



AUSTRALIAN COMPETITION TRIBUNAL

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19 May 2005

Middletons Lawyers
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Your Ref: BMIR,GTAP

Deacons
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Your Ref: NPM:ACH:2523782

Dear Sir/Madam

**Application by East Australian Pipeline Limited
File No 8 of 2003**

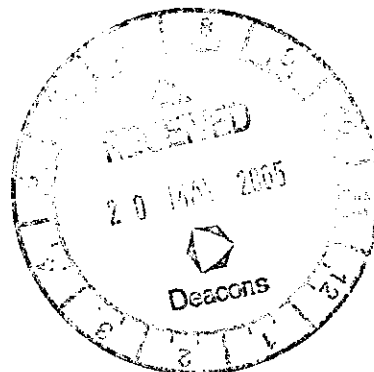
I enclose a sealed copy of the final orders made by the Tribunal on 19 May 2005.

Yours faithfully

A handwritten signature in dark ink, appearing to be 'G Segal'.

**Geoff Segal
Registrar**

Encl.



IN THE AUSTRALIAN COMPETITION TRIBUNAL

File No 8 of 2003

RE: APPLICATION UNDER SECTION 39(1) OF THE GAS PIPELINES ACCESS LAW FOR REVIEW OF THE DECISION OF THE AUSTRALIAN COMPETITION AND CONSUMER COMMISSION ON 8 DECEMBER 2003 TO APPROVE ITS OWN ACCESS ARRANGEMENT PURSUANT TO THE PROVISIONS OF THE NATIONAL THIRD PARTY ACCESS CODE FOR NATURAL GAS PIPELINE SYSTEMS AND THE GAS PIPELINES ACCESS LAW

BY: EAST AUSTRALIAN PIPELINE LIMITED

**TRIBUNAL: GYLES J (DEPUTY PRESIDENT)
MR R C DAVEY
MISS M M STARRS**

DATE: 19 May 2005

WHERE MADE: MELBOURNE



ORDERS

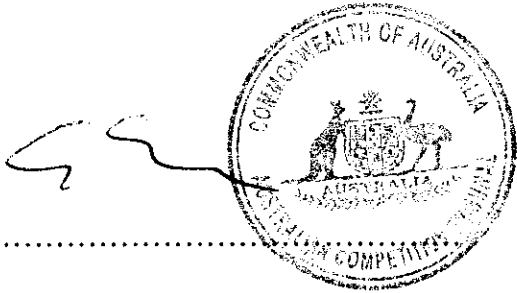
THE TRIBUNAL ORDERS THAT:

1. The decision of the Australian Competition and Consumer Commission ('ACCC') under section 2.20 of the National Third Party Access Code for Natural Gas Pipeline Systems ('the Code'), whereby the ACCC decided to draft and approve its own Access Arrangement ('the Decision') for the transmission system owned by the applicant ('EAPL'), be varied with effect from 1 July 2005 as follows:
 - (a) The Initial Capital Base be \$834.66 million (July 2003 dollars) allocated between the covered and uncovered portions of the system as follows: 60.37% to the uncovered portion and 39.63% to the covered portion.
 - (b) The weighted average cost of capital ('WACC') be based on the 10 year bond rate and a credit rating of BBB.

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- (c) The life of the section of the Moomba to Sydney Pipeline System between Moomba and Wilton be 60 years.
2. The Access Arrangement be varied in accordance with the marked up version of the Access Arrangement attached to these orders and initialed.
 3. The Applicant to make all necessary and consequential amendments to the Access Arrangement Information in accordance with sections 2.6 and 2.7 of the Code within 28 days of these orders.



REGISTRAR

Moomba Sydney Pipeline

Access Arrangement

Drafted and Approved by the Australian Competition and Consumer
Commission in accordance with section 2.20 of the National Third Party Access
Code for Natural Gas Pipeline Systems

8 December 2003

Amended from 1 July 2005 by order of the Australian Competition
Tribunal made on [date of order]

ACCESS ARRANGEMENT FOR MOOMBA SYDNEY PIPELINE

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1. INTRODUCTION

1.1 This Access Arrangement sets out the policies and basic terms and conditions applying to third party access to such parts of the Moomba Sydney Pipeline ('MSP') as are Covered under the Code.

1.2 This Access Arrangement was:

- (a) drafted and approved by the Australian Competition and Consumer Commission on 8 December 2003 under section 2.20 of the *National Third Party Access Code for Natural Gas Pipeline Systems* (Gas Code) and took effect on 1 January 2004; and
- (b) varied from 1 July 2005 by Order of the Australian Competition Tribunal under sections 38 and 39 of Schedule 1 to the *Gas Pipelines Access (South Australia) Act 1997* (SA) on [date of order].

1.21.3 As required by the Code, this Access Arrangement includes a Services Policy, Reference Tariffs, Reference Tariff Policy, Terms and Conditions, Capacity Management Policy, Trading Policy, Queuing Policy, Extensions/Expansions Policy, Revisions Submission Date and Revisions Commencement Date.

1.31.4 Terms and expressions used in this Access Arrangement have the meanings set out in Attachment A.

ACCESS ARRANGEMENT FOR MOOMBA SYDNEY PIPELINE

2. THE SERVICE PROVIDER AND THE PIPELINE

- 2.1 The MSP is owned by East Australian Pipeline Limited ABN 33 064 629 009 ("**EAPL**"). EAPL is the Service Provider in relation to such parts of the MSP as are Covered under the Code.
- 2.2 The MSP consists of a:
- (a) pipeline from Moomba to ~~Marsden Wilton~~ ("**Moomba Marsden Wilton Pipeline**")*;
 - (b) pipeline from Marsden to Wilton ("Marsden Wilton Pipeline");
 - ~~(b)~~(c) pipeline from Dalton to Canberra ("**Canberra Lateral**");
 - ~~(e)~~(d) pipeline from Young to Lithgow ("**Northern Lateral**");
 - ~~(d)~~(e) pipeline from Young to Wagga Wagga ("**Wagga Lateral**"); and
 - ~~(e)~~(f) pipeline from Burnt Creek (on the Wagga Lateral) to Griffith ("**Griffith Lateral**").
- 2.3 The Moomba ~~Marsden Wilton Pipeline~~*, Marsden Wilton Pipeline, the Wagga Lateral, and the Canberra Lateral are jointly referred to as the "**Mainline**" in this Access Arrangement. The Northern Lateral and the Griffith Lateral are jointly referred to as the "**Regional Laterals**".
- 2.4 A map of the MSP is at Attachment B.

* **Note:** With effect from 20 April 2004, the Moomba Marsden Pipeline ceased to be covered by the Code and, consequently, this Access Arrangement ceased to apply to it.

ACCESS ARRANGEMENT FOR MOOMBA SYDNEY PIPELINE

3. BACKGROUND TO ACCESS ARRANGEMENT

Note: this section has been removed.

ACCESS ARRANGEMENT FOR MOOMBA SYDNEY PIPELINE

4. ACCESS ARRANGEMENT PERIOD

- 4.1 This Access Arrangement ~~comes into effect on~~ has effect on ~~from~~ 1 January 2004.
- 4.2 EAPL will submit revisions to this Access Arrangement together with applicable Access Arrangement Information on or before 30 June 2008: ("**Revisions Submission Date**").
- 4.3 The revisions to this Access Arrangement referred to in 4.2 above will commence on the later of 1 July 2009 and the date on which the approval by the Regulator of the revisions takes effect ("**Revisions Commencement Date**").
- 4.4 This Access Arrangement contains tariffs from 1 January 2004 to 30 June 2009.

ACCESS ARRANGEMENT FOR MOOMBA SYDNEY PIPELINE

5. SERVICES OFFERED

- 5.1 The following Services are offered under this Access Arrangement:
 - (a) a Reference Service for firm transport ("**Firm Service**"); and
 - (b) a Negotiable Service with negotiable tariffs and negotiable terms and conditions.
- 5.2 These Services are described in more detail in sections 6 and 9.
- 5.3 EAPL will provide the Firm Service under a Transportation Agreement on the terms and conditions consistent with this Access Arrangement including the Principles.
- 5.4 EAPL will provide Negotiable Services under a Transportation Agreement on terms and conditions consistent with this Access Arrangement including the Principles, amended to reflect the specific matters agreed with the User.
- 5.5 EAPL will act in a Non-Discriminatory Manner in providing Services.

ACCESS ARRANGEMENT FOR MOOMBA SYDNEY PIPELINE

6. DESCRIPTION OF REFERENCE SERVICES

- 6.1 The Firm Service provides for transport of gas through any part of the pipeline in any direction.
- 6.2 The User will be required at commencement of the Transportation Agreement to establish for each Contract Year an MDQ and an MHQ which reflects the User's reasonable and genuine expected requirements for that Contract Year at each Receipt Point and each Delivery Point. Generally, the MHQ will be no greater than MDQ/24x 1.2.
- 6.3 The Firm Service may include multiple Receipt Points or Delivery Points if individual receipt and delivery obligations are set out in the Transportation Agreement. Generally, the sum of the Delivery Point MDQs and the Receipt Point MDQs must be the same.
- 6.4 On any Day, EAPL will receive at a Receipt Point quantities of gas up to the MDQ and will deliver at a Delivery Point the quantity of gas received from the User up to the MDQ for that Delivery Point. In any Hour, EAPL will receive at a Receipt Point and will deliver at a Delivery Point, a quantity of gas up to the MHQ for that Receipt Point and Delivery Point respectively.
- 6.5 An Overrun will occur where EAPL:
- (a) receives at a Receipt Point a quantity of gas in any Hour or on any Day which exceeds the MHQ or the MDQ respectively; or
 - (b) delivers to a Delivery Point in any Hour or on any Day a quantity of gas which exceeds the MHQ or the MDQ respectively.
- 6.6 If requested in advance, EAPL will authorise an Overrun except where:
- (a) provision of the Overrun may cause EAPL to have to curtail service for another User that is transporting within its MDQ or within an approved Overrun; or
 - (b) for more than 12 Days in the 12 Month period up to and including the current Month, or for more than 4 Days in the current Month, EAPL has authorised an Overrun for quantities in excess of 5% of the User's MDQ.
- 6.7 The User may be liable to pay charges for Delivery Point Overruns as set out in Attachment C2.
- 6.8 The User will be liable to EAPL for any loss or damage suffered by EAPL as a consequence of an Overrun which has not been authorised prior to the Overrun occurring.
- 6.9 If in any Contract Year:
- (a) on more than 12 occasions the User exceeds by more than 5% the MDQ under the Transportation Agreement for that Contract Year; and
 - (b) the User is not able to demonstrate to EAPL's reasonable satisfaction that the User will not again exceed the MDQ by more than 5% during the remainder of that Contract Year

then EAPL may determine that the MDQ under the Transportation Agreement for the remainder of that Contract Year will be equal to the average of the 12 highest daily withdrawals made by the User during that Contract Year.

ACCESS ARRANGEMENT FOR MOOMBA SYDNEY PIPELINE

- 6.10 The Firm Service will not be subject to curtailment or interruption except as set out in this Access Arrangement or the Transportation Agreement.
- 6.11 The minimum term for the Firm Service is one Year and the maximum is ten Years. The term is determined by the User at the time of entering into the Transportation Agreement.
- 6.12 If in any Month the User's gas flows in the opposite direction to the predominant physical flow of gas, then for the segment of the pipeline where that occurs, the User will be entitled to the following reductions for the relevant quantity of gas for that segment:
 - (a) a 50% discount on the Capacity Charge; and
 - (b) a waiver of the Throughput Charge.

ACCESS ARRANGEMENT FOR MOOMBA SYDNEY PIPELINE

7. REFERENCE TARIFFS

- 7.1 The Reference Tariff for the Firm Service consists of the sum of the:
- (a) Capacity Charge;
 - (b) Throughput Charge; and
 - (c) other charges applicable under Attachment C2.
- 7.2 The Capacity Charge for each Day is the product of:
- (a) the Capacity Reference Tariff;
 - (b) the pipeline distance from the Receipt Point to the Delivery Point (Attachment C3); and
 - (c) the MDQ specified in the Transportation Agreement (expressed in GJ).
- 7.3 The Throughput Charge for each Day is the product of:
- (a) the Throughput Reference Tariff;
 - (b) the pipeline distance from the Receipt Point to the Delivery Point (Attachment C3); and
 - (c) the actual quantity of gas delivered to the User on that Day (expressed in GJ).
- 7.4 Different Capacity Reference Tariffs and Throughput Reference Tariffs apply for delivery from the Mainline and the Regional Laterals
- 7.5 The Capacity Reference Tariff and the Throughput Tariff are set out in Attachment C1.
- 7.6 The User may also be required to pay the following charges in accordance with Attachment C2:
- (a) Overrun Charges;
 - (b) Imbalance Charges;
 - (c) Odourisation Charges;
 - (d) Daily Variance Charges; and
 - (e) Charges with respect of Receipt Stations and Delivery Stations.
- 7.7 ~~Where this Access Arrangement ceases to apply to any part of the Covered Pipeline, the tariffs under any then current Reference Service Transportation Agreement in effect at that time for the delivery of gas through that part of the pipeline will be adjusted to reflect the competitively derived price for transportation through that part of the pipeline.~~
- 7.8 Where the term of a Transportation Agreement for a Reference Service extends beyond the Revisions Commencement Date, the tariffs applicable to the Service will be the Reference Tariffs for a comparable Service under the then applicable Access Arrangement.

ACCESS ARRANGEMENT FOR MOOMBA SYDNEY PIPELINE

8. GENERAL PRINCIPLES AND REFERENCE TARIFF POLICY

8.1 In developing its proposed Services and Reference Tariffs in this Access Arrangement, EAPL stated that it has focussed on the following objectives:

- (a) achieving greater utilisation of the Covered Pipeline;
- (b) providing tariffs that are responsive to price sensitive markets;
- (c) providing encouragement for the growth of natural gas markets;
- (d) responding to competition from the EGP;
- (e) encouraging efficient use of the Covered Pipeline; and
- (f) encouraging growth in regional areas through providing for inclusion of further pipelines in the Covered Pipeline at a tariff which will support efficient development of pipelines in such areas.

8.2 The following principles apply to the development of the Reference Tariffs:

- (a) Reference Tariffs are derived through a price path approach based on an application of the NPV methodology. This is designed to permit EAPL to recover the efficient costs of the Covered Pipeline over the expected life of the assets;
- (b) the initial Capital Base is established in accordance with sections 8.1, 8.10 and 8.11 of the Code;
- (c) Reference Tariffs are structured to reflect the costs of providing the Reference Services;
- (d) to ensure there is no cross-subsidy between Users, Reference Tariffs are designed to ensure that no User pays tariffs less than the marginal cost of providing the Reference Service or more than the stand alone cost of providing the Reference Service; and
- (e) total costs are to be recovered from Users of the Reference Service.

8.3 The Capital Base at the commencement of the subsequent Access Arrangement Period will be determined by application of the NPV methodology adjusted to account for New Facilities Investment, Depreciation, Redundant Capital and inflation as measured by the annual CPI.

8.4 For the purposes of calculating the Capital Base at the commencement of the subsequent Access Arrangement Period where the actual cost of New Facilities differs from the forecast new Facilities Investment on which the Capital Base was determined, the calculated Capital Base will include that part of the New Facilities Investment that meets the requirements of section 8.16 of the Code at actual cost.

8.5 The initial Capital Base is allocated between the separate pipelines comprising the Covered Pipeline ~~MSP~~ as set out below. If at the time of a review of this Access Arrangement any one or more of those pipelines has ceased to be part of the Covered Pipeline, the initial Capital Base as at 1 July 2003 for those parts of the Covered Pipeline ~~MSP~~ which remain Covered will be the amounts set out below.

ACCESS ARRANGEMENT FOR MOOMBA SYDNEY PIPELINE

Allocation of Initial Capital Base (\$m at 1 July 2003)

Moomba Sydney Pipeline	\$545.43
Moomba Wilton Pipeline	\$470.77
Canberra Lateral	\$10.17
Wagga Lateral	\$20.80
Regional Laterals	\$43.69

Marsden Wilton Pipeline	\$224,873,588
Canberra Lateral	\$15,563,712
Northern Lateral	\$41,873,152
Wagga Lateral	\$31,878,367
Griffith Lateral	\$24,973,298
Sub Total (Total Covered Part of MSP)	\$339,162,118
Moomba Marsden Pipeline	\$495,497,432
Total MSP	\$834,659,550

Note: Totals may not add precisely due to rounding.

- 8.6 EAPL may undertake New Facilities Investments in the future that do not meet the requirements of the Code for inclusion in the Capital Base and may include in the Capital Base that part of the New Facilities Investment which does satisfy section 8.16 of the Code.
- 8.7 An amount in respect of the balance after deducting the Recoverable Portion of New Facilities Investment may subsequently be added to the Capital Base, with the approval of the Regulator, if at any time the type and volume of Services provided using the increase in Capacity attributable to the New Facility change such that any part of the Speculative Investment Fund would then satisfy the requirements of the Code for inclusion in the Capital Base.
- 8.8 For the purposes of calculating the Capital Base at the commencement of the subsequent Access Arrangement the Capital Base will be adjusted if necessary and to the extent that assets are determined by the Regulator to be redundant as provided by the Code.

Reference tariff variation methods

- 8.9 EAPL has selected a combination of a Reference Tariff Control Formula Approach (the CPI — X formula) and Trigger Event Adjustment Approach.
- 8.10 During the Access Arrangement Period, Reference Tariffs will only be adjusted in accordance with the CPI-X formula set out in section 8.11 or for the Specified Events set out in sections 8.14, 8.15 and 8.16, 8.17, 8.18 and 8.19.
- 8.11 EAPL may vary Reference Tariffs within the Access Arrangement period in accordance with the following formula (the CPI — X formula):

The X values for the pipeline using escalation formula below are:

Mainline X (XML) = ~~+1.60~~ +1.00% (ie positive ~~1.00~~ +1.60%)

Regional Laterals X (XRL)= ~~+0.60~~ -1.10% (ie ~~negative 1.10~~ positive 0.60%)

The escalation formula is:

ACCESS ARRANGEMENT FOR MOOMBA SYDNEY PIPELINE

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

Where:

RT_n = Reference Tariff in year n

RT_{n-1} = Reference Tariff in year n — 1

CPI = means Consumer Price Index (All Groups — weighted Average Eight Capital Cities) published quarterly by the Australian Bureau of Statistics. If the Australian Bureau of Statistics ceases to publish the quarterly value of that index, then CPI means the quarterly values of another Index which EAPL reasonably determines most closely approximates that Index.

CPI_n = means the CPI published for the March quarter in year n

CPI_{n-1} = means the CPI published for the March quarter in year n-1

X = as defined above.

8.12 The Reference Tariffs for the first partial year of the ~~proposed~~ Access Arrangement period ~~(1 Jan 04 to 30 Jun 04)~~ is: (1 January 2004 to 30 June 2004) are:

Mainline

Capacity (cents/GJ/km)	0.03605
Throughput (cents/GJ/km)	0.00226

Regional lateral

Capacity (cents/GJ/km)	0.04839
Throughput (cents/GJ/km)	0.00304

8.13 The Reference Tariffs for the period 1 July 2004 to 30 June 2005¹ are:

Mainline

Capacity (cents/GJ/km)	0.03618
Throughput (cents/GJ/km)	0.00227

Regional lateral

Capacity (cents/GJ/km)	0.04906
Throughput (cents/GJ/km)	0.00308

8.14 The Reference Tariffs for the period from the commencement of the variation of the Access Arrangement pursuant to the Order of the Australian Competition Tribunal, being 1 July 2005, until 30 June 2006² are:

¹ Tariffs as varied pursuant to section 8.15.

ACCESS ARRANGEMENT FOR MOOMBA SYDNEY PIPELINE

Mainline

Capacity (cents/GJ/km)	0.04937
Throughput (cents/GJ/km)	0.00310

Regional lateral

Capacity (cents/GJ/km)	0.05245
Throughput (cents/GJ/km)	0.00329

8.128.15 EAPL may vary the Reference Tariffs using the CPI-X formula in accordance with sections 8.3B to 8.3H of the Code subject to the following:

- (a) during the period 2004 to 2008 EAPL must provide a notice to the Regulator 30 business days prior to 30 June each year;
- (b) this notice must contain EAPL's proposed variations to the Reference Tariffs and the proposed effective date for those variations;
- (c) the proposed variations to the Tariffs must be in accordance with the CPI — X formula and approved X values;
- (d) this notice must specify that the proposed variations to the Reference Tariffs apply from 1 July of the relevant year;
- (e) the minimum notice period for the purposes of section 8.3D(b)(i) of the Code shall be 20 business days from the date that EAPL submits its notice under section 8.12(a).

8.138.16 "Specified Event" shall mean an event referred to in sections ~~8.14, 8.15 or 8.16~~ 8.17, 8.18 or 8.19.

8.148.17 EAPL has established Reference Tariffs for the Reference Service on the basis of government taxes, charges, levies, imposts and fees applying at 30 April 2002. In the event that:

- (a) any new or increased taxes, charges, levies, duties, imposts or fees occur, or
- (b) there is a reduction in the level of those taxes, charges, levies, duties, imposts or fees below the level assumed by EAPL in deriving Reference Tariffs, or
- (c) any of those taxes, charges, levies, duties, imposts or fees are removed,

and where:

- (i) those taxes, charges, levies, duties, imposts or fees are exogenous,
- (ii) the amounts involved are material, and
- (iii) the detriment or benefit (as the case may be) to EAPL is significant and

² Based on forecast CPI of 2.13%.

ACCESS ARRANGEMENT FOR MOOMBA SYDNEY PIPELINE

- (iv) the effect of the increase, reduction or removal occurs in the Access Arrangement period,

EAPL will adjust the Reference Tariffs to recover such costs or address the reduction or removal of the taxes, charges, levies, duties, imposts or fees (as the case may be).

8.158.18 If the introduction of full retail contestability in New South Wales, the Australian Capital Territory or Victoria leads to the introduction of new legal or procedural requirements affecting the management or operation of the pipeline and those new legal or procedural requirements result from either the introduction of a new law relating to retail contestability, a direction of the relevant Minister or a body appointed to implement retail contestability in the gas industry, and

- (i) the financial impact is material;
- (ii) the detriment or benefit (as the case may be) to EAPL is significant; and
- (iii) the effect occurs in the Access Arrangement period;

then EAPL may address the financial impact of those new requirements through adjustment to Reference Tariffs.

8.168.19 EAPL may elect to specify that the Capacity Charge and the Throughput Charge for delivery ~~to the~~ from Receipt Points on the Mainline to Delivery Points along Regional Laterals will be calculated on the basis of a deemed minimum distance in accordance with the relevant provisions of the Code. Before EAPL does so:

- (a) EAPL will provide a written notice to the Regulator specifying the minimum distance for the calculation of lateral tariffs, setting out its calculation methodology and demonstrating how the policy ~~complies~~ is consistent with section 8.1 of the Code;
- (b) EAPL will provide for a minimum 40 business day assessment period by the Regulator which may be extended by the Regulator in accordance with section 8.3D of the Code should it seek further information from EAPL in accordance with section 8.3D of the Code;
- (c) Unless the Regulator has disallowed the variation under section 8.3E of the Code, the proposed changes will be deemed approved at the end of the 40 business day assessment period;
- (d) For the avoidance of doubt, any reference tariff variation relating to ~~taxes deemed~~ minimum distance must be conducted in accordance with sections 8.3B to 8.3H of the Code.

8.178.20 Before EAPL adjusts Reference Tariffs as provided for in section 8.14 ~~8.17~~ EAPL must:

- (a) provide a written notice to the Regulator specifying the new or changed taxes, charges, levies, duties, imposts or fees, the scope of the financial impact, how the claim is consistent with section ~~8.148.17~~, the proposed variations to the Reference Tariff and an effective date for the changes (a "tax pass through notice"); and
- (b) use best endeavours to provide the Regulator with documentary evidence (if available) which substantiates the financial impact set out in the tax pass through notice.

ACCESS ARRANGEMENT FOR MOOMBA SYDNEY PIPELINE

~~8.188.21~~ EAPL must submit only one tax pass through notice each financial year, which must be submitted at least 50 business days prior to the end of each financial year. This notice may incorporate a number of claims relating to the introduction, increase, reduction, or removal of taxes, charges, levies, duties, imposts or fees or may specify that none of the matters set out at section ~~8.14-8.17~~ have occurred. For the purposes of section 8.3D(b)(i) of the Code the minimum notice period for a tax pass through notice is 40 business days. For the avoidance of doubt, any reference tariff variation relating to taxes, charges, levies, duties, imposts or fees must be conducted in accordance with sections 8.3B to 8.3H of the Code.

~~8.198.22~~ EAPL may only adjust Reference Tariffs under section ~~8.15-8.18~~ as follows:

- (a) if the new legal or procedural requirements result in an increase in costs during the Access Arrangement period, EAPL may adjust the Reference Tariffs to recover the increase in costs; or
- (b) if the new legal or procedural requirements result in a reduction in costs during the Access Arrangement period, EAPL will adjust the Reference Tariffs to reflect the reduction in costs.

~~8.208.23~~ Before EAPL adjusts Reference Tariffs as provided for in section ~~8.15-8.18~~ and ~~8.19-8.22~~ EAPL must:

- (a) provide a written notice to the Regulator specifying that new legal or procedural requirements affecting the management or the operation of the pipeline have been introduced, the scope of the financial impact, how the claim is consistent with sections ~~8.15-8.18~~ and ~~8.198.22~~, the proposed variations to the Reference Tariff and an effective date for the changes (a "FRC pass through notice"); and
- (b) use best endeavours to provide the Regulator with documentary evidence (if available) which substantiates the financial impact set out in the FRC pass through notice.

~~8.218.24~~ EAPL must submit only one FRC pass through notice each financial year, which must be submitted at least 50 business days prior to the end of each financial year. This notice may incorporate a number of claims relating to the introduction of new legal or procedural requirements affecting the management or operation of the pipeline or may specify that none of the events set out at ~~8.15-8.18~~ and ~~8.19-8.22~~ have occurred. For the purposes of section 8.3D(b)(i) of the Code the minimum notice period for a FRC pass through notice is 40 business days. For the avoidance of any doubt, any reference tariff variation relating to new legal or procedural requirements ~~taxes~~ must be conducted in accordance with sections 8.3B to 8.3H of the Code.

ACCESS ARRANGEMENT FOR MOOMBA SYDNEY PIPELINE

9. NEGOTIABLE SERVICE

- 9.1 If a Prospective User's requirements and circumstances vary from the conditions of a Reference Service and cannot be satisfied through a Reference Service, that Prospective User may seek to negotiate different terms and conditions, including tariff, as a Negotiable Service.
- 9.2 Negotiable Services will have priority agreed to in a Non-Discriminatory Manner on a case by case basis but will not be higher than Firm Service.

ACCESS ARRANGEMENT FOR MOOMBA SYDNEY PIPELINE

10. ORDER OF PRIORITY OF SERVICE

- 10.1 If any interruption or reduction of Services occurs, the order of priority will be determined in a Non-Discriminatory Manner with the Negotiable Service not having a higher priority than the Firm Service.
- 10.2 Agreements for firm transportation existing at the commencement of this Access Arrangement will be accorded priority equivalent to Firm Service.
- 10.3 Agreements for Services other than firm transport existing at the commencement of this Access Arrangement are accorded priority lower than the Firm Service.
- 10.4 The above levels of priority are subject to any established pre-existing contractual rights to a higher priority (if any).

ACCESS ARRANGEMENT FOR MOOMBA SYDNEY PIPELINE

11. CAPACITY MANAGEMENT POLICY

11.1 The pipeline is a Contract Carriage Pipeline.

11.2 Accordingly:

- (a) EAPL will manage its ability to provide Services primarily by requiring Users to use no more than the quantity of Service (ie. MDQ specified in that User's Transportation Agreement);
- (b) Users will be required to enter into a Transportation Agreement that specifies a quantity of Service for each Contract Year of the Transportation Agreement;
- (c) charges levied by EAPL for use of a Service are based on the quantity of Service specified in the relevant Transportation Agreement in accordance with this Access Arrangement; and
- (d) the User will be entitled to trade its right to a Service to another User, but only in accordance with this Access Arrangement.

ACCESS ARRANGEMENT FOR MOOMBA SYDNEY PIPELINE

12. APPLYING FOR ACCESS AND QUEUING POLICY

Requests for access

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

- 12.1 A Prospective User must lodge a request for service ("**Request**") and meet the prudential requirements set out in section 12.8. A Request must include, as a minimum, the level of detail envisaged by Attachment F.
- 12.2 A Prospective User may have only one active Request for the same tranche of capacity to a particular Delivery Point.
- 12.3 EAPL will advise the Prospective User where a Request is incomplete. If the Prospective User corrects the deficiency within 7 days, the priority of the Request will depend on the date on which EAPL first received the Request. Otherwise, the priority will depend on the date on which EAPL receives the complete Request.
- 12.4 EAPL will within the shortest reasonable time and in any event within 30 days of receiving a complete Request advise whether capacity is available and at what tariff, and whether a queue exists for the capacity.
- 12.5 A Request will lapse unless, within 30 days of EAPL advising that capacity is available, the Prospective User has either entered into a Transportation Agreement or commenced bona fide negotiations³.
- 12.6 Where there is sufficient capacity to meet a Request, there will be no queue.
- 12.7 Where there is insufficient capacity to satisfy a Request, then a queue will be formed and the Queuing Policy set out below will apply.
- 12.8 The prudential requirements applicable to Prospective Users are:
 - (a) the Prospective User must be resident in, or have a permanent establishment in, Australia;
 - (b) the Prospective User must not be under external administration as defined in the *Corporations Act 2001* or under any similar form of administration in any other jurisdiction;
 - (c) the Prospective User may be required to provide reasonable security in the form of a parent company guarantee or a bank guarantee or similar security. The nature and extent of the security will be determined having regard to the nature and extent of the obligations of the Prospective User under the Transportation Agreement.

³ A Request for Service will not lapse in the event of a dispute being notified under the Code until that dispute has been resolved in accordance with the Code.

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Forming the queue

- 12.9 Where there is insufficient capacity to satisfy a Request, a queue will be formed and the following provisions will apply.
- 12.10 The priority date of a Request is the date determined under clause 12.3.
- 12.11 Where EAPL 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.
- 12.12 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.
- 12.13 At the time a Request is placed in a new or existing queue, EAPL will advise the Prospective User of:
- (a) its position in the queue;
 - (b) the aggregate capacity sought under Requests which are ahead on the queue;
 - (c) its estimate of when capacity may become available; and
 - (d) the size of any surcharge that may apply to Developable Capacity.
- 12.14 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, EAPL will provide revised information to the Prospective User.
- 12.15 A Prospective User may reduce, but not increase, the capacity sought in a Request which is in a queue.
- 12.16 Once every three Months, EAPL 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.
- 12.17 A Prospective User will advise EAPL if it does not wish to proceed with a Request, which will then lapse.
- 12.18 A Prospective User may only assign a Request on a queue to a bona fide purchaser of the Prospective User's business and/or assets, subject to EAPL's prudential requirements.
- 12.19 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 EAPL or to meet EAPL's prudential requirements.
- 12.20 Any lapsed Request will be removed from the queue and priority will be lost.
- 12.21 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

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- (b) EAPL 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.

12.22 A Prospective User will have 30 days after an offer is made to enter into a Transportation Agreement (conditional if necessary on EAPL entering into Transportation Agreements with other Prospective Users), failing which the Request will lapse or lose priority to those entering into such a Transportation Agreement (upon that Transportation Agreement becoming unconditional). EAPL may agree to extend the period of 30 days.

12.23 A Request for a Reference Service and a Request for a Negotiable Service will have equal priority, subject to a prospective User seeking the Reference Service at the Reference Tariff having priority over a prospective User seeking the Reference Service at a tariff less than the Reference Tariff and to this clause 12.

12.24 A Request will not lapse and will retain its priority in a queue in the event of a dispute being notified under the Code until that dispute has been resolved.

12.25 Where a queue exists a Prospective User must on request demonstrate to EAPL 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.

12.26 Prior to EAPL being obliged to enter into a Transportation Agreement, the Prospective User must have:

- (a) entered into the Transportation Agreement;
- (b) provided written confirmation that it has made appropriate arrangements for upstream and downstream transport and supply of gas; and
- (c) met the prudential requirements set out in clause 12.8 of this Access Arrangement.

12.27 EAPL will not be under any obligation to provide Services until the Transportation Agreement has been concluded and executed by both parties.

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13. TRADING POLICY

- 13.1 A User may make a Bare Transfer if the transferee notifies EAPL beforehand that it wishes to utilise the portion of the Contracted Capacity subject to the Bare Transfer and of the nature of the Contracted Capacity subject to the Bare Transfer.
- 13.2 The User may transfer or assign all or part of its Contracted Capacity other than by way of a Bare Transfer with the prior written consent of EAPL. EAPL may withhold its consent only on reasonable commercial or technical grounds and may make such consent subject to reasonable commercial and technical conditions, including conditions which are consistent with the Principles in Attachment D.
- 13.3 The User may transfer all or part of the MDQ for a Receipt Point or Delivery Point to another Receipt Point or Delivery Point. EAPL may withhold its consent to such a transfer on reasonable commercial or technical grounds or may make its consent subject to reasonable commercial and technical conditions, including conditions which are consistent with the Principles in Attachment D.

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14. EXTENSIONS AND EXPANSIONS

- 14.1 In accordance with section 3.16 of the Code, EAPL will decide in the future, with the consent of the Regulator, whether any extension or expansion of the MSP will be part of the Covered Pipeline.
- 14.2 Where an extension or expansion is to be treated as part of the Covered Pipeline, the Reference Tariffs will remain unchanged but EAPL may elect by written notice to the Regulator to recover all or part of an amount that it would not recover at the Prevailing Tariffs through a Surcharge where permitted by sections 8.25 and 8.26 of the Code. A Surcharge may be levied on Incremental Users where permitted by the Code.

Attachment A: Definitions and Interpretation

Terms and expressions used in this Access Arrangement, including the Attachments, which are defined in the Code have the meaning given to those terms in the Code as at the date of commencement of this Access Arrangement unless otherwise defined below.

"Authorised Overrun" means an Overrun that is approved by EAPL before the Overrun occurs as described in paragraph 10 of Attachment D.

"Capacity Charge" means the charge referred to, and calculated in accordance with, clause 7.2.

"Capacity Reference Tariff" means the tariff referred to in clause 7.5 and set out more particularly in Attachment C1.

"Contract Year" means the period of a Year commencing on the first Day of the term of a Transportation Agreement and thence on the anniversary of the first Day.

"Covered Pipeline" means that part of the MSP which is, or which under this Access Arrangement is taken to be, a Covered Pipeline and includes any expansion or extension of the MSP which is Covered in accordance with clause 14. From 20 April 2004 the Moomba Marsden Pipeline is not part of the Covered Pipeline.

"Day" means a period of 24 consecutive hours beginning at 06:30am Australian Eastern Standard Time and ending immediately prior to 06:30am the following day. When referring to a particular Day, the date of the Day shall be the date on which that Day begins.

"Delivery Point" means the point of exit from the pipeline at which gas is delivered from the pipeline to, or on behalf of, or for the account of a User.

"Delivery Stations" means the facilities and works installed at a Delivery Point which facilitate the delivery of gas from the pipeline and which regulate and measure the flow of gas through a Delivery Point.

"EAPL" means East Australian Pipeline Limited ABN 33 064 629 009 or the owner of the MSP from time to time.

"Firm Service" means the Reference Service referred to in clause 5.1(a).

"Force Majeure" means any cause not reasonably within the control of the party claiming Force Majeure which results in or causes a failure by such party in the performance of any one or more of its obligations under the Transportation Agreement notwithstanding the exercise by such party of due diligence including, but not limited to:

- (a) lightning storms, earthquakes, landslides, floods, washouts and other acts of God;
- (b) fires, explosions, ruptures, breakages, breakdowns of or accidents to the pipeline;
- (c) strikes, lockouts or other industrial disturbances;
- (d) civil disturbances, sabotage, acts of public enemies, war, blockades, insurrections, vandalism, riots, epidemics;
- (e) the order of any court, governmental body or regulatory body;

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- (f) inability to obtain or curtailment of supplies of electric power, water, fuel or other utilities or services or any other materials or equipment necessary for the continued provision of Services;
- (g) inability to obtain or revocation or amendment of any permit, licence, certificate of authorisation of any governmental or regulatory body;
- (h) inability to fulfil obligations under the Transportation Agreement in regard to receipt or delivery of gas from or to interconnecting pipelines (respectively) when an event of Force Maj cure occurs or any curtailment or interruption occurs in relation to that interconnecting pipeline;

but does not include a lack of funds or other financial cause.

“gas” means Natural Gas.

“GJ” means one gigajoule or one thousand million joules.

“Hour” means any period of 60 consecutive minutes.

“Imbalance Rate” means 250% of the Capacity Reference Tariff payable by the User.

“Insolvency Event” means the happening of any one of these events with respect to a party (“The Insolvent Party”):

- (a) an application is made to a court for an order that The Insolvent Party be wound up or made bankrupt or that a provisional liquidator be appointed (unless the application is withdrawn, struck out or dismissed within 28 Days of its being made);
- (b) a liquidator is appointed to The Insolvent Party;
- (c) a resolution is passed or a decision taken to appoint an administrator to The Insolvent Party or there is a controller (as defined in the *Corporations Act 2001*) of any of The Insolvent Party’s assets;
- (d) except to reconstruct or amalgamate while solvent on terms approved by the other Party, The Insolvent Party enters into, or resolves to enter into, an arrangement or composition with, or assignment for the benefit of, all or any of its creditors, or it, or anyone on its behalf, proposes the reconstruction, moratorium, deed of company arrangement or other administration involving any of them or the winding up or dissolution of The Insolvent Party;
- (e) The Insolvent Party is, states that it is, or is presumed under any applicable law to be, insolvent;
- (f) The Insolvent Party becomes an insolvent under administration as defined in Section 9 of the *Corporations Act 2001* or action is taken that could result in that event;
- (g) as the result of the operation of Section 459F (1) of the *Corporations Act 2001*, The Insolvent Party is taken to have failed to comply with a statutory demand; or
- (h) anything having a substantially similar effect to any of the events specified above happens to The Insolvent Party under the law of any applicable jurisdiction.

“Linepack” means at any point in time that quantity of gas reasonably determined by EAPL to be the total quantity of gas contained in the pipeline.

“Mainline” has the same meaning as in clause 2.3 of the Access Arrangement.

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"MDQ" means the maximum quantity of gas which EAPL is obliged to receive and deliver for or on behalf of the User on any Day (excluding Overruns).

"Measuring Equipment" means the equipment and facilities installed at a Receipt Point or a Delivery Point (as the case may be) which are used to monitor the quality and/or measure the quantity of gas delivered to a Receipt Point or a Delivery Point (as the case may be).

"MHQ" means the maximum quantity of gas which EAPL is obliged to receive and deliver for or on behalf of the User in any Hour (excluding Overruns).

"Month" means calendar month.

"Negotiable Service" means the Service referred to in clause 5.1(b).

"Nomination" means, in respect of any Day, the quantity of gas nominated by the User as being the quantity of gas which the User requires EAPL to receive at each Receipt Point and deliver at each Delivery Point (as the case may be) for that particular Day.

"Non-Discriminatory Manner" means that EAPL will act in a manner which is consistent for each Service offered and between each Service offered, subject to differences which EAPL, in good faith, considers to arise from legitimate economic, commercial and technical considerations.

"Odourisation Charges" means the charges payable in respect of the odourisation of gas as described in Attachment C2.

"Overrun" has the meaning given to that term in clause 6.5.

"Overrun Charges" means the charges payable in respect of an Overrun as described in Attachment C2.

"Principles" means the Principles for Terms and Conditions of Services set out in Attachment D.

"quantity" or **"quantity of gas"** means a quantity of gas, expressed in joules or multiples thereof, and calculated as the product of the heating value and the volume of that gas.

"Receipt Point" means the point of entry for gas into the pipeline. Where tariffs or charges are to be calculated by reference to the distance from a "Receipt Point" and the actual point of entry is not part of the Covered Pipeline, the "Receipt Point" will be deemed to be the nearest point at which the pipeline becomes Covered. As a result, Marsden is deemed to be the "Receipt Point" for gas entering the pipeline at Moomba and Wagga Wagga is deemed to be the "Receipt Point" for gas entering the pipeline at Culcairn.

"Receipt Station" means the facilities and works installed at a Receipt Point which facilitate the delivery of gas into the pipeline.

"Reference Service" means the Firm Service offered as a reference service under this Access Arrangement.

"Regional Laterals" has the same meaning as in clause 2.3 of the Access Arrangement;

"Regulator" means the Relevant Regulator under the Code which, at the date of this Access Arrangement, is the Australian Competition and Consumer Commission.

"Service" means Firm Service and Negotiable Service.

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"Specification" means the gas specification referred to in Attachment G.

"Specified Event" means an event described in section 8.13 and has the same meaning as **"Trigger Event"**

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

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

"Throughput Charge" means the charge referred to, and calculated in accordance with, clause 7.3.

"Throughput Tariff" means the tariff referred to in clause 7.5 and set out more particularly in Attachment C1.

"Transfer Point" point described in EAPL's Schedule of Transfer Points as the Transfer Point for a Receipt Point or Delivery Point.

"Transportation Agreement" means an agreement between EAPL and a User in relation to the transportation services.

"Trigger Event" means "Specified Event"

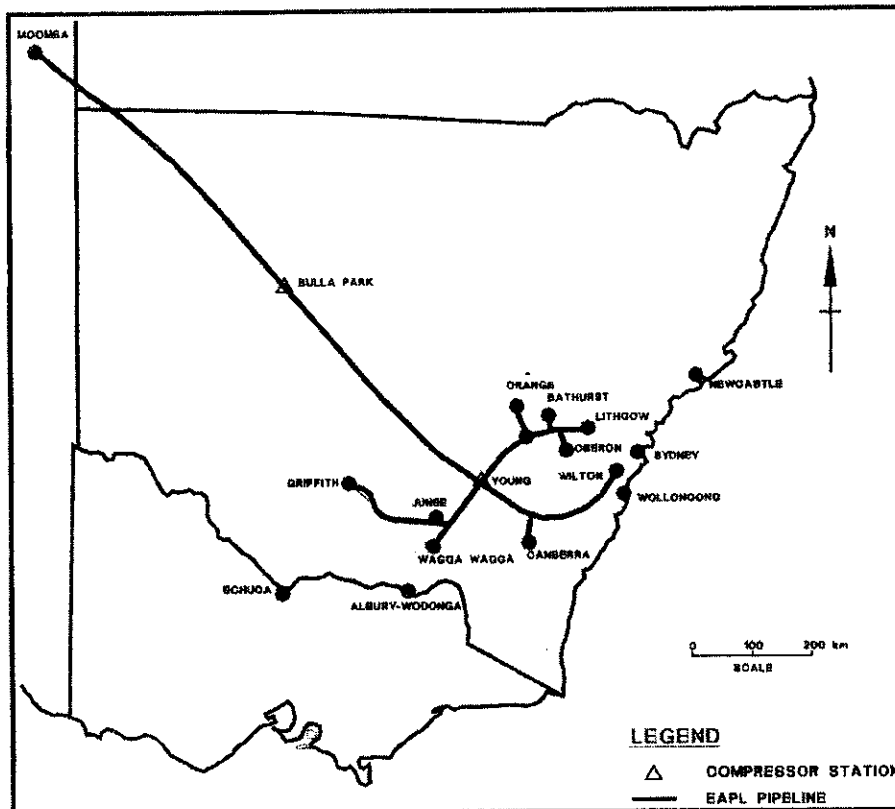
"Unauthorised Overrun" means an Overrun that is not approved by EAPL before the Overrun occurs as described in paragraph 10 of Attachment D.

"Users' Linepack" means the quantity of gas determined from time to time by EAPL as the amount reasonably required for the good operation of the pipeline.

"Year" means the period of 365 days or, in the case of a leap year, the period of 366 days.

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Attachment B: Map of Moomba Sydney Pipeline



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Attachment C1: Tariffs when all pipelines are covered

C1.1 Indexed Reference Tariff for Mainline Delivery from 1 January 2004 (based on forecast CPI of 2.195%)

Tariff for receipt of gas into the pipeline and delivery of gas to any Delivery Point on the Mainline.

Table C1.1 Reference Tariffs for Mainline Delivery

TARIFF COMPONENTS	1 January -2004 30 June 2004 ^a	1 July 2004 -30 June 2005 ^b	1 July 2005 - 30 June 2006 ^c	1 July 2006 - 30 June 2007	1 July 2007 - 30 June 2008	1 July 2008 – 30 June 2009
Capacity Reference Tariff (cents/GJ/km)	0.03605	0.03625 ¹⁸	0.036460.04937	0.036660.04992	0.036870.05048	0.037070.05104
Throughput Reference Tariff (cents/GJ/km)	0.00226	0.002287	0.002280.00310	0.002300.00313	0.0023 +0.00317	0.002330.00320

Note: these tariffs do not include GST

a As published by the Australian Competition and Consumer Commission on 8 December 2003.

b As approved by the Australian Competition and Consumer Commission according to the reference tariff variation methods set out in section 8 of this Access Arrangement.

c As varied by the Australian Competition Tribunal on [date of order]. Based on forecast CPI of 2.13%.

C1.2 Reference Tariff for Regional Lateral Delivery 1 January 2004 to 30 June 2009 (based on forecast CPI of 2.195%)

Tariff for receipt of gas into pipeline and delivery of gas to any Delivery Point on the Regional Laterals.

Table C1.2 Reference Tariffs for Regional Lateral Delivery

TARIFF COMPONENTS	1 January -2004 30 June 2004 ^a	1 July 2004 -30 June 2005 ^b	1 July 2005 - 30 June 2006 ^c	1 July 2006 - 30 June 2007	1 July 2007 - 30 June 2008	1 July 2008 – 30 June 2009
Capacity Reference Tariff (cents/GJ/km)	0.04839	0.049106	0.049940.05245	0.050730.05416245	0.051530.05593	0.052340.05775
Throughput Reference Tariff (cents/GJ/km)	0.00304	0.003098	0.003130.00329	0.003180.00340	0.003230.00351	0.003290.00362

Note: these tariffs do not include GST

a As published by the Australian Competition and Consumer Commission on 8 December 2003.

b As approved by the Australian Competition and Consumer Commission according to the reference tariff variation methods set out in section 8 of this Access Arrangement.

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c As varied by the Australian Competition Tribunal on [date of order]. Based on forecast CPI of 2.13%. |

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Attachment C2: Other Charges

Overrun charges

- 1 An Overrun will occur where EAPL:
 - (a) receives at a Receipt Point a quantity of gas in any Hour or on any Day which exceeds the MHQ or MDQ respectively, or
 - (b) delivers to a Delivery Point in any Hour or on any Day a quantity of gas which exceeds the MHQ or the MDQ respectively.
- 2 The User must pay an Overrun Charge for Delivery Point Overruns. No Overrun Charge is payable for an Overrun at a Receipt Point, or for an Overrun on MHQ.
- 3 A different charge applies to Authorised and Unauthorised Overruns, as set out in Table C2.1 below.
- 4 The Overrun Charge is the product of:
 - (a) the applicable rate under Table C2.1;
 - (b) the distance calculated from the applicable Receipt Point to the Delivery Point at which the Overrun occurred; and
 - (c) the Overrun quantity (expressed in GJ).

Table C2.1: Overrun Charges

	Authorised Overrun	Unauthorised Overrun
0-5% of MDQ	100% of Capacity Reference Tariff	200% of Capacity Reference Tariff
Overruns of quantity greater than 5% of MDQ	200% of Capacity Reference Tariff	350% of Capacity Reference Tariff

Note: the Throughput Charge is payable only once for the Overrun quantity - that is, the Throughput Reference Tariff is applied each Day to the total quantity of gas delivered at the Delivery Point. Where there is an Overrun, the Capacity Charge under section 7.2 is not applied to the Overrun quantity as the Capacity Reference Tariff is applied to the MDQ, not the total quantity of gas delivered.

Odourisation

EAPL reserves the right to impose a reasonable charge for odourisation of the User's gas.

Balancing charges

The User may be liable to pay Imbalance Charges as set out in Attachment E.

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Daily variance charges

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

"Daily Variance Rate" means 120% of the Capacity Reference Tariff payable by the User on the Day on which the Daily Variance occurred.

Charges in respect of receipt points or delivery points

EAPL is entitled to recover from a User or group of Users:

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

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General

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

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Attachment C3: Pipeline distances for determining charges

The distance is measured between the Receipt Point and the Mainline or Regional Lateral Delivery Point as the case may be. Typical pipeline distances for the current pipeline system are set out in Table C3. 1 below.

Table C3.1: Pipeline Distances

MAINLINE			REGIONAL LATERALS	
Mainline Delivery Points / Lateral Offtake Points	Distance from Moomba	Distance from Marsden	Regional Lateral Delivery Points	Distance from Lateral Offtake
<i>Mainline</i>			<i>Griffith Lateral</i>	
Bulla Park Ethane	578	586	Junea	6
Marsden (West Wyalong)	9420	222	Coolamon	40
Marsden (Central West Pipeline)	9420	222	Ganmain	56
Boorowa	1077135	175	Narrandena	104
Blakney Creek (Yass)	1114172	212	Rockdale	116
Goulburn	1185243	282	Leeton	125
Marulan	1207265	305	Griffith	179
Sally's Corner	1231289	329		
Moss Vale	1246304	344	<i>Northern Lateral</i>	
Bowral	1256314	354		
Bargo	1284342	382		
Wilton	1299357	397		
Canberra	1189247	286	Cowra	58
			Blayney	125
Young (township)	1046104	118	Millthorpe	121
Wallendbeen (Temora)	1072130	92	Orange	138
Cootamundra	1090148	79	Bathurst	161
Illabo	1125183	39	Oberon	201
Wagga Wagga	1164222	0	Wallerawang	204
			Lithgow	212
<i>Lateral Offtake Points</i>				
Griffith Lateral (at Burnt Creek)	1138196	26		
Northern Lateral (Young junction)	103391	131		

Capacity Charges and Throughput Charges will be calculated using the greater of:

- the distance between the Receipt Point and the Delivery Point specified in the Transportation Agreement; and
- the distance the gas was transported.

Attachment D: Principles for Terms and Conditions of Services

Interpretation and general

- 1 EAPL will be entitled to require a User to:
 - (a) provide security for the performance of its obligations under a Transportation Agreement as set out in clause 81 of this Attachment D to the Access Arrangement.
 - (b) pay all amounts owing under a Transportation Agreement to continue to receive Services under that Transportation Agreement; and
 - (c) demonstrate its ability to meet all financial obligations under a Transportation Agreement.
- 2 EAPL and Users will perform their obligations under Transportation Agreements, and conduct their relations with each other, in good faith and in a commercially reasonable manner and in accordance with reasonable operating and management practices.

Transport obligations

- 3 On any Day, subject to the User delivering gas at the Receipt Point at a pressure in accordance with these Principles, EAPL will be obliged to:
 - (a) receive into the pipeline at the Receipt Point a quantity of gas up to the MDQ; and
 - (b) deliver at the Delivery Point that quantity of gas not exceeding the MDQ, net of System Use Gas and the User's share of Users' Linepack, and subject to any interruptions or curtailments, priority provisions, adjustments and the balancing provisions.
- 4 In any Hour, and subject to the User delivering gas at the Receipt Point at a pressure in accordance with these Principles, EAPL will be obliged to:
 - (a) receive into the pipeline at the Receipt Point a quantity of gas up to the MDQ; and
 - (b) deliver at the Delivery Point that quantity of gas not exceeding the MHQ, net of System Use Gas and the User's share of Users' Linepack, and subject to any interruptions or curtailments, priority provisions, adjustments and the balancing provisions.

Quantity nominations

- 5 The User must nominate the quantity of gas to be received into the pipeline at each Receipt Point and to be delivered at each Delivery Point, with such Nominations to be given at daily or other longer intervals as EAPL advises. Where EAPL agrees to an Authorised Overrun for the User, the User's Nomination for that Day will be deemed to be revised to reflect the Authorised Overrun.

Receipt points and delivery points

- 6 Unless EAPL agrees otherwise, all Receipt Point and Delivery Point equipment will be owned and operated by EAPL.

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- 7 Where a Receipt Point or a Delivery Point is owned or operated by a person other than EAPL, the User must ensure that EAPL is given access to the Receipt Point or Delivery Point and the facilities at such places, and that EAPL is given proper and timely access to information concerning gas measurement and quality.
- 8 The User may transfer Receipt Points or Delivery Points as set out in these Principles.

Overruns

- 9 An Overrun will occur where EAPL:
- (a) receives into the pipeline at a Receipt Point a quantity of gas in any Hour or on any Day which exceeds the MHQ or the MDQ respectively, or
 - (b) delivers to a Delivery Point in any Hour or on any Day a quantity of gas which exceeds the MHQ or the MDQ respectively.
- 10 If EAPL agrees to an Overrun prior to the receipt or withdrawal of the gas as the case may be, then that Overrun will be an Authorised Overrun. If EAPL has not given its agreement prior to the Overrun occurring or if the Overrun quantity exceeds the Authorised Overrun quantity, then the Overrun will be an Unauthorised Overrun. This clause is subject to the special conditions noted below in clause 12 in relation to interconnecting pipelines without flow or pressure control devices.
- 11 If because of a User's Unauthorised Overrun, EAPL is unable to comply with obligations to receive or deliver gas for other Users, or is unable to comply with any other obligation to any other person, then the User will be liable for any loss, cost or damage EAPL may incur, including consequential loss.
- 12 EAPL may make particular provision for treatment of Overruns at interconnections with other pipelines in circumstances where neither EAPL nor the User is able to control the flow or pressure of the gas from the pipeline at or near that point of interconnection.

Sharing arrangements

- 13 Where the User is sharing a Receipt Point or Delivery Point with another User, the User will need to have agreements or arrangements in place with all other sharing Users in relation to quantities and the communication of quantities of gas for each sharing User to EAPL or to have made appropriate arrangements with the sharing Users to provide EAPL with Nominations of the quantity for the User at that shared Receipt Point or Delivery Point (as the case may be).
- 14 Generally, the sharing Users must appoint a person as the shared facility appointee for a shared Receipt Point or Delivery Point. If the sharing Users wish to appoint EAPL, they must pay EAPL's reasonable costs of acting as shared facility appointee.
- 15 It will be the responsibility of the shared facility appointee to, among other things, make arrangements with sharing Users in relation to Nominations and verifications of gas received or delivered, notification of Users upon receipt of a quantity of non-Specification Gas and other matters relating to prudent pipeline operation.
- 16 EAPL may establish procedures for the operation of the shared facility after consultation with the sharing Users with which the User must comply.
- 17 If no procedures are agreed by all relevant Users, or no shared facility appointee is appointed, EAPL may establish such procedures as are reasonably required for the safe and efficient operation of the pipeline, and the User's share of any quantity of gas received

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or withdrawn at that facility will be determined by EAPL according to a reasonable methodology such as pro-rating based on Nominations.

Gas quality

- 18 The User will be responsible to ensure that gas at the Receipt Point meets the Specification.
- 19 Subject to all Users delivering gas into the pipeline which meets the Specification, EAPL will be responsible to ensure that gas delivered to the Delivery Point meets the Specification.
- 20 EAPL may vary the Specification if it is required by law to do so or a common gas specification for South Australia, New South Wales, the Australian Capital Territory and Victoria is adopted by any organisation having jurisdiction over gas specification.
- 21 EAPL is not obliged to accept gas which does not comply with the Specification and may immediately direct the User to restrict or terminate receipt of such gas (without EAPL incurring any liability whatsoever).
- 22 If EAPL agrees to accept gas from the User at a Receipt Point that is different from the Specification, it may at any time require the User to restrict or terminate the quantity of gas received into the pipeline to ensure that the gas delivered to all Users meets the Specification (without EAPL being liable to the User).
- 23 EAPL and the User must each notify the other as soon as they become aware of gas received at the Receipt Point or leaving the Delivery Point failing to meet the Specification. In the event that EAPL becomes aware of gas that fails to meet the Specification being received at a Receipt Point or leaving a Delivery Point, it will notify any other User who may be affected.
- 24 This clause has been removed.

Commingling, custody, control and title

- 25 EAPL may commingle and odourise the gas in the pipeline (and may impose a reasonable charge for the odourisation).
- 26 Custody and control of gas provided by the User will pass from the User to EAPL at the Transfer Point at the Receipt Point. Custody and control of the gas delivered by EAPL to the User will pass from EAPL to the User at the Transfer Point at the Delivery Point.
- 27 Title to the gas will remain with the User at all times.

Measurement of gas

- 28 EAPL will supply, install, own, operate and maintain Measuring Equipment at or near each Receipt Point and Delivery Point, unless EAPL otherwise agrees.
- 29 EAPL will at regular intervals calibrate the Measuring Equipment. A representative of the User may be present at the calibration. Where the Measuring Equipment is owned by a person other than EAPL, the User must pay EAPL's costs of calibration.
- 30 The User may at reasonable times, by giving reasonable notice to EAPL, inspect the Measuring Equipment and any records owned by EAPL which relate to the measurement or monitoring of gas at any Receipt Point or Delivery Point and may request EAPL to conduct a calibration of such Measuring Equipment. The cost of calibration will be borne by the User

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if the Measuring Equipment is found to be accurate within the billing correction limits set out in EAPL's calibration procedures.

- 31 EAPL will maintain measurement procedures setting out the calibration and accuracy verification procedures and other calibration procedures which will be in accordance with good pipeline industry practice.
- 32 The User will, at its own cost, provide pulsation dampening equipment as may be necessary upstream of any Receipt Point to ensure the facilities upstream do not cause interference with the accuracy of the Measuring Equipment due to non uniform flow in the pipeline. The equipment will meet specifications reasonably required by EAPL.

Gas pressures and temperatures

- 33 The pressure of gas made available by the User at the Receipt Point must meet the minimum receipt pressure and not exceed the maximum receipt pressure reasonably specified by EAPL from time to time. The User must keep fluctuations in pressure within limits specified by EAPL. EAPL's obligation to receive and deliver gas up to the MDQ is subject to the User satisfying the minimum receipt pressure and the pressure fluctuation limitations.
- 34 The User will be required to indemnify EAPL for any loss cost, expense or damage arising from any failure by the User to deliver gas to the Receipt Point within the specified pressure range.
- 35 The User must, at its cost, provide suitable pressure relief devices or limiting devices to protect the pipeline to ensure that the pressure of gas made available by the User at the Receipt Point does not exceed 105% of the maximum receipt pressure at any time. The equipment will meet specifications reasonably required by EAPL.
- 36 EAPL may require the User to reduce or terminate receipt of gas at the Receipt Point if the pressure exceeds the maximum receipt pressure where EAPL considers the safety or integrity of the pipeline may be jeopardised or damaged, or where EAPL considers that the safe and efficient operation of the pipeline may be adversely affected.
- 37 If the User exceeds the MHQ in any Hour at a Delivery Point, EAPL will not be obliged to meet the minimum delivery pressure requirement for the subsequent period of 24 Hours.
- 38 The User will be required to use all reasonable endeavours to make the gas available to EAPL at the Receipt Point at a daily average temperature not greater than 10°C above the mean ambient temperature on that day and ensure the gas is a minimum temperature of 2°C and a maximum temperature not exceeding the maximum receipt temperature. EAPL will be entitled to terminate the receipt of gas into the pipeline if the temperature limit is transgressed for a period of time which in EAPL's opinion may affect the safety, operation or integrity of the pipeline.

System use gas and linepack

- 39 Users will supply gas for use as System Use Gas at their own cost. Each Month the User will supply the quantity of gas advised by EAPL which shall generally be in the proportion that the User's deliveries bear to the total deliveries for all Users.
- 40 The User will from time to time supply, at its cost, the proportion of Users' Linepack determined by EAPL which will not exceed the quantity determined by multiplying:
 - (a) the ratio of the User's MDQ to the total MDQ of all Users at that time, by

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(b) the amount determined by EAPL as Users' Linepack at that time.

- 41 If the quantity of gas supplied by a User as Linepack at any time is less than 90% of its proportion of Users' Linepack and this is likely to jeopardise the ability of EAPL to comply with any Transportation Agreement or to operate the pipeline properly, EAPL may require the User to correct the shortfall as soon as possible. If the User fails to correct, or to take reasonable action to correct, the shortfall within four hours of receipt of the notice, and EAPL reasonably believes that its ability to comply with any Transportation Agreement or to operate the pipeline properly will continue to be impaired, EAPL may, without liability to the User, reduce the quantities of gas received, transported and delivered for or on behalf of the User to the extent necessary to enable EAPL to correct the User's share of Users' Linepack.

Tariffs and charges

- 42 EAPL will invoice the User by the seventh day of each Month and the User will be required to pay the invoice within fourteen days of receipt.
- 43 If the User disputes an invoice, then unless there is a manifest error, the User must pay the invoice in full and the parties must seek to resolve the amount in dispute by discussion firstly, and then use the dispute resolution process set out in the Transportation Agreement.
- 44 If either party fails, without lawful excuse, to pay any amount due under the Transportation Agreement, that party will be required to pay interest on the overdue amount, calculated on a daily basis at the bank bill rate (as defined in the Transportation Agreement) plus 2% per annum from the due date until actual payment.
- 45 Information used by EAPL for the provision of invoicing may be actual or estimated and, if estimated, will be subsequently adjusted.

Representations and warranty

- 46 Both EAPL and the User will give appropriate representations and warranties including authority of the parties to contract, User's title to gas, licences, legal enforceability, and solvency of the parties.

Records and exchange of information

- 47 The User must furnish EAPL with estimated daily, monthly and annual quantities of gas as EAPL may reasonably require with respect to the Service. The User must also advise EAPL, upon request, of the estimated annual quantity of gas by year and month for future years.
- 48 Each party will be required to maintain all books and records relating to any obligation under the Transportation Agreement relating to the supply of information to the other party for a period of seven years.

Interruptions and curtailments

- 49 EAPL will conduct all routine and scheduled inspections, repairs and maintenance on the pipeline so as to minimise the need for any interruption or reduction of the Services.
- 50 EAPL will be entitled to interrupt or reduce the Services to conduct any inspections, repairs, testing and maintenance and any other work related to the pipeline which is reasonably required provided that:
- (a) EAPL notifies the User as early as reasonably practicable;

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- (b) EAPL makes reasonable endeavours to agree with the User as to the timing of the intended interruption or reduction; and
- (c) EAPL makes reasonable endeavours to minimise the period and the extent to which the Services are interrupted or reduced.

- 51 In relation to planned maintenance, EAPL will take reasonable steps to not interrupt or curtail the receipt, transportation or delivery of gas in any Contract Year for a continuous period in excess of 24 Hours or for more than an aggregate of two Days per Contract Year.
- 52 EAPL will be entitled, without prior notice, to interrupt or reduce Services in cases of emergency or where planned maintenance causes an interruption or reduction due to unforeseen circumstances or where there is a risk of injury or damage to any person or property, or the pipeline, for such period as EAPL reasonably believes is necessary. EAPL will, as soon as reasonably practicable, inform the User of the circumstances giving rise to such an unplanned interruption or reduction, and the anticipated duration. EAPL will provide such Services as it is able to in the circumstances, subject to the order of priority for the various Services.
- 53 EAPL will not be liable to compensate the User for any loss, injury or damage arising directly or indirectly as a result of an interruption or curtailment of the Services arising from a planned or unplanned interruption.

Priority

- 54 Subject to any pre-existing contractual right to a higher priority, if there is any interruption or reduction of services or inability to meet transport obligations or Force Majeure affecting the services, then to the extent practicable, EAPL will provide services in a Non-Discriminatory Manner with the Negotiable Service, including non-firm services under pre-existing contracts, not having a higher priority than the Firm Service.
- 55 Subject to any pre-existing contractual right to a higher priority, when an interruption occurs and the levels of priority are invoked, then to the extent practicable:
- (a) Firm Services which are affected by that interruption will be interrupted or reduced proportionally in the same ratio that the MDQ under the Transportation Agreement bears to the aggregate of the MDQ for the Firm Services affected; and
 - (b) Negotiable Services will be interrupted and granted priority as set out in the User's Transportation Agreement.

Force majeure

- 56 EAPL will be relieved of its obligations during the continuance of, and to the extent that it is prevented from complying with them by, Force Majeure.
- 57 In the event of a Force Majeure EAPL will:
- (a) as soon as reasonably practicable (but in any case within 24 hours of the occurrence of the Force Majeure) give written notice to the User of the circumstances of the Force Majeure;
 - (b) endeavour to remedy the Force Majeure as soon as reasonably practicable; and
 - (c) give notice to the User upon termination of the Force Majeure.

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- 58 In the circumstances of a prolonged Force Majeure (which shall not be less than a 12 month period) either party will be entitled to terminate the Transportation Agreement subject to the prolonged Force Majeure not being resolved by negotiation.

Capacity charge relief

- 59 In the event of an interruption or curtailment of Services as a result of a Force Majeure claimed by EAPL, the User will be relieved from liability to pay the Capacity Charge to the extent set out in clause 60, but will not be relieved from liability to pay any other charge.
- 60 The Capacity Charge relief will be pro-rated to the reduction in the User's MDQ at the time the User's MDQ is reduced following the occurrence of the Force Majeure, and terminating at a time when the User's MDQ is no longer affected by the Force Majeure.

Termination

- 61 If the User suffers an "Insolvency Event" defaults in the performance of a material obligation (or if the default is capable of remedy, fails to remedy the default within 21 days) or defaults in the payment of any money for a period of seven days, then EAPL will be entitled, at its discretion, to suspend the Services or terminate the Transportation Agreement, or both.
- 62 Termination of the Transportation Agreement will not relieve the User of its obligations to pay money outstanding at that time (including the full amount of any surcharge or amounts under an enhanced facilities agreement whether or not yet due). The costs reasonably incurred by EAPL in remedying a default may be treated as a liquidated debt payable by the User.
- 63 If EAPL suffers an Insolvency Event or defaults in the performance of a material obligation (or, if the default is capable of remedy, fails to remedy the default within 21 days), the User may terminate the Transportation Agreement.
- 64 If EAPL is entitled to and does terminate a Transportation Agreement, then without detracting from any other rights, EAPL will be entitled to the aggregate of the Capacity Charge (at the then current Capacity Reference Tariff) payable by the User for the balance of the term (discounted annually at the bank bill rate plus 2%).

Assignment

- 65 EAPL will be entitled to assign its rights or obligations under the Transportation Agreement without the prior written consent of the User to any person who holds an interest in the pipeline or to a Related Body Corporate within the meaning of the *Corporations Act 2001* on the proviso that the assignee is capable of performing the obligations under the Transportation Agreement. In any other circumstance EAPL will not be entitled to assign its obligations under the Transportation Agreement without the prior consent of the User (with such consent not to be unreasonably withheld).
- 66 The User will not be entitled to assign its rights or obligations under the Transportation Agreement without the prior written consent of EAPL (with such consent not to be unreasonably withheld), and provided the assignee meets the same solvency and prudential conditions as applied to the assignor when it entered the Transportation Agreement.

Dispute resolution

- 67 Except in the case of a dispute between the parties concerning the renewal, termination, or assignment of the Transportation Agreement, or payment by the User of any invoiced amount due under the Transportation Agreement, a party will not be entitled to start

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arbitration or court proceedings in respect of a dispute arising under the Transportation Agreement unless it has complied with a dispute resolution process set out in the Transportation Agreement which will involve negotiation and then mediation or expert determination.

- 68 All disputes of an operational or technical nature will be referred to an expert who is to determine the dispute as quickly as possible.
- 69 Unless otherwise agreed before the reference to the expert, the findings of the expert will be final and binding on the parties. A mediator may not make a decision that is binding on a party unless that party has so agreed in writing.

Confidentiality of information

- 70 Unless required by law, EAPL and the User (including employees, sub-contractors and agents) will not disclose to any person (other than employees, consultants and agents) any of the other's confidential information without the prior written approval of the other.
- 71 If a party is or may be required by law to disclose confidential information, the party must immediately notify the other party of the requirement and endeavour to delay and withhold disclosure (without breach of applicable law) to give the other party a reasonable opportunity to oppose disclosure by lawful means.

Liabilities and indemnities

- 72 Each party will be required to indemnify the other for any loss arising out of its gross negligence or wilful misconduct.
- 73 Unless agreed by the parties and set out in the Transportation Agreement, any liability of either party will be limited to direct losses only, and does not extend to any consequential loss, claims brought by third parties or loss of business or other income, except where such damage or loss arises out of:
- (a) gross negligence or wilful misconduct by either EAPL or the User;
 - (b) the delivery of unauthorised non-Specification gas by the user into the pipeline;
 - (c) the failure by the User to deliver gas within a specified pressure range;
 - (d) an Unauthorised Overrun by the User; or
 - (e) liability of EAPL arising due to the User's Imbalances.

Insurance

- 74 Each party will be obligated to effect and maintain certain levels of workers compensation and public and product liability insurance for the term of the Transportation Agreement. The User will additionally be required to carry all risk property damage insurance to a specified reasonable amount.

Transfer of capacity reservation

- 75 In accordance with and as defined in the Code, the User may initiate a "Bare Transfer" of capacity without EAPL's consent. However, the transferee must notify EAPL prior to utilising the portion of the Contracted Capacity subject to the Bare Transfer, and of the nature of the Contracted Capacity the subject of the Bare Transfer.

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- 76 Any transfer of capacity other than a Bare Transfer to a transferee may be effected by the User with EAPL's consent, which may not be unreasonably withheld, subject to the satisfaction of criteria set by EAPL based on reasonable commercial and technical grounds, including:
- (a) the User agreeing on its own or with the transferee to pay a reasonable charge determined by EAPL for the cost of transfer of the capacity whether or not the transfer proceeds to completion, including legal and other fees associated with consideration of the request to transfer;
 - (b) EAPL and the transferee executing a Transportation Agreement in relation to the transferred MDQ in a form similar to the Transportation Agreement between EAPL and the User;
 - (c) the MDQ specified in the Transportation Agreement with the transferee being for the transportation of gas from the same Receipt Point to the same Delivery Point specified in the Transportation Agreement or, where transportation of gas from an alternative Receipt Point is proposed, where the transferee meets requirements similar to those set out in clause 77 below;
 - (d) the transferee agreeing with any other User currently using the relevant Receipt Point and Delivery Point for sharing of the use of facilities and any conditions and charges, at no additional cost to EAPL;
 - (e) the transferee providing written confirmation that it has made all necessary arrangements with producers of gas for the transferee, purchasers of gas from the transferee and any other party relating to such Service, including all gas purchase, gas sale, operating and multi-party Receipt Point and Delivery Point arrangements;
 - (f) if the transfer of part or all of the MDQ to the transferee requires additional facilities at the Receipt Point or Delivery Point, the User or the transferee (or both) agreeing to pay EAPL for the cost of construction on such terms and conditions as are reasonably determined by EAPL;
 - (g) the User not being in default under the existing Transportation Agreement; and
 - (h) the transferee meeting the prudential requirements set out in clause 12.8 of the Access Arrangement.

Transfer of receipt or delivery points

- 77 Upon request by a User in writing, EAPL may transfer all or part of a User's MDQ for a Receipt Point or Delivery Point to another Receipt Point or Delivery Point respectively. EAPL may only withhold its consent to such a transfer on reasonable commercial or technical grounds and may make its consent subject to conditions if they are reasonable on commercial or technical grounds, which will include:
- (a) the User and EAPL executing an amendment to the relevant Transportation Agreement setting out the new Receipt Point or Delivery Point and the portion of the MDQ and MHQ so transferred;
 - (b) the User agreeing to pay a reasonable charge (determined by EAPL) for the cost of transfer of the capacity whether or not the transfer proceeds to completion, including legal and other fees associated with consideration of the request to transfer;
 - (c) the User agreeing to pay the charges applicable to the new transportation distance which shall not be less than the original charges;

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- (d) EAPL having sufficient Capacity to provide the transferred Services;
- (e) where the facilities at the Receipt Point or Delivery Point are not owned by EAPL, the User arranging and agreeing with all or any other Users of the relevant Receipt Point or Delivery Point for EAPL to have access to those facilities at no cost to EAPL; and
- (f) the transfer not affecting EAPL's operational and technical requirements necessary for the safe and reliable operation of the pipeline.

Renewal

- 78 Subject to the User giving sufficient notice (which shall be not less than 6 months), the User may renew the Transportation Agreement on the same terms and conditions including MDQ.

Assurances

- 79 The User must provide such written assurances and information as EAPL may from time to time require with respect to the Services (including that all necessary arrangements have been made with the producers of gas and the purchasers of gas, for the provision of data to the person upstream or downstream of the Receipt Point and Delivery Point, and with any other party relating to the Services).
- 80 EAPL may, on reasonable grounds, suspend the Services if the User breaches the above requirements or the assurances are revoked (without the User being relieved of any liability to pay any charge).

Security

- 81 The User may be required, as a pre-condition of and prior to entering into the Transportation Agreement, to provide and maintain a financial security for the due and proper performance of its obligations under the Transportation Agreement, in the form of an appropriate guarantee or letter of credit, or parent company guarantee.

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Attachment E: Balancing

EAPL may vary the balancing provisions contained in Attachment E without having to submit revisions to the Access Arrangement only if the variations are consistent with any government approved scheme put in place by the industry.

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

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

Calculation of imbalance

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

Input

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

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

Withdrawal

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

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

Change in Quantity of Linepack

EAPL will determine for each User a Target Linepack from time to time — that is the share of the Users' Linepack to be provided and maintained by the User.

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The change in Quantity of the User's share of Users' Linepack = User's Target Linepack for the Day minus the User's actual Linepack at the end of the previous Day⁴.

Consequence of Imbalance

Where an Imbalance exists, there are the following consequences:

Operational

- 1 If an Imbalance is likely to jeopardise the ability of EAPL to comply with the requirements of any Transportation Agreement or to operate the pipeline properly, EAPL may require the User to correct the Imbalance as soon as possible.
- 2 If the User fails to correct or to take reasonable action to correct the Imbalance within four Hours of receipt of the notice, EAPL may without liability to the User, reduce the quantities of gas received, transported and delivered to or on behalf of the User or purchase a quantity of gas to correct the User's Imbalance, to and only to the extent necessary to enable EAPL to comply with those requirements or to operate the pipeline in a safe and efficient manner.

Obligation to rectify

In addition to the above consequences:

For Users with an aggregate Receipt Point MDQ greater than or equal to 5OTJ the User's Imbalance Limit will be equal to +/- 10% of the User's aggregate Receipt Point MDQ. For Users with an aggregate Receipt Point MDQ less than 5OTJ the User's Imbalance Limit will be equal to +/- 5TJ.

- 1 If on any Day the User's Imbalance exceeds the User's Imbalance Limit the User must adjust its receipts and deliveries to reduce the Imbalance to within the Imbalance Limit by the end of the following Day.
- 2 Where a Imbalance is not reduced to within the Imbalance Limit by the end of the following Day:
 - (a) EAPL may apply a Short Term Imbalance Charge equal to \$0.50 for each GJ in excess of the Imbalance Limit for that Day and each Day thereafter until the Imbalance is reduced to within the Imbalance Limit; and,
 - (b) if the User's Imbalance is in excess of the Imbalance Limit for four consecutive Days, EAPL may purchase gas to correct a User's negative Imbalance, and the User will be liable for a charge equal to the actual purchase price of the gas.
- 3 From time to time EAPL, may
 - (a) reduce the Short Term Imbalance Charge, and/or
 - (b) increase the Imbalance Limit

and will notify all Users in writing of any such changes and the period for which they apply.

For any User;

⁴ This means that on Day(t), the Imbalance is: $\text{Input}(t) - \text{Withdrawals}(t) - (\text{Target}(t) - \text{Actual}(t-1))$. The actual value of $(\text{Target}(t) - \text{Actual}(t-1))$ - ie. a positive value or negative value as the case may be - is applied to the formula.

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

Procedures Relating to Trading of Imbalance Quantities

The User may during M2⁵ trade gas with other Users so as to reduce or eliminate any Cumulative Imbalance they would otherwise have, provided that:

- 1 the gas traded relates to the same Month for both parties; and
- 2 neither User subject to, and as a result of, a trade may exceed the Imbalance Limit for that User; and
- 3 the parties to the trade must both advise EAPL of the identity of the buyer and seller, the period to which the trade relates, and the quantity traded no later than the last Day of M2.

⁵ The requirement that the trade occur in M2 relates only to the User having a continuing Imbalance from M1 which it wishes to reduce or eliminate by trading.

Attachment F: Request for Service

Prospective user detail

Name of Prospective User:

ABN:

Contact Officer:

Title:

Address:

Telephone:

Fax:

Email address:

Service Requested:

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

Date for Commencement of Service:

Duration of Transportation Agreement sought:

Receipt point information

Receipt Point Locations:

Entity Responsible for Delivery of gas to:

Receipt Point:

(if other than the Prospective User)

ABN:

Contact Officer:

Title:

Address:

Telephone:

Fax:

Email address:

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Delivery Point information

Delivery Point Locations:

Entity Controlling Withdrawal of gas at

Delivery Point:

(If other than the Prospective User):

ABN:

Contact Officer:

Title:

Address:

Telephone:

Fax:

Transportation information

Annual Quantity — ACQ(GJ)

Maximum Daily Quantity — MDQ (GJ):

(Specify for each Receipt Point and Delivery
Point for each Year):

Maximum Hourly Quantity — MHQ (GJ)

(Specify for each Receipt Point and Delivery
Point for each Year):

Transportation Patterns:

(graphically if possible, to assist with the
assessment of the request)

Typical Daily Profile

Typical Weekly Profile

Typical Annual Profile

Examples of Atypical Profiles

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

Attachment G: Gas Quality Specification

Gas must meet the specification as defined in AS 4564 "Specification for General Purpose Natural Gas" published by Standards Australia on 24 January 2003.