



DRAFT DECISION
Amadeus Gas Pipeline
Access Arrangement
2016 to 2021

Attachment 12 – Non-tariff
components

November 2015

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Note

This attachment forms part of the AER's draft decision on the access arrangement for the Amadeus Gas Pipeline for 2016–21. It should be read with all other parts of the draft decision.

The draft decision includes the following documents:

Overview

Attachment 1 - Services covered by the access arrangement

Attachment 2 - Capital base

Attachment 3 - Rate of return

Attachment 4 - Value of imputation credits

Attachment 5 - Regulatory depreciation

Attachment 6 - Capital expenditure

Attachment 7 - Operating expenditure

Attachment 8 - Corporate income tax

Attachment 9 - Efficiency carryover mechanism

Attachment 10 - Reference tariff setting

Attachment 11 - Reference tariff variation mechanism

Attachment 12 - Non-tariff components

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Shortened forms

Shortened form	Extended form
AA	Access Arrangement
AAI	Access Arrangement Information
AER	Australian Energy Regulator
AGP	Amadeus Gas Pipeline
ATO	Australian Tax Office
capex	capital expenditure
CAPM	capital asset pricing model
CESS	Capital Expenditure Sharing Scheme
CPI	consumer price index
DRP	debt risk premium
EBSS	Efficiency Benefit Sharing Scheme
ERP	equity risk premium
Expenditure Guideline	Expenditure Forecast Assessment Guideline
gamma	Value of Imputation Credits
GSL	Guaranteed Service Level
MRP	market risk premium
NEGI	north eastern gas interconnector
NGL	national gas law
NGO	national gas objective
NGR	national gas rules
NPV	net present value
opex	operating expenditure
PFP	partial factor productivity
PPI	partial performance indicators
PTRM	post-tax revenue model
RBA	Reserve Bank of Australia
RFM	roll forward model
RIN	regulatory information notice
RPP	revenue and pricing principles
SLCAPM	Sharpe-Lintner capital asset pricing model

Shortened form	Extended form
TAB	Tax asset base
UAFG	Unaccounted for gas
WACC	weighted average cost of capital
WPI	Wage Price Index

12 Non-tariff components

APT Pipelines (NT) Pty Limited (APTNT) proposed a revised access arrangement to apply to its Amadeus Gas Pipeline (AGP) for the 2016–21 access arrangement period.

APTNT's 2016–21 access arrangement proposal sets out terms and conditions on which APTNT offers to supply its Firm (reference) Service. They are important because they describe the relationship between APTNT and users, including setting out, amongst other things, their obligations and liabilities under the agreement.

APTNT's access arrangement also includes specific provisions around the following, which are considered in further detail in this attachment:

- queuing requirements—a process or mechanism for establishing an order of priority between prospective users of spare and/or developable capacity
- extension and expansion requirements—the method for determining whether an extension or expansion is a part of the covered pipeline and the effect this will have on tariffs. These requirements are relevant when identifying the covered pipeline and pipeline services that will be regulated through the access arrangement.
- capacity trading requirements—how users may assign contracted capacity and change delivery and receipt points
- changing receipt and delivery points—the process or mechanism for changing a user's receipt or delivery point
- review submission date and revision commencement date.

Together we refer to these as the non-tariff components of the access arrangement. Our assessment of each non-tariff component is set out below.

12.1 Terms and conditions

Rule 48(d)(ii) of the NGR requires an access arrangement to specify the terms and conditions on which each reference service will be provided.

The terms and conditions specified in an access arrangement do not exhaustively set out the contractual arrangements between a service provider and a user for access to a pipeline service. Many aspects of these contractual arrangements are negotiated commercially between the parties. The NGL permits both the service provider and the user to negotiate and enter into an agreement on terms and conditions that differ to those specified in the applicable access arrangement.¹

¹ With the exception that a service provider must comply with the queuing requirements in an applicable access arrangement: NGL, ss. 135 and 322.

12.1.1 Draft decision

Our draft decision is to not approve APTNT's proposed terms and conditions as filed. We require APTNT to make the amendments specified in section 12.7 below. In our view, the amendments will make the terms and conditions consistent with the NGL and the applicable criteria.²

12.1.2 APTNT's proposal

APTNT proposed limited changes to its current non-price terms and conditions. It stated that the key changes are in the following sections:

- Scheduling — clause 8
- Curtailment — clause 11
- Adjustment to Rates and Charges — clause 21
- System use gas and linepack — clause 23
- Metering — clause 35
- Possession of gas and responsibility — clause 53
- Title — clauses 55 and 56
- Billing and Payment — clause 73
- Limitation of Liability and Indemnity — clauses 78 and 79
- Force majeure — clause 83
- Assignment — clause 93.

12.1.3 AER's assessment approach

The NGR require us to assess the terms and conditions in the proposed access arrangement and terms and conditions for consistency against the National Gas Objective (NGO), the NGR and the 'Procedures as in force when the terms and conditions of the access arrangement are determined or revised'.³ The NGO states that the objective of the NGL is to promote efficient investment in and efficient operation and use of natural gas pipeline services for the long term interest of consumers.

This is an area in which we have full discretion. This means that we are able to withhold our approval of any aspect of the proposed terms and conditions if, in our opinion, a preferable alternative exists that complies with the requirements of the NGL and is consistent with the applicable criteria.⁴

² NGR, r. 40(3).

³ NGR, r. 100; 'Procedures' are described at Part 15B of the NGR.

⁴ NGR, r. 40(3).

We assess the terms and conditions in the proposed access arrangement for consistency against the NGL and the relevant procedures and taking into account submissions we have received from stakeholders.⁵ In so doing we have balanced the competing interests of APTNT, users and consumers by considering whether the terms and conditions:

- appropriately allocate risk between APTNT, users and consumers
- are clear and legally certain
- are consistent with the relevant requirements in the NGL, NGR, and the relevant procedures in force.

The terms and conditions should allocate risk to the party that is best able to control or manage that risk. Importantly, that party has the ability to control or manage the likelihood of the risk occurring and the consequences of the risk if it occurs. The incentive to mitigate that risk is therefore best placed with that party. Effective risk mitigation is likely to reduce the total costs of providing reference services to consumers in the long-term, and is therefore consistent with the NGL.

The terms and conditions also need to be clear and legally certain. This is because the terms and conditions would be used in resolving any access dispute and in making any access determination.⁶ Further, these terms and conditions are likely to form the starting point for commercial negotiations between APTNT, retailers and other users.

Section 322 of the NGL provides that “nothing in [the NGL] is to be taken as preventing a service provider from entering into an agreement with a user or prospective user about access to a pipeline service by means of a scheme pipeline that is different from an applicable access arrangement that applies to that pipeline service.”⁷ The parties may wish to reach agreement on aspects of their commercial relationship, separate from the access arrangement's terms and conditions. These aspects are likely to depend on the parties' particular circumstances.

In some cases, greater prescription or intervention on our part in determining these terms and conditions may impede competitive market outcomes and be inefficient.⁸ There are two reasons for this: first, our lower level of information than that of APTNT and users and second, the user-specific nature of many issues.

Accordingly, we will generally avoid proposing amendments in these cases where flexibility to negotiate commercial outcomes is desirable. We expect that both service providers and users will negotiate in good faith on such matters.

⁵ We did not receive any submissions on APTNT's proposed terms and conditions.

⁶ NGL, s 189.

⁷ This is subject to section 135, which requires the service provider to comply with the queueing requirements of the applicable access arrangement - see section 12.2 below.

⁸ See: Application by WA Gas Networks Pty Ltd (No 3) [2012] ACompT 12 at [261]-[278]; and Australian Competition and Consumer Commission v Telstra Corporation [2009] FCAFC 68.

12.1.4 Reasons for draft decision

This section discusses the reasons for our draft decision. APTNT proposed limited changes to its current terms and conditions. The reasons for most of APTNT's proposed revisions to the current terms and conditions are to:

- align with APA Group's standard form contracting arrangements where relevant⁹
- remove provisions included for APA Group's networks in NSW and WA, which are not relevant to the AGP¹⁰
- clarify the language and expression of the terms and conditions¹¹
- incorporate new terminology.¹²

We are satisfied that most of these changes are consistent with the NGO, the NGR and the Procedures as in force when the terms and conditions of the access arrangement are determined or revised.

The key areas where we identified concerns with APTNT's proposal are:

- termination for default
- liabilities and indemnities
- confidentiality.

These are discussed below. We have also confirmed some minor drafting errors in the terms and conditions with APTNT.

Termination for default

Clauses 69 to 71 of the proposed terms and conditions set out that either party may, by written notice, terminate the transportation agreement for a financial default or a non-financial default.

We consider that it is not consistent with the NGO to permit a party to terminate an agreement for default where that default is the subject of an ongoing dispute. We consider that such a circumstance would not promote the efficient use and operation of gas services, an aspect of the NGO.

We therefore require APTNT to amend clause 69 to make clear that the agreement cannot be terminated for default where there is an ongoing dispute as to whether default has occurred. (See amendment 1, section 12.7.1.)

⁹ APTNT, *Amadeus Gas Pipeline Access Arrangement Revision Proposal Submission*, August 2015, pp. 28–29.

¹⁰ APTNT, *Response to information request 007*, 18 September 2015, p. 2.

¹¹ APTNT, *Amadeus Gas Pipeline Access Arrangement Revision Proposal Submission*, August 2015, pp. 28–29.

¹² APTNT, *Amadeus Gas Pipeline Access Arrangement Revision Proposal Submission*, August 2015, pp. 28–29.

Liabilities and indemnities

Clause 78 describes when APTNT and the user will be liable for 'Consequential Loss or for punitive or exemplary damages arising in respect of the Transportation Agreement'.

Both APTNT and the user will be liable under sub-clauses 78(a)–(b) for consequential loss or punitive or exemplary damages arising out of:

- 'Gross Negligence or Wilful Misconduct'
- the Service Provider's or the User's liability relating to rates, Charges and other payments under the Transportation Agreement.

In addition to the above, under clause 78(c) the user is liable to APTNT for consequential loss or for punitive or exemplary damages arising out of the user's liability relating to:

- imbalances
- the receipt, transportation or delivery of Overrun Quantities
- the User's obligation to deliver gas which meets the quality required by the Gas Specification or any other quality as the law in the relevant jurisdiction requires
- a failure to supply Gas at Receipt Points within a specified pressure range
- the indemnity described in clause 81
- the use of the Information Interface by the User's employees who have been authorised for use by the Service Provider.

We asked APTNT what it considered the list of exceptions at 78(c) adds that would not be adequately captured under 78(a) and (b). In particular, we asked why it was appropriate and necessary that, in these additional circumstances, users are potentially liable for consequential loss or for punitive or exemplary damages absent gross negligence or wilful misconduct.

APTNT responded that sub-clause 78(c) is intended to apply to circumstances of particular risk that 'may fall outside the narrow confines of "Gross Negligence" and "Wilful Misconduct"'.¹³ APTNT also stated that the indemnity is an incentive for users to manage their use responsibly for the benefit of all users, and that it is a proportionate risk that the user is in the best position to manage. APTNT stated that it does not benefit from the provision other than being restored to its original position absent the shipper's conduct.¹⁴

The effect of this is that, while APTNT will only be liable for consequential loss or punitive or exemplary damages in the circumstances prescribed in sub-clauses 78(a)

¹³ APTNT, *Response to information request 007*, 18 September 2015, p. 1.

¹⁴ APTNT, *Response to information request 007*, 18 September 2015, p. 1.

and (b), its users will be so liable in respect of additional obligations. When added to the cap on APTNT's liability in clause 7.9 (discussed below) this creates an imbalance between the parties that we do not consider justified.

We accept that users may be in a better position than APTNT to manage the risks identified at sub-clause 78(c). However, if the user is in breach of the agreement, then APTNT would be able to seek recourse (including direct damages) under the transport agreement. We do not consider that an additional incentive on the user—by also exposing the user to liability for consequential loss or for punitive or exemplary damages—is necessary.

We therefore require APTNT to make amendment 2 to clause 78 to remove these additional exceptions, as set out at section 12.7.1.

At clause 79, APTNT proposes the following caps on its liability:

- 10 per cent of the contract value over the life of the agreement
- 2.5 per cent of the contract value in any one year.

The current terms and conditions impose a cap on APTNT's liability of 10 per cent of the contract value over the life of the agreement. A similar provision exists in the terms and conditions of other gas networks, for example, the Roma to Brisbane Pipeline.¹⁵

APTNT stated the reason for including the additional cap of 2.5 per cent per annum is:

The annual cap is intended to permit a spreading of the availability of the aggregate cap over the life of the agreement with one quarter of the aggregate cap available to a shipper in any one year regardless of the length of the term of the agreement. The provision provides benefits to both APA and shippers as it brings more certainty to exposure and potential recoveries creating an appropriately balanced allocation of risk. APA believes that this is an appropriate allocation of risk in a long term arrangement for this type of asset.¹⁶

We do not consider that the additional limitation of 2.5 per cent in any one year is necessary over and above the existing 10 per cent cap. The existing constraint of 10 per cent over the life of the agreement provides adequate certainty to APTNT and its users, without further limiting a user's options as to when it may 'use' its 10 per cent limit over the period. This decision is one best made by the user with regard to its interests over the life of the agreement.

Our draft decision is therefore to require APTNT to make amendment 3 to clause 79 to remove this additional cap on APTNT's liability of 2.5 per cent in any one year as set out at section 12.7.1.

¹⁵ RBP Access arrangement, Schedule 3, Terms and Conditions, cl. 88.

¹⁶ APTNT, *Response to information request 007*, 18 September 2015, pp. 1–2.

Confidentiality

Clause 94 of the terms and conditions provides that a party receiving confidential information can only use it for the purposes of performing its obligations under the Transportation Agreement or for internal purposes related to the governance of the party or its related bodies corporate.

Clause 95 requires a party to obtain the prior written consent of the other party in order to use or disclose confidential information for any other purpose except where:

- the disclosure is required by law or lawfully required by an Authority, or
- the information is at the time lawfully generally available to the public, other than as a result of a breach of the Transportation Agreement.

Part 16 of the NGR contains specific obligations that apply to service providers in relation to confidential information. Rule 137(1)(b) sets out that a service provider must not use relevant confidential information for a purpose other than the purpose for which the information was given to the service provider. Rule 137(3) sets out exceptions to this rule. One exception is the disclosure or use of confidential information in order to comply with the listing rules of a recognised stock exchange (rule 137(3)(iii)).

We consider that it is appropriate to include an exception in clause 95 of the terms and conditions to allow a user (as well as a service provider) to disclose confidential information for the purpose of complying with the listing rules of a recognised stock exchange. This is consistent with the access arrangement we approved for the APA Group's Roma to Brisbane pipeline.¹⁷ We consider that this proposed revision ensures that the rights of the user in relation to use and disclosure of confidential information are consistent with the rights of the service provider under Part 16 of the NGR. We approached APTNT to confirm that there were no reasons for a difference in approach in this instance. APTNT agreed to the inclusion of the additional provision requiring disclosure of confidential information.¹⁸

We therefore require APTNT to make amendment 4 to clause 95 to include this additional provision as set out at section 12.7.1.

Minor drafting errors

In the course of our review we identified the following minor drafting errors. We brought these to APTNT's attention and confirmed¹⁹ that the following amendments should be made:

- Clause 53 previously included a reference to 'clauses 55 and 56'. The reference to clause 56 has been removed. It should remain — amendment 5

¹⁷ AER, *APT Petroleum Pipeline Pty Ltd Access arrangement final decision Roma to Brisbane Pipeline 2012–13 to 2016–17*, pp. 157–158.

¹⁸ APTNT, *Response to information request 007*, 18 September 2015, p. 2.

¹⁹ APTNT, *Response to information request 006*, 15 September 2015, p. 1.

- Clause 78(c)(v) includes a reference to ‘clause 81’. The reference should be to ‘clause 80’ — amendment 6
- Clause 79 includes a reference to ‘gross negligence’. This is a defined term. The access arrangement uses upper case letters for the first letter of words that are defined terms. This first letter of each word in this term should therefore be capitalised — amendment 3
- Clause 84 includes a reference to ‘clause 87’. The reference should be to ‘clause 86’ — amendment 7
- Schedule 2: Glossary defines ‘Force majeure event’ by reference to clause 83. The reference should be to clauses 82 and 83 — amendment 9

We therefore require amendments 5, 6, 3, 7 and 9 to rectify these minor drafting errors as set out at sections 12.7.1 and 12.7.2.

12.2 Queuing requirements

Queuing can be used to determine access to a pipeline that is fully, or close to being fully, utilised. Queuing requirements establish a process or mechanism for establishing an order of priority among prospective users to obtain access to spare and/or developable capacity on a covered pipeline.²⁰

12.2.1 Draft decision

We approve APTNT’s proposed queuing requirements for the 2016–21 access arrangement period.

12.2.2 APTNT’s proposal

APTNT has not proposed any revisions to its queuing requirements under the current access arrangement.²¹

APTNT stated that the queuing arrangements in its proposed access arrangement provide for a simple ‘first come, first served’ queue, and that these were updated in the last review process (in 2011) to align with the NGR.²²

12.2.3 AER’s assessment approach

The NGR require us to assess APTNT’s proposed queuing requirements for consistency with the NGO and rule 103 of the NGR.

²⁰ NGR, r. 103(3)

²¹ APA Group, *Amadeus Gas Pipeline, Access Arrangement Revision Proposal, Submission, 1 July 2016 to 30 June 2021*, August 2015, p. 26. The proposed access arrangement has a new additional term in its Glossary to define Capacity.

²² APA Group, *Amadeus Gas Pipeline, Access Arrangement Revision Proposal, Submission, 1 July 2016 to 30 June 2021*, August 2015, p. 26.

Rule 103 of the NGR has specific provisions on queuing requirements and provides that:²³

- queuing requirements must be included in an access arrangement for a gas distribution pipeline where the AER notifies the service provider that the access arrangement must contain queuing arrangements²⁴
- queuing requirements must establish a process or mechanism for establishing an order of priority between prospective users of spare or developable capacity in which all prospective users are treated on a fair and equal basis
- queuing requirements must be sufficiently detailed to enable prospective users to understand the basis of determining the order of priority and the prospective user's position in the queue.

12.2.4 Reasons for draft decision

We assessed APTNT's proposed queuing requirements for the 2016–21 period:²⁵

- Clause 6.1 sets out how a queue is formed and how users are advised of their position in the queue, in accordance with r. 103(3)–(5) of the NGR.
- Clause 6.2 sets out the conditions applicable to a queue. This satisfies the requirements of r. 103(3) and r. 103(5) of the NGR.
- Clause 6.3 sets out the procedure when capacity can be made available.
- Clause 6.4 sets out the priority of prospective users in accordance with r. 103(4) of the NGR, and
- Clause 6.5 sets out general terms. These include the treatment of requests in the event of a dispute, and the requirement for prospective users to demonstrate access to gas supply at the time APTNT's reference service is to be provided.

These queuing requirements are the same as those we approved for the current 2011–16 access arrangement. We remain satisfied that clause 6 of the proposed access arrangement meets the requirements of r. 103 of the NGR.

12.3 Capacity trading requirements

The capacity trading requirements of an access arrangement may allow a user to transfer, by way of a subcontract, all or any of the user's contracted capacity to another

²³ NGR, r. 103.

²⁴ NGR, r. 103(2). The AER did not notify APTNT that its access arrangement proposal must provide details of its queuing arrangements (Schedule 1 of the AER's Regulation Information Notice dated 2 June 2015).

²⁵ APA Group, *Access Arrangement for the Amadeus Gas Pipeline, 1 July 2016 to 30 June 2021*, August 2015, pp. 24-26.

user.²⁶ In doing so, it may enable a secondary market with more efficient price signals and levels of usage.

12.3.1 Draft decision

We approve APTNT's proposed capacity requirements for the 2016–21 access arrangement period.

12.3.2 APTNT's proposal

APTNT submitted that it has not proposed any changes to the capacity trading requirements in the access arrangement.²⁷

As in the current access arrangement, the requirements for capacity trading and for changing receipt or delivery points are contained in clause 5 of the proposed access arrangement.

12.3.3 AER's assessment approach

We assessed APTNT's proposed capacity trading requirements for consistency with the NGO and r. 105 of the NGR.

Rule 105 has specific provisions on capacity trading requirements and, at a high level, provides that:

- the requirements must provide for capacity transfers in accordance with the rules or procedures of the relevant gas market, if the service provider is registered as a participant in a particular gas market: r. 105(1)
- a user may transfer all or part of its contracted capacity without the service provider's consent, with particular consequences: r. 105(2)
- a user may transfer all or part of its contracted capacity with the service provider's consent, with particular consequences: r. 105(3)
- a service provider must not withhold its consent unless it has reasonable grounds, based on technical or commercial considerations, for doing so: r. 105(4)
- a capacity transfer does not affect a user's rights and liabilities retrospectively: r. 105(5)
- the requirements may specify in advance the conditions under which consent will or will not be given: r. 105(6).

²⁶ NGR, r. 105(2).

²⁷ APA Group, *Amadeus Gas Pipeline, Access Arrangement Revision Proposal, Submission, 1 July 2016 to 30 June 2021*, August 2015, p. 26.

12.3.4 Reasons for draft decision

We assessed subclauses 5.1 to 5.3 of the proposed access arrangement which set out the requirements on capacity trading.

- Subclauses 5.1 (a)-(b) address capacity transfers where parties are or are not registered participants in a gas market, in accordance with r. 105(1).
- Subclause 5.2 addresses capacity transfers without the service provider's consent, in accordance with r. 105(2).
- Subclause 5.3 addresses capacity transfers with the service provider's consent, in accordance with r. 105(3) to 105(6).

We remain satisfied that the capacity trading requirements provided in subclauses 5.1 to 5.3 of the proposed access arrangement satisfy r. 105 of the NGR.

12.4 Changing receipt or delivery points

A receipt or delivery point is a point on a pipeline at which a service provider takes delivery of natural gas, or delivers natural gas.²⁸ A user may wish to change the point at which they receive or take delivery of natural gas.

12.4.1 Draft decision

We approve APTNT's proposed requirements for changing receipt or delivery points for the 2016–21 access arrangement period.

12.4.2 APTNT's proposal

APTNT has not proposed any changes to its requirements for changing receipt or delivery points in its access arrangement.

12.4.3 AER's assessment approach

We assessed APTNT's terms and conditions for changing receipt or delivery points against the NGO and rule 106 of the NGR.

Rule 106 of the NGR has specific provisions on the change of receipt or delivery point by user and provides, at a high level, that:

- a user may change its receipt or delivery point with the service provider's consent
- the service provider must not withhold consent unless it has reasonable grounds, based on technical or commercial considerations, for doing so
- the access arrangement may specify in advance conditions under which consent will or will not be given.

²⁸ NGR, r. 3.

12.4.4 Reasons for draft decision

Subclause 5.4 of the proposed access arrangement sets out the requirements on changing receipt or delivery points.

Subclause 5.4 provides that a user, with proper notice to the service provider, may request for substitution of a delivery or receipt point. The service provider may withhold its consent to the request on reasonable commercial or technical grounds. An example of a ground for withholding consent is given.

We remain satisfied that APTNT's proposed requirements for changing receipt or delivery points in subclause 5.4 align with the requirements of r. 106 of the NGR.

12.5 Extension and expansion requirements

All access arrangements must include requirements relating to extensions of, and expansions to, a pipeline.²⁹ An extension relates to extending the pipeline to receive or deliver gas to or from new locations. An expansion relates to augmenting the pipeline's capacity to deliver an increased volume of gas to users.

12.5.1 Draft decision

We approve APTNT's proposed extension and expansion requirements for the 2016–21 access arrangement period.

12.5.2 APTNT's proposal

APTNT's proposed extensions and expansions policy is set out in clause 7 of its proposed access arrangement. APTNT has not proposed any changes to the current extension and expansion arrangements, except for a correction to remove capitalisation of a term not defined in the access arrangement.³⁰

APTNT noted that, during the 2016–21 access arrangement period, one potential area for change is the possible connection of the North East Gas Interconnector (NEGI). APTNT submitted that its proposed extension and expansion requirements remain appropriate and will be able to accommodate this possible connection:

APTNT expects to accommodate the potential connection of the NEGI to the AGP during the access arrangement period through the extensions and expansions policy set out in the prevailing Access Arrangement. Using the extensions and expansion policy gives the AER appropriate oversight of the

²⁹ Rule 48(1)(g) for full access arrangements, r. 45(1)(f) for limited access arrangements for light regulation services, r. 129(1)(f) for international pipelines, and r. 24(2)(c)(v) for CTP access arrangements.

³⁰ APA Group, *Amadeus Gas Pipeline, Access Arrangement Revision Proposal, Submission, 1 July 2016 to 30 June 2021*, August 2015, p. 25.

extension or expansion, while also addressing any uncertainty that may exist over future projects at the time of the regulatory decision.³¹

APTNT submitted that if this interconnector to the east coast gas market does eventuate,

...incremental service provided by expansions will form part of the covered pipeline unless APTNT elects, and the AER agrees, that the incremental services should not form part of the covered pipeline.³²

12.5.3 AER's assessment approach

We have assessed APTNT's extension and expansion requirements for consistency with the NGO and rule 104 of the NGR.

Rule 104 of the NGR specifies the extension and expansion requirements and provides that:³³

- the requirements may state whether the access arrangement will apply to incremental services to be provided as a result of a particular extension to, or expansion of the capacity of, the pipeline, or outline how this may be dealt with at a later time: r. 104(1)
- if an access arrangement is to apply to incremental services, the requirements must deal with the effect of the extension or expansion on tariffs: r. 104(2)
- the requirements cannot require the service provider to provide funds for extension or expansion works unless the service provider agrees: r. 104(3).

12.5.4 Reasons for draft decision

APTNT has not proposed substantive changes to its current extensions and expansions policy, which was last reviewed in 2011.³⁴

Submissions, discussed below, raised two main concerns with APTNT's extensions and expansions policy. Both arise from APTNT's proposal that we rely on its extensions and expansions policy to address the expected connection of the NEGI and the AGP during the 2016–21 access arrangement period. These concerns are considered below. While we approve APTNT's proposed extensions and expansions policy, we do not consider it the best mechanism to address the implications of the NEGI for this access arrangement.

³¹ APA Group, *Amadeus Gas Pipeline, Access Arrangement Revision Proposal, Submission, 1 July 2016 to 30 June 2021*, August 2015, pp. 5-6.

³² APA Group, *Amadeus Gas Pipeline, Access Arrangement Revision Proposal, Submission, 1 July 2016 to 30 June 2021*, August 2015, p. 25.

³³ NGR, r. 104.

³⁴ APA Group, *Access Arrangement for the Amadeus Gas Pipeline, 1 July 2016 to 30 June 2021*, August 2015, cl. 7, p. 28.

Implications of the NEGI for reference tariffs

APTNT proposed to accommodate the potential connection of the NEGI to the AGP in the 2016–21 access arrangement period through its extensions and expansions policy.

APTNT submitted that demand related to the NEGI would be for firm (i.e. APTNT's reference) services. Noting that there is no spare capacity for the firm service for the 2016–21 access arrangement period (and beyond), it identified two paths for prospective shippers to access firm capacity should the NEGI lead to additional demand on the AGP:³⁵

- Prospective shippers could contract directly with the existing foundation contract holder for access to contracted but unutilised firm capacity either through a bare transfer or assignment; or
- Prospective shippers could seek expansion of the AGP to provide additional firm capacity.

APTNT submitted that the first of these options would not involve contracting the reference service with APTNT, or any additional revenue for APTNT associated with additional volumes contracted on the pipeline. It submitted that the second was clearly a situation where the extensions and expansions policy was the appropriate mechanism to manage additional investment within the access arrangement period.³⁶

Santos identified the following potential implications of increased demand or changes in gas flows through the AGP on the level of reference tariffs:

The use of [the extensions and expansions policy] could possibly result in customers paying higher charges than allowed for in the tariff setting mechanism under the National Gas Rules as the construction of the NEGI could result in materially different flows from the historic flow patterns which form the basis of the forecast utilisation.³⁷

Under the tariff-setting process prescribed in the National Gas Rules, a lower volume (or demand) of gas that flows through the existing pipeline results in a higher reference tariff (on a per Gigajoule basis) if the costs remain constant. However, the connection of the NEGI will result in a substantial increase in throughput through the existing infrastructure and would result in a lower tariff. We are unable to see how this decrease in the Reference Tariff would be realised through the provisions of the extension and expansion provisions of the current access arrangement proposal.³⁸

The advent of the NEGI may not necessarily require significant investment in the existing pipeline as this is not currently fully physically utilised along all sections of the pipeline. However it is likely that additional gas will flow in

³⁵ APTNT, *Response to Information Request No. 8*, 22 September 2015, pp. 1-2.

³⁶ APTNT, *Response to Information Request No. 8*, 22 September 2015, pp. 1–2.

³⁷ Santos, *Amadeus Gas Pipeline: Access Arrangement Revision Proposal 2016-21*, 2 September 2015, p. 1.

³⁸ Santos, *Amadeus Gas Pipeline: Access Arrangement Revision Proposal 2016-21*, 2 September 2015, p. 2.

advance of the connection of the NEGI and the resultant decrease in tariffs needs to be transparently factored into the access arrangement.³⁹

We do not consider these issues are adequately addressed through the extensions and expansions policy. As noted by AGL:

The current policy also states that reference tariffs in the access arrangement period will not be affected by any extension or expansion made and that APTNT will elect whether access to the new capacity will be offered at the Reference Tariff or as a negotiated tariff. In the case of an AGP expansion to support a NEGI, this is likely to result in existing Users paying higher charges than necessary and provides little regulatory support or certainty to new Users seeking access to expanded capacity.⁴⁰

For these reasons we do not consider the extensions and expansions policy a sufficient mechanism to address *all* of the potential implications of the connection of the NEGI to the AGP. Our draft decision is that these are best addressed through a trigger for acceleration of the review submission date, which will allow APTNT, stakeholders and us to consider the implications of the NEGI for the access arrangement as a whole. This is discussed further in section 12.6 below.

Coverage decisions under the extensions and expansions policy

AGL raised concerns with the transparency and rigour of the extensions and expansions policy as it relates to coverage decisions, particularly in relation to expansions driven by the development of the NEGI.⁴¹

AGL also noted the difference in provisions for extensions to the pipeline (in clause 7.1) and those for expansion of capacity (clause 7.2), and requested:

...greater assurance that section 7.2(a) provide a sufficiently transparent and rigorous non-coverage decision. As a comparison, section 7.1 of the policy contemplates a non-coverage decision for pipeline extensions and appears to be a more stringent and consultative process.⁴²

Consistent with previous decisions, we consider that:⁴³

- All extensions to transmission pipelines should be assessed on a case-by-case basis for coverage, so that the circumstances of the particular extension can be taken into account.

³⁹ Santos, *Amadeus Gas Pipeline: Access Arrangement Revision Proposal 2016-21*, 2 September 2015, p. 2.

⁴⁰ AGL, *Amadeus Gas Pipeline: Access Arrangement Revision Proposal 2016-21*, 2 September 2015, p. 2.

⁴¹ AGL, *Amadeus Gas Pipeline: Access Arrangement Revision Proposal 2016-21*, 2 September 2015, p. 2.

⁴² AGL, *Amadeus Gas Pipeline: Access Arrangement Revision Proposal 2016-21*, 2 September 2015, p. 2.

⁴³ AER, *Access arrangement draft decision: APA GasNet Australia (Operations) Pty Ltd 2013–17 - Part 2 Attachments*, September 2012, pp. 234-235.

- Pipeline expansions involve the augmentation of pipeline capacity of the existing pipeline, and are likely to be used by existing pipeline users. They are much less likely than an extension to serve only new or isolated customers. In general, therefore, expansions to a transmission pipeline should be covered by default and form part of the covered pipeline, unless we expressly agree otherwise.

Clause 7.2 allows APTNT the flexibility to apply to us for agreement that the access arrangement will not apply to incremental services provided as a result of an expansion. However, where clause 7.1 specifies the process to be taken and the information to be provided where a decision on coverage of an *extension* is required, clause 7.2 does not explicitly do this for decisions on incremental services provided as a result of an expansion. This is consistent with other access arrangements we have approved for gas transmission networks.⁴⁴ We do not consider it necessary to prescribe information requirements and/or a consultation process for this purpose. This is because nothing in clause 7.2 precludes a request for information or consultation to inform a decision made under that clause where appropriate. In relation to AGL's particular concerns around expansions arising from the NEGI, we have proposed a trigger for acceleration of the review submission date, which will allow APTNT, stakeholders and us to consider the implications of the NEGI for the access arrangement as a whole. This is discussed further in section 12.6 below.

12.6 Review submission date and revision commencement date

Rule 49(1) of the NGR requires that a full access arrangement that is not voluntary must contain a review submission date and a revision commencement date and must not contain an expiry date.

12.6.1 Draft decision

We do not approve APTNT's proposed review submission and revisions commencement dates as reflected in its proposed access arrangement. In addition, we require APTNT to include a trigger event in its access arrangement for the acceleration of its review submission date.

We therefore require APTNT to make the amendments set out in section 12.7.2, amendment 8.

12.6.2 APTNT's proposal

APTNT proposes the following dates:

- Review submission date: 1 July 2020

⁴⁴ AER, *Access arrangement final decision: APA GasNet Australia (Operations) Pty Ltd 2013–17*, March 2013; AER, *APT Petroleum Pipeline Pty Ltd Access arrangement final decision: Roma to Brisbane Pipeline 2012–13 to 2016–17*, August 2012.

- Revision commencement date: 1 July 2021.⁴⁵

In its proposed access arrangement, these are presented as follows:⁴⁶

Service Provider will submit revisions to this Access Arrangement to the AER on or before 1 July 2020, or four years from the commencement date of this Access Arrangement, whichever is the later (Review Submission Date).

The revisions to this Access Arrangement will commence on the later of 1 July 2021 and the date on which the approval by the AER of the revisions to the Access Arrangement takes effect under the National Gas Rules (Revisions Commencement Date).

The proposed access arrangement also notes that the NGR allow APTNT to submit proposed revisions at any other time:

Service Provider may, at any other time, submit to the AER proposed revisions to this Access Arrangement together with the applicable Access Arrangement Information in accordance with Rule 65. If approved by the AER, those revisions will commence in accordance with the National Gas Rules.⁴⁷

APTNT's proposed revision commencement date of 1 July 2021 gives rise to a five year access arrangement period. APTNT noted, however, that it considers there may be scope for a longer access arrangement period up to ten years, if the AER were willing to consider this approach. APTNT considers that the expected contractual and expenditure stability of AGP for the foreseeable future may mean that a longer access arrangement period is consistent with the RPP.⁴⁸

12.6.3 AER's assessment approach

Rule 49 of the NGR requires a full access arrangement to include a review submission date and a revisions commencement date.

Rule 50(1) of the NGR provides that, as a general rule:

- a review submission date will fall 4 years after the access arrangement took effect or the last revision commencement date; and
- a revision commencement date will fall 5 years after the access arrangement took effect or the last revision commencement date.⁴⁹

⁴⁵ APA Group, *Amadeus Gas Pipeline, Access Arrangement Revision Proposal, Submission, 1 July 2016 to 30 June 2021*, August 2015, p. 26.

⁴⁶ APA Group, *Access Arrangement for the Amadeus Gas Pipeline, 1 July 2016 to 30 June 2021*, August 2015, cl. 1.6, pp. 4–5.

⁴⁷ APA Group, *Access Arrangement for the Amadeus Gas Pipeline, 1 July 2016 to 30 June 2021*, August 2015, cl. 1.6, p. 5.

⁴⁸ APA Group, *Amadeus Gas Pipeline, Access Arrangement Revision Proposal, Submission, 1 July 2016 to 30 June 2021*, August 2015, p. 27.

⁴⁹ NGR, r. 50(1).

We must accept a proposal made in accordance with this general rule.⁵⁰ We may also approve dates that do not conform to the general rule if we are satisfied that the dates are consistent with the NGO and the revenue and pricing principles (RPP).⁵¹

Under rule 51 of the NGR, the review submission date fixed in an access arrangement advances to an earlier date if the access arrangement provides for acceleration of the review submission date on the occurrence of an approved trigger event, and that trigger occurs prior to the fixed date.⁵² We may insist on the inclusion of trigger events in an access arrangement, and may specify the nature of the trigger events to be included.⁵³

12.6.4 Reasons for draft decision

In the sections below we consider APTNT's proposed review submission and revisions commencement dates and its suggestion for an extended access arrangement period, in turn. We also set out our consideration of appropriate triggers for an earlier review of the access arrangement to accommodate the impact of the NEGI on reference services.

Specification of review submission and revisions commencement dates

For the 2016–21 access arrangement, APTNT proposed a review submission date of:

on or before 1 July 2020, or four years from the commencement date of this Access Arrangement, whichever is the later (Review Submission Date).⁵⁴

Rule 3 of the NGR defines a review submission date as 'a date on or before which an access arrangement revision proposal is required to be submitted'.⁵⁵ To meet this requirement, we consider APTNT's access arrangement must include a single date for the submission of revisions. It is then open to APTNT under rule 52 of the NGR to submit an access arrangement revision proposal prior to that date. Our required amendment is specified in section 12.7.2 below.

APTNT's proposed revision commencement date was '*the later of 1 July 2021 and the date on which the approval by the AER of the revisions to the Access Arrangement takes effect under the National Gas Rules (Revisions Commencement Date)*'.⁵⁶ Rule 3 of the NGR defines the revision commencement date for an applicable access

⁵⁰ NGR, r. 50(2).

⁵¹ NGR, r. 50(4).

⁵² NGR, r. 51(1).

⁵³ NGR, r. 51(3).

⁵⁴ APA Group, *Access Arrangement for the Amadeus Gas Pipeline, 1 July 2016 to 30 June 2021*, August 2015, cl. 1.6, p. 4.

⁵⁵ NGR, r. 3.

⁵⁶ APA Group, *Access Arrangement for the Amadeus Gas Pipeline, 1 July 2016 to 30 June 2021*, August 2015, cl. 1.6, pp. 4-5.

arrangement as the date fixed in the access arrangement as the date on which revisions resulting from a review of the access arrangement are *intended* to take effect. In doing so, it contemplates a single, fixed date. Our required amendment is specified in section 12.7.2 below.

Length of the access arrangement period

APTNT has suggested that an access arrangement period covering a period longer than five years could be considered by the AER.⁵⁷ The option of proposing a longer period was provided in the regulatory information notice (RIN) served on APTNT for this review. The RIN specified the information that would be required for both a five-year and a 10-year proposal. APTNT chose to submit a proposal for a five year access arrangement period, and we have accepted that element of its proposal. Further, we have only been able to consult on its proposal for the five years from 2016 to 2021.

Acceleration of review submission date

As discussed in section 12.5 above, the installation of the NEGI and its connection to the AGP are expected to occur within the 2016–21 access arrangement period. This has potential implications for this access arrangement, in particular for the forecast demand used to calculate reference tariffs. There will not be sufficient certainty as to what—and how material—these implications might be for them to be properly considered in revisions commencing 1 July 2016. Nor do we consider options for addressing these within the 2016–21 access arrangement period through the extensions and expansions policy (discussed in section 12.5.4 above) are appropriate.

Submissions recognised the difficulty of including an informed assessment of the implications of the NEGI—in terms of forecast expenditure and demand—in APTNT’s proposal and reference tariffs at this time. APTNT has not sought to include forecast expenditure or demand associated with the NEGI in its forecast revenue requirement.

The implications the NEGI may have for these and other elements of the access arrangement are unclear, and cannot be reliably forecast at this time. For these reasons we do not consider it possible to account for the impact of the NEGI in the forecast revenue requirement and reference tariffs approved in this review.

Alternative approaches to the extensions and expansions policy put forward in submissions included a number of suggestions on how to address this uncertainty:

- the form of control (currently a weighted average price cap)⁵⁸
- pass through provisions⁵⁹

⁵⁷ APA Group, *Amadeus Gas Pipeline, Access Arrangement Revision Proposal, Submission, 1 July 2016 to 30 June 2021*, August 2015, p. 27.

⁵⁸ Jemena Limited, *Amadeus gas pipeline: access arrangement revision proposal 2016-21 – demand forecasts*, 31 August 2015, p. 1.

- a shorter access arrangement period⁶⁰
- a re-opening of the access arrangement once more information is available.⁶¹

Of these, we do not consider an alternative form of control is required, or that it would necessarily address the issue at hand. The same difficulties in developing and assessing changes in forecast demand and expenditure relating to the connection of the NEGI to the AGP would arise under other forms of control.

Nor do we consider the implications of the NEGI to be sufficiently certain to limit consideration to a tariff variation or cost pass through event to address changes in forecast demand or expenditure. Other elements of the approved access arrangement—both tariff and non-tariff—may also be affected. Further, the compressed timeframes for submission and assessment of pass through applications are unlikely to accommodate robust and transparent consultation on the issues.

Stakeholders have suggested we consider adjusting the length of the access arrangement period to address this uncertainty. A full access arrangement cannot include an expiry date.⁶² As explained in section 12.6.3 (above), we are limited in our discretion to accept or reject a proposed review submission or revision commencement date where—as in this case—it complies with the NGR.⁶³ Nor do we consider it possible to specify an appropriate date for review and commencement of revisions with any certainty at this time.

We do, however, consider there is merit in providing for a further review of the access arrangement when the implications of the NEGI for services provided on the AGP are more certain.

Under the NGR APTNT may, but is not required to, submit revisions to its access arrangement prior to the approved review commencement date.⁶⁴ It would be open to APTNT to do so at an appropriate point, so that the impact of the NEGI could be reflected in a revised access arrangement. Where warranted, however, the NGR allow an access arrangement to specify particular trigger events, the occurrence of which would require early submission.⁶⁵ The NGR allow us to insist on the inclusion of trigger events in an access arrangement, and may specify the nature of trigger events to be included.⁶⁶ We consider the certainty that this would provide is preferable to leaving early submission of revisions to APTNT's discretion.

⁵⁹ Jemena Limited, *Amadeus gas pipeline: access arrangement revision proposal 2016-21 – demand forecasts*, 31 August 2015, p. 1.

⁶⁰ Jemena Limited, *Amadeus gas pipeline: access arrangement revision proposal 2016-21 – demand forecasts*, 31 August 2015, p. 1; Santos, *Amadeus Gas Pipeline: Access Arrangement Revision Proposal 2016-21*, 2 September 2015, p. 2.

⁶¹ Santos, *Amadeus Gas Pipeline: Access Arrangement Revision Proposal 2016-21*, 2 September 2015, p. 2.

⁶² NGR, r. 49(1)(b).

⁶³ NGR, r. 50(2).

⁶⁴ NGR, r. 65.

⁶⁵ NGR, r. 51(1).

⁶⁶ NGR, r. 51(3).

A trigger event may consist of any significant circumstance or conjunction of circumstances. The NGR provide the following examples:⁶⁷

- a re-direction of the flow of natural gas through the pipeline
- a competing source of natural gas becomes available to customers served by the pipeline
- a significant extension, expansion or interconnection occurs.

We consider the connection of the NEGI to the AGP is appropriately considered in this context.

We therefore require APTNT to amend clause 1.6 of its access arrangement to include the following trigger event for acceleration of the review submission date:

The Review Submission Date will be accelerated under Rule 51 on written notification by the AER that one of the following events has occurred:

(a) the interconnection of another pipeline with the Pipeline; or

(b) the introduction of a significant new source of gas supply to one or more of the markets to which gas is delivered from the Pipeline;

that substantially changes the types of Services that are likely to be sought by the market or has a substantial effect on the volume and/or direction of flow of natural gas through all or part of the Pipeline.

Such notice will not be given within 18 months of the Review Submission Date in this clause 1.6.

This trigger event is included in required amendment 8 in section 12.7.2 below.

The effect of accelerating the review submission date in this way is to trigger a review of the access arrangement as a whole. As APTNT has noted, it believes that six months to prepare a submission in response to this trigger would be the minimum period required. It also considers, and we agree, that the long term interests of consumers are not served by the operation of a trigger event that only advances the review submission date by that six month period: the trigger event should not be able to advance the review submission date by less than 12 months.⁶⁸ For that reason we have limited the application of the trigger event so that it cannot be called upon less than 18 months before the end of the access arrangement period.

In providing written notification in accordance with this trigger, we will specify a process for consultation with APTNT on, and service of, a RIN setting out the information to be included in proposed revisions to the access arrangement in response to this event. The RIN will allow a period for submission of revisions that is proportionate to the

⁶⁷ NGR, r. 51(2).

⁶⁸ APTNT, *Response to Information Request No. 8*, 22 September 2015, p. 2.

information required. The RIN will be published on our website together with a timeline for our review.

12.7 Revisions

12.7.1 Revisions to the terms and conditions

We require APTNT to make the following amendments and any additional consequential changes to its 2016–21 terms and conditions to make its proposal acceptable:

Amendment number	Marked up amendment to the clause or provision
1.	<p>Clause 69</p> <p>69 The Transportation Agreement may, by written notice, be terminated or suspended for default by a Party, after a 7 business day cure period for a financial default (including if a Party is Insolvent) and after a 21 business day cure period for a non-financial default. If a non-financial default is not capable of remedy then a non-defaulting Party may terminate or suspend the Transportation Agreement, after the 21 business day cure period, if the defaulting Party does not:</p> <ol style="list-style-type: none">(a) take the steps and do the things that the non-defaulting Party, acting reasonably, requires to ensure that the event of default will not be repeated; and(b) pay the non-defaulting party the sum (if any) that the non-defaulting party reasonably determines is required to compensate the non-defaulting party for the event of default and its consequences. <p><u>This clause does not apply to a default where either Party has disputed that default, until such time as the dispute is resolved in accordance with clauses 66 to 68.</u></p>
2.	<p>Clause 78</p> <p>Unless otherwise agreed by the Parties and set out in the Transportation Agreement, to the extent permitted by law, neither Party (including the Service Provider's Related Bodies Corporate) is liable to the other Party for Consequential Loss or for punitive or exemplary damages arising in respect of the Transportation Agreement except where such Consequential Loss or punitive or exemplary damage arises out of:</p> <ol style="list-style-type: none">(a) Gross Negligence or Wilful Misconduct by either the Service Provider or the User;(b) the Service Provider's or the User's liability relating to rates, Charges and other payments under the Transportation Agreement; or

Amendment number	Marked up amendment to the clause or provision
	<p>(c) the User's liability relating to:</p> <ul style="list-style-type: none"> (i) Imbalances; (ii) the receipt, transportation or delivery of Overrun Quantities (iii) the User's obligation to deliver gas which meets the quality required by the Gas Specification or any other quality as the law in the relevant jurisdiction requires; (iv) a failure to supply Gas at Receipt Points within a specified pressure range; (v) the indemnity described in clause 81; or (vi) the use of the Information Interface by the User's employees who have been authorised for use by the Service Provider.
3.	<p>Clause 79</p> <p>The aggregate liability of the Service Provider and its Related Bodies Corporate in respect of the Transportation Agreement, excluding for the gGross nNegligence or Wilful Misconduct of the Service Provider or its Related Bodies Corporate, will be limited to a monetary liability cap of 10 per cent of the contract value over the life of the Transportation Agreement and 2.5% of such contract value in any one year of the Transportation Agreement.</p>
4.	<p>Clause 95</p> <p>A Party must obtain the prior written consent of the other Party in order to use or disclose Confidential Information for any other purpose except where disclosure is required by law or lawfully required by an Authority or if the information is at that time lawfully generally available to the public, other than as a result of a breach of the Transportation Agreement, <u>or disclosure is required in order to comply with the listing rules of a recognised stock exchange.</u></p>
5.	<p>Clause 53</p> <p>The Gas received by the Service Provider at the Receipt Points may be commingled with other Gas in the Pipeline and with other elements for the operation and maintenance of the Pipeline in accordance with Good Engineering and Operating Practice. Subject to certain obligations of the Service Provider regarding the quality of gas delivered, Service Provider may commingle gas received and deliver it in a commingled state to</p>

Amendment number	Marked up amendment to the clause or provision
	the User, despite clauses <u>55</u> <u>and 56</u> (Title).
6.	<p>Clause 78</p> <p>...</p> <p>(c)</p> <p>...</p> <p>(v) the indemnity described in clause <u>8180</u>; or</p>
7.	<p>Clause 84</p> <p>Subject to certain exceptions as specified under clause <u>8786</u>, a Party's obligations under the Transportation Agreement are suspended during the time, and to the extent, that their performance is prevented, wholly or in part, by a Force Majeure Event and no liability to the other Party accrues for loss or damage of any kind arising out of, or in any way connected with that non-performance.</p>

12.7.2 Revisions to the access arrangement

We require the following revisions to make the access arrangement proposal acceptable:

Amendment number	Marked up amendment to the clause or provision
	<p>1.6 Revisions to this access arrangement</p> <p>Service Provider will submit revisions to this Access Arrangement to the AER on or before 1 July 2020, or four years from the commencement date of this Access Arrangement, whichever is the later (Review Submission Date).</p> <p>The revisions to this Access Arrangement will commence on the later of 1 July 2021 and the date on which the approval by the AER of the revisions to the Access Arrangement takes effect under the National Gas Rules (Revisions Commencement Date).</p> <p><u>The Review Submission Date will be accelerated under Rule 51 on written notification by the AER that one of the following events has occurred:</u></p> <p><u>(a) the interconnection of another pipeline with the Pipeline; or</u></p> <p><u>(b) the introduction of a significant new source of gas supply to one or more of the markets to which gas is delivered from the Pipeline;</u></p>
8.	

Amendment
number

Marked up amendment to the clause or provision

that substantially changes the types of Services that are likely to be sought by the market or has a substantial effect on the volume and/or direction of flow of natural gas through all or part of the Pipeline.

Such notice will not be given within 18 months of the Review Submission Date in this clause 1.6.

Service Provider may, at any other time, submit to the AER proposed revisions to this Access Arrangement together with the applicable Access Arrangement Information in accordance with Rule 65. If approved by the AER, those revisions will commence in accordance with the National Gas Rules.

Schedule 2: Glossary

9.

Force Majeure Event has the meaning set out in clause ~~838~~2 of the General Terms and Conditions.