

# ACCESS PRINCIPLES FOR THE ROMA—BRISBANE GAS PIPELINE

## PART 1—PRELIMINARY

### 1.1. ACCESS PRINCIPLES FOR THE ROMA TO BRISBANE GAS PIPELINE

These Access Principles are the access principles for the Pipeline for the purposes of *Petroleum Act 1923*.

### 1.2. COMPOSITION OF ACCESS PRINCIPLES

These access principles (the "Access Principles") consist of this Part 1 and the following Parts:

- (a) Part 2—Indicative Access Conditions;
- (b) Part 3—Tariff Setting Principles;
- (c) Part 4—Indicative Tariff Schedule.

### 1.3. DEFINITIONS

(1) In these Access Principles, unless the contrary intention appears:

"Act" means the *Petroleum Act 1923* as amended from time to time.

"Authorised Overrun Rate" means in any Quarter, that rate obtained by adjusting \$0.264/GJ at 1 July 1994 pursuant to Clause 4.13.

"Capacity Reservation Rate" means in any Quarter, that rate obtained by adjusting \$0.22/GJ at 1 July 1994 pursuant to Clause 4.13.

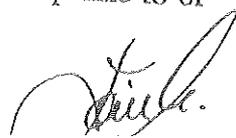
"CPI" means the Consumer Price Index (All Groups Weighted Average of Eight Capital Cities) as published by the Australian Bureau of Statistics and, if publication of that Index ceases, any official replacement index published by the Australian Statistician.

"Cubic Metre" in relation to gas, means the amount of that gas at Standard Conditions which would occupy a volume of one cubic metre.

"Daily Variance Rate" means in any Quarter, that rate obtained by adjusting \$0.252/GJ at 1 July 1994 pursuant to Clause 4.13.

"Day" means a period of 24 consecutive hours beginning at 8.00am Australian Eastern Standard Time.

"Delivery Point" means a point on the Pipeline at which gas is delivered from the Pipeline to or for the account of a facility user under an access agreement.



“Delivery Point MDQ” means the maximum quantity of gas (in GJ) which the access provider is obligated to deliver during any Day at the Delivery Point under an access agreement.

“Force Majeure” means any acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemies, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, storms, cyclones, fires, washouts, extreme weather conditions, arrests and restraints of rulers and people, civil disturbances, explosions, breakage of or accident to machinery or lines of pipe, hydrate obstructions of lines of pipe, inability to obtain pipe, materials or equipment, legislative, administrative or judicial action which has been resisted in good faith by all reasonable legal means, and any acts, omissions or causes whether of the kind herein enumerated or otherwise where any such cause is not reasonably within the control of the party invoking Force Majeure and which by the exercise of due diligence such party could not have prevented the necessity for making repairs to, replacing, or reconditioning machinery, equipment, or pipelines not resulting from the fault or negligence of the party invoking Force Majeure.

“Forward Haul Service” has the meaning given in Clause 4.3 - Part 4 Indicative Tariff Schedule.

“GJ” means gigajoules of gas.

“Gross Heating Value” means the number of megajoules liberated when one Cubic Metre of gas, free of water and at Standard Conditions, is completely burnt in air, with all water formed by the combustion process condensed to the liquid state and with all the products of combustion at Standard Conditions.

“Imbalance” exists in relation to an access agreement if there is a difference between the quantities of gas received by the access provider at Receipt Points for a facility user’s account (excluding System Use Gas and gas supplied by the facility user pursuant to a provision of the access agreement in accordance Clause 4.12 - Part 4 Indicative Tariff Schedule) and the quantities of gas delivered to or for the account of the facility user at the Delivery Points.

“Imbalance Rate” means in any Quarter, that rate obtained by adjusting \$0.566/GJ at 1 July 1994 pursuant to Clause 4.13.

“Indicative Tariff Schedule” means the indicative tariff schedule for the Pipeline referred to in Part 4—Indicative Tariff Schedule.

“Line Pack” means the total quantity of gas in the Pipeline from time to time.

“Maximum Tariff” means the maximum tariffs and charges which may be levied by an access provider on a facility user for access to the Pipeline under an access agreement. These tariffs and charges are set out in the Indicative Tariff Schedule.

“MDQ” means a maximum daily quantity of gas (in GJ) which an access provider is obliged to deliver during any Day under an access agreement between the access provider and the facility user.

“Minister” means the Minister of the Crown who is for the time being the Minister for the purposes of the Act.



“MJ” means megajoules of gas.

“Month” means calendar month.

“New Service” has the meaning given in Clause 4.18 - Part 4 Indicative Tariff Schedule.

“New Service Conditions” has the meaning given in Clause 4.18 - Part 4 Indicative Tariff Schedule.

“Nomination” means a schedule provided by a facility user to its access provider showing, for each Day of a Month:

- (a) the quantities of gas (in GJ) intended to be presented at each Receipt Point by or on behalf of the facility user under an access agreement; and
- (b) the quantities of gas (in GJ) required to be delivered at each Delivery Point to or for the account of the facility user under an access agreement.

“Overrun Quantity” means a quantity of gas (greater than 0) that is the greater of:

- (a) if the total quantity of gas (in GJ) (excluding any System Use Gas and gas supplied by a facility user pursuant to a provision of an access agreement in accordance Clause 4.12 - Part 4 - Indicative Tariff Schedule) received by the access provider from or on account of a facility user at all Receipt Points during any Day under an access agreement exceeds the MDQ under the access agreement for that Day—the excess; and
- (b) if the total quantity of gas (in GJ) delivered by the access provider to or for the account of a facility user at all Delivery Points during any Day under an access agreement exceeds the MDQ under the access agreement for that Day—the excess; and
- (c) if the quantity of gas (in GJ) received during any Day under an access agreement by the access provider from or on account of a facility user at the Receipt Point (less System Use Gas and gas supplied by a facility user pursuant to a provision of an access agreement in accordance Clause 4.12 - Part 4 - Indicative Tariff Schedule) is in excess of the Receipt Point MDQ for that Day—the sum of the excess for all such Receipt Points.
- (d) if the quantity of gas (in GJ) delivered during any Day under an access agreement by the access provider to or for the account of a facility user at the Delivery Point is in excess of the Delivery Point MDQ for that Day—the sum of the excess for all such Delivery Points.

“Overrun Service” is the receipt and/or delivery of an Overrun Quantity.

“Pipeline” is the pipeline as described in the appendix added to Pipeline Licence No. 2 on 24 July 1996.

“Quarter” means any period of 3 consecutive Months starting on 1 January, 1 April, 1 July or 1 October in each Year.

“Receipt Point” means a point at which gas is received, into the Pipeline, from or on account of a facility user under an access agreement.



“Receipt Point MDQ” means the Maximum Quantity of gas (in GJ) which the access provider is obligated to receive during any Day at the Receipt Point under an access agreement.

“Standard Conditions” means at a temperature of 15 degrees Celsius and at an absolute pressure of 101.325kPa.

“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 but excludes:

- (a) Line Pack, and
- (b) quantities of gas lost as a result of repairs or maintenance carried out on the Pipeline by the access provider.

“Tariff Setting Principles” means the tariff setting principles referred to in Part 3—Tariff Setting Principles.

“Throughput Rate” means in any Quarter, that rate obtained by adjusting \$0.126/GJ at 1 July 1994 pursuant to Clauses 4.13 and 4.17(5).

“TJ” means terajoules of gas.

“Unauthorised Overrun Rate” means in any Quarter, that rate obtained by adjusting \$0.654/GJ at 1 July 1994 pursuant to Clause 4.13.

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

(2) Unless the contrary intention appears:

- (a) if the Act gives a meaning to a term in relation to a facility, the same term in these Access Principles has the same meaning in relation to the Pipeline; and
- (b) words used in these Access Principles that are also defined in the Act have the meaning so defined.

#### 1.4. EFFECT OF INVALIDITY OF ANY PROVISION

If any term, clause or provision of these Access Principles is invalid for any reason, such invalidity shall not affect the validity or operation of any other term, clause or provision of these Access Principles except to the extent necessary to give effect to such invalidity.

#### 1.5 HEADINGS NOT PART OF ACCESS PRINCIPLES

The headings to the Parts and Clauses of these Access Principles do not form part of these Access Principles.



## PART 2—INDICATIVE ACCESS CONDITIONS

### 2.1. CONDITIONS INCLUDE PART 1—PRELIMINARY

Part 1 (Preliminary) of these Access Principles is part of the indicative access conditions set out in this Part.

### 2.2. ACCESS AGREEMENTS

Each access agreement must:

- (a) be governed by and construed in accordance with the laws of the State of Queensland;
- (b) be for the term agreed between the parties; and
- (c) provide that the access provider cannot require the payment of any additional amount in connection with the assignment of all or part of the facility user's interest in the access agreement.

### 2.3. SYSTEM USE GAS

(1) Subject to subclause (2) an access agreement must provide that the facility user is required to supply System Use Gas at its cost unless the parties otherwise agree.

(2) For any Month for facility users with an access agreement agreed in accordance with these access principles those facility users may only be required to supply gas for use as System Use Gas up to the quantity determined by multiplying the total quantity of System Use Gas not supplied by other facility users by the aggregate quantity of gas (in GJ) delivered for or on behalf of the facility user and divided by the aggregate quantity of gas (in GJ) delivered for or on behalf of all facility users with an access agreement agreed in accordance with these access principles.

### 2.4. GAS PRESSURES

(1) Subject to Clause 4.17(8), an access agreement must provide that the access provider will deliver gas at any Delivery Point, at a pressure not less than 1500kPa(g) unless the parties otherwise agree.

(2) An access agreement must provide that the facility user will deliver gas at a Receipt Point at pressures, nominated by the access provider from time to time as, being sufficient to allow the gas to enter the Pipeline but the facility user shall not be required to deliver gas at a Receipt Point at pressures in excess of 8000 kPa(g).

### 2.5. OWNERSHIP OF GAS

An access agreement must provide that—

- (a) ownership of all gas supplied by or on account of a facility user, between each Delivery Point and each Receipt Point will remain the property of the facility user;
- (b) the access provider will be responsible for custody of the gas in the Pipeline; and



- (c) on the termination of the access agreement, the facility user is entitled to recover gas, or an amount equal to the then existing market price of the gas, supplied by the facility user, including that portion of Line Pack supplied by the facility user, and not delivered to a Delivery Point to or for the account of the facility user.

## 2.6. METERING AND RECORDS

An access agreement must provide that, where metering equipment and records are to be used under an access agreement in determining:

- (a) any amounts payable by the facility user; or
- (b) System Use Gas;

the access provider must allow the facility user, or cause the facility user to be allowed, to inspect and audit the metering equipment and records:

- (c) at least once each Year during the term of the access agreement; and
- (d) at least once within 12 Months after the termination of the access agreement.

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

## 2.7. MDQ

An access agreement must state, for each Year of the term of the agreement, an MDQ that is to apply to each Day of the Year.



## PART 3—TARIFF SETTING PRINCIPLES

### 3.1. PRINCIPLES INCLUDE PART 1—PRELIMINARY

Part 1 (Preliminary) of these Access Principles is part of the tariff setting principles set out in this Part.

### 3.2. SCHEDULE TO INDICATE MAXIMUM TARIFF

The Indicative Tariff Schedule for the Pipeline shall:

- (a) set out the Maximum Tariff or a methodology for determining the Maximum Tariff for access to the Pipeline;
- (b) subject to the requirements of the Indicative Tariff Schedule and the Maximum Tariff, provide that tariffs and charges under access agreements will be a matter for negotiation between the relevant parties to each access agreement; and
- (c) not oblige an access provider to enter into any access agreement with provision for tariffs and charges that are less than the Maximum Tariff.

### 3.3. SCHEDULE TO INCLUDE OTHER CONDITIONS

The Indicative Tariff Schedule for the Pipeline shall set out terms and conditions that relate to the operation of the Pipeline or financial matters concerning the Pipeline appropriate to, or to assist in the determination of, tariffs and charges under the Indicative Tariff Schedule.



## PART 4—INDICATIVE TARIFF SCHEDULE

### 4.1. SCHEDULE INCLUDES PART 1—PRELIMINARY

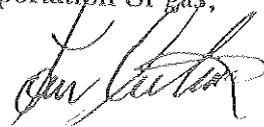
Part 1 (Preliminary) of these Access Principles is part of the Indicative Tariff Schedule set out in this Part.

### 4.2. MAXIMUM TARIFFS AND CHARGES

- (1) The Maximum Tariff and the charges provided for in this Indicative Tariff Schedule encompasses all the tariffs and charges which may be levied by an access provider on a facility user for access to the Pipeline.
- (2) The Maximum Tariff provided for in this Indicative Tariff Schedule is for and extends to all types of access to the Pipeline including, without limitation, for the following services—
  - (a) receipt of gas at the Receipt Points;
  - (b) transportation of gas to the Delivery Points, including use of compression facilities installed on the Pipeline;
  - (c) delivery of gas at the Delivery Points;
  - (d) provision of an Overrun Service;
  - (e) measurement of gas quantity and quality for the purposes of billing and the operational and safety requirements of the Pipeline;
  - (f) measurement and control of gas pressures for the purposes of metering, billing and the operational and safety requirements of the Pipeline;
  - (g) establishment and management of transportation accounts, preparation of invoices and collection of revenue for tariff purposes;
  - (h) operation and maintenance of the Pipeline;
  - (i) provision of business and customer support services required for the provision of the services listed above or required by this Indicative Tariff Schedule.
- (3) Subject to subclause (1) and the other provisions of this Schedule and to the limits of the Maximum Tariff, tariffs and charges under access agreements are a matter for negotiation between the relevant parties to each access agreement.
- (4) An access provider is not obliged to enter into any access agreement with provision for tariffs and charges that are less than the Maximum Tariff.

### 4.3. APPLICATION TO FORWARD HAUL SERVICE

- (1) Notwithstanding anything to the contrary contained in this Part 4, clauses 4.3 to 4.17 inclusive of this Part apply only to the provision of access in relation to the transportation of gas,



during each Day of the term of an access agreement, in the direction from Wallumbilla to Brisbane through the Pipeline that is not subject to curtailment or interruption by the access provider except as essential for the safety and maintenance of the Pipeline ("Forward Haul Service").

(2) An access agreement for the provision of Forward Haul Service by the access provider must include the provision of all of the services for which the tariff is nominated under clause 4.2(2) except to the extent that the provision of a service involves the use or operation of property other than of the facility owner or as the parties otherwise agree..

#### 4.4. TARIFFS AND CHARGES

(1) Subject to adjustment in accordance with the following clauses of this Part, the Maximum Tariff for each access agreement for the Pipeline consists of:

- (a) for each Month, a reservation charge equal to the Capacity Reservation Rate multiplied by the relevant facility user's MDQ multiplied by 30.4375;
- (b) a throughput charge equal to the Throughput Rate multiplied by the sum of the quantities of gas (in GJ) delivered to all Delivery Points for or on behalf of a facility user;
- (c) authorised overrun charges, unauthorised overrun charges, daily variance charges and Imbalance charges in accordance with Clauses 4.9 to 4.11;
- (d) a charge for new taxes, duties or charges imposed by any government or other regulatory authority in accordance with Clause 4.15;
- (e) costs of construction, operation and maintenance of additional Receipt Points or Delivery Points and for an increase in the existing Receipt Point MDQ or Delivery Point MDQ of existing Receipt points or Delivery Points in accordance with Clause 4.17(8).

(2) By mutual consent, an access provider and a facility user may agree to increases in the Capacity Reservation Rate or the Throughput Rate in return for reductions in the Throughput Rate or the Capacity Reservation Rate respectively, such that the total predicted charges under subclause (1)(a) and (b), using the proposed Capacity Reservation Rate and Throughput Rate, are not more than the total predicted charges using the Capacity Reservation Rate and Throughput Rate contained in subclause (1)(a) and (b) over the period of the access agreement when discounted to the first Year of the access agreement at the Commonwealth Bond 10 Year Indicator Rate plus 5%.

(3) The overrun, daily variance and imbalance charges referred to in this Indicative Tariff Schedule may only be included in the access agreement subject to the access provider providing the facility user with:

- (a) sufficient and timely information; and
- (b) adequate time to install control measures at the facility user's option;

which will allow the facility user to take practical measures to avoid incurring such charges.



(4) The Maximum Tariff includes terms and conditions that relate to the operation of the Pipeline or financial matters concerning the Pipeline appropriate to, or to assist in the determination of, tariffs and charges to which this Indicative Tariff Schedule applies.

#### 4.5. RECEIPT POINT AND DELIVERY POINT MDQ

(1) An access agreement shall establish Receipt Point MDQs and Delivery Point MDQs for the facility user.

(2) Although the sum of the facility user's Receipt Point MDQs or the sum of the facility user's Delivery Point MDQs may exceed the facility user's MDQ, subject to Clause 4.9, the sum of all deliveries at all of the facility user's Delivery Points must not exceed the facility user's MDQ.

(3) Subject to subclause (2) and Clause 4.9, each facility user may vary receipts and deliveries between different Receipt Points or Delivery Points up to the Receipt Point MDQ or Delivery Point MDQ.

#### 4.6. NOMINATIONS

(1) Each access agreement shall include a requirement that each facility user shall provide a Nomination prior to the commencement of the Month for which the Nomination is to apply and may provide that the Nomination may be adjusted during the Month at any time in advance of the Day for which the adjustment is proposed.

(2) However, an access agreement must not require a facility user to provide a Nomination earlier than 7 Days prior to the commencement of the Month for which it is to apply.

#### 4.7. GENERALLY RECEIPTS AND DELIVERIES TO BE WITHIN MDQ

Subject to Clause 4.9, an access provider shall not be obliged, during any Day:

(a) to receive at all Receipt Points a quantity of gas, excluding System Use Gas and gas supplied by a facility user pursuant to a provision of an access agreement in accordance Clause 4.12; or

(b) to deliver at all Delivery points a quantity of gas;

greater than the MDQ for that Day.

#### 4.8. OVERRUNS

A facility user cannot require a provision in an access agreement requiring the access provider to:

(a) provide an Overrun Service that is not an Overrun Service authorised in advance under clause 4.9(2); or

(b) authorise an Overrun Service which the access provider, under clause 4.9(1), is not obliged to provide.



#### 4.9. OVERRUN CHARGES

- (1) An access provider shall provide an Overrun Service and shall authorise if requested in advance, BUT is not obliged to authorise or provide an Overrun Service where:
- (a) providing the service would cause it to curtail service for another facility user that is transporting within its MDQ; or
  - (b) the access provider has authorised in advance an Overrun Service for quantities in excess of 5% of the facility user's MDQ for more than 12 Days in any 12 Month period, up to and including the current Month, or for more than 4 Days in the current Month.
- (2) For an Overrun Service authorised in advance by the access provider, the facility user shall pay an authorised overrun charge equal to the Overrun Quantity multiplied by the Authorised Overrun Rate.
- (3) For an Overrun Service not authorised in advance by the access provider, the facility user shall pay an unauthorised overrun charge equal to the Overrun Quantity multiplied by the Unauthorised Overrun Rate.
- (4) Delivery of gas into the Pipeline by a facility user prior to the submission of a Nomination by that facility user shall be treated as an Overrun Service.
- (5) To the extent that the access provider solely caused the overrun without the prior approval of the facility user, the access provider shall not charge the facility user an Authorised Overrun charge or an Unauthorised Overrun charge.

#### 4.10. DAILY VARIANCE CHARGE

- (1) A facility user will make reasonable efforts to ensure that receipts and deliveries of gas are in accordance with its Nomination.
- (2) Subject to subclauses (3), (4) and (5) of this Clause an access provider will change deliveries at specified Receipt Points and Delivery Points if requested by a facility user.
- (3) Where a facility user requests in advance an increase in the quantities of gas to be delivered from a Delivery Point, the facility user's access provider will increase the quantity of gas to be delivered from that Delivery Point for so long as:
- (a) it does not impact on the receipt or delivery of gas for or on behalf of all other facility users; and
  - (b) the Line Pack supplied by the facility user does not fall below that Line Pack which a facility owner reasonably determines is the minimum Line Pack required to be supplied by the facility user, during that Day, for the Pipeline.

For the purposes of this Clause, the increased quantity of gas so delivered then becomes the facility user's Nomination for the Delivery Point for that Day.



(4) Where a facility user requests in advance a decrease in the quantity of gas to be delivered from a Delivery Point, the facility user's access provider will decrease the quantity of gas to be delivered from that Delivery Point for so long as:

- (a) it does not impact on the receipt or delivery of gas for or on behalf of all other facility users; and
- (b) the Line Pack does not exceed that Line Pack which a facility owner reasonably determines is the maximum Line Pack, on that Day, for the Pipeline.

For the purposes of this Clause, the decreased quantity of gas so delivered then becomes the facility user's Nomination for the Delivery Point for that Day.

(5) If an access provider and the facility user agree in advance to change the quantity of gas to be received at a Receipt Point from the Nomination, then for the purposes of this Clause, the quantity of gas received at the Receipt Point then becomes the Nomination for the Receipt Point for that Day.

(6) A Daily Variance occurs when the quantity of gas:

- (a) delivered at any Delivery Point during a Day is different from the Nomination for that Delivery Point; or
- (b) received at any Receipt Point during a Day is different from the Nomination for that Receipt Point;

(excluding any portion of that variation that has been caused by the access provider) by more than 10% of the MDQ for the facility user at that Delivery Point or Receipt Point.

(7) The Daily Variance Quantity on any Day on which a Daily Variance occurs is the greater of:

- (a) the sum, for all Delivery Points of the facility user, of the absolute differences between the Nomination and the actual quantity of gas delivered to each Delivery Point for the Day; or
- (b) the sum, for all Receipt Points of the facility user, of the absolute differences between the Nomination and the actual quantity of gas received at each Receipt Point for the Day.

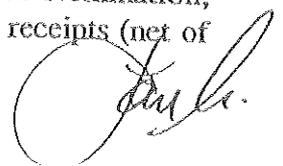
(8) For any Day in excess of:

- (a) 4 Days in the Month; or
- (b) 24 Days in the 12 Month period up to and including the Month;

in which a Daily Variance occurs, the access provider shall have the right to charge the facility user a Daily Variance Charge calculated by multiplying the Daily Variance Rate by the Daily Variance Quantity.

#### 4.11. IMBALANCE CHARGE

(1) Each facility user will be responsible to control and, if necessary, adjust the Nomination, receipts and deliveries of gas to maintain a balance between the facility user's receipts (net of

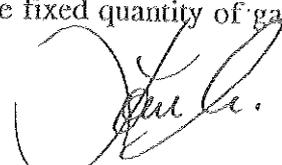


System Use Gas and gas supplied by a facility user pursuant to a provision of an access agreement in accordance Clause 4.12) and deliveries.

- (2) Each facility user shall coordinate with the access provider any adjustment to receipts and deliveries by a facility user.
- (3) Based on the best information available, a facility user and the access provider will cooperate in good faith to minimise any Imbalance and to eliminate any Imbalance that does occur as soon as possible, taking into consideration the reasonable time required by any entities delivering gas to, or receiving gas from, the access provider.
- (4) If an Imbalance exists at the end of a Month, then (subject to the obligation of the access provider and the facility user under subclause (3) to cooperate in good faith to minimise or eliminate any such Imbalance) the facility user will correct a continuing Imbalance during the subsequent Month by making adjustments in Nomination, receipts and/or deliveries.
- (5) If a facility user fails to take corrective action under subclause (4), the access provider may adjust the facility user's receipts and deliveries contained in the Nomination over that subsequent Month to correct that continuing Imbalance.
- (6) If an Imbalance still remains at the end of the subsequent Month, the access provider may:
  - (a) charge the facility user an Imbalance charge equal to the Imbalance Rate multiplied by the Imbalance existing at the end of that Month; and
  - (b) in the case of an Imbalance shortfall, require the facility user to correct any such Imbalance through an Imbalance charge based upon the then existing price of gas at the Receipt Point.
- (7) If an access provider acts pursuant to subclause (6)(b) in relation to an Imbalance, the gas for which payment is made is treated as gas supplied by the facility user at a Receipt Point.
- (8) The Access Provider will not be entitled to act under subclause (6) in respect of any Imbalance that has been corrected during a Month notwithstanding that a further Imbalance has subsequently arisen by the end of that Month.
- (9) Each access agreement shall provide, notwithstanding the other provisions of this clause, that the access provider and facility user acknowledge that despite the reasonable efforts minor Imbalance will occur as a result of the inability to precisely match Nomination and quantities received and delivered. An access provider shall not be entitled to make any charges pursuant to subclause (6) as a result of the minor Imbalance.

#### 4.12. LINE PACK

- (1) The facility owner shall provide a fixed quantity of gas to form part of the Line Pack.
- (2) An access agreement may contain a provision requiring the facility user to supply at the facility user's cost an additional proportion of the Line Pack not exceeding that quantity determined by multiplying the ratio of that facility user's MDQ to the total MDQ of all facility users at the time that it is required to be supplied by the difference between the Line Pack determined by the facility owner in accordance with subclause (2) and the fixed quantity of gas supplied by the owner in accordance with subclause (1).



(3) A facility owner shall from time to time determine as necessary the quantity of gas reasonably required for Line Pack.

(4) The facility owner shall then advise its facility users of the quantity of gas required to be supplied by them for Line Pack in accordance with any agreement under subclause (2).

(5) If the quantity of Line Pack supplied by a facility user at any time is less than 90% of its share of Line Pack determined in accordance with subclause (2) and as a consequence is likely to jeopardise the ability of the access provider to deliver the quantities of gas required under these access principles, the access provider may issue a notice advising the facility user accordingly.

Upon receipt of this notice the facility user will use all reasonable efforts to correct the quantity of Line Pack supplied by this facility user as soon as possible.

If within four hours of the access provider issuing this notice the facility user has failed to take action to correct the quantity of Line Pack supplied by this facility user and the access provider believes on reasonable grounds that its ability to deliver the quantities of gas required under these access principles will continue to be impaired, the access provider may, without incurring liability to the facility user, reduce the quantities of gas transported and delivered to or on behalf of the facility user to correct the quantity of Line Pack supplied by the facility user.

#### 4.13. TARIFF ESCALATION

The Capacity Reservation Rate, Throughput Rate, Authorised Overrun Rate, Unauthorised Overrun Rate, Daily Variance Rate and Imbalance Rate will be adjusted from 1 January, 1 April, 1 July and 1 October in each year in accordance with the following formula:

$$\text{Revised Rate} = \text{Rate} \times \left( 1 + 0.75 \times \frac{\text{CPI}_q - \text{CPI}_{q-1}}{\text{CPI}_{q-1}} \right)$$

where

**Rate** = The Capacity Reservation Rate, Throughput Rate, Authorised Overrun Rate, Unauthorised Overrun Rate, Daily Variance Rate and Imbalance Rate for the Quarter before the adjustment being made.

**Revised Rate** = The Capacity Reservation Rate, Throughput Rate, Authorised Overrun Rate, Unauthorised Overrun Rate, Daily Variance Rate and Imbalance Rate to be applied from the date of the adjustment.

$\text{CPI}_q$  = CPI for the Quarter immediately before the date of the adjustment.

$\text{CPI}_{q-1}$  = CPI for the Quarter immediately before the Quarter referred to in  $\text{CPI}_q$ .

#### 4.14. APPLICATION OF TARIFFS AND CHARGES

(1) The Maximum Tariff is based on System Use Gas being provided at the cost of the facility user.



(2) Additional charges may not be imposed on facility users where payments of tariffs and other charges legally imposed are made within 30 Days of the presentation of the invoices for such tariffs and charges.

#### 4.15. GOVERNMENT TAXES, DUTIES AND CHARGES

If, after 1 January 1996, a government or other regulatory authority increases the licence fee payable for the Pipeline licence or imposes or applies a new tax, duty or charge 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 the access provider to the facility users;

the access provider is entitled to recover from a facility user of the access provider an amount being a portion of the amount of that increase in licence fee or that tax, duty or charge in proportion to the facility user's MDQ on the day when the access provider sends an account to any facility user in respect of the amount divided by the total of all facility users' MDQ for that Day.

"Tax" does not include income tax or capital gains tax within the meaning of the *Income Tax Assessment Act 1936*.

#### 4.16. FORCE MAJEURE

(1) If as a result of Force Majeure:

- (a) the capacity of the Pipeline is constrained so that the access provider is unable to comply with the requirements of its access agreements with all or any number of facility users;
- (b) the access provider determines to allocate the available capacity in accordance with those access agreements; and
- (c) the capacity allocated to a facility user is less than its contracted quantities;

the access provider's failure to transport such contracted quantities shall be deemed to be caused by Force Majeure.

(2) A Force Majeure event affecting the performance of an access provider under an access agreement shall not constitute a breach of the obligations of the access provider, but the access provider shall use reasonable diligence to put itself in a position to carry out its obligations.

(3) A Force Majeure event shall not continue to relieve an access provider from its obligation after the expiration of a reasonable period of time within which, by the use of due diligence, the access provider could have remedied the situation preventing its performance.

(4) A Force Majeure event shall not relieve an access provider from any obligation unless the access provider gives notice in writing to the facility user with reasonable promptness, and gives a like notice on termination of such cause.



(5) The failure of an access provider to perform due to Force Majeure shall relieve a facility user from its obligation to make payments due, to the extent the access provider can not meet its obligations to the facility user, under Clause 4.4, for the duration of the event.

#### 4.17. GENERAL

(1) The facility owner and each access provider will carry out their respective obligations under the Act and these Access Principles and operate the Pipeline and transport gas in a workmanlike and commercially reasonable manner in accordance with reasonable operating and management practices.

(2) An access provider's obligation to transport gas shall consist of the receipt of gas at the Receipt Points for a facility user's account and the delivery of a thermally equivalent quantity of gas at the Delivery Points net of any System Use Gas and Line Pack adjustments consistent with these Access Principles.

(3) An access provider will be responsible for any gas lost from the Pipeline due to its negligence or wilful default.

(4) An access provider shall have the right to co-mingle the gas received from its facility user with gas transported for other facility users and to deliver different molecules.

(5) If on any Day, because of a reduction below  $40\text{MJ}/\text{m}^3$  in the average Gross Heating Value of the gas presented by a facility user at all Receipt Points, the facility owner is reasonably of the opinion that the aggregate quantities of gas to be delivered on behalf of all facility users may exceed the capacity of the Pipeline:

(a) the obligation of the facility owner to deliver gas for or on behalf of the facility user for that Day is adjusted by using the following formula:

$$\text{Facility owner's obligation} = \text{MDQ} * [1 + 0.020 * (\text{AHV} - 40)]$$

(b) the throughput rate for the facility user is adjusted for that Day by using the following formula:

$$\text{Adjusted throughput rate} = \text{Throughput rate} * [1 + 0.020 * (40 - \text{AHV})].$$

In paragraphs (a) and (b):

AHV = the average Gross Heating Value of gas in  $\text{MJ}/\text{m}^3$  received on the Day this formula is applied.

(6) An access provider may include in an access agreement:

(a) fair and reasonable provisions that require a facility user to:

(i) pay all amounts owed under the access agreement to continue to receive service; and

(ii) demonstrate its ability to meet all financial obligations under the access agreement; and



- (b) a provision that the gas delivered by a facility user to the access provider at the Receipt Point(s) shall comply with the specifications set out in subclause (8) as may be varied from time to time by:
- (i) agreement between the Minister and the facility owner; or
  - (ii) a determination by the Minister in accordance with a national agreement on gas quality for transmission by pipeline.

However, an access provider shall not include any additional limitations on the quality specification of gas to be received at a Receipt Point unless the Minister otherwise approves.

- (7) The specifications referred to in subclause (6)(b) are that the gas:
- (a) shall contain not more than 0.2 per cent by volume of oxygen;
  - (b) shall contain not more than 50 milligrams per cubic metre of total sulphur;
  - (c) shall contain not more than 7 milligrams per cubic metre of hydrogen sulphide;
  - (d) shall contain not more than 15 milligrams per cubic metre of mercaptans;
  - (e) shall have a hydrocarbon dew point not more than 10 degrees Celsius between the pressures of 1000 kPa(g) and 10,000 kPa(g);
  - (f) shall contain not more than 65 milligrams per cubic metre of water vapour;
  - (g) shall contain not more than 3 per cent by volume of carbon dioxide;
  - (h) shall contain not more than 6 per cent by volume of inert gases;
  - (i) if it contains more than 4.0 per cent by volume of inerts, then the gas shall have a Gross Heating Value of not less than 37.9 MJ per cubic metre of gas and not more than 42.3 MJ per cubic metre of gas on a dry basis and if the gas contains less than or equal to 4.0 per cent by volume of inerts, then the gas shall have a Gross Heating Value of not less than 35 MJ per cubic metre of gas and not more than 43 MJ per cubic metre of gas;
  - (j) shall have a Wobbe Index not less than 47 and not more than 52;
  - (k) shall be reasonably free from dust, gums, gum forming constituents or other liquid or solid matter which might cause injury to, or interference with, proper operation of pipeline regulators, meters or other appliances through which it flows or which may interfere with the commercial utilisation of the gas; and
  - (l) shall have a temperature of not less than 0 degrees Celsius and not more than 50 degrees Celsius.

(8) An access provider is entitled to recover from a facility user or group of facility users (in the proportion agreed) the costs of—



- (a) constructing capital improvements for additional Receipt Points or Delivery Points or constructing capital improvements for increases in the Receipt Point MDQ or Delivery Point MDQ of existing Receipt Points or Delivery Points for the Pipeline specifically required to deliver gas to or receive gas from that facility user or group of facility users, including the construction of Receipt Points, Delivery Points, regulation, metering and quality monitoring facilities; and
- (b) operating and maintaining the capital improvements referred to in paragraph (a).

Provided that no charges for capital improvements and operating and maintenance costs may be recovered under (a) and (b) above where the improvements are for an increase in the capacity of the Pipeline.

(9) If the facility owner proposes to carry out any planned work which may affect the facility owner's ability to make available for delivery quantities of gas nominated in accordance with Clause 4.6, the facility owner shall give the facility user not less than one Month's notice of the details of the planned work, and after consultation with the facility user, use all reasonable endeavours to carry out that work -

- (a) so as to avoid or minimise so far as is reasonably practicable, any curtailment of transportation service to the facility user;
- (b) during a period which the facility owner and the facility user agree is forecast to have low aggregate demand for gas; and
- (c) as quickly as possible and with as little disruption to the delivery of gas as is reasonably practicable.

(10) When necessary to protect the operational integrity and safe operation of the Pipeline, or to comply with any applicable laws and regulations, the facility owner shall, after giving as much notice to the facility users as is reasonably practicable, be permitted to curtail deliveries of gas without incurring liability to the facility user to the extent necessary to carry out the required repairs and maintenance (other than planned repairs and maintenance as contemplated under subclause (9)).

#### 4.18: NEW TRANSPORTATION SERVICES

(1) A proposed facility user and the facility owner may negotiate an access agreement for a gas transportation service using the Pipeline other than that referred to in Clause 4.3 ("New Service"). New Services may only be provided where New Service Conditions have been approved or decided by the Minister.

(2) The facility owner must give the Minister, within 3 months of the facility owner first commencing negotiations with a proposed facility user for a New Service, details of the New Service which will be provided by the facility owner to facility users and the tariff structure which may be charged by the facility owner for the New Service ("New Service Conditions") which the facility owner proposes that the Minister should approve.

(3) The Minister may approve or refuse to approve the New Service Conditions proposed by the facility owner.



- (4) If, within 3 Months after the Minister has received the New Service Conditions proposed by the facility owner the Minister has not approved those proposed New Service Conditions, then the Minister must establish a Petroleum Advisory Board under Section 8 of the Act.
- (5) Any Petroleum Advisory Board established by the Minister under Subclause (4) shall be made up of 3 individuals who are appointed by the Minister in consultation with the facility owner and the proposed facility user referred to in Subclause (2). The costs of the Petroleum Advisory Board shall be borne equally by the facility owner and the proposed facility user.
- (6) The Petroleum Advisory Board shall advise the Minister as to whether it considers there to be a demand for the New Service and, if so, what it considers to be the most appropriate New Service Conditions.
- (7) The Petroleum Advisory Board, when considering what to advise the Minister under Subclause (6) in relation to the most appropriate New Service Conditions, and the Minister when approving or deciding the New Service Conditions, must consider the matters set out in Section 112 (2) of the Act PROVIDED THAT New Service Conditions shall not in substance or effect review the existing access principles for the Pipeline.
- (8) The Petroleum Advisory Board shall convey the results of its considerations to the Minister, the facility owner and the proposed facility user referred to in Subclause (2)
- (9) Before deciding the New Service Conditions, if any, the Minister must consider the advice of the Petroleum Advisory Board given under Subclause (6) but shall not in any case be bound to follow such advice.
- (10) The Minister must notify the New Service Conditions approved or decided by the Minister as aforesaid by Gazette Notice whereupon such New Service Conditions will be deemed to be included in and to form part of this Indicative Tariff Schedule.

#### **4.19. PUBLICATION OF COMPILED SCHEDULE**

The Minister may at any time and from time to time publish this Indicative Tariff Schedule, as amended pursuant to the terms thereof, by Gazette notice.

