

Access arrangement

JGN's NSW gas distribution networks

1 July 2010 – 30 June 2015

Amended by order of the Australian Competition
Tribunal, 30 June 2011

Further amended with regard to mine subsidence
expenditure, 26 September 2011

June 2010

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JEMENA GAS NETWORKS (NSW) LTD

ACCESS ARRANGEMENT

1. Introduction

1.1 Jemena Gas Networks (NSW) Ltd (the Service Provider)

Jemena Gas Networks (NSW) Ltd was formerly known as AGL Gas Networks Limited. A brief history is set out below:

25 October 2006	AGL Gas Networks Limited was sold to Alinta Limited.
1 September 2007	Ownership changed again when Alinta Limited was separated into new businesses following acquisition by a consortium comprising Singapore Power International, Babcock & Brown Infrastructure and Babcock & Brown Power.
August 2008	Jemena Gas Networks (NSW) Ltd was announced as the new name of the former Alinta Limited assets and businesses acquired by Singapore Power International. Consequently the assets formerly owned by AGL Gas Networks Limited are now owned by the Service Provider.

1.2 Access Arrangement

This Access Arrangement revises the Service Provider's Transitioned Access Arrangement in accordance with the National Gas Law and the National Gas Rules.

1.3 The Network

- (a) The Network consists of approximately 24,000 kilometres of natural gas distribution systems in NSW with over 1,040,000 customer connections to these systems. A description of the Network is contained below and can also be found at <http://www.jemena.com.au>.
- (b) The Network is made up of four Covered Pipelines:
 - (i) AGL NSW Distribution System;
 - (ii) AGL Central West Distribution System;
 - (iii) Wilton-Newcastle trunk pipeline (the '**northern trunk**'); and

- (iv) Wilton-Wollongong trunk pipeline (the '**southern trunk**').
- (c) The NSW Distribution System provides gas to consumers across Sydney, Newcastle, and Wollongong and services over 20 country centres including those within the Central Tablelands, Central West, Southern Tablelands and Riverina areas. The Central West Network consists of the pipelines within the Central West Distribution System. The Service Provider is the authorised reticulator for the NSW Distribution System and the Central West Distribution System in accordance with the *Gas Supply Act 1996* (NSW).
- (d) The northern and southern trunks are part of the distribution system in the Newcastle, Sydney, Central Coast and Wollongong area. These are classified as Distribution pipelines following a decision of the National Competition Council on 29 June 2009 to grant the Service Provider's application under the National Gas Law to reclassify the trunk pipelines as distribution pipelines.
- (e) The northern trunk consists of four pipeline sections each of which are licensed under the Pipelines Act 1967 (NSW) (Pipelines Act) between Wilton and Newcastle:
- Wilton to Horsley Park Natural Gas Pipeline (Pipeline Licence No. 1)
 - Horsley Park to Plumpton Natural Gas Pipeline (Pipeline Licence No. 3)
 - Plumpton to Killingworth Natural Gas Pipeline (Pipeline Licence No. 7)
 - Killingworth to Walsh Point Natural Gas Pipeline (Pipeline Licence No. 8)
- (f) The southern trunk consists of one licensed pipeline section between Wilton and Wollongong:
- Wilton to Wollongong Natural Gas Pipeline (Pipeline Licence No. 2)
- (g) Natural Gas is delivered into the Network from the Moomba-Sydney Pipeline and its laterals (owned by the APA Group), from the Jemena-owned Eastern Gas Pipeline (EGP) and from coal seam methane supplied by the Sydney Gas Company at various receipt points on the Network. A list of these receipt points is set out at Schedule 7 as updated by the Service Provider from time to time by notice to Users.
- (h) Schedule 9 provides maps of the Network as well as the area it serves.

1.4 Structure of this Access Arrangement

This Access Arrangement is set out as follows:

Section 1: Introduction	Sets out an overview of this Access Arrangement including its structure, commencement date, review submission date and revision commencement date.
Section 2: Services Policy	Names and describes the Reference Services and Non-Reference Services provided on the Network.
Section 3: Reference Tariffs and Reference Tariff variation mechanism	Describes the principles, procedures and formulae that will apply in relation to Reference Tariffs.
Section 4: Speculative Capital Expenditure & Investment Policy	Describes how non-conforming capital expenditure will be dealt with.
Section 5: Capital Redundancy Policy	Describes the way in which the Capital Base may be reduced by the AER.
Section 6: Queuing Policy	Describes the order in which capacity will be allocated to Prospective Users where there is insufficient capacity on a transportation route to satisfy all Requests for Service on that route.
Section 7: Extensions and Expansions Policy	Describes the manner in which extensions or expansions to the Network will be dealt with under this Access Arrangement.
Section 8: Capacity Trading	Allows for capacity trading in certain circumstances.
Section 9: Changing Receipt and Delivery Points	Allows for changing receipt and delivery points in certain circumstances.
Section 10: Fixed Principles	Describes the fixed principles under this Access Arrangement.
Section 11: Acceleration of review submission date triggers	Sets out the circumstances in which the review submission date will advance.
Schedule 1	Definitions and Interpretations

Schedule 2	Initial Reference Tariff Schedule
Schedule 3	Reference Service Agreement
Schedule 4	Interconnection of Embedded Network Service
Schedule 5	Request for Service
Schedule 5A	Request for Service Form
Schedule 6	Operational Schedules
Schedule 7	Receipt Point Pressures
Schedule 8	UAG Costs
Schedule 9	Maps of the Network

Supporting information is provided in the Access Arrangement Information that has been submitted as a separate document.

1.5 Commencement of this Access Arrangement

This Access Arrangement will commence on the latter of 1 July 2010 and the date on which the AER's approval of this Access Arrangement takes effect under the National Gas Rules.

1.6 Review Submission Date

Subject to Section 11 (Acceleration of review submission date triggers), the Service Provider will submit revisions to this Access Arrangement on or before 30 June 2014.

1.7 Revision Commencement Date

The revisions to this Access Arrangement will commence on the latter of 1 July 2015 and the date on which the AER's approval of the revisions to this Access Arrangement takes effect under the National Gas Rules.

2. Services policy

2.1 The Services

- (a) The Service Provider provides the following Services on the Network:
 - (i) Reference Services; and
 - (ii) Non-Reference Services.
- (b) A User or Prospective User who seeks to obtain a Reference Service or a Non-Reference Service must comply with the Request for Service procedures set out in Schedule 5 regardless of whether the User or Prospective User seeks to obtain a Service for the first time or a change to an existing Service to a Delivery Point.
- (c) Any offer to provide a Service made by the Service Provider in response to a Request is subject to the Queuing Policy.
- (d) All Users of a Service are required to enter into a Service Agreement specific to that User and that Service before receiving the Service and must agree to be bound by the provisions of the Operational Schedules.

2.2 Reference Services

The Service Provider offers the following Reference Services on the Network to Users and Prospective Users:

- (a) the Haulage Reference Service, which is described in Section A below; and
- (b) the Meter Data Service, which is described in Section B below.

A. Haulage Reference Service

- (a) The Haulage Reference Service is a service for the transportation of gas by the Service Provider through the Network to a single eligible Delivery Point for the use of a single Customer.
- (b) A Delivery Point is eligible for the Haulage Reference Service if it is for the use of a single Customer and:
 - (i) it is a Delivery Point existing on the Network to which a service designated as a reference service in the Transitioned Access Arrangement is provided at the date this Access Arrangement takes effect; or

- (ii) it is a new Delivery Point served from existing facilities where the maximum allowable operating pressure is less than or equal to 500 kPa and the Service Provider reasonably expects that the Delivery Point will qualify for a Volume Tariff; or
 - (iii) it is a new Delivery Point served from existing facilities where the maximum allowable operating pressure is less than or equal to 1,050 kPa and the Service Provider reasonably expects that the Delivery Point will qualify for a Demand Tariff.
- (c) The Haulage Reference Service is only available where the Haulage Reference Service is taken in conjunction with the Meter Data Service (where the Service Provider provides the Meter Data Service as a Reference Service).
- (d) The Initial Reference Tariffs for the Haulage Reference Service are contained in Schedule 2.
- (e) Users of the Haulage Reference Service may make a request to the Service Provider for: a request for service; temporary disconnection; permanent disconnection; and decommissioning and meter removal. The initial fees associated with these requests are contained in Schedule 2 (Ancillary Reference Service: fees for Haulage Reference Service).

B. Meter Data Service

- (a) The Meter Data Service is a service for the provision of meter reading and on-site data and communication equipment to a Delivery Point in accordance with the Reference Service Agreement contained in Schedule 3.
- (b) The Service Provider will read the meter at a Delivery Point in respect of which the User has entered into a Reference Service Agreement.
- (c) The Service Provider will provide on-site data and communication equipment where economically feasible, at a Delivery Point:
 - (i) where a Demand Tariff has been assigned by the Service Provider; and
 - (ii) in respect of which the User has entered into a Reference Service Agreement.
- (d) The Meter Data Service, or relevant elements thereof, will cease to be offered as a Reference Service, and at the Service Provider's discretion, as a Service, on the date provisions by a relevant regulatory authority come into force that permit a person other than the Service Provider to provide meter reading or on-site data and communication services.

- (e) There are two categories of Charges under a Meter Data Service, namely the Meter Reading Charge and the Provision of On Site Data and Communications Equipment Charge. The Initial Reference Tariffs for the Meter Data Service are set out in Schedule 2.
- (f) Users of the Meter Data Service may make a request to the Service Provider for a special meter read. The initial fee associated with this request is contained in Schedule 2 (Ancillary Reference Service: fees for Meter Data Service).

C. Terms and Conditions

- (a) The terms and conditions upon which the Service Provider will supply each Reference Service are set out in the Reference Service Agreement in Schedule 3.
- (b) The Service Provider may seek the AER's approval to amend the terms of the Reference Service Agreement during the Access Arrangement Period in accordance with Division 10 of Part 8 of the National Gas Rules.

2.3 Non-Reference Services

The Service Provider offers the following Non-Reference Services on the Network to Users and Prospective Users:

- (a) the Interconnection of Embedded Network Service, which is described in Section D; and
- (b) Negotiated Services, which are described in Section E.

D. Interconnection of Embedded Network Service

The Interconnection of Embedded Network Service is a service provided by the Service Provider to an Embedded Network Operator for the establishment of a single Delivery Point on an Embedded Network connected to the Network, on the terms and conditions specified by the Service Provider upon application for this service ordinarily including those contained in Schedule 4.

E. Negotiated Services

- (a) Where a Prospective User has specific needs which differ from those which would be satisfied by a Reference Service or the Interconnection of Embedded Network Service, the Prospective User may seek to negotiate different terms and conditions as a Negotiated Service and enter into a Negotiated Service Agreement with the Service Provider.
- (b) Should a dispute arise between the Service Provider and a Prospective User about the provision of a Negotiated Service it will be resolved in accordance

with the dispute resolution procedures in the National Gas Law and the National Gas Rules, unless the parties agree otherwise in the Negotiated Service Agreement.

3. Reference Tariffs and Reference Tariff variation mechanism

3.1 Background

- (a) The Service Provider determines its Reference Tariffs based on a building block revenue requirement established in accordance with the National Gas Rules. This approach calculates required revenues for each year of the Access Arrangement Period to recover a return on the Service Provider's regulated asset base, the depreciation of this asset base and operating costs of running and maintaining the Network.
- (b) Depreciation for establishing the opening Capital Base for the current Access Arrangement Period is based on forecast regulatory depreciation.
- (c) Depreciation for establishing the opening Capital Base for the Access Arrangement Period after the one to which the Access Arrangement currently relates will be based on forecast regulatory depreciation.
- (d) The Service Provider has applied a CPI-X price path approach to smooth its revenues by aligning the Net Present Value (NPV) of its Access Arrangement Period revenue requirement less revenues associated with the Service Provider's Negotiated Services with the NPV of the forecast revenue from the Haulage Reference Tariff and the Meter Data Service Reference Tariff. The Service Provider will adopt a tariff basket form of price control to implement annual tariff variations in accordance with the CPI-X price path.
- (e) The Service Provider has applied a tariff rebalancing constraint that limits the permitted annual real movement in revenues from a given Haulage Reference Tariff to no more than 10 per cent.
- (f) The Service Provider has designed its Reference Tariffs so that the Reference Tariffs recover the efficient cost of providing Reference Services. The revenues associated with each Reference Tariff are set between the Service Provider's stand-alone and avoidable costs of providing the Reference Services in order to reflect efficient pricing principles.

3.2 Introduction

- (a) This Section sets out the principles, procedures and formulae that the Service Provider will use during the Access Arrangement Period to formulate and apply the Reference Tariffs at which it will provide Reference Services to Users and Prospective Users.

- (b) This Section contains the principles and procedures that apply to how and when the Service Provider may vary Reference Tariffs.
- (c) The Initial Reference Tariffs for Reference Services and the Initial Tariff Classes are set out in Schedule 2 and will apply until amended in accordance with this Section.
- (d) The Service Provider may vary an existing Reference Tariff for application to Users at any time during the Access Arrangement Period, in accordance with this Section and the approval of the AER.
- (e) Where the Service Provider makes a change to a Reference Tariff at any time in accordance with this Section, the Service Provider will publish a revised Reference Tariff Schedule on the Service Provider's website which will take effect from the date specified in that revised Reference Tariff Schedule.

3.3 Reference Tariff Classes

- (a) The Service Provider will assign each Delivery Point that receives a Haulage Reference Service with a Tariff Class in accordance with the tariff assignment criteria set out in the Reference Tariff Schedule.
- (b) The assigned Tariff Class will determine which Reference Tariffs are payable by a User or Prospective User for receipt of a particular Reference Service at a specific Delivery Point in accordance with the Reference Tariff Schedule.
- (c) Where a Delivery Point is eligible for more than one Tariff Class in accordance with the tariff assignment criteria set out in the Reference Tariff Schedule, the User or Prospective User may nominate in its Request for Service the Tariff Class to which it wants its Delivery Point assigned. The Service Provider may refuse such a nomination by a User or Prospective User if it does not consider the Delivery Point to be eligible for the Tariff Class nominated.
- (d) The Service Provider may re-assign a Delivery Point to one or more different Tariff Classes in accordance with the Reference Tariff Schedule at any time where:
 - (i) the Delivery Point has been wrongly assigned to a Tariff Class;
 - (ii) the Delivery Point no longer qualifies for the assigned Tariff Class.
- (e) Where there is no change in the Customer for a Delivery Point, re-assignment of a Tariff Class for a Delivery Point can only be requested once per Year. However, a User may request re-assignment of a Tariff Class for the Delivery Point at any time if it can demonstrate to the Service Provider's reasonable satisfaction that there has been a change in the Customer occupying the premises served by the Delivery Point (other than to a related body corporate of

the previous Customer), in which case re-assignment may be requested based on a change in customer characteristics.

3.4 Approval by the AER

- (a) The Service Provider will follow the procedure set out below in varying an existing Reference Tariff during the Access Arrangement Period.
- (b) **Submission to the AER**
 - (i) *Annual Variation of Reference Tariffs:* Where the Service Provider proposes to vary the Haulage Reference Tariffs to apply from the start of the next Financial Year, it will submit a Variation Notice to the AER on or before the 15th of April or the next closest Business Day prior to the commencement of the next Financial Year.
 - (ii) *Variation of a Reference Tariff within a Financial Year:* Where the Service Provider proposes to vary one or more Haulage Reference Tariffs within a Financial Year it will submit a Variation Notice to the AER at least 50 Business Days prior to the date upon which it intends to vary the amount of the Haulage Reference Tariff.
 - (iii) Any proposed change to Haulage Reference Tariffs submitted by the Service Provider under this Access Arrangement must comply with the Annual Tariff Variation Mechanism.
 - (iv) In applying the Annual Tariff Variation Mechanism the Service Provider will adopt the following rounding conventions:
 - A. all proposed tariff components will be rounded before being applied in a tariff variation formula;
 - B. the number of decimal places used for rounding a component will be consistent with that used for the relevant Reference Tariff component.
- (c) **Variation Notices**

A Variation Notice will include a proposed revised Reference Tariff Schedule and will demonstrate how the proposal complies with the Annual Tariff Variation Mechanism including:

 - (i) the effective date of the variation;
 - (ii) an explanation as to how the proposal complies with the Annual Tariff Variation Mechanism supported by workings demonstrating how the proposed tariffs comply with the Annual Tariff Variation Mechanism using the existing tariffs as a reference; and

- (iii) a statement to support the Gas Quantity inputs in the tariff variation formula. The statement must be provided by an officer of the Service Provider and the Quantity input must reflect the most recent actual financial year Quantity available at the time of the tariff variation assessment.

(d) **Annual tariff variation assessment by the AER**

- (i) Within 30 Business Days of receiving the Service Provider's Variation Notice, the AER will inform the Service Provider in writing of whether or not it has verified the proposed Haulage Reference Tariffs and/or Haulage Reference Tariff Components in the Service Provider's Variation Notice as compliant with the Annual Tariff Variation Mechanism.

The 30 Business Day period may be extended for the time taken by the AER to obtain information from the Service Provider, obtain expert advice or consult about the notification. However, there is an absolute time limit of 90 Business Days for the AER to complete the assessment of a Cost Pass-Through Event Application.

- (ii) If the AER fails to provide the Service Provider with written notification of its decision within 30 Business Days (or as that period has been extended in accordance with paragraph (i)) of receiving the Service Provider's Variation Notice, the AER will be deemed to have approved the variation proposed in the Variation Notice.
- (iii) If the AER informs the Service Provider in writing that it has approved the proposal, or the AER is deemed to have approved the proposal, the variation will apply from the commencement date specified in the Variation Notice and the Reference Tariff Schedule published on the Service Provider's website will be amended accordingly.
- (iv) If the AER declines to accept any part of the proposal in the Variation Notice the AER must provide the Service Provider with a written statement of reasons for that decision at the time it informs the Service Provider of its decision.
- (v) In relation to a Variation Notice relating to Haulage Reference Tariffs, in the event that the AER decides that any part of the proposal in the Variation Notice is not compliant for a new Financial Year t , then the AER will determine the Reference Tariffs that are compliant with the approved tariff variation mechanism. In this situation the AER will scale all Reference Tariffs by $(1+CPI)(1-X)$.
- (vi) Where a clerical mistake, an accidental slip or omission, or a miscalculation, has been identified in the application of the Annual Tariff Variation Mechanism that applied in Financial Year $t - 1$, that

mistake, slip, omission or miscalculation may be corrected for the purposes of determining the value of Reference Tariff x in the Annual Tariff Variation Mechanism in Financial Year t .

For the avoidance of doubt:

- A. to the extent the calculation of a Haulage Reference Tariff or Haulage Reference Tariff Component is based on a forecast or estimate, the fact that the actual amount of the parameter being forecast or estimated was different to the forecast or estimated amount does not constitute a mistake, slip, omission or miscalculation;
- B. to the extent the Service Provider may have over or under recovered revenue as a consequence of a mistake, slip, omission or miscalculation being made in relation to a tariff that has been approved by the AER, no adjustment is made to the Haulage Reference Tariffs or Haulage Reference Tariff Components to reflect any over or under recovery amount; and
- C. the Service Provider may submit as part of the annual tariff variation process a correction for past clerical mistakes, accidental slips or omissions. The AER may also make the Service Provider aware that a past clerical mistake, accidental slips or omissions has occurred and require all future tariff variation notification to take account of that past clerical mistake, accidental slip or omissions. The Service Provider is allowed to consult with the AER on past clerical mistakes, accidental slips or omissions.

(e) **Cost Pass-Through Event: Notification by the Service Provider**

- (i) The Service Provider must advise the AER if the Service Provider becomes aware that a Cost Pass-Through Event has occurred (other than Tax Event, Licence Fee Adjustment Event and UAG Adjustments Event), which has met, or is likely to meet, the administrative threshold (as defined in clause 3.4(f)(iv)).

The Service Provider must advise the AER of such a Cost Pass-Through Event within 90 Business Days of becoming aware of the event. This clause 3.4(e)(i) is not an application to vary the Reference Tariffs.

- (ii) The notification to the AER that a Cost Pass-Through Event has occurred is to take the form of a written statement which specifies:
 - A. the details of the Cost Pass-Through Event; and

B. the date on which the Cost Pass-Through Event occurred.

(f) **Cost Pass-Through Event: Cost Pass Through Event Application and assessment by the AER**

(i) The Service Provider must make an application to pass through the increase or decrease in cost arising from a Cost Pass-Through Event:

A. in relation to a Change in Tax Event, UAG Adjustment Event and License Fee Adjustment Event, at the time the Service Provider submits any annual Variation Notice pursuant to 3.4(b)(i);

B. in relation to all other Cost Pass-Through Events (that is, Cost Pass-Through Events other than a Change in Tax Event, UAG Adjustment Event and Licence Fee Adjustment Event), either together with any annual Variation Notice pursuant to 3.4(b)(i) or at any other time within a Financial Year pursuant to clause 3.4(b)(ii),

(Cost Pass-Through Event Application).

(ii) The Cost Pass-Through Event Application is to take the form of a written statement which specifies:

A. the details of the Cost Pass-Through Event;

B. the date on which the Cost Pass-Through Event occurred;

C. the amount the Service Provider proposes to pass-through in relation to the Cost Pass-Through Event;

D. evidence:

(i) of the actual and likely increase or decrease in costs arising from the Cost Pass-Through Event;

(ii) that such costs occur solely as a consequence of the Cost Pass-Through Event; and

E. such other information as may be required under any relevant regulatory information notice.

- (iii) In making a decision as to how much of the Cost Pass-Through Event should be passed through, the AER must take into account:
- A. the matters and proposals set out in any statement given to the AER by the Service Provider under paragraph (iii);
 - B. the change in the costs in the delivery of Pipeline Services arising as a consequence of the Cost Pass-Through Event;
 - C. the efficiency of the Service Provider's decisions and actions in relation to the risk of the Cost Pass - Through Event, including whether the provider has failed to take any action that could reasonably be taken in respect of that event and whether the Service Provider has taken or omitted to take any action where such action or omission has increased the magnitude of the amount in respect of the event;
 - D. the time cost of money based on the WACC for the Service Provider;
 - E. the need to ensure that the Service Provider only recovers any actual or likely increment in costs to the extent that such increment is solely as a consequence of a Cost Pass-Through Event;
 - F. whether the costs of the Cost Pass-Through Event have already been factored into the calculation of the Service Provider's annual revenue requirement; and
 - G. any other factors the AER considers relevant and consistent with the National Gas Law and National Gas Rules.
- (iv) Subject to the AER's approval, Haulage Reference Tariffs will be adjusted to pass through the costs of one or more of the Cost Pass-Through Events, subject to each individual pass through event meeting the administrative threshold. The administrative threshold is defined below:
- A. for all Cost Pass-Through Events (with the exception of the Change in Tax Event, UAG Adjustment Event and Licence Fee Adjustment Event, unless clause 3.4(f)(iv)B requires otherwise) – at least 1 per cent of the smoothed revenue requirement specified in the final decision in the years of the access arrangement period that the costs are incurred.

B. for Change in Tax Event, UAG Adjustment Event and Licence Fee Adjustment Event sufficient to change the smallest increment in the Reference Tariffs as per the rounding convention. The costs incurred by the Service Provider for the Change in Tax Event, UAG Adjustment Event and Licence Fee Adjustment Event must be supported by verifiable information (including invoices or independently verified information). If the Change in Tax Event, UAG Adjustment Event and Licence Fee Adjustment Event are not supported by verifiable information the higher administrative threshold (outlined in paragraph (i) above) applies to those events. The financial impacts for the Change in Tax Event may be supported by documentation from an auditor or accountant to verify the estimates.

(v) Only incurred costs for a Change in Tax Event, UAG Adjustment Event and Licence Fee Adjustment Event can be subject to the lower materiality threshold defined in clause 3.4(f)(iv)B. Non incurred costs, including expected or forecast costs, are subject to the higher administrative threshold defined in clause 3.4(f)(iv)A.

(vi) Subject to the AER's approval, Haulage Reference Tariffs for the 1 July 2010 to 30 June 2015 access arrangement period will only be adjusted for Cost Pass-Through Event costs that have been incurred in that access arrangement period.

(g) **Default Haulage Reference Tariffs for the new Financial Year t**

If the Service Provider does not submit the proposed Haulage Reference Tariffs to apply from the start of the next Financial Year t in accordance with the procedures set out above in paragraph (b) then the AER will determine the reference tariffs that are compliant with the approved tariff variation mechanism. In this situation the AER will scale all reference tariff by $(1+CPI)(1-X)$.

3.5 Reference Tariff Variation Methods

- (a) The Service Provider may vary the Haulage Reference Tariffs in accordance with the Annual Tariff Variation Mechanism and tariff variation notification and AER approval procedures set out in this Section. Variations may result in both increases and decreases in Reference Tariffs.
- (b) The Service Provider may vary its Haulage Reference Tariffs for any year during the Access Arrangement Period with effect from 1 July of that year or any other date approved by the AER.

- (c) Subject to the AER's approval, the Service Provider will adjust the Meter Data Service Reference Tariff for CPI annually. For Meter Data Services, the approval by the AER process set out in clause 3.4 applies.

A. Annual Tariff Variation Mechanism

The Service Provider will implement its CPI-X price path for the Financial Years commencing on or after 1 July 2011 using the Annual Tariff Variation Mechanism as specified as the following formulae:

$$(1 + CPI_t)(1 - X_t) \geq \frac{\sum_{x=1}^n \sum_{y=1}^m p_t^{xy} q_{t-2}^{xy}}{\sum_{x=1}^n \sum_{y=1}^m p_{t-1}^{xy} q_{t-2}^{xy}}$$

Subject to the side-constraint that, for each Reference Tariff:

$$(1 + CPI_t)(1 - X_t) + 0.1 \geq \frac{\sum_{y=1}^m p_t^{xy} q_{t-2}^{xy}}{\sum_{y=1}^m p_{t-1}^{xy} q_{t-2}^{xy}}$$

where the Service Provider has n Reference Tariffs, which each have up to m tariff components, and where:

t is the Financial Year for which the tariffs are being set;

p_t^{xy} is the proposed tariff for component y of Reference Tariff x in Financial Year t , i.e. the new tariff to apply in Financial Year t ;

p_{t-1}^{xy} is the tariff for component y of Reference Tariff x that is being charged at the time the notification is submitted to the AER for assessment. It is the tariff that applies in Financial Year $t-1$, i.e. the tariff that applies before the new tariffs come into effect;

q_{t-2}^{xy} is the actual quantity of component y of Reference Tariff x that was sold in Financial Year $t-2$

for the Financial Year $t-2$ which is the Financial Year ending 30 June 2010, it is the actual quantity of component y of Reference Tariff x forecast by the Service Provider for Financial Year ending 30 June 2011 for the purpose of determining the values of X_t as submitted to the AER;

CPI_t is defined as defined in Section B;

X_t is defined as by the alignment of the Service Provider's building block revenue requirement with the NPV of its forecast revenues and is determined to be:

-1.96% in 2011/12;

~~-8.39%~~ ~~-8.33%~~ ~~-1.96%~~ in 2012/13;

~~-8.39%~~ ~~-8.33%~~ ~~-1.96%~~ in 2013/14; and

~~-8.39%~~ ~~-8.33%~~ ~~-1.96%~~ in 2014/15.

B. Calculation of CPI adjustment

For the purpose of the Annual Tariff Variation Mechanism, CPI for a particular Financial Year means:

- (a) for Financial Years beginning after 30 June 2010:
 - (i) the Consumer Price Index: All Groups Index for the Eight State Capitals as published by the Australian Bureau of Statistics for the December Quarter immediately preceding the start of the relevant Financial Year; divided by
 - (ii) the Consumer Price Index: All Groups Index for the Eight State Capitals as published by the Australian Bureau of Statistics for the December Quarter immediately preceding the December Quarter referred to in paragraph (i),
 - (iii) minus one.
- (b) If the Australian Bureau of Statistics does not, or ceases to, calculate and publish the CPI, then CPI will mean an inflation index or measure agreed between the AER and the Service Provider.

C. Tariff adjustments and pass-through events

- (a) The Annual Tariff Variation mechanism provides for annual adjustment in accordance with the approved price path (X factor) and for the variation of Reference Tariffs where there is an impact on the cost of providing Reference Services as a result of one or more of a Cost Pass-Through Event occurring (subject to each individual event meeting the administrative threshold), the cost of which was not included in the amount of the Initial Reference Tariffs and price path.
- (b) Cost pass-through events are:
 - a Licence Fee Event;

a Change in Tax Event;

a Business Continuity Event;

a Market Cost Event;

a Declared Retailer of Last Resort (ROLR) Event;

a Carbon Pollution Reduction Scheme Event;

an Unaccounted for Gas (UAG) Adjustment Event; and

a General Pass Through Event,

(any of which is a **Cost Pass-Through Event**)

Where:

“Licence Fee Event” means the annual costs incurred by the Service Provider as a result of any decision by the AER, IPART, AEMO, the Gas Market Company or any other relevant regulator, authority or State or Commonwealth Government which has the effect of changing or introducing any authorisation fee, licence fee or statutory charge imposed on the Service Provider which is related to the operation of the Network.

“Change in Tax Event” means:

- (i) a change in the way, or rate at which, a Relevant Tax is calculated (including a change in the application or official interpretation of Relevant Tax); or
- (ii) the removal of a Relevant Tax or imposition of a new Relevant Tax.

“Business Continuity Event” means any occurrence that may create, or may lead to, an interruption, disruption, loss and/or crisis in the Service Provider’s business for which the Service Provider does not have full insurance coverage as identified in the Service Provider’s Access Arrangement Information, including but not limited to, gas supply shortfall, tsunami, cyclone, pandemic illness and earthquake.

“Market Costs Event” means any

- (i) decision made by the AER, or any other authority;
- (ii) coming into force of any new statute, regulation, order, rule, subordinate legislation or other source of legal obligation on the Service Provider;

- (iii) change in any existing statute, regulation, order, rule, subordinate legislation or other source of legal obligation on the Service Provider; or
- (iv) change in any other document enforceable under any statute, regulation, rule or subordinate legislation;

which occurs on or after 1 July 2010, which has the effect of:

- (v) imposing minimum standards (including network design, operational or safety standards) on the Service Provider that are new or different from those applying immediately before 1 July 2010; or
- (vi) substantially altering the manner in which the Service Provider is required to undertake any activity forming part of, or ancillary to, its Reference Services (including, but not limited to, rules governing the operation of competitive gas markets or a requirement that a party other than, or in addition to, the Service Provider be required to comply with the obligation of a Service Provider for the Network under the National Gas Law and National Gas Rules);

such that the Service Provider incurs greater or lesser costs in providing the Reference Service than it did before the event occurred.

“Declared Retailer of Last Resort (ROLR) Event” means the occurrence of an event whereby the Service Provider incurs materially higher or lower administrative costs as a result of an existing retailer for Customers being unable to continue to supply gas and those Customers being transferred to the declared retailer of last resort.

“Carbon Pollution Reduction Scheme (CPRS) Event” means the occurrence of an event whereby the Service Provider incurs costs as a result of the introduction and operation of a CPRS or similar legislated scheme which places a cost on carbon or carbon-containing emissions.

“UAG Adjustment Event” occurs when annual forecast UAG costs are different to the actual UAG costs incurred for that year.

“General Pass Through Event” means any other pass through event which occurs in the following circumstance:

1. An uncontrollable or unforeseeable event occurs during the 1 July 2010 to 30 June 2015 access arrangement period, the effect of which could not have been prevented or mitigated by prudent operation risk management.
2. The costs of the event are not already included in building block revenue or reimbursed by a third party. These events will be

assessed at the time of application for consistency with the relevant National Gas Rules criteria. For the purpose of this definition, an event will be considered unforeseeable if, at the time the Service Provider lodged its access arrangement revision proposal, despite the occurrence of the event being a possibility there was no reason to consider that the event was more likely to occur than not to occur during the 1 July 2010 to 30 June 2015 access arrangement period.

D. Calculation of the UAG Adjustment

- (a) The Service Provider's UAG Costs are the financial impact of UAG on the Service Provider. UAG Costs are the costs associated with purchases of gas by the Service Provider as UAG, including costs for transmission haulage and other direct costs reasonably incurred by the Service Provider to acquire UAG through a competitive market or process (**UAG Costs**).
- (b) The Service Provider's Cost of Service includes an allowance for UAG Costs based on the UAG Target Rate for 2010-11 to 2014-15, as set out in Schedule 8.
- (c) Reference Tariffs will be adjusted each Financial Year to account for the difference in the previous Financial Year between the allowance for UAG Costs included in the Cost of Service (as set out in Schedule 8) and the Recoverable UAG Cost (as set out below).
- (d) The Recoverable UAG Cost for Financial Year $t - 1$ in the Access Arrangement is the product of:
 - A. the latest forecast of gas receipts for Financial Year $t - 1$;
 - B. the average UAG Cost per gigajoule for purchases of gas in Financial Year $t - 1$; and
 - C. the UAG Target Rate.

(Recoverable UAG Cost)

- (e) The Service Provider will provide to the AER (within 4 months after 30 June in each year of the Access Arrangement Period) a statement verified by an independent auditor engaged by the Service Provider that contains, without limitation the following information:
 - (i) the actual level of UAG on the Service Provider's Covered Pipelines;
 - (ii) the UAG charged to Users; and
 - (iii) confirmation that gas purchased as UAG was purchased through a competitive market or open competitive process.

- (f) Reference Tariffs will be adjusted in the event that UAG Costs cease to be a Network cost during the Access Arrangement Period.

3.6 Goods and Services Tax

- (a) Unless otherwise stated, all amounts payable or the value of other consideration provided in respect of supplies made in relation to this Access Arrangement are exclusive of GST (if any). If GST is levied or imposed on any supply made (or deemed to have been made) under or in accordance with this Access Arrangement, the amounts payable or the value of the consideration provided for that supply (or deemed supply) ('**Payment**') shall be increased by such amount as is necessary to ensure that the amount of the Payment net of GST is the same as it would have been prior to the imposition of GST.
- (b) Terms defined in *A New Tax System (Goods and Services Tax) Act 1999* (Cth) or a successor Act have the same meaning when used in this clause 3.6.

4. Speculative capital expenditure & investment policy

4.1 General

- (a) If during the Access Arrangement Period the Service Provider chooses to make capital expenditure that is non-conforming capital expenditure under the National Gas Rules it may:
 - (i) recover the full amount or part of the amount of the expenditure by means of a capital contribution by a User or Users; and/or
 - (ii) notify the AER that it proposes to recover the amount or part of the amount of the expenditure by means of a surchargeas provided in the National Gas Rules.
- (b) To the extent that the amount of the non-conforming capital expenditure is not to be recovered through a surcharge approved by the AER in accordance with the National Gas Rules, or through a User's capital contribution, the Service Provider will add that amount to its speculative capital expenditure account in accordance with the National Gas Rules.

5. Capital redundancy policy

- (a) In accordance with Rule 77(2)(e) and (f) of the National Gas Rules, redundant assets identified during the course of an Access Arrangement Period, and pipeline assets disposed of during an Access Arrangement Period, will be removed from the opening Capital Base with effect from the commencement of the following Access Arrangement Period.
- (b) In determining whether to reduce the Capital Base, and the amount by which the Capital Base should be reduced, the AER may take into account:
 - (i) The value of the assets when the assets were first included in the Capital Base, and their current value;
 - (ii) The value that the assets to be removed from the Capital Base represent as a proportion of the total Capital Base;
 - (iii) The cost to the Service Provider of a reduction in Total Revenue resulting from a reduction of the Capital Base;
 - (iv) The impact of a reduction of the Capital Base on Tariffs paid by Users;
 - (v) The objectives and principles of the National Gas Law and National Gas Rules; and
 - (vi) Any other factors that in the reasonable opinion of the AER are relevant and not inconsistent with the National Gas Law and National Gas Rules.

6. Queuing policy

6.1 Forming the Queue

- (a) Where there is insufficient capacity to satisfy a Request and the Service Provider receives a Request from a User, a queue will be formed.
- (b) A queue will include all relevant Requests which cannot be satisfied. Where an offer has been made in response to a Request received prior to formation of the queue, that Request will take first position in the queue. If there are a number of offers that have been made in response to Requests received prior to the formation of the queue, those Requests will take positions in the queue according to the date of those Requests, but will be ahead of any Requests made after the formation of the queue.
- (c) At the time a Request is placed in a new or existing queue, the Service Provider will advise the Prospective User of:
 - (i) its position in the queue;
 - (ii) the aggregate capacity sought under Requests which are ahead in the queue;
 - (iii) its estimate of when capacity may become available; and
 - (iv) the size of any surcharge that may apply to Developable Capacity.
- (d) When the position of a Request changes relative to other Requests which are ahead in the queue (such as where a Request ceases to be on the queue) or where the timing of availability of a new tranche of Developable Capacity changes, the Service Provider will provide revised information to the Prospective User.
- (e) Where a Request is made for a Service to a Delivery Point and the Service Provider is satisfied that the Request is for the same tranche of capacity which is already provided to another User in respect of that Delivery Point, then the Service Provider may make that tranche of capacity available in response to the Request to the extent that the existing User is otherwise entitled to maintain or extend that tranche of capacity. That Request does not form part of the queue.

6.2 Conditions Applicable on Queue

- (a) A Prospective User may reduce but not increase the capacity sought in a Request which is in a queue.

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

6.3 Procedure When Capacity Can Be Made Available

When capacity can be made available which meets the requirements of any Request in a queue:

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

6.4 Priority of Prospective Users in Obtaining Services

- (a) The priority date of a Request is the date a complete Request is received by the Service Provider.
- (b) Where the Service Provider determines that two or more Requests relate to the same tranche of capacity for the same Delivery Point, all those Requests will have the priority date of the earliest Request.
- (c) A Request for a Service relating to less than 1 TJ of gas per annum will have priority over a Request for a Service relating to more than 1 TJ of gas per annum.

- (d) A Request for a Reference Service will have priority over a Request for a Negotiated Service.

6.5 Compensation for Holding Capacity

- (a) The Service Provider may require the User to pay compensation for the Service Provider agreeing to commence a Service more than 30 days from the execution of a Service Agreement where the commitment of capacity to meet the requirements of the User contributes to:
 - (i) the continuation of a queue,
 - (ii) the formation of a queue at any time prior to the commencement date, or
 - (iii) the acceleration of investment by the Service Provider to provide capacity for other Users on the transportation route.

6.6 General

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

7. Extensions and expansions policy

- (a) The following method shall be used to determine whether an extension or expansion of a Covered Pipeline should be taken to form part of the Covered Pipeline:
- (i) If the Service Provider proposes a new network section of the Covered Pipeline that it must apply to the AER in writing to decide whether the new network section will be taken to form part of the covered pipeline and will be covered by this access arrangement. The application must be made in accordance with clause 7(a)(ii).
- For the purposes of this section 8, a new network section means an extension to the Service Provider's Covered Pipeline with a direct connection to a transmission pipeline and which is designed to provide reticulated gas to a new development or an existing development not serviced with reticulated gas.
- (ii) The Service Provider must apply to the AER under clause 7(a)(i) before the proposed new network section comes into service:
- A. in writing;
- B. stating whether the Service Provider intends for the proposed new network section to be covered by the Access Arrangement; and
- C. describing the new network section and setting out why it is being undertaken.
- (iii) The Service Provider is not required to advise the AER under clause 7(a)(i) to the extent that the cost of the new network section has already been included in the calculation of Reference Tariffs.
- (iv) After considering the Service Provider's application, and undertaking such consultation as the AER considers appropriate, the AER will inform the Service Provider of its decision on the Service Providers' proposed coverage approach for the new network section.
- (v) The AER's decision referred to in 7(a)(iv) above, may be made on such reasonable conditions as determined by the AER and will have the effect stated in the decision.

- (b) Any extensions to and expansions of the capacity of the Network which are not new network sections within the meaning of clause 7(a)(i) will be treated as part of the Network and covered by this Access Arrangement.
- (c) All extensions of low or medium pipelines and expansions of the capacity of the Network carried out by the Service Provider will be treated as covered under this Access Arrangement.
- (d) The Service Provider will offer Reference Services in respect of such extension or expansion which is part of the Network at the Reference Tariffs. The Service Provider will notify the AER of any proposed surcharge to be levied on users of incremental services and designed to recover non-conforming capital expenditure or a specified portion of non-conforming capital expenditure (non-conforming capital expenditure which is recovered by means of a surcharge will not be rolled into the capital base).

8. Capacity trading

- (a) A User may transfer all or any of its contracted capacity for a Haulage Reference Service to another User in accordance with the provisions of the Reference Service Agreement contained in Schedule 3.
- (b) A User may transfer all or any of its contracted capacity for a Pipeline Service other than a Haulage Reference Service to another User in accordance with the provisions of its Service Agreement with the Service Provider to the extent those provisions are consistent with the capacity trading requirements in the National Gas Rules.

9. Changing receipt and delivery points

- (a) A User may, with the Service Provider's consent, change the User's Receipt Point or Delivery Point for the delivery of a Reference Service in accordance with the provisions of the Reference Service Agreement contained in Schedule 3.
- (b) A User may, with the Service Provider's consent, change the User's Receipt Point or Delivery Point for the delivery of a Pipeline Service other than a Haulage Reference Service in accordance with the provisions of its Service Agreement with the Service Provider to the extent those provisions are consistent with the provisions governing the change of receipt and delivery points by Users in the National Gas Rules.

10. Fixed principles

10.1 Consolidated Access Arrangement

- (a) The AER has issued a direction to the Service Provider under Rule 53 of the National Gas Rules to consolidate the access arrangements for its four Covered Pipelines:
 - (i) Wilton-Newcastle trunk pipeline;
 - (ii) Wilton-Wollongong trunk pipeline;
 - (iii) AGL NSW distribution system; and
 - (iv) AGL Central West distribution systemsubject to the following conditions:
 - (v) the consolidation remain in force until revoked by the AER; and
 - (vi) The Service Provider must separately prepare, maintain and keep information about the Capital Base of the:
 - A. Wilton-Newcastle trunk pipeline;
 - B. Wilton-Wollongong trunk pipeline; and
 - C. the AGL NSW distribution system and the AGL Central West distribution system.
- (b) It is a fixed principle under this Access Arrangement that the AER must notify the Service Provider no later than 18 months prior to the Revision Commencement Date if it intends to revoke its direction to the Service Provider to consolidate the access arrangements for its four Covered Pipelines. This fixed principle remains in force for the Access Arrangement Period covered by this Access Arrangement.

11. Acceleration of review submission date triggers

- (a) If an amendment to the National Gas Law or the National Gas Rules takes effect or the National Energy Retail Law or the National Energy Retail Rules commence operation in New South Wales and:
 - (i) this affects the terms and conditions on which Users or Customers obtain access under the Access Arrangement; and
 - (ii) this results in more favourable conditions for Users or Customers than those under the Access Arrangement.

The Service Provider is required to notify the AER no later than one month following this and to also provide contact details of its Users to the AER at this time.

- (b) The AER may consult with interested parties and the Service Provider in order to determine whether the circumstances outlined in (a) above are circumstances that are likely to be significant and constitute a trigger event.
- (c) Following the consultation in (b) above, the AER will notify the Service Provider whether the circumstances constitute a trigger event, in which case the review submission date fixed in the Access Arrangement will advance, to a date 6 months from the date of the trigger event or such other date as determined by the AER subject to the National Gas Rules.

Schedule 1 - Definitions And Interpretations

1.1 Definitions

In this Access Arrangement:

AEMC has the meaning given in the Reference Service Agreement;

AER means the Australian Energy Regulator established by section 44AE of the *Trade Practices Act 1974* of the Commonwealth;

Access Arrangement Information means the information relating to this Access Arrangement and published in accordance with Rule 44 of the National Gas Rules;

Access Arrangement Period has the meaning given to it in the National Gas Rules;

Annual Tariff Variation Mechanism or price control means the mechanism set out in clause 3.5, Section A of Section 3 (Reference Tariffs and Reference Tariff variation mechanism);

Basic Metering Equipment has the meaning given in the Reference Service Agreement;

Business Customer means an Customer who is not an Customer who consumes gas principally for personal, domestic or household use;

Business Day has the meaning given in the Reference Service Agreement;

Capital Base means the capital value to be attributed, in accordance with Part 9 of the National Gas Rules, to pipeline assets;

Central West Network means the pipelines within the Central West Distribution System;

Central West Distribution System means the covered natural gas distribution pipelines owned by the Service Provider, which have Receipt Points and service the Central West areas as described in Schedule 7;

Charge for a Service means the amount that is payable by a User to the Service Provider for the provision of the Service to that User;

Chargeable Demand has the meaning given in the Reference Service Agreement;

Coverage Determination means a determination of a Relevant Minister under Chapter 3 Part 1 Division 1 of the National Gas Law;

Covered Pipeline means a pipeline:

- (a) to which a Coverage Determination applies; or

(b) deemed to be a Covered Pipeline by operation of section 126 or 127 of the National Gas Law;

Cost of Service is the total revenue for each regulatory year of the Access Arrangement Period as set out in the Access Arrangement Information for this Access Arrangement;

Cost Pass-Through Event means the events listed in clause 3.5C(b) of Section 3 (Reference Tariffs and Reference Tariff variation mechanism);

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

Curtailment Plan means a written procedure, which is reasonably acceptable to the Service Provider, that describes the timing and steps to be taken by a Customer to reduce and maintain hourly Gas withdrawals at the Delivery Point to pre-quantified levels which correspond to the Load Shedding Priorities set out in the ELMS Data for the Delivery Point;

Customer has the meaning given in the Reference Service Agreement;

Damage has the meaning given in the Reference Service Agreement;

Day has the meaning given in the Reference Service Agreement;

Delivery Point means a point on the Network at which the Service Provider delivers natural gas;

Delivery Station has the meaning given in the Reference Service Agreement;

Demand Tariff means a type of tariff assigned to a Delivery Point in accordance with the assignment criteria for a demand tariff as set out in the Reference Tariff Schedule;

Developable Capacity means the difference between the current capacity of a Covered Pipeline and the capacity of a Covered Pipeline which would be available if a new facility was constructed, but does not include any new capacity of a Covered Pipeline resulting from an extension to the geographic range of a Covered Pipeline;

ELMS Data has the meaning given in the Reference Service Agreement;

Embedded Network means a distribution system or a pipeline not owned and operated by the Service Provider, which is connected to and receives gas from the Network for the purpose of use by third parties;

Embedded Network Operator means the licensed owner or operator of an Embedded Network;

Financial Year means the 12-month period ending on 30 June in any year;

Fixed Charge means a charge determined in accordance with Section 3 (Reference Tariffs and Reference Tariff variation mechanism) and the Reference Tariff Schedule;

Gas has the meaning given in the Reference Service Agreement;

GJ has the meaning given in the Reference Service Agreement;

GST has the meaning given in the Reference Service Agreement;

Haulage Reference Service has the meaning given in the Reference Service Agreement;

Haulage Reference Tariff means a tariff which relates to a Haulage Reference Service, established in accordance with Section 3 (Reference Tariffs and Reference Tariff variation mechanism);

Haulage Reference Tariff Component means any one of the individual charges that comprises a particular Haulage Reference Tariff;

Heating Value has the meaning given in the Reference Service Agreement;

Hour has the meaning given in the Reference Service Agreement;

Initial Reference Tariffs means the Reference Tariffs applying on the commencement of this Access Arrangement (under clause 1.5), until amended in accordance with Section 3 (Reference Tariffs and Reference Tariff variation mechanism);

Initial Reference Tariff Schedule means Schedule 2 of this Access Agreement;

Initial Tariff Classes means the Tariff Classes applying on the commencement of this Access Arrangement (under clause 1.5), until amended in accordance with Section 3 (Reference Tariffs and Reference Tariff variation mechanism);

Interconnection of Embedded Network Service means the Service described in clause 2.3, Section D;

kPa has the meaning given in the Reference Service Agreement;

Load has the meaning given in the Reference Service Agreement;

Maximum Daily Quantity or **MDQ** means the maximum Quantity of gas (in GJ) which the Service Provider is obliged to transport and delivery to a particular Delivery Point on behalf of the User on any Day (excluding Overruns);

Maximum Hourly Quantity or **MHQ** means the maximum Quantity of gas (in GJ) which the Service Provider is obliged to transport and delivery to a particular Delivery Point on behalf of the User in any Hour (excluding Overruns);

Measuring Equipment has the meaning given in the Reference Service Agreement;

Meter Data Service means the service which is described in clause 2.2, Section B;

Meter Data Service Reference Tariff means the tariffs relating to the Meter Data Service, as specified in the Reference Tariff Schedule;

Meter Reading Charge means an annual charge specified in the Reference Tariff Schedule;

MJ has the meaning given in the Reference Service Agreement;

Month means calendar month;

National Gas Law means the *National Gas Law* adopted under the *National Gas (New South Wales) Act 2008* (NSW);

National Gas Rules or **Rules** means:

- (a) the initial National Gas Rules; and
- (b) Rules made by the AEMC under the National Gas Law, including Rules that amend or revoke:
 - (i) the initial National Gas Rules; or
 - (ii) Rules made by it;

Negotiated Service means a service for the transportation of gas on terms and conditions different to those of a Reference Service;

Negotiated Service Agreement means a contract between the Service Provider and a User or Prospective User for the provision of Negotiated Services;

Network has the meaning given in the Reference Service Agreement;

Network Code means the '*Jemena Gas Networks (NSW) Ltd Network Code for Full Retail Competition*' dated 1 January 2002 as amended or replaced from time to time, or any equivalent document required to be prepared under any applicable law;

Network Section has the meaning given in the Reference Service Agreement;

Non-Reference Service means:

- (a) the Interconnection of Embedded Network Service; or
- (b) a Negotiated Service;

NSW Distribution System means the covered natural gas distribution pipelines owned by the Service Provider, which have Receipt Points and service the NSW areas as described by Schedule 7;

Operational Schedules has the meaning given in the Reference Service Agreement;

Overrun has the meaning given in the Reference Service Agreement;

Pipeline Service has the meaning given to it in the National Gas Law;

Prospective User means:

- (a) A person who seeks or wishes to be provided with a Pipeline Service by means of the Network;
- (b) To avoid doubt, a User is also a prospective user if the User seeks or wishes to be provided with a Pipeline Service by means of the Network other than a Pipeline Service already provided to them under:
 - (i) a contract; or
 - (ii) an access determination;

Provision of Basic Metering Equipment Charge has the meaning given in the Reference Service Agreement;

Provision of On Site Data and Communications Equipment Charge means an annual charge specified in the Reference Tariff Schedule;

Quantity has the meaning given in the Reference Service Agreement;

Queuing Policy has the meaning given in the Reference Service Agreement;

Receipt Point has the meaning given in the Reference Service Agreement;

Receipt Station means the facilities installed at a Receipt Point to enable receipt of gas into the Network;

Reference Service means:

- (a) the Haulage Reference Service. This includes the Ancillary Reference Service unless a contrary intention is clear.
- (b) the Meter Data Service. This includes the Ancillary Reference Service unless a contrary intention is clear.

Reference Service Agreement means the contract between the Service Provider and a User or Prospective User for the provision of Reference Services as set out in Schedule 3;

Reference Tariff has the meaning given in the Reference Service Agreement;

Reference Tariff Schedule has the meaning given in the Reference Service Agreement;

Relevant Minister means if, in a coverage recommendation, no-coverage recommendation, classification decision under the Rules or reclassification decision, the NCC determines the pipeline is:

- (a) a cross boundary transmission pipeline—the Commonwealth Minister;
- (b) a transmission pipeline situated wholly within a participating jurisdiction—the designated Minister;
- (c) a distribution pipeline situated wholly within a participating jurisdiction—the Minister of the participating jurisdiction;
- (d) a cross boundary distribution pipeline—the Minister of the participating jurisdiction determined by the NCC in the recommendation as being the participating jurisdiction with which the cross boundary distribution pipeline is most closely connected;

Relevant Tax means any Tax other than:

- (a) any tax in the nature of an income tax or a capital gains tax;
- (b) penalties, charges, fees and interest on late payments, or deficiencies in payments, relating to any Tax;
- (c) stamp duty, or similar taxes and duties; and
- (d) any Tax that replaces or is the equivalent of or similar to any of the taxes referred to above;

Request has the meaning given in the Reference Service Agreement;

Residential Customer means an Customer who consumes energy principally for personal, domestic or household use;

Review Submission Date means the date pursuant to clause 1.6 of this Access Arrangement;

Revision Commencement Date means the date pursuant to clause 1.7 of this Access Arrangement;

Service means a service provided by the Service Provider in relation to the Network including but not limited to Reference Services;

Service Agreement means a contract between the Service Provider and a User or Prospective User for the provision of a Service;

Tariff means a rate by which a charge for a Pipeline Service is calculated;

Tariff Class means customers for one or more Reference Services who constitute a tariff class under this Access Arrangement;

Tax means any royalty (whether based on value, profit or otherwise), tax, duty, excise, levy, fee, rate or charge imposed from time to time during the term of this Access Arrangement by any government or any governmental, semi-governmental or other body authorised by law to impose that tax on or to:

- (a) the Network (or any of its components);
- (b) the operation of the Network; or
- (c) the provision of Services by the Service Provider;

TJ has the meaning given in the Reference Service Agreement;

Total Revenue is the amount determined in accordance with rule 76 of the National Gas Rules;

Transitioned Access Arrangement means the AGL Gas Networks Limited Access Arrangement approved by the Independent Pricing and Regulatory Tribunal on 29 April 2005, and designated as a 'transitioned access arrangement' under Schedule 3 of the National Gas Law;

UAG has the meaning given in the Reference Service Agreement;

UAG Costs has the meaning given in Section D of Section 3 (Reference Tariffs and Reference Tariff variation mechanism);

UAG Target Rate is 2.34 per cent of gas receipts;

User means a person who:

- (a) is a party to a contract with the Service Provider under which the Service Provider provides or intends to provide a Pipeline Service to that person by means of the Network; or
- (b) has a right under an access determination to be provided with a Pipeline Service by means of the Network;

Variation Notice means a notice submitted by the Service Provider to the AER under Section 3 (Reference Tariffs and Reference Tariff variation mechanism);

Volume has the meaning given in the Reference Service Agreement;

Volume Tariff means a type of tariff assigned to a Delivery Point in accordance with the assignment criteria for a volume tariff as set out in the Reference Tariff Schedule;

WACC means the nominal vanilla Weighted Average Cost of Capital as set out in Section 8 of the Access Arrangement Information for this Access Arrangement;

Wilton Network Section has the meaning given in the Reference Service Agreement;

Wilton-Newcastle Network Section has the meaning given in the Reference Service Agreement;

Wilton-Wollongong Network Section has the meaning given in the Reference Service Agreement;

Year means a period of 365 consecutive Days but, for any Year which contains a date of 29 February, means 366 consecutive Days;

1.2 Interpretation

In the construction of the Access Arrangement, unless the context otherwise requires:

- (a) a reference to a clause or a schedule is to a clause in, or schedule to, the Access Arrangement;
- (b) a word importing the singular includes the plural and vice versa, and a word of any gender includes the corresponding words of any other gender;
- (c) references to any statute, regulations, or other statutory instrument, standard or by-laws shall be deemed to be references to the statute, regulation, statutory instrument, standard or by-law as from time to time amended, consolidated, re-enacted or replaced including substituted provisions that substantially correspond to those referred to;
- (d) references to any agreement, deed, instrument, or publication shall be deemed to be references to the agreement, deed, instrument or publication as from time to time amended, supplemented, novated or replaced;
- (e) clause or condition headings are inserted for convenience only and do not affect the interpretation of the Access Arrangement;
- (f) expressions referring to writing will be construed as including references to words printed, type-written, telexed, lithographed, facsimiled or otherwise traced, copied or reproduced;
- (g) a reference to a Party includes a reference to its successors in title and permitted assigns;
- (h) an agreement, representation or warranty on the part of two or more persons binds them jointly and severally or if given in favour of two or more persons may be enjoyed by them jointly or severally or jointly and severally;

- (i) when referring to a particular Day, the date of the Day shall be the date on which that Day begins; and
- (j) the words "include", "including", "for example" or "such as" are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.
- (k) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (l) a reference to a person includes an individual, the estate of an individual, a corporation, an authority, an association or parties in a joint venture, a partnership and a trust;
- (m) a reference to an agency or body if that agency or body ceases to exist or is reconstituted, renamed or replaced or has its powers or function removed (obsolete body), means the agency or body which performs most closely the functions of the obsolete body; and
- (n) a reference to \$ or dollar is to Australian currency.

1.3 Terms defined in Reference Service Agreement

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

Schedule 2 - Initial Reference Tariff Schedule

- (a) This Initial Reference Tariff Schedule sets out the Initial Reference Tariffs that apply for each Reference Service under this Access Arrangement.
- (b) The Initial Reference Tariffs are expressed in real 2010/2011 dollars
- (c) There may be more than one Initial Reference Tariff for each Reference Service.
- (d) The Initial Reference Tariffs available for a specific Reference Service depend upon the Initial Tariff Class assigned by the Service Provider to the Delivery Point to which the Reference Service will be provided.
- (e) In addition to setting out the Initial Tariff Classes and the Initial Reference Tariffs, this Initial Reference Tariff Schedule sets out and explains the tariff components and assignment criteria used in determining the availability of different Reference Tariffs. Prices are expressed in real 2010/11 dollars and are exclusive of GST.
- (f) The Initial Reference Tariffs will take effect from the commencement of this Access Arrangement and will apply until amended in accordance with Section 3 (Reference Tariffs and Reference Tariff variation mechanism). When the Reference Tariffs are amended, the updated Reference Tariff Schedule will be published on the Service Provider's website.
- (g) The Initial Reference Tariffs have been determined using a P0 adjustment of -5.31 per cent (real) for the Haulage Reference Service and -29.69 per cent (real) for the Meter Data Service.

1.1 Assignment Criteria for a Tariff Class

- (a) The Service Provider determines the appropriate Tariff Class for a Delivery Point based on one or more of the following elements:
 - (i) customer groups;
 - (ii) tariff categories; and
 - (iii) classification by location.
- (b) The assignment criteria for each relevant element must be satisfied in order for a Delivery Point to qualify for a particular Tariff Class.

A. Tariff Customer Groups

- (a) The relevant tariff customer group that applies to a Delivery Point to which a Haulage Reference Service is provided is determined on the basis of the characteristics of the ultimate end Customer that occupies the premises served by that Delivery Point.
- (b) The assignment criteria are as follows:
 - (i) **Demand Tariff:** A Delivery Point can be assigned a Demand Tariff where:
 - A. the natural gas delivered to that Delivery Point is used on the premises to meet the production or energy requirements of a single Business Customer who is reasonably expected to consume more than 10 TJ of natural gas a Year; and
 - B. the Service Provider has accurate and complete information to enable Load Shedding procedures to be implemented at the Delivery Point.
 - (ii) **Volume Tariff:** A Delivery Point can be assigned a Volume Tariff where the natural gas delivered to that Delivery Point is used on the premises to meet the production or energy requirements of a single Business Customer or Residential Customer who is reasonably expected to consume less than 10 TJ of natural gas a Year.

B. Tariff Category

- (a) Where convenient, the Service Provider uses a tariff category to group a number of Tariff Classes together to describe a common, but not complete, subset of assignment criteria. For example, the assignment criteria for all Demand Tariffs that fall into the capacity category have a common “category criteria” but separate “location criteria”.
- (b) The tariff categories for Demand Tariffs, and the corresponding category assignment criteria are as follows:

Abbreviation	Category	Criteria
DC	Capacity	This category is used for Delivery Points which meet the criteria for a Demand Tariff, and have not been assigned to another Demand Tariff category, such as the 'Capacity - 1st Response' or 'Throughput' categories.

Abbreviation	Category	Criteria
DCFR	Capacity – 1st Response	<p>Assignment to this tariff category is made upon User request.</p> <p>This tariff category is used for Delivery Points which meet the criteria for a Demand Tariff and which satisfy (to the Service Provider's reasonable satisfaction) the following additional criteria:</p> <ul style="list-style-type: none"> a) peak hourly historical demand is consistently greater than 350 GJ/hr, but no more than the MHQ; b) the User has provided the Service Provider with a documented Curtailment Plan for the Delivery Point which is acceptable to the Service Provider and contains ELMS Data required by the Service Provider, contact personnel and site procedures for reducing load in accordance with the ELMS Data, including times for various stages of load reduction; c) under the Curtailment Plan and ELMS Data held by the Service Provider, at least 40% of peak historical hourly demand is nominated for reduction in load shedding priority 1 and that reduction could be expected to be reduced within no more than 6 hours of first contact; d) the Curtailment Plan and all ELMS Data is up to date (with a minimum review period of 24 months); e) the Service Provider is able to continuously monitor hourly demand from the Delivery Station at the site, or other sampling frequency acceptable to the Service Provider; and f) in any load shedding procedure initiated by the Service Provider in the past two years which involved the Delivery Point, the level of hourly demand at the Delivery Point was no more than the hourly demand anticipated after each stage of reduction as set out in the Curtailment Plan.
DT	Throughput	<p>Assignment to this tariff category is made upon User request.</p> <p>This tariff category is used for Delivery Points which meet the criteria for a Demand Tariff.</p>

Abbreviation	Category	Criteria
DMT	Major End Customer Throughput	<p>Assignment to this tariff category is made upon User request.</p> <p>This tariff category is used for Delivery Points which meet the criteria for a Demand Tariff and which also satisfy the following additional criteria:</p> <ul style="list-style-type: none"> a) the average daily consumption in any 12 month period multiplied by 1.33 is greater than 10 times the contractual MHQ¹ for the Delivery Point for the same period; and b) the Delivery Point is located in location identifiers 1, 2, 3, 4 or 5.
DMTFR	Major End Customer Throughput – First Response	<p>Assignment to this tariff category is made upon User request.</p> <p>This tariff category is used for Delivery Points which meet the criteria for a Major End Customer Throughput Tariff and which satisfy (to the Service Provider's reasonable satisfaction) the following additional criteria:</p> <ul style="list-style-type: none"> a) peak hourly historical demand is consistently greater than 350 GJ/hr, but no more than the MHQ; b) the User has provided the Service Provider with a documented Curtailment Plan for the Delivery Point which is acceptable to the Service Provider and contains ELMS Data required by the Service Provider, contact personnel and site procedures for reducing load in accordance with the ELMS Data, including times for various stages of load reduction; c) under the Curtailment Plan and ELMS Data held by the Service Provider, at least 40% of peak historical hourly demand is nominated for reduction in load shedding priority 1 and that reduction could be expected to be reduced within no more than 6 hours of first contact; d) the Curtailment Plan and all ELMS Data is up to date (with a minimum review period of 24 months); e) the Service Provider is able to continuously monitor hourly demand from the Delivery Station at the site, or other sampling frequency acceptable to the Service Provider; and

¹ If the contractual MHQ has changed in a period then the lowest contractual MHQ is used.

Abbreviation	Category	Criteria
		f) in any load shedding procedure initiated by the Service Provider in the past two years which involved the Delivery Point, the level of hourly demand at the Delivery Point was no more than the hourly demand anticipated after each stage of reduction as set out in the Curtailment Plan.

- (c) Where a Delivery Point is eligible for more than one tariff category, the User or Prospective User can nominate the discretionary element of the tariff category in accordance with Section 3 (Reference Tariffs and Reference Tariff variation mechanism). For example, a User or Prospective User may request to be placed in the 'Capacity - 1st Response' or 'Throughput' category. The Service Provider may refuse a nomination by a User or Prospective User if it does not consider the Delivery Point to be eligible.
- (d) The Service Provider does not presently use tariff categories for Volume Tariff Customers. However, the Service Provider may introduce one or more categories to accommodate changes to Tariff Classes which occur during the Access Arrangement period in accordance with Section 3 (Reference Tariffs and Reference Tariff variation mechanism).

C. Classification by Location

Where assignment criteria for a Tariff Class depends upon the location of the Delivery Point, the following location criteria will be used.

Location Identifier	Applies to Delivery Points located in:
0 or omitted	All areas in the Network
Coastal	The Wilton Network Section (used for Volume Tariffs Only – see identifiers 1 to 11 for Demand Tariff location criteria in the Wilton Network Section)

Location Identifier	Applies to Delivery Points located in:	
Country	Network Sections other than the Wilton Network Section	
1	2164, 2171, 2571, 2761, 2762, 2766, 2768, Appin	Location identifiers refer to the first 4 numbers of the Service Provider Demand Customer Delivery Point Delivery Station identifier of existing Delivery Points. ²
2	2141, 2142, 2143, 2144, 2145, 2147, 2148, 2161, 2162, 2163, 2165, 2166, 2170, 2565, 2750, 2759, 2760, 2770	
3	2006, 2007, 2015, 2017, 2019, 2020, 2033, 2036, 2040, 2044, 2046, 2050, 2112, 2113, 2115, 2116, 2128, 2135, 2136, 2137, 2138, 2140, 2146, 2151, 2152, 2153, 2157, 2173, 2190, 2199, 2200, 2204, 2205, 2211, 2212, 2214, 2216, 2217, 2560 ³ , 2566, 2747, 2755, 2756, 2765	
4	2000, 2035, 2154, 2008, 2037, 2196, 2009, 2039, 2208, 2010, 2064, 2220, 2011, 2065, 2228, 2018, 2066, 2229, 2022, 2067, 2231, 2031, 2111, 2232, 2032, 2120, 2777, 2034, 2122	
5	2028, 2060, 2076, 2077, 2080, 2085, 2095, 2099, 2100, 2102, 2103, 2780	
6	2250, 2284, 2285, 2286, 2304, 2308, 2322	
7	2256, 2259, 2260, 2261, 2262, 2263, 2264, 2294, 2295, 2298, 2303, 2305, 2320, 2323, 2326, 2327	
8	2290, 2300, 2314, 2321, 2324, 2325, 2330	
9	2505-BHP	
10	2500, 2502, 2505, 2526, 2530	
11	2516, 2527	

D. How to read the Tariff Class Codes

Each Tariff Class is allocated a code which is structured using the following format:

[G][CAT]-[Location]

where: *[G]* is a single character defining the Customer Group (V for Volume or D for Demand). Customer Groups are described in Section A above.

² The Service Provider shall assign new Delivery Points to location classifications on the basis of 1997 Australia Post postcode boundaries, and where new postcodes must be added to the table, the Service Provider will allocate a locational identifier to new postcode, which is comparable with the existing postcodes.

³ Excludes Appin - see location classification 1

[CAT] is a category name or abbreviation. If omitted then the Tariff Class is not described by reference to a tariff category. The tariff categories are described in Section B above.

[Location] is the location identifier. If equal to 0, or omitted, then the Tariff Class is not described by reference to a specific part of the Network. Classification by location is described in Section C above.

E. Tariff Class Components for the Haulage Reference Service

- (a) A User must pay the Service Provider all charges applicable to the Reference Service provided based on the relevant Tariff Class.
- (b) The table below sets out the tariff components applicable to the Haulage Reference Service.
- (c) In addition, other charges are payable in accordance with the Service Agreement, including but not limited to charge per Delivery Point for Meter Data Service charges (set out in Section G below).

Customer Type/Category	Tariff Class	Haulage Reference Service -- Reference Tariff Components
Demand Capacity	DC-1 To DC-11	Demand Capacity Rate (cl F(a)) Provision of Basic Metering Equipment Charge (cl F(g)) Ancillary Reference Service: fees for Haulage Reference Service (cl F(j))
	DC-Country	Demand Capacity Rate comprised of: <ul style="list-style-type: none"> Capacity Distance Rate (cl F(b)), and Pressure Reduction Rate (cl F(c)) Provision of Basic Metering Equipment Charge (cl F(g)) Ancillary Reference Service: fees for Haulage Reference Service (cl F(j))
Demand Throughput	DT	Demand Throughput Rate (cl F(f)) Provision of Basic Metering Equipment Charge (cl F(g)) Ancillary Reference Service: fees for Haulage Reference Service (cl F(j))
Demand Capacity - 1st Response	DCFR-1 To DCFR-11	Discounted Demand Capacity Rate (cl F(d)) Provision of Basic Metering Equipment Charge (cl F(g)) Ancillary Reference Service: fees for Haulage Reference Service (cl F(j))

Customer Type/Category	Tariff Class	Haulage Reference Service -- Reference Tariff Components
Demand Major End Customer Throughput	DMT-01 To DMT-05	Fixed Charge (cl F(i)) Demand Throughput Rate (cl F(f)) Provision of Basic Metering Equipment Charge (cl F(g)) Ancillary Reference Service: fees for Haulage Reference Service (cl F(j))
Demand Major End Customer Throughput - 1 st response	DMTFR-01 To DMTFR-05	Discounted Fixed Charge (cl F(e)) Discounted Demand Throughput Rate (cl F(e)) Provision of Basic Metering Equipment Charge (cl F(g)) Ancillary Reference Service: fees for Haulage Reference Service (cl F(j))

Customer Type/Category	Tariff Class	Haulage Reference Service -- Reference Tariff Components
Volume -Coastal	V-Coastal	Volume Throughput Rate (cl F(h)) Fixed Charge (cl F(i)) Provision of Basic Metering Equipment Charge (cl F(g)) Ancillary Reference Service: fees for Haulage Reference Service (cl F(j))
Volume -Country	V-Country	Volume Throughput Rate (cl F(h)) Fixed Charge (cl F(i)) Provision of Basic Metering Equipment Charge (cl F(g)) Ancillary Reference Service: fees for Haulage Reference Service (cl F(j))

1.2 Initial Reference Tariffs

F. Haulage Reference Service

(a) Demand Capacity Rate

Customer Type	Tariff Class	Unit Rate – dollars per GJ of Chargeable Demand per annum (\$/GJ.CD.pa) Period ending 30 June 2011 Prices are real 2010-2011 GST exclusive dollars				
		First 200 GJ of CD	Next 400 GJ of CD	Next 1000 GJ of CD	Next 2000 GJ of CD	Rest of CD
Demand	DC-1	193.378	125.745	95.962	82.172	72.920
	DC-2	214.822	138.611	104.539	88.604	77.209
	DC-3	290.924	184.273	134.981	111.436	92.429
	DC-4	480.009	297.724	210.613	168.160	130.246
	DC-5	2571.469	1552.600	1047.198	795.599	548.538
	DC-6	97.958	68.493	57.793	53.546	53.835
	DC-7	321.373	202.542	147.159	120.570	98.519
	DC-8	663.067	407.558	283.837	223.078	166.857
	DC-9	45.076	36.764	36.642	37.681	43.259
	DC-10	152.859	101.433	79.753	70.016	64.817

Customer Type	Tariff Class	Unit Rate – dollars per GJ of Chargeable Demand per annum (\$/GJ.CD.pa) Period ending 30 June 2011 Prices are real 2010-2011 GST exclusive dollars				
		First 200 GJ of CD	Next 400 GJ of CD	Next 1000 GJ of CD	Next 2000 GJ of CD	Rest of CD
	DC-11	2024.585	1224.468	828.444	631.534	439.161
	DC-Country	Demand Capacity Rate for DC-Country is comprised of two components of demand charge: (i) the Capacity Distance Rate; and (ii) the Pressure Reduction Rate. See tables Capacity Distance Rate (cl F(b)), and Pressure Reduction Rate (cl F(c)) below. These charges will be calculated for each Delivery Point and expressed as a single rate \$/GJ.CD.pa for billing purposes.				

(b) DC-Country Demand Capacity Rate, Component 1 – Capacity Distance Rate

Customer Type	Tariff Class	Distance Unit Rate – dollars per GJ of Chargeable Demand per annum per km (\$/(GJ.CD).pa per km) Period ending 30 June 2011 Prices are real 2010-2011 GST exclusive dollars				
		First 200 GJ of CD	Next 400 GJ of CD	Next 1000 GJ of CD	Next 2000 GJ of CD	Rest of CD
Demand	DC-Country	41.597	24.958	16.639	12.479	8.32
Rates apply per km of the straight line distance from the relevant country Receipt Point rounded up to the nearest 0.5 km as determined by the Service Provider						

(c) DC Country Demand Capacity Rate, Component 2 – Pressure Reduction Rate

Customer Type	Tariff Class	Pressure Reduction Unit Rate – dollars per GJ of Chargeable Demand per annum (\$/(GJ.CD).pa) Period ending 30 June 2011 Prices are real 2010-2011 GST exclusive dollars				
		First 200 GJ of CD	Next 400 GJ of CD	Next 1000 GJ of CD	Next 2000 GJ of CD	Rest of CD
Demand	DC-Country	14.762	8.857	5.905	4.428	2.952

(d) Demand Capacity Rates for Discounted DCFR Tariffs

Customer Type	Tariff Class	Demand Capacity Unit Rate – dollars per GJ of Chargeable Demand per annum (\$/GJ.CD.pa) <i>Period ending 30 June 2011</i>
Demand	DCFR-1 to DCFR-11	Demand Capacity Rate for the same location less 50%. For example: the Demand Capacity Rate for DCFR-4 is 50% of the Demand Capacity Rate set out in clause F(a) for DC-4.

(e) Fixed Charges and Demand Throughput Rates for Discounted DMTFR Tariff

Customer Type	Tariff Class	Fixed Charge – dollars per annum <i>Period ending 30 June 2011</i>	Demand Throughput Unit Rates – (\$/GJ) <i>Period ending 30 June 2011</i>
Demand	DMTFR-1 to DMTFR-5	Fixed charge set out in clause F(i) for the DMT tariff for the same location less 50%.	Demand Throughput Rates set out in clause F(f) for the DMT tariff for the same location less 50%

(f) Demand Throughput Rate

Customer Type	Tariff Class	Demand Throughput Rate (\$/GJ) <i>Period ending 30 June 2011</i> Minimum chargeable quantity of 833 GJ/month Prices are real 2010-2011 GST exclusive dollars		
		First 1667 GJ per month	Next 2500 GJ per month	Rest
Demand	DT	4.08	3.29	2.76
Customer Type	Tariff Class	Demand Throughput Rate (\$/GJ) <i>Period ending 30 June 2011</i> Prices are real 2010-2011 GST exclusive dollars		
		First 41,667 GJ per month	Next 41,667 GJ per month	Rest
Demand	DMT-1	0	0.187	0.160
	DMT-2	0	0.187	0.173
	DMT-3	0	0.320	0.267

Customer Type	Tariff Class	Demand Throughput Rate (\$/GJ) Period ending 30 June 2011 Minimum chargeable quantity of 833 GJ/month Prices are real 2010-2011 GST exclusive dollars		
		First 1667 GJ per month	Next 2500 GJ per month	Rest
	DMT-4	0	0.640	0.600
	DMT-5	0	0.787	0.854

(g) Provision of Basic Metering Equipment Charges

Customer Type	Tariff Class	Standing Charge : \$/pa per Delivery Station Charges based on Delivery Point MHQ Period ending 30 June 2011 Prices are real 2010-2011 GST exclusive dollars					
			MHQ <10 GJ/hr	MHQ 10 to < 50 GJ/hr	MHQ 50 to < 100 GJ/hr	MHQ 100 to <1000 GJ/hr	MHQ 1000 GJ/hr and greater
Demand	All Demand Classes	Single Run	3775	5096	9906	13 381	17 617
		Double Run	7549	10 193	19 812	26 762	35 234
		Charge per Delivery Station Charges based on meter capacity. Period Ending 30 June 2011. Prices are real 2010-2011 GST exclusive dollars					
Volume	V-Coastal & V-Country	For meters with capacity less than or equal to 6m3/hr			Fixed Charge \$31.345 pa		
		For meters with a capacity of greater than 6m3/hr			Unit rate \$0.346/GJ, subject to a minimum charge per billing period of: \$4.32 per monthly billing period, or \$12.96 per quarterly billing period.		

(h) Volume Throughput Rate

Customer Type	Tariff Class	Volume Throughput Rate (\$/GJ) Period ending 30 June 2011 Prices are real 2010-2011 GST exclusive dollars					
		First 1.25 GJ	Next 1.5 GJ	Next 5.75 GJ	Next 75 GJ	Next 333.5 GJ	All additional
	Block size (GJ per month)						
	Block size (GJ per qtr)	First 3.75 GJ	Next 4.5 GJ	Next 17.25 GJ	Next 225 GJ	Next 1000.5 GJ	
Volume	V-Coastal	10.983	6.321	6.074	5.942	5.168	3.937
	V-Country	10.773	6.11	5.864	5.731	4.958	3.725

(i) Fixed Charge

Customer Type	Tariff Class	Standing Charge – dollars per annum <i>Period ending 30 June 2011</i>
		Prices are real 2010-2011 GST exclusive dollars
Volume	V-Coastal & V-Country	54.024
Demand	DMT-1	186 732.00
	DMT-2	213 408.00
	DMT-3	250 754.40
	DMT-4	426 816.00
	DMT-5	800 280.00

(j) Ancillary Reference Service: fees for Haulage Reference Service

Ancillary Reference Service: fees applicable to All Tariff Classes Period Ending 30 June 2011 Prices are real 2010-2011 GST exclusive dollars		
Fee Type	Description	Charge
Request for service	For time spent assessing requirements, collating information and responding to a User (or Prospective User) when the User (or Prospective User) requests a new/additional/changed Service, tariff assignment, authorisation of overruns or change in chargeable demand.	\$68.83, plus \$68.83 per hour after the first hour
Temporary disconnection	This charge covers the temporary disconnection of supply to a single Delivery Point at the request of a User where temporary isolation of supply is required. A request for temporary disconnection is not a request to remove a delivery point from the User's Service Agreement. The specific method of isolation will be at the discretion of the Service Provider to ensure the site is able to be left in a safe state. The charge also covers the cost of subsequent reconnection. (This charge is for providing disconnection services in accordance with the Network Code in force at the date of commencement of this Access Arrangement.)	\$101.77 Charge applies per meter set

Ancillary Reference Service: fees applicable to All Tariff Classes Period Ending 30 June 2011 Prices are real 2010-2011 GST exclusive dollars		
Fee Type	Description	Charge
Permanent disconnection	<p>This charge covers disconnection of supply to a single delivery point at the request of a User and where the User (on behalf of a Customer) also requests that the meter is not to be moved or removed. A request for permanent disconnection is also a request to remove a delivery point from the Users Service Agreement. The specific method of disconnection will be at the discretion of the Service Provider to ensure the site is able to be left in a safe state. A request for reconnection must be made as a new connection request.</p> <p>(This charge is for providing disconnection services in accordance with the Network Code in force at the date of commencement of this Access Arrangement.)</p>	<p>\$304.11</p> <p>Charge applies per meter set</p>
Decommissioning and meter removal	<p>This charge covers permanent decommissioning of a network connection including the removal of the meter. A request to permanently decommission is also a request to remove a delivery point from the Users Service Agreement. The specific method of disconnection will be at the discretion of the Service Provider to ensure the site is able to be left in a safe state.</p> <p>(This charge is for providing disconnection services in accordance with the Network Code in force at the date of commencement of this Access Arrangement.)</p>	<p>Charges apply per meter.</p> <p>(i) meters with a capacity of less than or equal to 6m³/hr: \$708.25</p> <p>(ii) meters with a capacity of greater than 6m³/hr: \$1516.53</p>

G. Meter Data Service

(a) Meter Reading Charges

Customer Type	Tariff Class	Meter Reading Cycle	Meter Reading Charge- \$ per annum per Delivery Station Prices are real 2010-2011 GST exclusive dollars				
			<i>Period ending 30 June 2011</i>	<i>Period ending 30 June 2012</i>	<i>Period ending 30 June 2013</i>	<i>Period ending 30 June 2014</i>	<i>Period ending 30 June 2015</i>
Volume	All Volume Tariff Classes	Quarterly	4.065	4.065	4.098 4.094 4.065	4.131 4.123 4.065	4.164 4.152 4.065
		Monthly	42.980	42.980	43.325 43.285 42.980	43.673 43.593 42.980	44.024 43.903 42.980
Demand	All Demand	Daily Meter	754	754	761	767	773

Customer Type	Tariff Class	Meter Reading Cycle	Meter Reading Charge- \$ per annum per Delivery Station				
			Prices are real 2010-2011 GST exclusive dollars				
			Period ending 30 June 2011	Period ending 30 June 2012	Period ending 30 June 2013	Period ending 30 June 2014	Period ending 30 June 2015
	Tariff Classes	Reading			760 754	765 754	774 754

(b) Provision of On Site Data and Communications Equipment Charge

Customer Type	Tariff Class	Provision of On Site Data and Communications Equipment - \$ per annum per Delivery Station				
		Prices are real 2010-2011 GST exclusive dollars				
		Period ending 30 June 2011	Period ending 30 June 2012	Period ending 30 June 2013	Period ending 30 June 2014	Period ending 30 June 2015
Demand	All Demand Tariff Classes	1408	1408	1419 1418 1408	1431 1428 1408	1442 1438 1408

(c) Ancillary Reference Service: fees for Meter Data Service

Ancillary Reference Service: fees applicable to All Tariff Classes					
Prices are real 2010-2011 GST exclusive dollars					
Fee Type	Description				Charge
Special meter read	For reads requested by a User rather than ordinary reads (for instance when the meter reader makes a special visit to read a particular meter out of the usual meter reading route or schedule). This service must be scheduled with a minimum 5 day notice period.				See below
					Charge applies per meter read
	Period ending 30 June 2011	Period ending 30 June 2012	Period ending 30 June 2013	Period ending 30 June 2014	Period ending 30 June 2015
	35.13	35.13	35.41 35.38 35.13	35.70 35.63 35.13	35.98 35.88 35.13

Schedule 3 - Reference Service Agreement

The terms and conditions for Reference Services are set out in the separate Reference Service Agreement, June, 2010. The Reference Service Agreement, June, 2010 forms part of this Access Arrangement.

Schedule 4 - Interconnection of Embedded Network Service

The Service Provider ordinarily provides the Interconnection of Embedded Network Service specified in clause 2.3, Section D of the Access Arrangement on the following terms and conditions.

Availability

- (a) The Interconnection of Embedded Network Service is available to any Embedded Network Operator to establish a single Delivery Point connected to an Embedded Network.
- (b) A Prospective User of an Interconnection of Embedded Network Service may request the Service Provider to provide and maintain an interconnection between a Delivery Point on the Network and a pipe or system of pipes constructed and operated by that Embedded Network Operator.

MDQ and MHQ

- (c) The Embedded Network Operator will be required to specify an annual quantity, MHQ and MDQ which fairly reflects the maximum annual, Hourly and Daily requirements at the Delivery Point, as well as the 24 hour profile of hourly flow based on prior consumption where that information is available.
- (d) The Service Provider's maximum obligation to deliver gas to the Delivery Point under transportation agreements with all Users is the MHQ in any Hour and the MDQ on any Day specified by the Embedded Network Operator and agreed by the Service Provider.

Metering

- (e) The Service Provider will provide Measuring Equipment for the Delivery Point.
- (f) Measuring Equipment will be designed to accurately measure the quantities specified by the Embedded Network Operator and will provide daily meter reading.
- (g) The Measuring Equipment will be commissioned on the commencement of the first transportation service to the Embedded Network Delivery Point on behalf of any User. The Measuring Equipment will be decommissioned when there is no agreement with any User requiring transport to the Delivery Point.

Authorisation of Embedded Network

- (h) The Embedded Network Operator must have all relevant authorisations, approvals and licences and must enter into an agreement with the Service Provider for an Interconnection of Embedded Network service. For the absence of doubt, an Interconnection of Embedded Network Service is separate from and additional to a Service(s) requested by a User for the transportation of gas through the Network to the Embedded Network Delivery Point.

Delivery Station and Delivery Point

- (i) The location of the Embedded Network Delivery Point on the Network will be agreed to by the Embedded Network Operator and the Service Provider. The Service Provider will only withhold its agreement to a location sought by the Embedded Network Operator on the basis of legal, technical, operational or safety considerations.
- (j) The hot tap connection to connect the Delivery Station to the Network will be designed and constructed in accordance with the Service Provider's usual standards and requirements, including Australian Standard 2885.
- (k) The Delivery Station will comprise metering facilities sufficient to accurately measure the flow over the full range of anticipated flow conditions and will be designed and constructed in accordance with the Service Provider's usual standards and requirements, including Australian Standard 2885. If the hot tap connection is located at a point on the Network where the maximum allowable operating pressure is above 1,050kPa, the Delivery Station will include a remotely controlled isolation valve.
- (l) Unless otherwise specified by the Service Provider, the Delivery Point between the Network and the Embedded Network Operator's pipe or system of pipes will be at the flange immediately downstream of the Delivery Station described above.
- (m) All facilities upstream of the outlet flange of the Delivery Station will be designed, procured, constructed, installed, owned and operated by the Service Provider at the reasonable cost of the Embedded Network Operator.
- (n) All facilities downstream of the outlet flange of the Delivery Station will be the responsibility of the Embedded Network Operator.
- (o) Modification of the Delivery Station and hot tap connection to the Network which are required as a result of changes in law or applicable technical standards, to enable enhanced measurement performance or as a result of changes in the flow conditions through the Embedded Network Delivery Point will be made by the Service Provider at the reasonable cost of the Embedded Network Operator unless the Service Provider has recovered the costs from Users of the Embedded Network Delivery Point.

Load Shedding

- (p) The Embedded Network Operator will be subject to load shedding arrangements. The Embedded Network Operator must have facilities available to it to reduce or discontinue the withdrawal of Gas if called upon to do so.
- (q) Unless there is an agreement on load shedding between the Service Provider and the Embedded Network Operator, all load of the Embedded Network Operator will be subject to Load Shedding priority 2 as described in Schedule 6. Network transportation services for the delivery of Gas to the Embedded Network Delivery Point will be subject to the same Load Shedding priority.

- (r) The Embedded Network Operator will participate in gas balancing arrangements if required.

Cathodic Protection of Facilities

- (s) The Embedded Network Operator must design, install, and operate, any cathodic protection system necessary to protect its facilities at its own cost. Cathodic protection facilities must be installed in such a manner as to avoid any interference which may be detrimental to the Service Provider's facilities and must be electrically isolated from the Service Provider's facilities.

Installation and Operation

- (t) In the interests of safety and ensuring the integrity of the Service Provider's pre-existing facilities, the Embedded Network Operator must cooperate with the Service Provider to establish, in a timely manner, appropriate arrangements and procedures for the safe installation and operation of the Embedded Network Operator's facilities, and for the management of emergency situations involving those facilities and the Network.

Abandonment/Disconnection

- (u) In the event that facilities cease to be used to take Gas at the Embedded Network Delivery Point then the Service Provider will, at the Embedded Network Operator's expense, ensure that the facilities are disconnected and isolated from the Service Provider's facilities. This requirement does not apply where the cessation of use is temporary.

Approvals and Indemnity

- (v) The Embedded Network Operator will provide the Service Provider with evidence that it has fulfilled all applicable statutory requirements and that it holds all necessary permits and licences in relation to its facilities downstream of the Embedded Network Delivery Point. That evidence must be provided before the commencement of any service to the Delivery Point.
- (w) The Embedded Network Operator will be liable for and indemnify the Service Provider against any claim of liability in relation to or arising out of those facilities.

Charges

- (x) The following charges will be agreed between the Embedded Network Operator and the Service Provider:
 - (i) Charge for engineering investigation
 - (ii) Charge for provision of interconnection facilities
 - (iii) Provision of Measuring Equipment

Schedule 5 - Request for Service

Access and Requests for Services

Reference Services and Negotiated Services

In order to obtain access to a Negotiated Service or a Reference Service a User or Prospective User will observe the following procedures:

- (a) A Prospective User must lodge a Request and meet the Service Provider's prudential requirements. Where the MHQ is expected to exceed 6m³/Hour a Request must include as a minimum the level of detail envisaged by this Schedule 5. Where the MHQ is expected to be less than 6m³/Hour the Request must include such details as requested by the Service Provider from time to time.
- (b) A Prospective User may have only one active Request in relation to the same tranche of capacity for a particular Delivery Point.
- (c) The Service Provider will within the shortest reasonable time and in any event within 20 Business Days of receiving a complete Request, respond to the Request in accordance with the National Gas Rules.
- (d) A Request will lapse unless, within 20 Business Days of the Service Provider advising that capacity is available for the Request, the Prospective User has either entered into a Reference Service Agreement or commenced bona fide negotiations to do so⁴.
- (e) Where there is sufficient capacity to meet a Request, there will be no queue.
- (f) Where there is insufficient capacity to satisfy a Request, then a queue will be formed and the Queuing Policy will apply.

⁴ A Request for Service will not lapse in the event of a dispute being notified under the NGL until that dispute has been resolved in accordance with the NGL.

Schedule 5A- Request for Service Form

Request For Service Form

Sections 1, 2, 3, 4, and 5 must be completed for all Requests.

Sections 6 and 7 must be completed for increased capacity at an existing site.

Sections 6, 7, 8, and 9 must be completed for new delivery points.

1. PROSPECTIVE USER INFORMATION

Name of Prospective User:

A.B.N
.....

Contact Officer
.....

Position Title
.....

Telephone
.....

Fax
.....

Customer Contact Details:

Name
.....

Position Title
.....

Telephone
.....

Fax
.....

2. RECEIPT POINT INFORMATION

Receipt Point Location

.....

Entity supplying inlet gas

.....

3. DELIVERY POINT INFORMATION

Delivery Point Business Name

A.B.N.

Delivery Point Street Address

Postcode

Delivery Point is Metres (N, S, E or W) from (nearest cross Street)

Delivery Point is located on the (N, S, E or W) side of the Street.

4. TRANSPORTATION INFORMATION

Service Requested	Haulage Reference Service / Negotiated Service
	Increase in MDQ or MHQ / change in Delivery Station characteristics

Service Commencement Date

Duration of Service Agreement Sought

ANZIC code(s)

Gas Applications

AQ (GJ/yr) Annual Quantity

MDQ (GJ/day) Maximum Daily Quantity

MHQ (GJ/hr) Maximum Hourly Quantity

5. DELIVERY STATION PRESSURE

Delivery Station Pressure (kPa) —

Metering pressure (1.38, 2.75, 7.0, 35, 100, if other please specify)

6. APPLIANCE & GAS LOAD INFORMATION

Appliance Type	Hourly Rate (MJ/hr)	Operating Capacity (%)	Hour/ Day	Days/ week	Weeks/ year	Total Annual Quantity (TJ/yr)
Total						

Do any of these appliances have pilots or small flow rates? If so, which ones?

7. FUEL CONVERSION INFORMATION

(if applicable)

Current Fuel Type

.....

Current Annual Consumption (GJ/yr)

.....

8. DELIVERY STATION INFORMATION

If the customer requires other than a standard single run meter set, please specify:

Is the proposed meter set located indoors? Y / N

Is a security compound required? Y / N

9. DELIVERY STATION LOCATION SKETCH

Please provide a sketch showing the proposed location of the meter set and the following:

1. length of customer service (path valve to meter set);
2. surface restoration from front boundary to meter set;
3. any walls to be pierced or other obstacle, e.g. stairs, retaining walls etc. to be negotiated;
4. all buildings and any other permanent structures on the site;
5. side and front building lines, and kerb line;
6. bearing (north).

Schedule 6 - Operational Schedules

1.1 Load Shedding

Load Shedding Principles

- (a) Load shedding is defined as a controlled interruption to, or reduction in, the delivery of gas to Delivery Points. If at any time for any reason there is, or the Service Provider reasonably believes or anticipates that there may be, a failure of supply or shortfall in supply in or to any part of the Network, the Service Provider is entitled to curtail or interrupt the receipt, transportation or delivery of Gas and is entitled to implement load shedding.
- (b) Load shedding includes the process of contacting Users and/or User's customer sites to notify them of a requirement to reduce or cease withdrawals of Gas from the Network, and again when the requirements are lifted or relaxed. All Users of the Network and their customers are required to participate in and comply with load shedding and the provisions of ELMS Data.
- (c) For prompt and effective responses during emergency events it is necessary for Users to take responsibility for notifying their customers to reduce Load to meet the load shedding requirements for each site. Contact of individual sites by the Service Provider is used to support and reinforce the site contact procedures where deemed necessary by the Service Provider to generate and monitor required levels and timeliness of User's customer responses.

Load Shedding Priorities

- (d) Load shedding will be implemented by the Service Provider according to the following schedule of priorities:

Load Shedding Priority	Load Type
1	All interruptible Loads.
2	All Load at a Delivery Point which serves more than one customer or other end user, and where no arrangement exists between the Service Provider and the operator of the facilities beyond the Delivery Point for shedding loads served by those facilities.
3	All Load at sites where gas is not used for production.
4	All Load at sites where load is transferable to an alternative fuel.
5	Load that may be reduced without damage to product or plant.
6	Load that may be halted without damage to product or plant.
7	Load where halting will cause product damage.
8	Load where halting will cause plant damage.
9	Load not transferable to alternative fuel at hospital and essential service sites.

Load Shedding Priority	Load Type
10	All Load at Volume Tariff sites (Residential, Commercial and Industrial).

Restoration of Service

- (e) Where feasible, permission to withdraw Gas from the Network will be restored in reverse order to that in which load shedding was implemented.

Suspension

- (f) If a User fails to cease or reduce deliveries, withdrawals or taking of Gas from the Network as requested by the Service Provider in accordance with these principles and their Service Agreement (or fails to procure that withdrawals be ceased or reduced), the Service Provider may suspend the delivery of Gas to any relevant Delivery Point.

Liability

- (g) The Service Provider will not be liable for any losses, liabilities or expenses incurred by the User and/or a User's customer arising from load shedding, where the Service Provider acts in accordance with the principles of this Access Arrangement in good faith. The User will indemnify and hold the Service Provider harmless from and against any and all Damage or claims in connection with or arising as a result of the Service Provider's implementation of load shedding procedures.

Emergency Load Management Systems (ELMS)

- (h) ELMS are computer based systems used by the Service Provider as an aid in identifying, contacting and recontacting User's customer sites by the Service Provider in the event of a supply failure. Information held by the Service Provider relating to a User is available to the User upon request.
- (i) Site and Network information is maintained through ELMS, in consultation with Users, and is used as the basis of operational implementation of load shedding by the Service Provider.
- (j) Users must advise the Service Provider of the emergency contact details for User's customers at Demand Customer Delivery Points and delivery points at which negotiated services are provided and must ensure that such contact details are current at all times for the purposes of ELMS.
- (k) Users must advise the Service Provider of the emergency contact details for the User to enable communication between the Service Provider and the User

during load shedding. User emergency contact personnel must be available to assist the Service Provider during load shedding if required.

- (l) If during a load shedding event, or simulation of a load shedding event, the Service Provider determines that site or User's customer details have changed or do not match the Service Provider's records, the Service Provider may update its records on the basis of advice from the site or the User's customer. The User may then confirm the contact information provided. This does not affect the Users' obligation to provide accurate and current information in any way.

1.2 Establishment of Receipt Points

- (a) Any person (including a User or Prospective User) seeking to interconnect with the Network for the purpose of enabling a User or Prospective User to deliver gas to the network for onward transportation may seek to establish a new Receipt Point.
- (b) A new Receipt Point may only be established on the Network if the Service Provider consents to the proposed location of the new Receipt Point. The Service Provider will only withhold its consent to a proposed location of a new Receipt Point on the basis of technical, operational or safety considerations.
- (c) The person seeking to establish a new Receipt Point must enter into an agreement with the Service Provider covering, without limitation, the following matters:

Receipt Point and Equipment Upstream

- (i) The new Receipt Point, and the pipe or system of pipes upstream of the new Receipt Point, must comply with the following requirements in order to ensure that the integrity, safety and operating ability of the Network is not compromised:
 - A. the new Receipt Point must have an associated Receipt Station (as described in the Service Agreement);
 - B. to safeguard against the hazards of over pressurisation of the Network, the Receipt Station must be equipped with overpressure protection facilities in accordance with the Service Provider's usual standards and requirements, including Australian Standard 2885, at the expense of the person seeking to establish the new Receipt Point;
 - C. a remotely controlled isolation valve operable by the Service Provider must be installed at the outlet of the Receipt Station upstream of the new Receipt Point, at the

expense of the person seeking to establish the new Receipt Point;

- D. the new Receipt Point will be at the flange immediately upstream of the facilities described above, or as otherwise agreed by the Service Provider. All facilities upstream of the new Receipt Point will be the responsibility of the person seeking to establish the new Receipt Point;
 - E. the operational mode of a Receipt Station for a new Receipt Point must be compatible with the operational mode of the Network;
 - F. the hot tap connection to connect the facilities to the Network will be designed and constructed with the Service Provider's usual standards and requirements, including Australian Standard 2885, at the expense of the person seeking to establish the new Receipt Point;
- (ii) Modifications may be required to the Network and/or the Service Provider systems to integrate the new Receipt Point into the operation of the Network. Requirements will vary depending on the location of the new Receipt Point. The party seeking to establish the new Receipt Point will bear the reasonable costs of such modifications, whether identified before or after installation of the new Receipt Point unless the Service Provider can recover them from Users of the new Receipt Point.

Cathodic Protection of Facilities

- (iii) The person seeking to establish the new Receipt Point must design, install, and operate, any cathodic protection system necessary to protect its facilities at its own cost. Cathodic protection facilities must be installed in such a manner as to avoid any interference which may be detrimental to the Service Provider's facilities and must be electrically isolated from the Service Provider's facilities.

Installation and Operation

- (iv) In the interests of safety and ensuring the integrity of the Service Provider's pre-existing facilities, the person seeking to establish the new Receipt Point must cooperate with the Service Provider to establish, in a timely manner, appropriate arrangements and procedures for the safe installation and operation of the facilities described above, and for the management of emergency situations involving those facilities and the Network.

Schedule 7 - Receipt Point Pressures

The Service Provider will notify Users of changes to the requirements set out in this schedule, and publish the updated schedule on its website. The Service Provider may also add minimum or maximum flow requirements for flow controlled Receipt Points.

1.1 Country Network Sections of NSW Distribution System and Central West Distribution System

Upstream pipeline (Allows receipt of Gas from this asset, which does not form part of the Network)	Location of Receipt Point	Max. Receipt Pressure at Receipt Point (kPa)	Min. Receipt Pressure at Receipt Point (kPa)	Areas of Network downstream of Receipt Point
Country Network Sections				
MSPS- Moomba to Young	West Wyalong	6895	1750	West Wyalong
MSPS - Young to Lithgow	Cowra	10 000	1750	Cowra
	Blayney	10 000	1750	Blayney
	Orange	10 000	1750	Orange
	Millthorpe	10 000	1750	Millthorpe
	Bathurst	10 000	1750	Bathurst, Kelso, Raglan
	Oberon	10 000	1750	Oberon
	Lithgow	10 000	1750	Lithgow
	Wallerawang	10 000	1750	Wallerawang
MSPS - Young to Wagga	Young	10 000	1750	Young
	Cootamundra	10 000	1750	Cootamundra
MSPS - Burnt Creek to Griffith	Junee	10 000	1750	Junee
	Coolamon	6895 ⁺	1750	Coolamon
	Ganmain	6895 ⁺	1750	Ganmain
	Narrandera	6895 ⁺	1750	Narrandera
	Rockdale	6895 ⁺	1750	Rockdale
	Leeton	6895 ⁺	1750	Leeton, Yanko
	Murrumbidgee	6895 ⁺	1750	Murrumbidgee

Upstream pipeline (Allows receipt of Gas from this asset, which does not form part of the Network)	Location of Receipt Point	Max. Receipt Pressure at Receipt Point (kPa)	Min. Receipt Pressure at Receipt Point (kPa)	Areas of Network downstream of Receipt Point
	Yoogali (Griffith)	6895*	1750	Griffith
MSPS - Young to Wilton	Boorowa	6895	1750	Boorowa
	Yass	6895	1750	Yass
	Goulburn	6895	1750	Goulburn
	Marulan	6895	1750	Marulan
	Sally's Corner	6895	1750	Exeter, Bundanoon
	Moss Vale	6895	1750	Moss Vale, Berrima
	Bowral	6895	1750	Bowral, Mittagong
	Bargo	6895	1750	Bargo, Picton, Tahmoor
Central West Pipeline – Marsden to Dubbo	Dubbo ^{cw}	6895*	1750	Dubbo, Wellington
	Dubbo West ^{cw}	6895*	1750	Dubbo West
	Forbes ^{cw}	6895*	1750	Forbes
	Parkes ^{cw}	6895*	1750	Parkes
	Narromine ^{cw}	6895*	1750	Narromine

* Upgrades to the Service Provider's facilities are required to accommodate 10 000 kPa.

"cw" Network section forms part of the Central West Distribution Network

1.2

Coastal Network Sections of the NSW Distribution System and the Wilton-Newcastle Pipeline and the Wilton Wollongong Pipeline.

Upstream pipeline (Allows receipt of Gas from this asset, which does not form part of the Network)	Location of Receipt Point	Max. Receipt Pressure at Receipt Point (kPa)	Min. Receipt Pressure at Receipt Point (kPa)	Areas of Network downstream of Receipt Point
Wilton - Newcastle Network Section				
Eastern Gas Pipeline (EGP)	Horsley Park CTS	4500 ^{^^}	3600+	Sydney
Moomba Sydney Pipeline System (MSP)	Wilton CTS	6895	3800+	Blue Mountains
				Central Coast
				Newcastle
Camden Coal Seam Methane	Rosalind Park CTS	4500 ^{^^}	3800+	Lower Hunter
Wilton - Wollongong Network Section				
Eastern Gas Pipeline (EGP)	Port Kembla CTS	3500	2600+	Wollongong
				Shellharbour
Moomba Sydney Pipeline (MSP)	Wilton CTS	6895	3800+	Kiama

If marked “+” then the Minimum Receipt Pressure may be subject to future increase to the Maximum Receipt Pressure

^{^^} 4500 kPa maximum Receipt Pressure limitation is in place to satisfy technical code & licence requirements due to third party activity. Maximum Receipt Pressures will be reinstated to 6895 kPa when code and licence requirements allow.

Schedule 8 - UAG Costs

The Service Provider's approved Cost of Service includes a forecast allowance for UAG Costs as set out in this schedule. Annual UAG adjustments will be calculated by reference to the forecasts set out in this schedule.

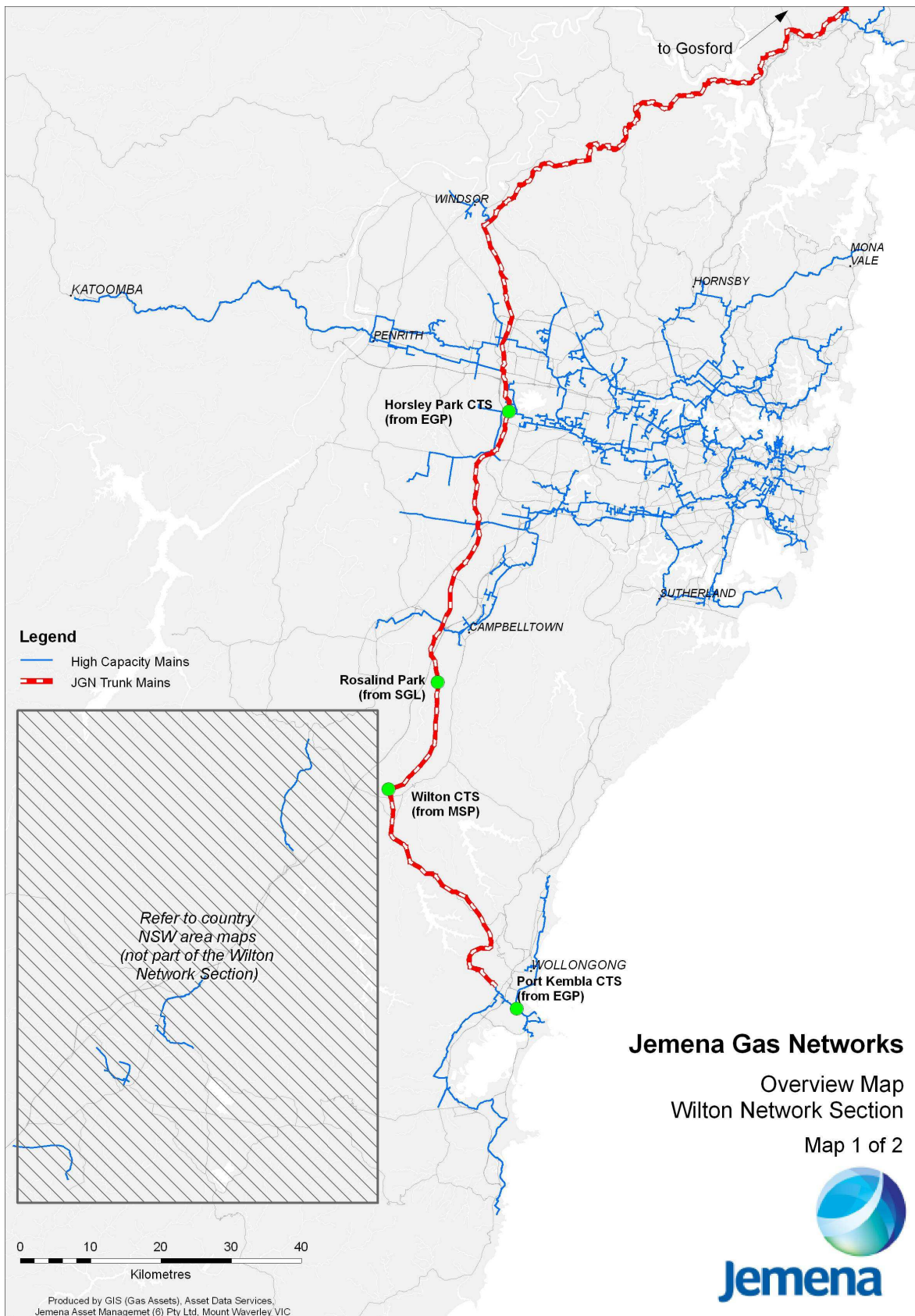
1.1 Allowance for UAG Costs

The Service Provider's forecast UAG Costs are set out in Table 1.

Table 1: Forecast UAG Costs

Item	2010-11	2011-12	2012-13	2013-14	2014-15
Forecast UAG Costs (\$2010 \$M)	13.4	13.4	13.3	13.0	13.1

Schedule 9 - Maps of the Network

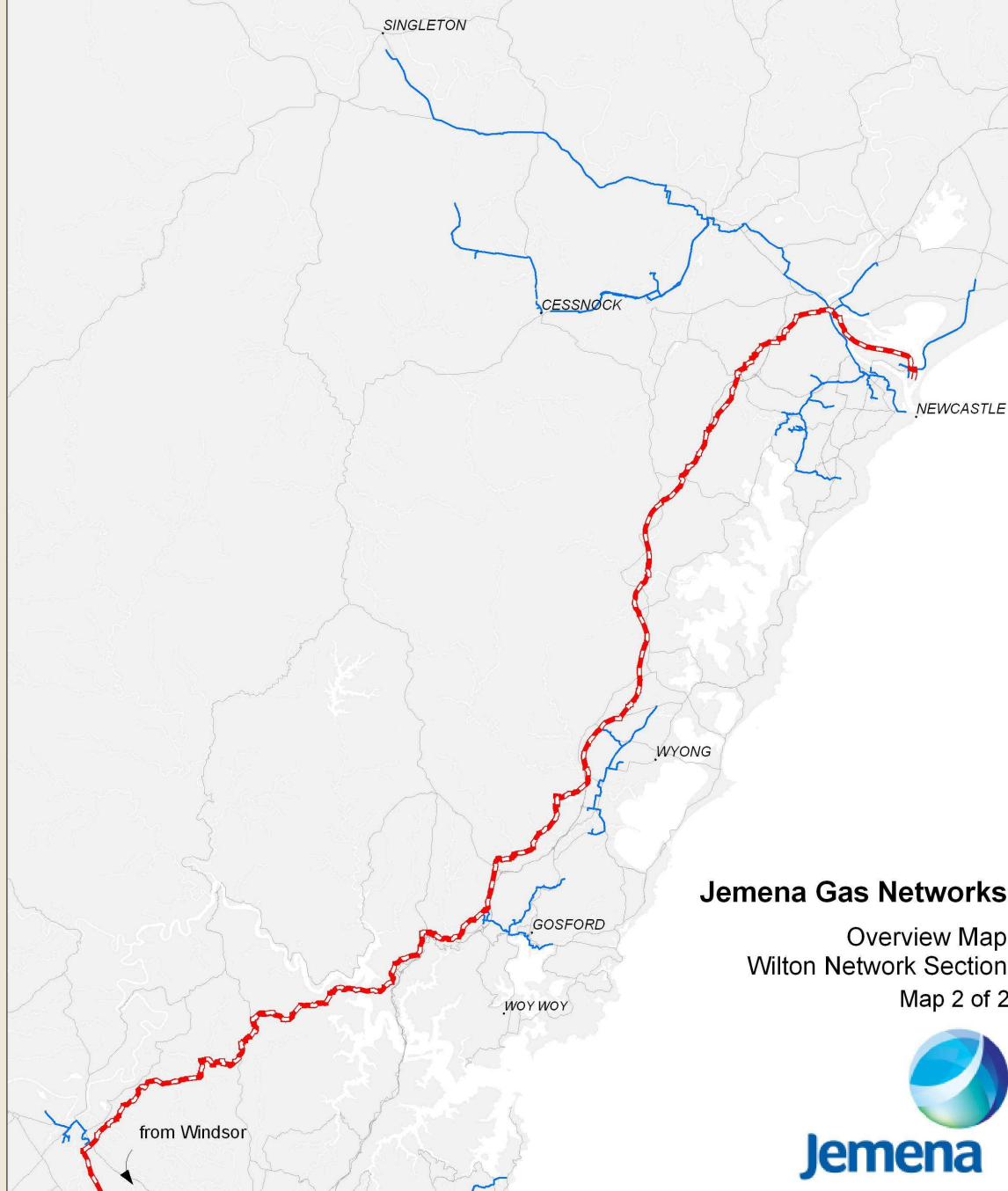


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Kilometres

Produced by GIS (Gas Assets), Asset Data Services,
Jemena Asset Management (6) Pty Ltd, Mount Waverley VIC

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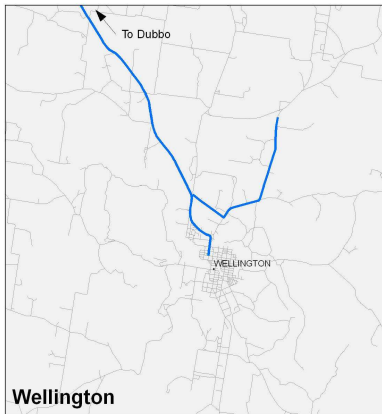
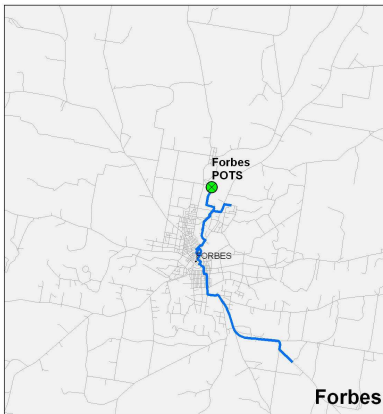
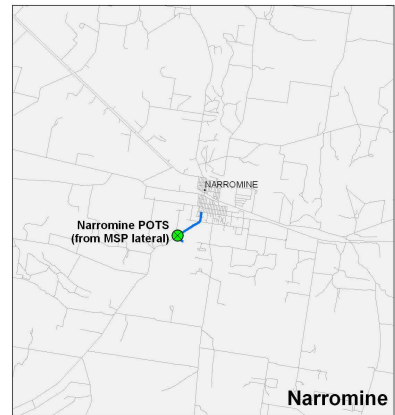
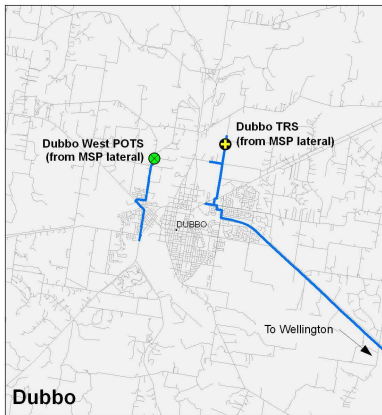
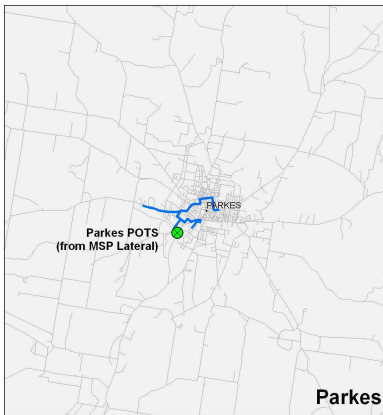
- High Capacity Mains
- JGN Trunk Mains



Jemena Gas Networks

Overview Map
Wilton Network Section
Map 2 of 2



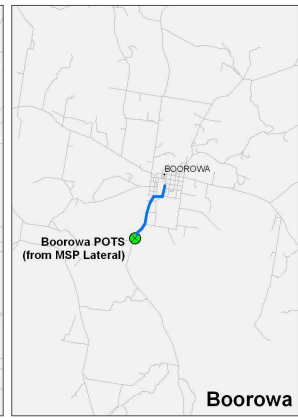
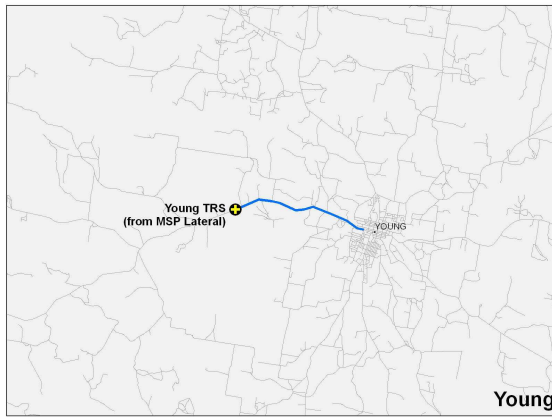
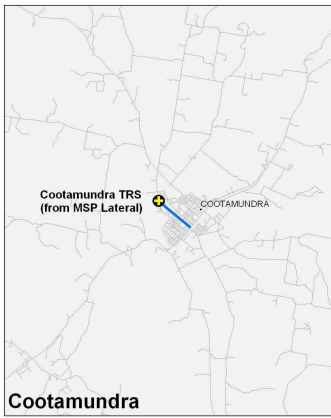


NSW Country Areas



— High Capacity Mains



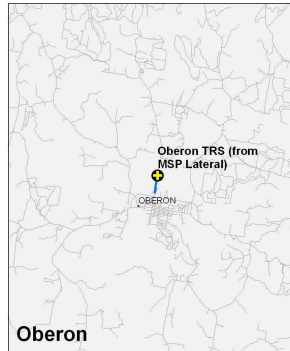
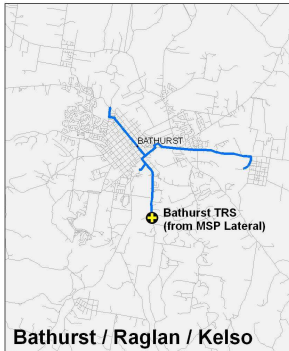
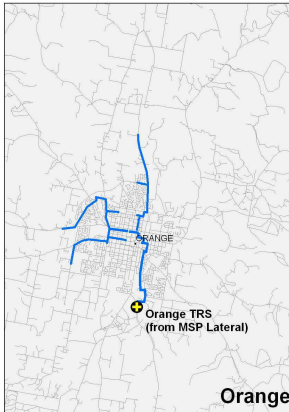
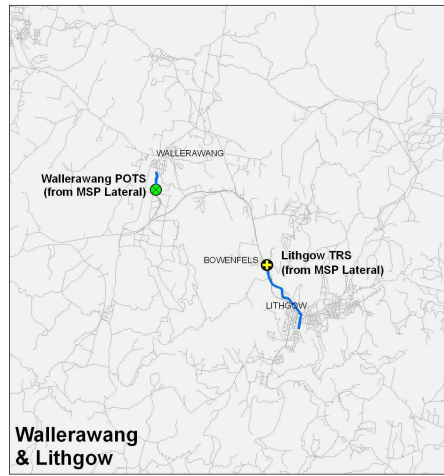
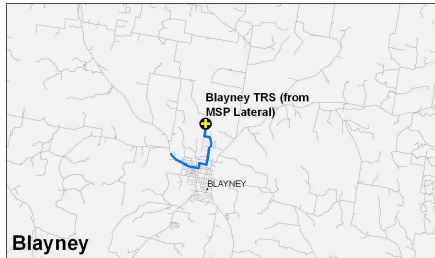
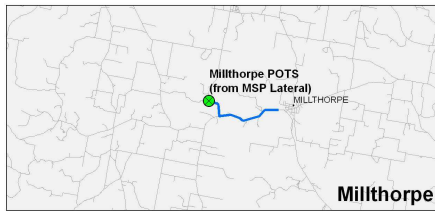
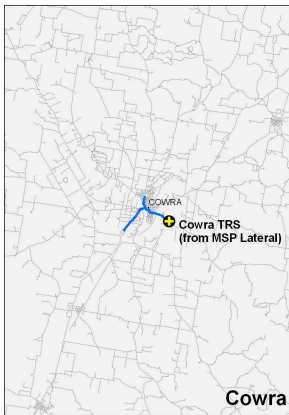


NSW Country Areas



— High Capacity Mains



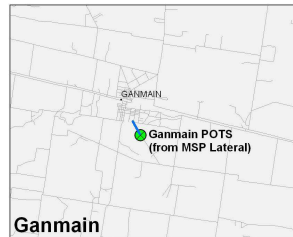
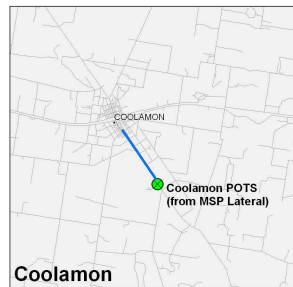
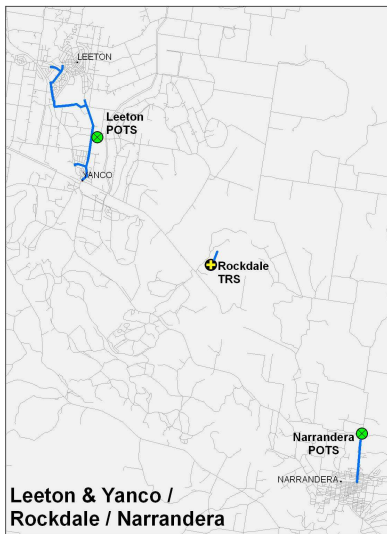
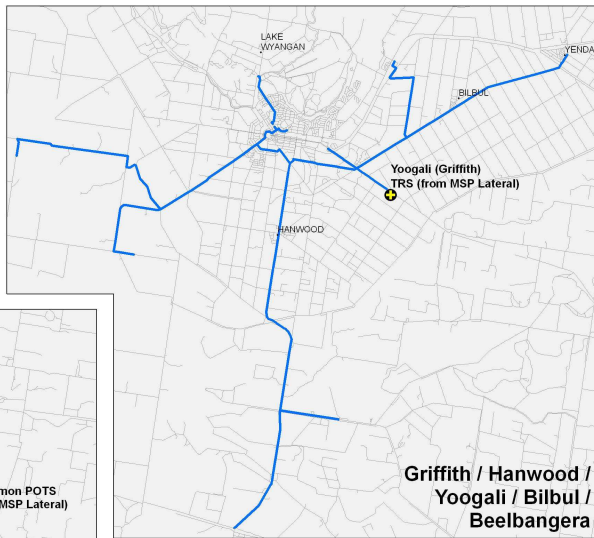
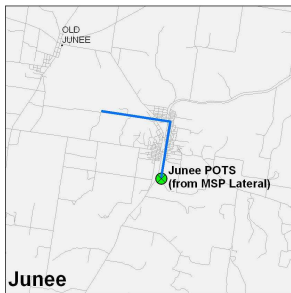
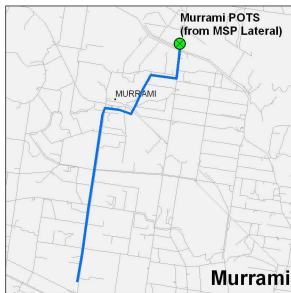


NSW Country Areas



— High Capacity Main



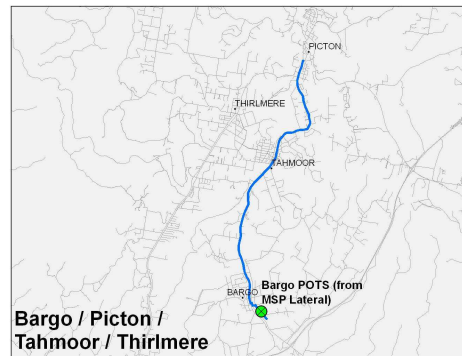
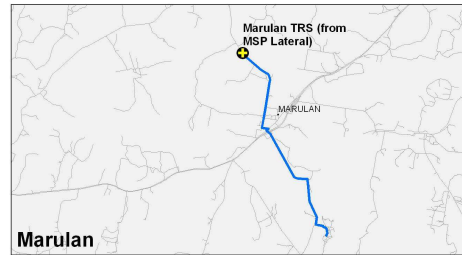
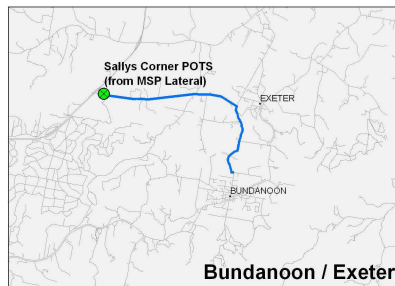
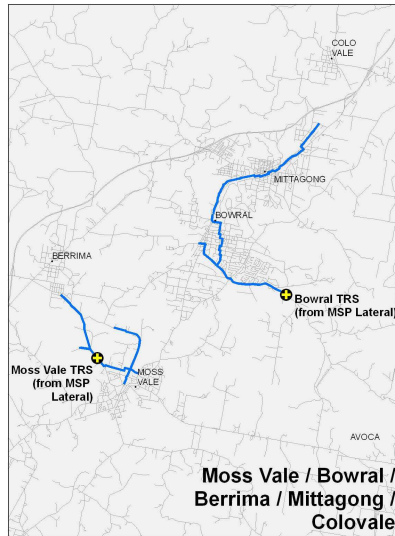
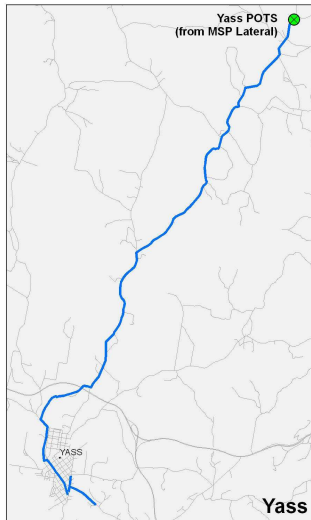
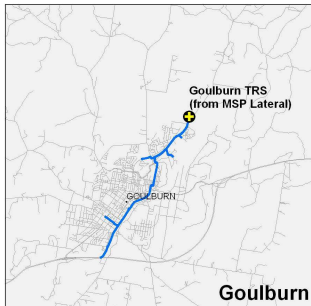


NSW Country Areas



— High Capacity Main





NSW Country Areas

— High Capacity Main

