”** means any event or circumstance not within the control of a party to a Service Agreement and which by the exercise of due diligence that party is not reasonably able to prevent or overcome.

**“Gas Pipelines Access Law”** means the Gas Pipelines Access (NSW) Law 1998.

**“Hour”** means any period of 60 consecutive minutes.

**“Imbalance Rate”** means 250% of the Throughput Rate payable by the User on the final Day of M3 (as described in paragraph (b) of Part 2 of Schedule 2).

**“Impost”** means any royalty (whether based on value, profit or otherwise), tax (other than a tax in the nature of an income tax or a goods and services tax or a capital gains tax) duty, excise, levy, fee, rate or charge imposed by any government or any governmental, semi-governmental or other body authorised by law to impose that Impost on or to:

- (a) the Pipeline (or any of its components); or
- (b) the operation of the Pipeline; or
- (c) the provision of Services by APT(NSW) to Users.

**“Linepack”** means the quantity of gas in the Pipeline from time to time.

**“Maximum Daily Quantity”** or **“MDQ”** means the maximum quantity of gas (in GJ) which APT(NSW) is obliged to transport and deliver to a particular Delivery Point for or on behalf of the User on any Day (excluding Overruns).

**“Maximum Hourly Quantity”** or **“MHQ”** means the maximum quantity of gas (in GJ) which APT(NSW) is obliged to transport and deliver to a particular Delivery Point for or on behalf of the User in any Hour (excluding Overruns).

**“Metering Facilities”** means facilities to measure quantities and monitor quality of gas being received or delivered which facilities may include filters, metering system and associated instrumentation, shutoff valves, links to SCADA and other communications facilities, and power supplies.

**“Month”** means calendar month.

**“Negotiated Service”** means a Service for the transportation of gas on terms and conditions different to those of a Reference Service.

**“Nomination”** means a schedule provided by the User showing, for each Day of a specified period:

- (a) the quantities of gas (in GJ) intended to be presented at each of the User’s Receipt Points by or on behalf of the User; and
- (b) the quantities of gas (in GJ) required to be delivered at each of the User’s Delivery Points to or for the account of the User.

**“Overrun”** means the withdrawal of a quantity of gas in excess of the MHQ in any Hour or in excess of the MDQ on any Day.

**“Pipeline”** means the pipeline from Marsden to Dubbo described in Pipeline Licence 25 under the Pipelines Act 1967 (NSW) and includes the Receipt Stations and the Delivery Stations which exist from time to time and any extension or expansion which forms part of the Pipeline as provided in the Extensions/Expansions Policy.

**“Receipt Point”** means any point at which gas is delivered into the Pipeline.

**“Receipt Station”** means those facilities installed at a Receipt Point to enable receipt of gas from a User into the Pipeline, including a tapping point, a remote shutoff valve, SCADA and other communications facilities and associated power supply.

**“Receipt Point MDQ”** means the MDQ for that Receipt Point.

**“Reference Service”** means the Reference Service described in Section 1.

**“Reference Service Agreement”** means a Service Agreement in respect of a Reference Service.

**“Reference Tariff”** means the Reference Tariff described in Section 3.

**“Regulator”** means the Australian Competition and Consumer Commission or the Relevant Regulator under the Gas Pipelines Access Law.

**“Request”** means a Request for Service as described in Section 1.6.

**“Service”** means a Service provided by APT(NSW) in relation to the Pipeline including but not limited to Reference Services.

**“Service Agreement”** means a Reference Service Agreement, or a Negotiated Service Agreement or, where the context requires, both.

**“Specifications”** means the specifications for gas in Schedule 3.

**“System Use Gas”** means the quantities of gas necessary for the efficient operation of the Pipeline, including gas used as fuel for compressors or other equipment, and quantities otherwise lost and unaccounted for in connection with the operation of the Pipeline including as a result of any limitations on the accuracy of Metering Equipment but excludes:

- (a) Linepack; and
- (b) gas lost from the Pipeline due to the negligence or wilful default of APT(NSW).

**“Term”** means the period specified in the Services Agreement for a Delivery Point.

**“User’s Delivery Point”** means a Delivery Point to which APT(NSW) is obliged to transport and deliver gas to or on account of the User.

**“Users’ Linepack”** means the quantity of gas determined from time to time by APT(NSW) as the amount reasonably required for the good operation of the Pipeline.

**“User’s MDQ”** means the maximum quantity of gas which APT(NSW) is obliged to receive on behalf of a User (net of System Use Gas and the User’s share of Users’ Linepack) and to transport and deliver to all of the User’s Delivery Point(s) on behalf of the User on any Day (excluding Overruns). Where gas is to be delivered to only one Delivery Point under a Service Agreement, the User’s MDQ will be taken to be the Delivery Point MDQ.

**“Year”** means a period of 365 consecutive Days but, for any Year which contains a date of 29 February, means 366 consecutive Days.

## **SCHEDULE 2: TERMS AND CONDITIONS APPLYING TO ALL REFERENCE SERVICES**

### **PART I – GENERAL**

#### ***Relationship of between APT(NSW) and User***

1. APT(NSW) will be entitled to require a User to:
  - (a) provide security for the performance of its obligations under a Service Agreement. Such security may be of such type and such extent as APT(NSW) reasonably determines;
  - (b) pay all amounts owing under a Service Agreement to continue to receive Services under that Services Agreement; and
  - (c) demonstrate its ability to meet all financial obligations under a Service Agreement.
2. APT(NSW) and Users will perform their obligations under Service Agreements, and conduct their relations with each other, in good faith and in a commercially reasonable manner, and in accordance with reasonable operating and management practices.

#### ***Obligation to Transport***

3. APT(NSW)'s obligation to transport gas will consist of the receipt of gas at the User's Receipt Points and the delivery of a thermally equivalent quantity of gas at the User's Delivery Points, net of any System Use Gas and the User's share of Users' Linepack.
4. Custody of gas will transfer from APT(NSW) to the User at the downstream flange of the Delivery Station.

#### ***Gas Pressure***

5. Users will deliver gas at the User's Receipt Points at pressures nominated by APT(NSW) from time to time, currently being not less than 4,000 kPa and not greater than 6,350 kPa.
6. Providing gas is received by APT(NSW) in accordance with these conditions, APT(NSW) will deliver Gas to the User's Delivery Points at a pressure which will be not less than 1,750kPa.

#### ***Nominations***

7. The User must provide a Nomination for each Month at least 7 Days prior to the first Day of the Month and may vary the Nomination in respect of any particular Day by giving reasonable notice (but not later than 3 pm on the Business Day prior to the particular Day). Where APT(NSW) approves an Authorised Overrun for a User, the User's Nomination for that Day will be deemed to be revised to reflect the Authorised Overrun Quantity.



***MHQ, MDQ and ACQ***

8. At the commencement of a Service Agreement, the User will establish for each Contract Year an MHQ, a User's MDQ and an ACQ that is to apply for the whole of that Contract Year.
9. Where gas is to be delivered to more than one Delivery Point, the User must also establish a Delivery Point MHQ and a Delivery Point MDQ for each Delivery Point.
10. Where gas is to be delivered into the Pipeline at more than one Receipt Point, the User must also establish a Receipt Point MDQ for each Receipt Point.
11. Although the sum of the Receipt Point MDQs or Delivery Point MDQs may exceed the User's MDQ, APT(NSW) will not be obliged to receive or deliver on any Day a quantity of gas in excess of the User's MDQ other than as an Authorised Overrun.
12. Except as an Authorised Overrun and subject to the limitation on APT(NSW)'s obligation to receive or deliver gas to the User's MDQ, APT(NSW) will not be obliged on any Day:
  - (a) to deliver at any of the User's Delivery Points a quantity of gas greater than the Delivery Point MDQ for that Delivery Point; or
  - (b) to receive at any of the User's Receipt Points a quantity of gas, excluding System Use Gas and the User's share of Users' Linepack, greater than the Receipt Point MDQ for that Receipt Point.

***System Use Gas and Linepack***

13. Users will supply gas for use as System Use Gas at their own cost. Each Month the User will supply the quantity of gas advised by APT(NSW) which will generally be in the proportion that the User's throughput bears to the total throughput for all Users.
14. The User will from time to time supply at its cost the proportion of Users' Linepack determined by APT(NSW) which will not exceed the quantity determined by multiplying:
  - (a) the ratio of the User's MDQ to the total MDQ of all Users at that time, by
  - (b) the amount determined by APT(NSW) as Users' Linepack at that time.
15. If the quantity of gas supplied by a User as Linepack at any time is less than 90% of its proportion of Users' Linepack and this is likely to jeopardise the ability of APT(NSW) to comply with any Service Agreement or to operate the Pipeline properly, APT(NSW) may require the User to correct the shortfall as soon as possible. If the User fails to correct, or to take reasonable action to correct, the shortfall within four hours of receipt of the notice, and APT(NSW) reasonably believes that its ability to comply with any Service Agreement or to operate the Pipeline properly will continue to be impaired, APT(NSW) may without liability to the User reduce the quantities of gas received, transported and delivered for or on behalf of the User to the extent necessary to enable APT(NSW) to correct the User's share of Users' Linepack.

### ***Metering***

16. Withdrawals at Delivery Points will be metered. Where facilities exist, quantities passing through the meter each Day will be recorded and telemetered to APT(NSW)'s premises daily and will be accessible by APT(NSW), the User, and other persons as permitted by the User.
17. If Metering Facilities fail to operate, the quantity of gas withdrawn will be determined by agreement, or failing agreement by successively using a check meter, calculating the percentage error through calibration tests or mathematical calculation and varying the quantity by one half of the error, or by a deeming method.
18. The quantity of gas delivered at the Delivery Point will be the product of the volume and the average of the heating value declared or measured for the Pipeline for that Day.

### ***Allocation***

19. Where gas is delivered to a Delivery Point for more than one User, those Users must establish allocation methodologies and notification processes reasonably acceptable to APT(NSW), and must provide sufficient information to APT(NSW) to enable it to reconcile between Users the quantities of gas received and delivered. If no such methodologies or processes are established, APT(NSW) will be entitled to adopt a reasonable methodology such as a pro-rating based on Nominations.
20. Where a Receipt Point is used by more than one User, those Users must establish allocation methodologies reasonably acceptable to APT(NSW), and must provide sufficient information to APT(NSW) to enable it to reconcile between Users the quantities of gas received and delivered. If no such methodologies are established, APT(NSW) will be entitled to adopt a reasonable methodology such as a pro-rating based on Nominations.

### ***Accounts and Payments***

21. APT(NSW) will render monthly accounts.
22. APT(NSW) may charge interest on amounts which are not paid within 14 days of the date of the account.

### ***Force Majeure***

23. Where an event of Force Majeure affects or prevents a party's performance under a Service Agreement, the non-performance will not be a breach of the Service Agreement but the party affected by the Force Majeure must use reasonable endeavours to put itself in a position to perform its obligations.
24. An event of Force Majeure will not relieve a party from its obligations under a Service Agreement after the expiry of a reasonable period of time within which the Force Majeure could have been remedied or overcome had reasonable endeavours been exercised by the party affected.

25. An event of Force Majeure will not relieve a party from any obligations under a Service Agreement unless promptly after becoming aware of the Force Majeure the party affected gives written notice to the other party.
26. If an event of Force Majeure continues to prevent a party from performing its obligations under the Service Agreement for a Year the parties shall consult in good faith to resolve the Force Majeure. If they are unable to agree, either party may terminate the Service Agreement. Both parties will be relieved of any future obligations but not relieved of obligations arising prior to termination.
27. Where there is a charge based on MDQ, and APT(NSW) is unable to perform its obligations under the Service Agreement due to an event of Force Majeure the charge will be based on the highest quantity of gas (up to the MDQ) available to be withdrawn during that period rather than MDQ.

### ***Liabilities and Indemnities***

28. Each party will be responsible and liable for the maintenance and operation of its properties and facilities under a Service Agreement, and indemnifies the other for any claim or action in respect of or arising out of them.
29. Each party indemnifies the other in respect of any inaccuracy of representation, warranty or covenant made by it or failure to perform or satisfy any of the provisions of the Service Agreement.
30. Liability will be limited to actual damages except for:
  - (a) delivery of non-Specification gas to a Receipt Point;
  - (b) delivery of non-Specification gas due to the negligence or wilful default of APT(NSW);
  - (c) failure by the User to cease delivery or taking of gas as required under the Service Agreement; or
  - (d) withdrawal at a Delivery Point of a quantity greater than MHQ in any Hour or a quantity greater than MDQ on any Day except as an Authorised Overrun.

### ***Interruptions and Curtailments***

31. If APT(NSW) proposes to carry out any planned work which may affect its ability to provide Services to Users, APT(NSW) will give Users reasonable notice of the planned work and after consultation with Users who may be affected will use reasonable endeavours to carry out that work:
  - (a) so as to avoid or minimise so far as is reasonably practicable any curtailment of Services to Users;
  - (b) during a period which APT(NSW) reasonably determines to have low aggregate demand for capacity; and

(c) with as little disruption to the provision of Services as is reasonably practicable

and may, if necessary, curtail or interrupt receipts or deliveries of gas to the extent necessary to carry out that work.

32. When necessary to protect the operational integrity or safe operation of the Pipeline, or to comply with any applicable laws and regulations, or during an emergency situation or the like when immediate repairs or maintenance are required, and after giving as much notice to the Users as is reasonably practicable, APT(NSW) will be entitled, without incurring liability, to curtail or interrupt receipts or deliveries of gas.
33. Where Services are to be curtailed due to an event of Force Majeure or under the preceding paragraphs, those Services will be curtailed or interrupted downstream of the location of the affected part of the Pipeline and will be curtailed or interrupted proportionately according to the User's Nominations for the first Day and MDQ thereafter, or as otherwise agreed with all Users.

#### ***Option to Extend***

34. If the User gives at least 4 weeks notice prior to the expiry of the Term for a Delivery Point, the User shall be entitled to continue to receive the Service (or any other Reference Service) to the Delivery Point to a capacity not exceeding the ACQ, MDQ and MHQ applying under the Service Agreement at the expiry of the Term for a period no greater than the expiring Term at the amounts payable under the Access Arrangement in force from time to time during such further term.

#### ***Title to and responsibility for Gas***

35. The User will warrant that it has title to gas delivered at the Receipt Point.
36. APT(NSW) is entitled to commingle the gas in the Pipeline.
37. APT(NSW) will be responsible for any gas lost from the Pipeline due to its negligence or wilful default.
38. On the termination of a Service Agreement, the User will be entitled to:
  - (a) recover a quantity of gas equivalent to any quantity delivered by or on behalf of the User into the Pipeline (net of System Use Gas) and not delivered to or for the account of the User; or
  - (b) sell the gas to another User and advise APT(NSW) of the quantity of gas and the identity of that User.

Should the User fail to comply with either (a) or (b) within 3 months of termination, title in the gas passes to APT(NSW) to be used for operational purposes on the Pipeline.

### ***Metering and Records***

39. The User will be allowed to inspect and audit metering equipment owned by APT(NSW) used in determining amounts payable by the User at least once each Contract Year. Each party must bear its own costs of any such inspection or audit.
40. An independent auditor appointed by the User will be allowed to inspect and audit records used in determining amounts payable by the User:
  - (a) at least once each Contract Year; and
  - (b) at least once within 12 Months after termination of a Service Agreement.

Each party must bear its own costs of any such inspection or audit.

### ***Gas Quality***

41. The User will deliver gas at the Receipt Points which meets the Specification, and subject to the User complying with this requirement, APT(NSW) will ensure that gas delivered at Delivery Points meets the Specification.
42. APT(NSW) may direct the User to cease the delivery of gas which does not meet the Specification, or may refuse to accept such gas and give notice to the User accordingly.

### ***Part Periods***

43. Where a charge or fee is specified or determined by reference to a particular period but the actual period in respect of which the charge is or may be applicable is less than the particular period, the charge or fee will be pro-rated to reflect the actual period.

### ***Overruns***

44. An Overrun will have occurred if withdrawals by the User at a Delivery Point exceed the MHQ in any Hour or the MDQ on any Day.
45. A User may request an Authorised Overrun on giving one Day's notice to APT(NSW).
46. APT(NSW) will agree to a request for an Authorised Overrun unless in the reasonable opinion of APT(NSW) capacity is not available in the Pipeline, the provision of the Overrun may cause APT(NSW) to be unable to perform its obligations under another Service Agreement or to enter into another Service Agreement, or the provision of the Overrun would cause APT(NSW) to incur additional capital costs or to incur capital costs earlier than those costs would be incurred or greater than the costs which would be incurred if the Overrun were not provided.
47. APT(NSW) will advise the Authorised Overrun Quantity and the Day or Days for which the Overrun has been authorised.
48. Where the Contracted Capacity is greater than 85% of the Capacity of the Pipeline, the User is not entitled to request an Authorised Overrun if:

- (a) the User has taken delivery of quantities of gas in excess of the User's MDQ on more than 4 Days in the current Month; or
  - (b) the User has already taken delivery of quantities of gas in excess of 105% of the User's MDQ on more than 12 Days in the Year up to and including the current Month.
49. If withdrawals by the User at a Delivery Point on a Day exceed the sum of the User's Delivery Point MDQ and any Authorised Overrun Quantity for the Delivery Point for the Day, then an Unauthorised Overrun will have occurred and the excess will be an Unauthorised Overrun Quantity.

## **PART 2 – GAS BALANCING**

Users will be responsible to control and, if necessary, adjust Nominations and vary receipts and deliveries of gas to ensure that each Day the quantity of gas:

- (a) received into the Pipeline by or on behalf of the User, and
- (b) delivered to the User's Delivery Points to or on account of the User

is the same.

### **CALCULATION OF IMBALANCE**

The User's Daily Imbalance = Input minus Withdrawal minus Change in Quantity of the User's share of Users' Linepack.

#### ***Input***

The User's Input will be one of three amounts:

- (a) Where there is only one User at the Receipt Point, the metered quantity at the Receipt Point is the User's Input.
- (b) Where there is more than one User at the Receipt Point, the metered quantity will be allocated to each User in accordance with the allocation methodology agreed by all Users, or if the Users fail to agree, then such methodology as APT(NSW) reasonably determines (such as pro-rata based on Nominations).
- (c) Where a User trades a Daily Imbalance with another User, the Input will be adjusted in accordance with the traded amount.

#### ***Withdrawal***

The User's Withdrawal will be one of two amounts:

- (a) The Withdrawals will be the total quantity of gas measured on the Day at all of the User's Delivery Points.
- (b) Where there is more than one User at a Delivery Point, the metered quantity will be allocated to each User in accordance with the allocation methodology agreed by all Users, or if the Users fail to agree, then such methodology as APT(NSW) reasonably determines (such as pro-rata based on nominations).

#### ***Change in Quantity of Linepack***

APT(NSW) will determine for each User a Target Linepack from time to time – that is the share of the Users' Linepack to be provided and maintained by the User.

Change in quantity of the User's share of Users' Linepack = User's Target Linepack for the Day minus the User's actual Linepack at the end of the previous Day<sup>19</sup>.

### CONSEQUENCE OF IMBALANCE

Where an Imbalance exists, there are two consequences:

(a) Operational

- if the Imbalance is likely to jeopardise the ability of APT(NSW) to comply with the requirements of any Service Agreement or to operate the Pipeline properly, APT(NSW) may require the User to correct the Imbalance as soon as possible; and
- if the User fails to correct or to take reasonable action to correct the Imbalance within four hours of receipt of the notice, APT(NSW) may without liability to the User, reduce the quantities of gas received, transported and delivered to or on behalf of the User to and only to the extent necessary to enable APT(NSW) to comply with those requirements or to operate the Pipeline properly

(b) Obligation to rectify

- If an Imbalance exists on the last Day of a Month (M1), the User must endeavour to reverse the Imbalance during the subsequent Month (M2) by making adjustments in receipts and/or deliveries. If on any Day during M2 the User reverses the Imbalance, then the Imbalance for M1 will be deemed to be corrected. (ie. a positive Imbalance at the end of M1 will be corrected by a negative Imbalance on any Day during M2 and vice versa).
- If a User fails to correct the Imbalance during M2, APT(NSW) may adjust the User's receipts and deliveries over the next Month (M3) to correct that Imbalance.
- Where on the last Day of M3 an Imbalance remains, APT(NSW) may:
  - (a) charge the User an Imbalance Charge calculated by multiplying the Imbalance existing on the last Day of M3 by the Imbalance Rate; and
  - (b) in the case of an Imbalance shortfall, correct the Imbalance by purchasing gas at the Receipt Point and charging the User the amount paid by APT(NSW) for that gas (which will be treated as gas supplied by the User at the Receipt Point). APT(NSW) will notify the User promptly after it corrects an Imbalance in this manner.

### Procedures Relating to Trading of Imbalance Quantities

- The User may during M2<sup>20</sup> trade gas with other Users so as to reduce or eliminate Daily Imbalances they would otherwise have, provided that:
  - (i) the gas traded relates to the same Month for both parties;

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<sup>19</sup> This means that on Day(t), the Imbalance is:  $\text{Input}(t) - \text{Withdrawals}(t) - (\text{Target}(t) - \text{Actual}(t-1))$ . The actual value of  $(\text{Target}(t) - \text{Actual}(t-1))$  – ie. a positive value or negative value as the case may be - is applied to the formula.

<sup>20</sup> The requirement that the trade occur in M2 relates only to the User having a continuing Imbalance from M1 which it wishes to reduce or eliminate by trading.



- (ii) the parties to the trade must both advise APT(NSW) of the identity of the buyer and seller, the period to which the trade relates, and the quantity traded no later than the last Day of M2.

### **PART 3 — CONNECTION OF METERING FACILITIES TO THE PIPELINE**

A Prospective User may, provided it has the relevant authorisations, and subject to the conditions set out below, construct and operate its own Metering Facilities downstream from a Delivery Station at any agreed location along the Pipeline.

#### ***Delivery Station***

The following requirements apply in order to ensure that the integrity, safety and operability of APT(NSW)'s system is not compromised:

- (a) the location of the Delivery Station and Metering Facilities will be agreed to by the Prospective User and APT(NSW). APT(NSW) will only withhold its agreement to a location sought by a Prospective User on the basis of technical, operational or safety considerations.
- (b) APT(NSW) will construct the Delivery Station at the User's expense. The construction of the Delivery Station will be performed to APT(NSW)'s usual standards and requirements including AS2885-1997.

#### ***Metering Facilities***

In order to ensure that the integrity, safety and operability of APT(NSW)'s system is not compromised, the Metering Facilities will be installed adjacent to and downstream of the Delivery Station in accordance with specifications reasonably approved by APT(NSW).

#### ***Cathodic Protection of Metering Facilities***

The Prospective User will design, install, and operate, any cathodic protection system required to protect its facilities. Such cathodic protection system must be installed in such a manner as to avoid any interference which may be detrimental to APT(NSW)'s facilities and must be electrically isolated from APT(NSW)'s facilities.

#### ***Curtailement and Interruptions***

The Prospective User will be subject to load reduction arrangements as set out in Part 1 of Schedule 2<sup>21</sup>. The Prospective User must have facilities available to it to reduce or discontinue the withdrawal of gas if called upon to do so.

#### ***Installation and Operation***

In the interests of safety and ensuring the integrity of APT(NSW)'s facilities, a person who plans to connect gas transportation facilities in the vicinity of those owned by APT(NSW) will cooperate with APT(NSW) to establish, in a timely manner, appropriate arrangements and procedures for the safe installation and operation of that person's facilities, and for the management of emergency situations involving APT(NSW)'s or that person's facilities.

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<sup>21</sup> See sections 31-33 of Schedule 2 Part 1

***Approvals and Indemnity***

Any person responsible for facilities connected to the Pipeline will provide APT(NSW) with evidence that it has fulfilled all applicable statutory requirements and that it holds all necessary permits and licences in relation to its facilities downstream of the Delivery Point. That evidence must be provided before the commencement of any Service to the Delivery Point.

That person will also indemnify APT(NSW) against any claim of liability in relation to or arising out of those facilities.

**SCHEDULE 3 GAS QUALITY SPECIFICATION**

| <b>Parameter</b>                        | <b>Specification Limit</b>  | <b>Permissible Variation<sup>22</sup></b><br>(Notwithstanding the Specification Limit, a parameter may be within the range specified below, but for no more than two hours cumulatively in any 24 hours) |
|---|---|--|
| <b>1 Heating Value</b>                  | Minimum Daily Average<br>37.45 MJ/m <sup>3</sup>  | 35.58 MJ/m <sup>3</sup> to 37.30 MJ/m <sup>3</sup>   |
| <b>2 Wobbe Index</b>                    | Min. 47.4<br>Max. 51.1  | 51.1 to 51.3   |
| <b>3 Water Dewpoint</b>                 | Max. 0°C at 6,895 kPaG  | 0°C to 5°C   |
| <b>4 Hydrocarbon Dewpoint</b>           | Max. 10°C at 3,500 kPaG   | 10°C to 14°C November to February inclusive  |
| <b>5 Carbon Dioxide</b>                 | Max. 3.0% v/v   | 3.0% to 4.0% v/v   |
| <b>6 Oxygen</b>                         | Max. 0.1% v/v   | Specification Limit must be met at all times   |
| <b>8 Total Sulphur<sup>23</sup></b>     | Max. 23 mg/m <sup>3</sup>   | 23 mg/m <sup>3</sup> to 35 mg/m <sup>3</sup>   |
| <b>9 Mercaptan Sulphur<sup>24</sup></b> | Max. 4.6 mg/m <sup>3</sup>  | 4.6 mg/m <sup>3</sup> to 7.0 mg/m <sup>3</sup>   |
| <b>10 Hydrogen Sulphide</b>             | Max. 5.7 mg/m <sup>3</sup>  | 5.7 mg/m <sup>3</sup> to 11.5 mg/m <sup>3</sup>  |
| <b>11 Solid Matter and Liquids</b>      | Nil Permitted   | Nil permitted  |
| <b>12 Temperature at Receipt Point</b>  | -5°C to 50°C  | Specification Limit must be met at all times   |
| <b>13 Odorant</b>                       | Odorant to be of a type approved by APT(NSW). Level of odorant to be 12 milligrams per cubic meter or such other level as APT(NSW) may require. | Specification Limit must be met at all times   |

If the Gas Quality Specification Working Group of the Australian Gas Association recommends a standard specification for natural gas in south-eastern Australia, or a revised specification is introduced through legislation, that specification will be substituted in this Access Arrangement for the above specification subject to obligations under existing Service Agreements.

<sup>22</sup> This variation is allowed at the Moomba Gas Plant, and not at the Receipt Point. The limits of variation take account of the distance between Moomba and the Receipt Point. Gas which is differently sourced will require a different Permissible Variation which will be subject to negotiation with APT(NSW).

<sup>23</sup> Excluding odorant

<sup>24</sup> Excluding odorant

**SCHEDULE 4**

**FORM OF REQUEST FOR SERVICE**

**1. PROSPECTIVE USER DETAIL:**

Name of Prospective User : .....  
ACN: .....  
Contact Officer: .....  
Title: .....  
Address: .....  
.....  
Telephone: .....  
Fax: .....  
Service Requested: .....

If requested service is not a Reference Service, then what conditions, different from those available under a Reference Service, are sought, and what are the special circumstances or conditions which give rise to that need?

.....  
.....  
.....  
.....

Date for Commencement of Service: .....

Duration of Service Agreement sought: .....

**2. RECEIPT POINT INFORMATION:**

Receipt Point Location: .....  
Entity Responsible for Delivery of Gas to:  
Receipt Point .....  
(if other than the Prospective User)  
ACN: .....  
Contact Officer: .....  
Title: .....  
Address: .....  
.....  
Telephone: .....  
Fax: .....

**3. DELIVERY POINT INFORMATION:**

Delivery Point Location: .....  
Entity Controlling Withdrawal of  
Gas at Delivery Point: .....  
(if other than the Prospective User)  
ACN: .....  
Contact Officer: .....  
Title: .....  
Address: .....  
.....  
.....  
.....  
.....  
Telephone: .....  
Fax: .....

**4. TRANSPORTATION INFORMATION:**

Annual Quantity – ACQ(GJ): .....  
Maximum Daily Quantity - MDQ (GJ): .....  
Maximum Hourly Quantity - MHQ (GJ): .....

Transportation Patterns:  
(graphically if possible, to assist with the assessment of the request)  
    Typical Daily Profile  
    Typical Weekly Profile  
    Typical Annual Profile  
    Examples of Atypical Profiles

Is the Service being sought to serve a new load or an existing load on the Pipeline?

|   |           |
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