



**APT Allgas Energy
Pty Limited**

Access Arrangement

Effective
01 July 2011 – 30 June 2016



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1 Introduction

1.1 Purpose and Scope

~~This Access Arrangement, submitted by Allgas Energy Pty Ltd ABN 009 656 446 (“Allgas”) to the Queensland Competition Authority (“QCA” or “the Regulator”), has been approved in accordance with the requirements of the *Gas Pipelines Access (Queensland) Act 1998* which applies the Gas Pipelines Access Law as a law of Queensland. Schedule 2 of the Gas Pipelines Access Law contains the *National Third Party Access Code for Natural Gas Pipeline Systems* (“the Code”).~~

~~For the Toowoomba and Oakey regions of the Network, the Access Arrangement is filed on behalf of Allgas Energy Toowoomba Pty Ltd ABN 009 655 645, a wholly owned subsidiary of Allgas Energy Pty Ltd.~~

~~Any future assigns or successors in title to Allgas are bound by the Access Arrangement approved by the Regulator.~~

~~The Access Arrangement describes the policies, terms and conditions applying to Users seeking third-party access to the Covered gas distribution Network within the Area Distribution Authority (No. DA-A-009) as held by Allgas under the Gas Supply Act 2003.~~

~~In accordance with section 2 of the Code, this Access Arrangement is submitted to the QCA in conjunction with the Access Arrangement Information that contains information on the Allgas distribution Network and on the derivation of various elements of the Access Arrangement. Maps showing the extent of the Network are also included in the Access Arrangement Information. This Access Arrangement sets out the terms on which Users can access the APT Allgas Queensland Natural Gas Network.~~

~~The APT Allgas network supplies Natural Gas to End Users in Brisbane (south of the river), South Coast (extending into northern New South Wales), Toowoomba and Oakey through over 2,900 km of distribution mains. During FY10 a total of 10.5PJ was delivered to 81,823 End Users on behalf of 3 Users.~~

~~A more detailed description of the Network, including a map, is available on APA Group’s website at www.apa.com.au, which shows the general location and key points of the Network (such as intersections with transmission pipelines).~~

~~Under the National Gas Rules, the owner or operator of a Covered Pipeline is required to lodge an Access Arrangement with (and have it approved by) the AER. APT Allgas’ Network is a Covered Pipeline (by operation of item 7 of Schedule 3 of the *National Gas (Queensland) Law*).~~



The Access Arrangement must, as a minimum, contain the elements described in Rule 48. These include:

- (a) the terms and conditions on which the owner will provide each Reference Service; and
- (b) the owner's policy on Services, Reference Tariffs, trading, capacity management, and extensions.

The Access Arrangement must be accompanied by applicable Access Arrangement Information (Rule 43).

1.2

Structure of this Access Arrangement

The structure of this Access Arrangement reflects the requirements of the National Gas Rules discussed above, and is organised as follows:

- Pipeline Services – Part 2;
- Determination of Total Revenue – Part 3;
- Reference Tariffs – Part 4;
- Capacity Trading Requirements – Part 5; and
- Extension and Expansion Requirements – Part 6.

Appendices to the Access Arrangement contain:

- A: a glossary of terms.
- B: the tariff schedule for ~~2011-12~~2016-07.
- C: the Terms and Conditions.

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

1.3

Commencement of this Access Arrangement

This Access Arrangement commences on the date on which the approval of it is approved by the Regulator – AER took effect under Rule 62 (the Commencement Date).



~~1.2~~ *Term*

~~The term of this Access Arrangement shall be the period of time from the Commencement Date to 30 June 2011.~~

~~1.3~~ *Review and Expiry*

1.4 *Revisions ~~Submissions~~ Date to this Access Arrangement*

~~The Revisions Submission Date will be a date nine (9) months prior to the expiry of the term of this Access Arrangement.~~ APT Allgas will submit revisions to this Access Arrangement to the AER on or before 30 September 2015.

The revisions to this Access Arrangement will commence on the later of 1 July 2016 and the date on which the approval by the AER of the revisions to the Access Arrangement takes effect under the National Gas Rules.

APT Allgas may, at any other time, submit to the AER proposed revisions to this Access Arrangement together with the applicable Access Arrangement Information in accordance with Rule 65. Those revisions will commence in accordance with the National Gas Rules.

~~1.5~~ *Revisions Commencement Date*

~~The Revisions Commencement Date will be 1 July 2011. The Access Arrangement that is current at the time will continue to apply until such time as the Regulator approves any revisions.~~

1.5 *Contact Details*

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1.6 Access Arrangement subject to applicable Gas Law

All provisions in this Access Arrangement are subject to applicable Gas Law.

1.7 Interpretation

Terms in this Access Arrangement have the meaning given in the glossary in Appendix A and defined terms appear with initial capital letters.

Unless otherwise stated, references to Part and Clause~~section~~ numbers are references to Parts and Clause~~sections~~ in this Access Arrangement, and references to Rules refer to the National Gas Rules. ~~This does not apply to the boxed text which outlines the requirements of the Code and refers to the relevant sections of the Code.~~



2 Pipeline services~~Services Policy~~

~~This Part applies to~~ Allgas Services Policy provides for all Reference Services and any additional Services, and.

~~This section~~ sets out a description of the Services offered, the types of Users who may access those Services, and the conditions associated with those Services. To the extent practicable and reasonable, APT Allgas will provide separate tariffs for elements of any Service if requested by a User.

To the extent practicable and reasonable, APT Allgas may also provide Additional Services not covered under this Access Arrangement where requested by a User. These include Non-Reference Ancillary Services and Negotiated Services as detailed in section clause 2.2.

The terms and conditions attached to this Access Arrangement apply to all Reference Services provided to Users.

Each User must enter into an Access Agreement applicable to that Service and that User. These agreements include a:

- standard agreement as covered by the terms and conditions of this Access Arrangement; or
- negotiated agreement where agreed by both the User and APT Allgas.

2.1 *Reference Services*

The Reference Services available under this Access Arrangement are:

- Volume Customer Service;
- Demand Customer Service; and
- Reference Ancillary Services.

The Volume and Demand Customer Services are for forward haulage of gas and include:

- (a) receiving Natural Gas from or for the account of the User at each Receipt Point;
- (b) transporting Natural Gas from each Receipt Point through the Network;
- (c) delivering Natural Gas to or for the account of the User through each Delivery Point;



- (d) provision of data on metered volumes (in energy terms) from Delivery Points at scheduled intervals; and
- (e) ~~G~~gas ~~B~~balancing for the Network as required under the ~~Business Rules~~Retail Market Procedures.

These Reference Services apply to all existing End Users except where pre-existing contractual arrangements provide alternative arrangements. All Prospective Users can request an Access Agreement under the terms and conditions associated with the Reference Services. However, under certain circumstances, including those requiring difficult or lengthy Network extensions, Prospective Users may be required to negotiate specific arrangements outside of the Reference Services. ~~These conditions are detailed in the Allgas Extensions/Expansions Policy in section~~—.

APT Allgas will determine from time to time the category of Reference Service applicable to each End User. The APT Allgas determination will bind the User. APT Allgas will not be liable for any costs incurred by the User or the End User as a result of an incorrect determination by APT Allgas of the End User's Reference Service category.

2.1.1 Volume Customer Service

Description

The Volume Customer Service is available where the End User is reasonably expected to withdraw a quantity of Natural Gas less than 10TJ per Yyear and have an MDQ of less than 50 GJ. This Service provides for the transportation of gas delivered into the Network by or on behalf of the End User. Deliveries of gas may only be curtailed or interrupted in specified circumstances (eg. emergencies, events of force majeure, Network maintenance as described in the Terms and Conditions in Appendix C).

Qualifications

End Users at Single Premises existing at the commencement of this Access Arrangement, whose total consumption at the Single Premises is less than 10TJ/Yyear and have an MDQ of less than 50 GJ, qualify for this Service. This Service applies to a single connection facility only.

Terms and Conditions

The general Terms and Conditions in Appendix C apply to the Volume Customer Service.

~~The pricing for the Volume Customer Service will consist of a base fixed charge component and variable volume components. Allgas will charge these components to the User in accordance with the tariff schedule set out in Appendix B, which will be updated on an annual basis.~~



For End Users utilising the Volume Customer Service, [APT Allgas](#) will provide a guaranteed minimum delivery pressure of 1.125kPa. Minimum delivery pressures in excess of 1.125kPa may be provided on a negotiated basis, at the discretion of [APT Allgas](#) and subject to Network constraints. [APT Allgas](#) does not warrant that appliances requiring minimum delivery pressures above 1.125kPa can be connected and Users should ensure that they contact [APT Allgas](#) before such appliances are connected.

2.1.2 Demand Customer Service

Description

The Demand Customer Service is available where the End User is reasonably expected to withdraw a quantity of Natural Gas of greater than 10TJ per [Year](#) [or have an MDQ of 50GJ or greater](#). This Service provides for the transportation of gas delivered into the Network by or on behalf of the End User. Deliveries of gas may only be curtailed or interrupted in specified circumstances (eg. emergencies, events of force majeure, Network maintenance as described in the Terms and Conditions in Appendix C).

Qualifications

Users must have an annual usage quantity of at least 10TJ [or have an MDQ of 50GJ or greater](#) at a single Delivery Point. This usage must be based on actual consumption in the past 12 months unless otherwise agreed by [APT Allgas](#).

End Users at Single Premises that existed prior to 2001 and whose total consumption at the Single Premises is at least 10TJ per annum [or have an MDQ of 50GJ or greater](#), qualify for this Service and are considered to have a single Delivery Point for this qualification. For new End Users at new or existing Single Premises this Service applies to a single connection facility only.

Terms and Conditions

The general Terms and Conditions in Appendix C apply to the Demand Customer Service.

~~The pricing for the Demand Customer Service includes a fixed charge component, an Agreed Demand (MHQ) component plus a daily volume component (MDQ). Allgas will charge these components to the User in accordance with the tariff schedule set out in Appendix B, which will be updated on an annual basis.~~

Reference Tariffs are on a zonal basis with maps of the relevant zones provided in the [APT Allgas Access Arrangement Information](#).

Users are charged according to the Agreed Demand (MHQ) to be delivered to their Delivery Point. The Agreed Demand shall be nominated and fixed by [APT Allgas](#) for each User's Delivery Point. An End-User's Agreed Demand will only be revised when they require additional capital expenditure spent on the Network or Delivery Point.



Users are also charged based on the required daily throughput to be delivered to each Delivery Point (MDQ). ~~Allgas shall fix the MDQ for each End User prior to the commencement of each Contract Year.~~ For End Users with Interval Metering, the MDQ will be set at the maximum MDQ for that End User in the previous Yyear unless otherwise agreed. For End Users without Interval Metering, the MDQ shall be nominated by APT Allgas and will be based on the maximum average daily quantity calculated monthly for that End User in the previous Yyear multiplied by a factor of 1.43.

For End Users utilising the Demand Customer Service, APT Allgas will provide a guaranteed minimum delivery pressure of 1.125kPa. Minimum delivery pressures in excess of 1.125kPa may be provided on a negotiated basis, at the discretion of APT Allgas and subject to Network constraints. APT Allgas does not warrant that appliances requiring minimum delivery pressures above 1.125kPa can be connected and Users should ensure that they contact APT Allgas before such appliances are connected. Other minimum guaranteed delivery pressures must be specifically negotiated with APT Allgas. ~~Unauthorised Overruns~~

~~An End User overruns when the actual MDQ for the End User exceeds the MDQ for that End User at the Delivery Point as fixed by Allgas prior to the commencement of the Contract Year. An overrun can only be considered when Interval Metering is installed at the Delivery Point and is in service and operating normally.~~

~~When an overrun occurs within a single billing period, Allgas will not adjust the MDQ for the End User for that Contract Year. However, if an overrun occurs in a second billing period during the same Contract Year, the MDQ for the remainder of the Contract Year will reflect the highest recorded MDQ.~~

2.1.3 Reference Ancillary Services

Description

The Ancillary Services classified as Reference Ancillary Services are the Special Meter Reading Service, Inlet Disconnection and Inlet Reconnection Services. These Services provide for:

- Special Meter Reading - at the request of the User, where the Meter reading is not a scheduled Meter reading (including final Meter readings);
- Inlet Disconnection Service - physical disconnection of pipe-work joining a Delivery Point to the Network; and
- Inlet Reconnection Service - physical reconnection of a Delivery Point ~~—includes relighting any appliances installed at the place or premises to which gas is delivered through the Delivery Point under the Volume Customer Service.~~

Qualifications

No fee will be applied for scheduled Meter readings when End Users switch Users.



Terms and Conditions

The general Terms and Conditions in Appendix C apply to the Reference Ancillary Services.

The costs for the Ancillary Services have been included in the cost base for the determination of Reference Tariffs. The unit cost of providing the [Reference Ancillary](#) Services is met by the fixed charges listed in Appendix B, which will be updated on an annual basis.

2.2 Additional Services

[APT](#) Allgas offers a number of other Services in addition to the Reference Services. Users can contact [APT](#) Allgas for a complete list of non-reference Ancillary Services.

In relation to the [APT](#) Allgas Terms and Conditions, [APT](#) Allgas will negotiate other terms and conditions if requested by the User and, if agreement is reached, the resulting Service will be provided as a Service other than a Reference Service.

If requested to do so by a User, [APT](#) Allgas will, to the extent that it is practicable, reasonable and commercially viable to do so, provide a separate tariff for an element of a Negotiated Service.



3 Reference Tariff Policy Determination of total revenue

3.1 *Pricing Principles*

The Reference Tariffs are designed to meet the Code's objectives as explained below. The key objectives of the policy include recovering the efficient costs of providing Services, with emphasis on the safety and integrity of the Network, providing price certainty to Users, and signalling appropriate development of the market through extension of the distribution network.

The Reference Tariffs have been determined using a Cost of Service approach where the Total Revenue is calculated on the basis of a rate of return on the capital base plus depreciation of the capital base plus the operating, maintenance and other non-capital costs of the Network.

- **Cost Reflectivity** — The Reference Tariffs reflect a recovery of efficient costs associated with delivering the Services of the Network. Benchmarking these costs against other providers shows that Allgas' costs are comparable given the scale of the organisation. Built into the forecasts are efficiency gains and these will pass directly to Users within this regulatory period.

Forecast operating and maintenance costs deliver efficiency gains each year over the five-year term of the Access Arrangement as described in the Access Arrangement Information.

- **Efficient Pricing Signals** — The revenues associated with the Reference Tariffs reflect economically efficient pricing principles. That is, the revenues for each of the Reference Tariffs have been set so that they are between incremental and stand-alone prices. If revenue falls below the incremental cost of supply for an End User the incentive for Allgas to connect similar Prospective End Users is removed. If revenue per End User exceeds the stand-alone costs of replicating the Reference Service there is a risk of bypass resulting in inefficient use of resources.

Thus the Reference Tariffs have been structured to avoid these situations arising.

Within each of these Reference Tariffs some re-balancing will be required over a transitional period to ensure that the pricing for individual End Users also complies with efficiency criteria.

Section 3.3 provides for tariff variations from Year to Year within the term of the Access Arrangement. Typically prices are increased for inflation and then adjusted downwards to reflect projected cost savings. Some re-balancing of the tariffs is also proposed. This enables a progressive movement towards fully cost reflective prices. The Volume Customer Service adjustments in



section 3.3 include a side constraint on price for each End User to ensure that no single End User faces significant price movements.

- **Price Stability** — The Reference Tariffs have been designed to provide certainty and stability of pricing for all Users. Reference Tariffs have been smoothed over the term of the Access Arrangement to avoid shocks in any year.
- **Replicating competitive market outcomes** — The Reference Tariffs are designed to reflect the most efficient use of the distribution system resources. Operating and other non-capital costs are allocated to the appropriate assets and specific assets are allocated to each customer class according to their use. Costs are benchmarked and the tariff policy incorporates an incentive mechanism where Reference Tariffs are forecast to deliver real gains in productivity to Users. The Access Arrangement Information provides benchmarking data for operating and maintenance costs.
- **Safe and reliable operation** — Capital expenditure forecasts place a high degree of importance on the safety and integrity of the Network as Users are entitled to the safe use of the distribution system. Forecasts are also designed to deliver benefits both in reduced Unaccounted for Gas (“UAG”) and reduced corrective maintenance expenditure.
- **Appropriate investment decisions** — The Reference Tariffs are modelled so as to provide appropriate investment signals for the development and growth of the Network. The fixed and variable components of pricing for both the Volume and Demand Customer Services have been designed to maximise the utilisation of the Network but also to ensure the provision of connection assets of the correct capacity. Increased utilisation drives a lower unit cost for the usage of such assets and also results in a tariff which represents an efficient Network design to supply that End User.

The Reference Tariff for the Demand Customer Service has also been designed to avoid uneconomic duplication of the Network. The pricing approach for the Demand Customer Service incorporates the prudent discount approach identified in section 8.43 of the Code.

3.2 Reference Tariffs – General

The Reference Tariff Policy for Allgas is designed to recover forecast Network capital costs and efficient operating costs, and to provide Allgas with an appropriate commercial rate of return comparable to recent regulatory decisions.

Allgas has applied the Weighted Average Cost of Capital (“WACC”) approach and the Capital Asset Pricing Model in determining a nominal post tax WACC. The values considered for the various parameters of the WACC are detailed in the



~~Access Arrangement Information. Under a Cost of Service approach, the Total Revenue for each year in the Access Arrangement is calculated as the sum of the following components:~~

- ~~• Return on Assets, which is determined by applying the WACC to the capital base;~~
- ~~• Return of Assets (depreciation), which is determined using a straight-line depreciation approach;~~
- ~~• Non-capital Costs, which are costs associated with operation, maintenance and administrative overheads; and~~
- ~~• UAG Costs, which are the costs for the gas necessary for the efficient operation of the Network.~~

~~Further details of each of the Cost of Service components are provided in the Access Arrangement Information.~~

~~This Total Revenue is then smoothed using a Net Present Value approach. Details of these revenue calculations are provided in section 7 of the Access Arrangement Information.~~

~~Once the Total Revenues are determined in each year of the Access Arrangement, costs are allocated to various categories of End Users. This cost allocation approach recognises the need to allocate asset related costs and non-capital costs in a cost reflective and transparent manner. Some costs are directly attributable to specific categories of End Users, while others need to be allocated across End Users. The principles and mechanisms of the cost allocation process are outlined in detail in section 8 of the Access Arrangement Information.~~

3.1

Principles

Where required under the National Gas Law and National Gas Rules, the building block components used to determine Total Revenue have been derived in accordance with the revenue and pricing principles set out in subsections (2)–(7) of section 24 of the National Gas Law.

Total Revenue was calculated using a building block approach in accordance with Rule 76.

In addition, Total Revenue may vary during the Access Arrangement Period, as Reference Tariffs are varied (see clause 4.5 of this Access Arrangement).

Reference Tariffs were determined using a nominal vanilla Weighted Average Cost of Capital resulting in a return on capital over the Access Arrangement Period as detailed in the Access Arrangement Information.



3.2

The expected revenue for each tariff class has been allocated on the basis of Rule 94.

New Capital Expenditure

Reference Tariffs have been determined on the basis of:

- the Capital Base; and
- New Capital Expenditure that is forecast to occur within the Access Arrangement Period and is reasonably expected to satisfy the requirements of Rule 79 (Forecast Capital).

APT Allgas may increase the Capital Base for the Network for any part of the New Capital Expenditure that satisfies Rule 79.

APT Allgas may undertake New Capital Expenditure that does not satisfy Rule 79. Where APT Allgas does so, APT Allgas may increase the Capital Base for any part of that New Capital Expenditure that does satisfy Rule 79. APT Allgas may also increase the Capital Base for Capital Contributions under Rules 82(2) and (3).

Where Capital Contributions are rolled into the Capital Base under Rule 82(2), the following mechanism is applied to ensure that APT Allgas does not receive any benefit through increased Revenue from that User's contribution to the Capital Base.¹

Capital Contributions are treated as Revenue in the year in which they are received. The forecast amount of Capital Contributions is then deducted from the total Revenue requirement in determining the Revenue requirement to be recovered through Tariffs. Through this process, APT Allgas returns to customers, by way of lower Tariffs, the full benefit associated with the return on and return of contributed capital. The up-front reduction in Tariff revenue exactly equals, in present value terms, the return on and return of capital over the life of the capital investment.

The amount that does not satisfy the requirements of Rule 79, to the extent that it is not to be recovered through a Surcharge on users or a Capital Contribution, forms part of the Speculative Capital Expenditure Account (as contemplated by Rule 84). APT Allgas may increase the Capital Base in accordance with Rule 84(3) if a part of the Speculative Capital Expenditure Account subsequently satisfies the requirements of Rule 79.

Any increase in the Capital Base under this clause, or in accordance with Rule 80, may only take effect from the Revisions Commencement Date, or in accordance with the operation of the Cost Pass-through Reference Tariff Variation Mechanism.

¹ As required under Rule 82(3)



3.3 Surcharge

APT Allgas may charge Users a Surcharge where permitted by the National Gas Rules. APT Allgas will notify the AER of any proposed Surcharge to be levied on users of incremental services and designed to recover non-conforming capital expenditure or a specified portion of non-conforming capital expenditure. Non-conforming capital expenditure which is recovered by means of a Surcharge will not be rolled into the Capital Base.

3.4 Capital Contributions

APT Allgas may charge Users a Capital Contribution to new capital expenditure where permitted by the National Gas Rules (see Rule 82).

3.5 Depreciation for opening capital base for next access arrangement period

The depreciation schedule for establishing the opening tax asset base at 1 July 2016 will be based on forecast capital expenditure.



4

Reference Tariffs

Following allocation of costs, it is necessary to determine Reference Tariffs for Users. These Reference Tariffs are fixed in a manner that recovers the allocated cost, and provides signals for efficient Network usage and appropriate incentive for investment.

Typically, Reference Tariffs include some element of fixed charge plus some variable components that depend on actual Metered Quantities for a period. In this way signals about fixed costs are reflected through to End Users, but at the same time they are given incentives about the manner in which they control their consumption.

Further details of the design of the Reference Tariffs are provided in section 9 of the Access Arrangement Information.

All Reference Tariffs in the Access Arrangement are expressed for the Contract Year commencing 1 July 2006. The Reference Tariffs for 2006-07 are set out in Appendix B. Reference Tariffs apply to End Users once the Regulator has made a final decision.

Reference Tariffs for later years are to be determined in accordance with the mechanisms described in section 3.3.

4.1 In the case of the Demand Customer Service, the Reference Tariffs vary according to the zone in which the Delivery Point is located. There are three zones in the Brisbane region, two in Toowoomba, two in Oakey and three on the South Coast. Maps of the pricing zones are provided in Appendix A of the Access Arrangement Information.

4.1

General

Numerical values for Reference Tariffs are expressed in real 2011/2012 dollars throughout this Access Arrangement.

The Reference Tariffs shown in this Access Arrangement are exclusive of GST.

4.2

Date of application of Reference Tariffs

Reference Tariffs apply from the date on which the approval of the AER takes effect under Rule 62.



4.3 Reference Tariffs after 1 July 2016

If the Revisions Commencement Date is later than 1 July 2016, the Reference Tariffs and terms for a Reference Service as at 30 June 2015 will continue to apply until the Revisions Commencement Date.

Upon the introduction of new Reference Tariffs or terms, those Tariffs or terms will apply to the Reference Services regardless of whether the Reference Services are existing Services being supplied to a User as at the Revisions Commencement Date.

If the categories of services under the revised Access Arrangement have changed, the applicable Reference Tariff and terms for an existing Service being supplied to a User as at the Revisions Commencement Date are the Tariff and terms for the nearest comparable service under the revised Access Arrangement.

4.4 Reference Tariffs for each Reference Service

Reference Tariffs for each Reference Service are shown in Appendix B.

The structure of the Reference Tariffs for the Volume Customer Service, Demand Customer Service and Reference Ancillary Services is shown in Table 4-1 below.

Table 4-1 Tariff Structure

<u>Volume Customer Service</u>	<u>Demand Customer Service</u>
<u>Fixed daily supply charge</u>	<u>Daily charge based on Agreed Demand (MHQ)</u>
<u>Throughput charged based on average daily consumption for billing period</u>	<u>Throughput charge based on MDQ</u>
<u>Reference Ancillary Service charges applicable to site</u>	<u>Reference Ancillary Service charges applicable to site</u>

Charges for Volume Customer Service consist of a fixed daily supply component plus a throughput charge based on average daily consumption for the relevant billing period plus any applicable Reference Ancillary Services charges. APT Allgas will charge these components to the User in accordance with the tariff schedule set out in Appendix B, which will be updated on an annual basis.

Charges for Demand Customer Service include a fixed daily supply component based on the site Agreed Demand (MHQ) plus a daily throughput charge based on the applicable MDQ for the relevant billing period plus any applicable Reference Ancillary Services charges. APT Allgas will charge these components to the User in



accordance with the tariff schedule set out in Appendix B, which will be updated on an annual basis.

4.5 *Reference Tariff Variation Mechanisms*

4.5.1 Varying reference tariffs within the Access Arrangement Period

Rule 97 provides that Reference Tariffs may vary during the Access Arrangement Period pursuant to a number of methods as set out in that Rule.

This Access Arrangement includes two Reference Tariff Variation Mechanisms:

- an Annual Scheduled Reference Tariff Adjustment Formula Mechanism - which applies in respect of each Year during the Access Arrangement Period; and
- Cost Pass-through Reference Tariff Variation Mechanism - under which APT Allgas may seek to vary one or more of the Reference Tariffs.

4.5.2 Annual Reference Tariff Adjustment Formula Mechanism

All rates and charges for Reference Services will be adjusted on 1 July 2012 and on each subsequent prior to and effective from the commencement of each Contract Year at 1 July in accordance with the approach set out in this section clause 4.5.2.

Unless otherwise indicated, the following definitions apply in this section:

Rate is the rate or charge applying immediately before the Adjustment Date

Revised Rate is the rate or charge to be applied from the Adjustment Date, rounded to 4 decimal places

CPI_n is the CPI published in the quarter immediately before the Adjustment Date

CPI_{n-1} is the CPI published in the equivalent quarter in the Y year before the Adjustment Date

CPI % is $[CPI_n - CPI_{n-1}] / CPI_{n-1}$

X_{Volume} is the tariff adjustment factor applicable for the year from the Adjustment Date for Volume Class tariffs

X_{Demand} is the tariff adjustment factor applicable for the year from the Adjustment Date for Demand Class tariffs



A is the UAG cost Adjustment factor calculated as follows

$$A = (R_t + (UAG_{ta} - UAG_{tf}) * UAG_{tv}) / R_t$$

Where:

R_t forecast tariff revenue (Volume and Demand) for the applicable tariff year

UAG_{ta} actual contracted UAG cost for the applicable tariff year in \$/GJ

UAG_{tf} forecast UAG cost for the applicable year in \$/GJ

UAG_{tv} forecast UAG volume for the applicable tariff year in GJ

The relevant values to be used in the tariff variation formulae for each tariff year are set out in the table below.

<u>Parameter</u>	<u>Unit</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>X_{Volume}</u>		<u>-8%</u>	<u>-8%</u>	<u>-5%</u>	<u>-0%</u>
<u>X_{Demand}</u>		<u>-8%</u>	<u>-8%</u>	<u>-5%</u>	<u>-0%</u>
<u>R_t</u>	<u>\$nominal</u>	<u>66,316,812</u>	<u>74,921,260</u>	<u>82,506,572</u>	<u>86,737,634</u>
<u>UAG_{tf}</u>	<u>\$nominal/GJ</u>	<u>6.61</u>	<u>7.70</u>	<u>8.03</u>	<u>8.10</u>
<u>UAG_{tv}</u>	<u>GJ</u>	<u>389,000</u>	<u>379,000</u>	<u>369,000</u>	<u>361,000</u>

Price Adjustments for Volume Customer Service

The price for the Volume Customer Service will be submitted to the Regulator for approval at least one Month prior to the commencement of each Contract Year, with revised prices to become effective from the commencement of the Contract Year. The following formula defines the change to the rate expressed in \$/GJ terms. The individual tariff components may be separately adjusted by different amounts provided that the average \$/GJ price adjustment is in accordance with the following formula.

$$\text{Revised Rate} = \text{Rate} * (1 + \text{CPI}\% - X_{\text{Volume Customer Service}}) * A$$

where ~~X_{Volume Customer Service} = 0%~~ for the duration of the Access Arrangement Period.



~~This X factor results in the price movement forecast to deliver Total Revenues for this customer class. The higher X factor is a result of re-balancing the tariffs to move towards cost reflectivity. The maximum increase in the price for any individual End User for an annual price adjustment, expressed in \$/GJ terms will be limited to a maximum of CPI% + 3%. However, a higher increase may be approved by the Regulator where this can be demonstrated to result in prices becoming more cost reflective.~~
Price Adjustments for Demand Customer Service

~~The price for the Demand Customer Service will be submitted to the Regulator for approval at least one Month prior to the commencement of each Contract Year, with revised prices to become effective from the commencement of the Contract Year.~~ The following formula defines the change to the rate expressed in \$/GJ of MDQ. The individual tariff components may be separately adjusted by different amounts provided that the average \$/GJ of MDQ price adjustment is in accordance with the following formula.

$$\text{Revised Rate} = \text{Rate} * (1 + \text{CPI}\% - X_{\text{Demand Customer Service}}) * A$$

~~where $X_{\text{Demand Customer Service}} = 0.2\%$ for the duration of the Access Arrangement Period.~~

The Agreed Demand and MDQ quantities of the Demand Customer Service will not be adjusted by this formula. Agreed Demand remains unchanged while MDQ is adjusted after review of actual meter readings for the previous 12 Months.

~~This X factor results in the price movement to deliver Total Revenues for this customer class.~~

Price Adjustments for Reference Ancillary Services

~~The charges for the Reference Ancillary Services will be submitted to the Regulator for approval at least one Month prior to the commencement of each Contract Year, with revised prices to become effective from the commencement of the Contract Year.~~ The charge for the Reference Ancillary Services will be adjusted in accordance with CPI.

$$\text{Revised Rate} = \text{Rate} * (1 + \text{CPI}\%)$$

All revised Reference Tariffs will be rounded to the same number of decimal places for that Reference Tariff as provided in Appendix B of this Access Arrangement.



4.5.3 Cost Pass-through Reference Tariff Variation Mechanism

4.1.1 Pass-through for Uncontrollable Costs

~~It is possible that Imposts will be changed or implemented within the Access Arrangement period. If these new Imposts or changes in existing Imposts are demonstrably unforeseen and Material, then Allgas will provide a notice to the Regulator for approval of a variation to the Reference Tariffs in accordance with section 8.3(d) of the Code. Allgas will submit the notice to the Regulator at least one Month prior to the commencement of each Contract Year.~~

~~Note that only costs associated with gas retail contestability for customers consuming at least 1TJ per annum have been incorporated into this Access Arrangement. The form of full retail contestability is unknown at this time.~~

~~Allgas will bear the cost or benefit from any reduction in Imposts for the duration of the Access Arrangement Period if they are not considered Material. Reference Tariffs may be varied during the Access Arrangement Period if one or more Cost Pass-through Events occur (or are reasonably expected to occur) that will or have had a Material impact on costs.~~

Cost Pass-through Events are events that are uncontrollable and unforeseen (or not able to be accurately forecast at the time this Access Arrangement is approved) and lead to or are expected to lead to changes in costs that are not already included and approved by the AER in the calculation of Reference Tariffs. Examples of Cost Pass-through Events include, but are not limited to:

- Changes in regulatory obligations, or the imposition of any new regulatory obligations, including changes to applicable laws, rules and regulations;
- A change in tax or levy, or the imposition of a new tax or levy;
- An unusual or foreseen event, such as a bushfire or earthquake, that leads to costs not otherwise recovered or recoverable through insurance or other compensation payments;
- The implementation of the National Energy Customer Framework within the APT Allgas network area;
- The introduction of a carbon pollution reduction scheme, or similar scheme intended to impose a cost on carbon; and
- An expansion of the Short Term Trading Market to include the APT Allgas network, or that requires APT Allgas to participate in that market.



4.5.4

Tariff variation process

Varied Reference Tariffs will be notified to the AER (a Tariff Variation Notification) at least 40 Business Days prior to each 1 July in the Access Arrangement Period. Varied Reference Tariffs will include changes in tariffs arising from the application of the Annual Scheduled Reference Tariff Adjustment Formula Mechanism, and may also include the impact of one or more Cost Pass-through Events. Cost Pass-through Events may also be notified to the AER at any other time.

Each Tariff Variation Notification will include information on how the change in Reference Tariffs has been calculated, and if applicable, how any relevant Change in Costs associated with a Cost Pass-through Event have been derived or estimated.

The AER must notify APT Allgas of its decision in respect of a Tariff Variation Notification within 30 Business Days of receiving a notification. This decision may relate to tariffs to be varied on the following 1 July, or at any other time during the Access Arrangement Period.

If APT Allgas has not received notification from the AER of its decision within 30 Business Days of the AER receiving a Tariff Variation Notification, the Reference Tariffs will be automatically varied in accordance with the relevant notification given by APT Allgas. If the AER subsequently decides against all or part of the variation, the AER may require APT Allgas to amend Reference Tariffs to take account of the AER's decision, and should leave APT Allgas economically neutral compared with a situation in which the AER's decision had been implemented in accordance with the APT Allgas notification.

~~4.2 Incentive Mechanisms~~

~~4.2.1 Total Revenue Incorporates Significant Cost Reductions~~

~~The Total Revenue requirement detailed in the Access Arrangement Information (section 7) incorporates considerable cost reductions. By virtue of these forecasts within the Access Arrangement, Allgas has a powerful incentive to contain costs to forecast levels.~~

~~The Total Revenue will not be adjusted to reflect differences between forecast and actual:~~

~~o gas deliveries; and/or~~

~~o business costs;~~

~~subject to the provisions in section 3.3.4.~~



4.6

~~Redundant Capital Policy~~ Capital Redundancy Mechanism

In accordance with ~~Rule 85~~ section 8.27 of the Code, the capital base shall be reduced based on the following principles:

- any assets that cease to contribute to the delivery of Services to Users shall be removed from the capital base; and
- costs associated with a decline in the volume of sales of Services provided ~~s~~ by means of the Covered Pipeline will be shared between APT Allgas and Users.

Subject to the New Capital Expenditure criteria under Rule 79, if, after the reduction of the Capital Base by the value of assets identified as redundant, the assets later contribute to the delivery of pipeline services, the assets will be treated as New Capital Expenditure ~~If assets that are the subject of Redundant Capital subsequently contribute, or make an enhanced contribution, to the delivery of Services, the assets may be treated as a New Facility having New Facilities Investment~~ (for the purposes of Rules 79, 81 and 84 ~~sections 8.16, 8.17, 8.18 and 8.19 of the Code~~) equal to the value of the assets identified as redundant ~~Redundant Capital~~ increased annually on a compounded basis by the Rate of Return ~~weighted average cost of capital~~ from the time the assets identified as redundant were ~~Redundant Capital was~~ removed from the Capital Base.



5 ~~Terms and Conditions~~

~~The Allgas Terms and Conditions are included as Appendix C.~~

5 ~~Trading Policy~~ Capacity Trading Requirements

5.1 Transactions subject to Retail Market Procedures

~~In accordance with the Code, APT Allgas provides for the transfer or assignment of Contracted Capacity between Users. This policy facilitates the maximum utilisation of capacity and encourages flexibility for Users to effect their supply arrangements. Allgas undertakes to act in a non-discriminatory manner and will provide all Users with equal treatment in regard to trading and other capacity management issues. Transfers of Contracted Capacity will be undertaken:~~

~~(a) where the relevant parties are registered as participants under the Retail Market Procedures - in accordance with the Retail Market Procedures; or~~

~~(b) if the relevant parties are not so registered - in accordance with rules 105 and 106 and this Part 5.~~

5.2 *Bare Transfers*

A User may make a Bare Transfer to another person (the transferee) without the consent of APT Allgas in accordance with Rule 105. The transferee must notify provided that the transferee notifies APT Allgas prior to utilising the portion of the Contracted Capacity subject to the Bare Transfer and the nature of the Contracted Capacity subject to the Bare Transfer.

5.3 *Other Transfers*

A User may only transfer or assign all or part of its Contracted Capacity other than by way of a Bare Transfer with the prior consent of APT Allgas, which will only be withheld on reasonable commercial or technical grounds, or given subject to reasonable commercial or technical conditions. ~~Examples of the basis by which Allgas could refuse a transfer are contained in section 3.11 of the Code.~~

APT Allgas will reply to any request from a User for consent to a transfer within 10 Business Days of receiving the request (where that request is accompanied by information reasonably necessary to enable APT Allgas to consider the request). If the User informs APT Allgas that due to hardship the User requires an urgent reply to its request, APT Allgas will use reasonable endeavours to respond within two Business Days of receiving the request.



5.4 *Changing Delivery and Receipt Points*

A User may only change the Delivery Point or Receipt Point from that specified in the Access Agreement with the prior consent of APT Allgas, which will only be withheld on reasonable commercial or technical grounds, or given subject to reasonable commercial or technical conditions. ~~Examples of the basis by which Allgas could refuse a transfer are contained in section 3.11 of the Code.~~

APT Allgas will reply to any request from a User for consent to a change in Receipt Point or Delivery Point within 10 Business Days of receiving the request (where that request is accompanied by information reasonably necessary to enable APT Allgas to consider the request).

5.5 *Procedures and Conditions of Transfer and Assignment*

In the case of a transfer-/assignment (other than a Bare Transfer) the following procedure shall apply:

- APT Allgas must be given adequate notification to consider the transfer /assignment application;
- the party requesting the transfer-/assignment must bear the cost to APT Allgas of investigating the technical and commercial feasibility of the application. These fees will vary depending on the complexity of the transfer analysis but APT Allgas must charge on a reasonable cost basis for such requests. APT Allgas will provide quotes if requested;
- the party requesting the transfer / assignment must provide APT Allgas with all relevant details of the transfer / assignment; and
- after analysing the request, APT Allgas must advise the relevant parties without undue delay.

Where a transfer / assignment is ~~ea~~affected:

- the transferee will be required to enter into a new ContractAccess Agreement, the terms and conditions of which will be consistent with ~~section Part 2~~ and in accordance with ~~section clause 5.2~~ of this Access Arrangement; and
- APT Allgas will deal only with the User.



7 Extensions / Expansions Policy

Allgas provides the following policy to cover the expansion or extension of the Network. This policy is intended to ensure that any expansion or extension of the Allgas Network meets the efficiency requirements of the Code and delivers appropriate pricing signals to Prospective Users. Further, it ensures that equity is retained between existing and Prospective Users through the provision of extensions in accordance with the philosophy upon which the Reference Tariff Policy is based. An extension or expansion is intended to cover any capital works undertaken by Allgas or its agent.

Network Extensions

A Network extension is defined as being any addition to the Network within the term of the Access Arrangement.

An extension that is directly connected to an existing covered Network will be automatically treated as part of the Covered Pipeline upon the extension coming into service, unless the following circumstances apply.

An extension which is directly connected to an existing Covered Network will not be treated as part of the Covered Pipeline if:

the extension is a Significant Extension (or where Allgas can demonstrate the extension represents a special case); and

Allgas obtains the QCA's written approval to exclude the extension from the Network.

A Significant Extension means an extension of the Network to connect one or more Delivery Points, where the anticipated quantity of gas delivered exceeds 10TJ per year and the anticipated capital expenditure for the extension exceeds \$1,000,000.

In the case of a Significant Extension which is directly connected with an existing Covered Pipeline, and for which written consent has been provided by the Regulator to treat the extension as an Excluded Extension, Allgas will negotiate with the Regulator to ensure that some portion of the revenue generated from that extension is offset against the Total Revenue calculation in recognition of the role of common or joint assets that form part of the Covered Pipeline. Allgas will also explicitly identify any such extension in its Access Arrangement. There are presently no such extensions.

Any extension that is not directly connected with the existing Covered Pipeline may be excluded from the Covered Pipeline (an Excluded Extension), subject to the prior written consent of the Regulator.



~~Where an extension meets the test detailed in section 8.16 of the Code there will be no adjustment to the prevailing tariff prior to the extension.~~

~~Where an extension, either covered or excluded, is for the purpose of supplying an additional End User or group of End Users and the extension does not meet the economic feasibility test in section 8.16(a)(ii)(A) of the Code, a Capital Contribution or Surcharge may be charged by Allgas. Neither the Capital Contribution amount nor the net present value of the Surcharge amounts shall exceed the capital cost of constructing the extension. In these circumstances no adjustment will be made to the prevailing tariff prior to the extension and the End User will pay the prevailing tariff plus the Capital Contribution or Surcharge amount as determined by Allgas.~~

~~Allgas will only provide written notice to the Regulator where it elects to charge a Surcharge.~~

~~Network Expansions / Augmentations~~

~~A Network Augmentation will be automatically treated as part of the Covered Pipeline upon the Augmentation coming into service.~~

~~There are three types of Network Augmentation envisaged by Allgas as follows:~~

~~an Augmentation necessary to maintain the safety, integrity or contracted conditions of the Network where such Augmentation meets the test in section 8.16 of the Code. In this instance, there will be no adjustment to the prevailing tariff prior to the Augmentation;~~

~~in accordance with section 8.16(a)(ii)(B) of the Code, if the Augmentation has system wide benefits that justify the approval of a higher Reference Tariff for all Users, Allgas may seek the Regulator's approval of an increase in the Reference Tariff; and~~

~~an Augmentation necessary to maintain the safety, integrity or contracted conditions of the Network for a particular End User or group of End Users where such Augmentation does not meet the test in section 8.16 of the Code. In this instance, Allgas may require the provision of a Capital Contribution or Surcharge to be applied to the End User or group of End Users. In these circumstances no adjustment will be made to the prevailing tariff prior to the Augmentation and the End User will pay the prevailing tariff plus the Capital Contribution or Surcharge amount as determined by Allgas. Allgas will provide written notice to the Regulator where it elects to charge a Surcharge.~~



6 Extension and Expansion requirements

6.1 Extensions of the high pressure network

If APT Allgas proposes a Significant Extension, it must notify the AER before the extension comes into effect.

For the purposes of this Part 6, a Significant Extension is an extension of the Network to connect one or more Delivery Points, where the anticipated quantity of gas delivered exceeds 10TJ per Year and the anticipated capital expenditure for the extension exceeds \$1,000,000.

A notification given by APT Allgas under this clause 6.1 must:

- (a) be in writing;
- (b) state whether APT Allgas intends for the proposed Significant Extension to be Covered by this Access Arrangement;
- (c) describe the significant extension and describe why the Significant Extension is being undertaken; and
- (d) be given to the AER before the proposed Significant Extension comes into service.

APT Allgas is not required to notify the AER to the extent that the cost of the Significant Extension has already been included and approved by the AER in the calculation of Reference Tariffs.

Within 20 Business Days of receiving a notification, the AER must notify APT Allgas:

- (a) of its decision on APT Allgas' proposed coverage approach for the Significant Extension; or
- (b) whether the AER requires an extension of time including to allow further consultation with APT Allgas before making a decision.

6.2 Other extensions and expansions

Extensions to or expansions of the Network carried out by APT Allgas which are not Significant Extensions for the purposes of clause 6.1 will be Covered by this Access Arrangement, unless APT Allgas proposes to the AER, and the AER agrees, that the extension or expansion not be Covered by this Access Arrangement. This includes extensions not directly connected to the existing Covered Network.



APT Allgas may not lodge a proposal with the AER under this clause 6.3 to the extent that the cost of the extension or expansion has already been included in the calculation of Reference Tariffs.

6.3

Treatment of covered pipelines

If an extension or expansion is treated as a Covered Network, APT Allgas will offer Reference Services for that extension or expansion at the Reference Tariffs (ie no change to the Reference Tariffs). APT Allgas may levy a Surcharge on users to recover non-conforming capital expenditure in accordance with the Rules.

~~8 Capacity Management Policy~~

~~The Allgas Covered Pipeline is a Contract Carriage Pipeline.~~

~~Allgas undertakes to act in a non-discriminatory manner and will provide all Users with equal treatment in regard to capacity management issues.~~



A Glossary

Term	Definition
Access Agreement	has the meaning given under Part 2
Access Arrangement	has the meaning given to it in the <i>National Gas (Queensland) Law</i> under the <i>National Gas (South Australia) Act 2008</i> which applies as a law of Queensland pursuant to the <i>National Gas (Queensland) Act 2008</i> and refers to this Access Arrangement.
Access Arrangement Information	has the meaning given to it in the <i>National Gas (Queensland) Law</i> under the <i>National Gas (South Australia) Act 2008</i> which applies as a law of Queensland pursuant to the <i>National Gas (Queensland) Act 2008</i> and refers to the Access Arrangement Information approved by the AER for the APT Allgas Network.
Access Arrangement Period	has the meaning given to it in the Rules.
Acceptable Credit Rating	an unqualified Standard and Poor's credit rating of at least BBB, or equivalent rating, from a recognised and independent credit reporting agency reasonably acceptable to APT Allgas.
Additional Services	means services offered under clause 2.2
Adjustment Date	means the relevant 1 July on which reference tariffs are scheduled to change in accordance with the Reference Tariff variation mechanism under clause 4.5 .
AER	means the Australian Energy Regulator established by section 44AE of the Trade Practices Act 1974 of the Commonwealth.
AEMO	means the Australian Energy Market Operator appointed by the Queensland Government to act as Market Operator in the Queensland Natural Gas Market under the <i>Gas Supply Act 2003 (Qld)</i> .
Agreed Demand	is the nominated MHQ as determined by APT Allgas and detailed in clause 2.1.2



Allowable Margin of Accuracy	means in respect of Meters operating at outlet pressures up to 7kPa and not exceeding 6 cubic metres per hour capacity, an accuracy of between plus two and minus three percent and in respect of all other Meters, an overall accuracy within plus or minus one per cent.
APT Allgas	means APT Allgas Energy Pty Limited ACN 009 656 446, its subsidiaries, successors in title or assigns.
Annual Scheduled Reference Tariff Adjustment Formula Mechanism	has the meaning given to it under clause 4.5.2
Ancillary Service	means a Reference Ancillary Service or Non-reference Ancillary Service.
Bare Transfer	refers to a Transfer by way of subcontract of all or part of a User's Contracted Capacity in accordance with clause 5.2.
Business Day	means a day other than a Saturday or Sunday or a gazetted Public Holiday in the State of Queensland.
Business Hours	means the hours between 9am and 4pm on a Business Day.
Capacity	means the measure of the potential of a Covered Pipeline as currently configured to deliver a particular Service between a Receipt Point and a Delivery Point at a point in time.
Capital Base	has the meaning given in the National Gas Rules
Capital Contribution	is a contribution made by a User under Rule 82.
Capital Redundancy Mechanism	means a mechanism established in accordance with Rule 85.
Charges	means the amounts payable for Reference or non-Reference Services calculated in accordance with Appendix B of the Access Arrangement.
Commencement Date	is the date that revisions to this Access Arrangement will commence as set out in clause 1.4.



Confidential Information	<p>means all information:</p> <ul style="list-style-type: none"> disclosed (whether orally, in writing or in any other form) by a party ('Discloser') to the other party ('Recipient') in relation to this Agreement; and treated by the Discloser as confidential; and all copies, notes, records and related information generated by the Recipient based on or arising out of any such disclosure.
Contracted Capacity	means that part of the Capacity of the Network which has been reserved by a User or Users pursuant to an Access Agreement entered into with APT Allgas.
Corporations Act	means the <i>Corporations Act 2001</i> .
Cost Pass-through Event	means an uncontrollable or unforeseen event, or a foreseen event the costs for which are not able to be accurately forecast at the time this Access Arrangement is approved, that leads to or is expected to lead to, a change in costs that is not already included in Reference Tariffs.
Cost Pass-through Reference Tariff Variation Mechanism	has the meaning given to it under clause 4.5.3
Covered	has the meaning given to it in the National Gas (Queensland) Law
Covered Pipeline	has the meaning given to it in the National Gas (Queensland) Law.
CPI	means the Consumer Price Index (All Groups Weighted Average for the eight capital cities) as published by the Australian Bureau of Statistics and, if publication of that Index ceases, any official replacement index published by the Australian Statistician.
Credit Support	means the credit guarantee or similar instrument acceptable to APT Allgas referred to in clause 8.1.2.
Credit Support Guarantor	means another entity who has an Acceptable Credit Rating and is providing Credit Support to APT Allgas on behalf of a User.
Day	means a period of 24 consecutive hours beginning at 8.00 am Australian Eastern Standard Time.



Delivery Point	means a point on the Network at which Natural Gas is delivered from the Network through a single metering installation to or for the account of any User.
Delivery Point Facilities	means those facilities installed at a Delivery Point to enable delivery of Natural Gas from the Network to a User including Metering, a tapping point, a remote shut-off valve, any communication facilities and associated power supply.
Demand Customer Service	is as defined in clause 2.1.2 .
Demand Customer	means an End User who withdraws from the Network a quantity of Natural Gas of at least 10TJ per year or has an MDQ of 50 GJ or greater.
Due Date	is 14 Days after the date on the Tax Invoice.
End User	means the person who acquires Natural Gas or proposes to acquire Natural Gas for consumption purposes.
Extension and Expansion Requirements	are the requirements described in Part 6
Force Majeure Event	means anything affecting a person outside of that party's reasonable control including, but not limited to, fire, storm, flood, earthquake, explosion, war, invasion, rebellion, sabotage, epidemic, labour dispute, labour shortage, failure or delay in transportation, act or omission (including laws, regulations, disapprovals or failures to approve) of any third person (including, but not limited to, subcontractors, customers, governments or government agencies).
Forecast Capital	has the meaning given to it in clause 3.2
Gas Balancing	refers to the requirements for APT Allgas to balance the network under the Retail Market Procedures.
Gas Law	means the National Gas (Queensland) Act 2008, National Gas (Queensland) Law, Gas Supply Act 2003, Petroleum and Gas (Production and Safety) Act 2004, the proposed National Energy Retail Law and National Energy Retail Rules once in force, any other applicable market, industry or technical code, any licence issued under applicable law, and any other statute, regulation, ordinance, code or other law, whether territory, state or federal, including any lawfully binding determination, decree, edict, declaration, ruling, order or other similar



GJ	means a gigajoule of Natural Gas or 10 ⁹ J, as that term is defined in Australian Standard AS 1000-1979.
GST	has the meaning given in the <i>A New Tax System (Goods and Services) Tax Act 1999</i> (Cth).
Inlet Disconnection Service	has the meaning given in clause 2.1.3
Inlet Reconnection Service	has the meaning given in clause 2.1.3
Insolvency Event	<p>means in relation to any party:</p> <ul style="list-style-type: none"> • a receiver, receiver and manager, administrator, trustee or similar official is appointed over any of the assets or undertaking of the party (Receiver Appointed); • the party suspends payment of its debt generally (Payments Suspended); • the party is or becomes unable to pay its debts when they are due or is unable to pay its debts within the meaning of the Corporations Act or the party may be presumed to be insolvent under section 459C of the Corporations Act (Unable to Pay); • the party enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them (Arrangements with Creditors); • an application or order is made for the winding up or dissolution of, or the appointment of a provisional liquidator to the party or a resolution is passed or steps are taken to pass a resolution for the winding up or dissolution of the party otherwise than for the purpose of an amalgamation or reconstruction (Winding Up); or • an administrator is appointed in relation to the person under Division 2 of Part 5.3A of the Corporations Act (Administration).
Instrument of Agreement	means the specific contractual arrangement agreed between APT Allgas and a User in relation to the APT Allgas Access Arrangement.



Interval Metering	means Metering that enables the recording of volumes on an hourly or daily basis. Includes flow computers and data loggers.
kPa	means kilopascal and is a unit of measurement for pressure, also used to measure atmospheric pressure
Market Operator	means the market operator appointed under the <i>Gas Market Procedures (Queensland)</i> made under the National Gas Rules, and includes any person carrying out the functions and duties of that office.
Material	<p>in the case of a tariff variation occurring at the same time as the CPI adjustment where the actual or forecast change in costs can be readily verified by documentation (for example invoices, contracts or independently audited information):</p> <ul style="list-style-type: none"> ▪ means a change in costs that is sufficient to change the smallest increment in the Reference Tariffs expressed to the number of decimal places set out in Attachment 3 of this Access Arrangement. <p>in all other cases:</p> <ul style="list-style-type: none"> ▪ means 1.0% or more of forecast annual revenue per event, based on the forecast smoothed revenue requirement in the year the event occurred, as set out in the Access Arrangement Information.
MDQ	means the maximum daily quantity of Natural Gas (in GJ) which APT Allgas is obliged to receive on behalf of the User and to transport and deliver to Delivery Points on behalf of the User during a Day (net of UAG).
Meter	means the device used to measure the volume or demand of Natural Gas.
Metering	means the Meter and any associated equipment, including filters, regulators, pipework and other equipment used to measure the volume or demand of Natural Gas.
MHQ	means the maximum hourly quantity of Natural Gas (in GJ) which APT Allgas is obliged to receive on behalf of the User and to transport and deliver to Delivery Points on behalf of the User during an hour (net of UAG).
Month	means calendar month.



National Gas (Queensland) Law	means the National Gas Law under <i>the National Gas (South Australia) Act 2008</i> which applies as a law of Queensland pursuant to the <i>National Gas (Queensland) Act 2008</i> .
National Gas Rules	means the National Gas Rules made under the <i>National Gas (Queensland) Law</i> , in force from time to time.
Natural Gas	has the meaning given to it in the National Gas (Queensland) Law.
Negotiated Service	means a Service of the type described in clause 2.2.
Network	means the distribution pipeline network owned by APT Allgas through which Natural Gas will be transported and includes the Receipt Point Facilities and Delivery Point Facilities which exist from time to time.
New Capital Expenditure	has the meaning given to it under Rule 79
New Capital Expenditure Criteria	has the meaning given to it under Rule 79
Non-Reference Ancillary Service	means a Service of the type described in clause 2.2
PJ	means a petajoule of Natural Gas or one million (1,000,000) GJ.
Prospective User	has the meaning given to it in the National Gas (Queensland) Law.
Rate	means the Commonwealth Bank Corporate Overdraft Reference Rate (monthly charging) current on the first Day of each Month.
Receipt Point	means a point on the Network at which Natural Gas is received into the Network from or on account of the User.
Receipt Point Facilities	means those facilities installed at a Receipt Point to enable receipt of Natural Gas from a User into the Network including a tapping point, a remote shut-off valve, any communication facilities and associated power supply.
Reference Ancillary Service	means a Service of the type described in clause 2.1.3.
Reference Service	means any or all of the Reference Services referred to in clause 2.1.



Reference Tariff	has the meaning given to it in the National Gas (Queensland) Law.
Reference Tariff Variation Mechanism	is as defined in clause 4.5
Retail Market Procedures	means the Procedures published by AEMO which form part of the regulatory framework applicable to AEMO, Retailers and Distributors under the <i>Gas Supply Act 2003</i> (Qld), the Law and the Rules (or, if these procedures are no longer applicable, any other rules or procedures which govern a gas market that is applicable to APT Allgas) in force from time to time.
Required Amount	means the amount of the Credit Support to be provided by the User or by the Credit Rating Guarantor as reasonably estimated by APT Allgas to meet APT Allgas' credit security requirement for a User as referred to in clause 8.1.2.
Revisions Commencement Date	has the meaning given in clause 1.4.
Revisions Submission Date	has the meaning given in clause 1.4
Rule or Rules	means the <i>National Gas Rules</i> made under the <i>National Gas (Queensland) Law</i>
Service	means a Service provided by the Service Provider in relation to the Network including but not limited to Reference Services.
Service Provider	has the meaning given to it in the National Gas (Queensland) Law.
Significant Extension	has the meaning given in section 6.1
Single Premises	means any of the following if owned or occupied by the End User and used by the End User for the same business or enterprise: <ul style="list-style-type: none"> • the whole of any single building or structure; • a part of any single building or structure; • two or more adjoining parts of any single building or structure; • the whole of two or more buildings or structures that are on the same lot of land or two or more adjoining lots of land.



Special Meter Reading Service	is as defined in clause 2.1.3
Speculative Capital Expenditure Account	has the meaning given in rule 84
Surcharge	has the meaning given to it in Rule 83.
Tariff Variation Notification	means a notification under clause 4.5.5
Term	is the term of the access arrangement as defined in clause 1.4
Terms and Conditions	for Services are set out in Appendix C
Transmission Pipeline Operator	is the operator of the transmission pipeline supplying Natural Gas into the Network
Total Revenue	has the meaning given to it in Rule 76.
TJ	means a terajoule of Natural Gas and is equal to 1,000 GJ.
Unaccounted for Gas or UAG	means the quantities of Natural Gas necessary for the efficient operation of the Network, including Natural Gas used for compressors or other equipment, and quantities otherwise lost and unaccounted for in connection with the operation of the Network, including as a result of any limitations on the accuracy of Metering Equipment.
User	has the meaning given to it in the <i>National Gas (Queensland) Law</i> .
Volume Customer Service	is as defined in clause 2.1.2.
Volume Customer	means an End User who withdraws from the Network a quantity of Natural Gas less than 10TJ per year and has an MDQ of less than 50 GJ.
Year	means a period of 365 consecutive Days but, for any Year which contains a date of 29 February, means 366 consecutive Days.



**APT Allgas Energy
Pty Limited**

FY12 Reference Tariffs

Effective
01 July 2011 – 30 June 2012



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1 Volume Tariff – 2011/12

Network Charges (Exclusive of GST)		
Base Charge	(\$/day)	\$0.5574
Up to 1.7 GJ of gas delivered per day	(\$/GJ/day)	\$9.1699
Next 8.3 GJ of gas delivered per day	(\$/GJ/day)	\$6.7238
All gas delivered over 10 GJ per day	(\$/GJ/day)	\$4.8580

Notes:

1. The total network charge for each site for each billing period will be calculated using the daily charges. Each days charge will comprise
 - a) a base charge; plus
 - b) a charge for the quantity of gas delivered (or estimated to have been delivered during that day to or for the account of the network user to each end user)
2. The charge for the quantity of gas delivered (or estimated to have been delivered) to or for the account of the network user will be calculated at the rates shown in the above table. The daily quantities will be determined based on the appropriate Meter Reading and converted to an average daily figure based on the number of days in the metering period for each end user site.
3. Total charges for each billing period will be rounded to the nearest cent.
4. The calculation of each Network User's metering capacity will be determined by APA based on data held by APA including the customer's meter type, pressure factor and consumption data.
5. Base and volume charges shown in the above table apply in 2011/12 only. Charges for subsequent years will be escalated in accordance with the methodology shown in section 4.5 of the APT Allgas Access Arrangement.
6. Charges are exclusive of Goods and Services Tax (GST).



2 Demand Tariff – Brisbane Region – 2011/12

Network Charges (Exclusive of GST)		Zone 1 (DZ01)	Zone 2 (DZ02)	Zone 3 (DZ03)
Base Charge (MHQ)	(\$/GJ of MHQ/day)	\$2.1783	\$3.0991	\$2.5876
MDQ of 50GJ or less	(\$/day)	\$80.0150	\$115.8200	\$130.7450
Greater than 50GJ but not greater than 125 GJ of MDQ	(\$/day)	\$80.0150 + \$0.8874/GJ of MDQ for MDQ over 50	\$115.8200 + \$1.6497/GJ of MDQ for MDQ over 50	\$130.7450 + \$2.6508/GJ of MDQ for MDQ over 50
Greater than 125GJ but not greater than 275 GJ of MDQ	(\$/day)	\$146.5700 + \$0.6257/GJ of MDQ for MDQ over 125	\$239.5475 + \$1.3652/GJ of MDQ for MDQ over 125	\$329.5550 + \$1.9682/GJ of MDQ for MDQ over 125
Greater than 275GJ but not greater than 525 GJ of MDQ	(\$/day)	\$240.4250 + \$0.2730/GJ of MDQ for MDQ over 275	\$444.3275 + \$0.6371/GJ of MDQ for MDQ over 275	\$624.7850 + \$1.0808/GJ of MDQ for MDQ over 275
Greater than 525GJ of MDQ	(\$/day)	\$308.6750 + \$0.2389/GJ of MDQ for MDQ over 525	\$603.6025 + \$0.2503/GJ of MDQ for MDQ over 525	\$894.9850 + \$0.2958/GJ of MDQ for MDQ over 525

Notes:

1. The total network charge for each site for each billing period will be calculated using the daily charges. Each days charge will comprise
 - a) a base charge calculated on the site Agreed Demand (MHQ); plus
 - b) an MDQ charge
2. The daily base charge refers to the customers Agreed Demand (nominated MHQ) as determined by APT Allgas
3. The MDQ charges refer to the customers MDQ for the previous 12 months.
4. For customers without interval metering, the MDQ will be calculated by APA based on the customer's consumption data, days of operation and a seasonality factor of 1.3
5. The customers' MDQ and MHQ readings remain constant during the year except in the case of overruns (see section 3 of Terms and Conditions for details)
6. Charges shown in the above table apply in 2011/12 only. Charges for subsequent years will be escalated in accordance with the methodology shown in section 4.5 of the APT Allgas Access Arrangement.
7. Charges are exclusive of Goods and Services Tax (GST).



3 Demand Tariff – South Coast Region – 2011/12

Network Charges (Exclusive of GST)		Zone 4 (DZ04)	Zone 5 (DZ05)	Zone 6 (DZ06)
Base Charge (MHQ)	(\$/GJ of MHQ/day)	\$1.9298	\$3.9082	\$3.9135
MDQ of 50GJ or less	(\$/day)	\$160.8050	\$160.7250	\$168.5150
Greater than 50GJ but not greater than 125 GJ of MDQ	(\$/day)	\$160.8050 + \$2.9125/GJ of MDQ for MDQ over 50	\$160.7250 + \$3.0718/GJ of MDQ for MDQ over 50	\$168.5150 + \$3.2424/GJ of MDQ for MDQ over 50
Greater than 125GJ but not greater than 275 GJ of MDQ	(\$/day)	\$379.2425 + \$2.5029/GJ of MDQ for MDQ over 125	\$391.1100 + \$2.6508/GJ of MDQ for MDQ over 125	\$411.6950 + \$2.7760/GJ of MDQ for MDQ over 125
Greater than 275GJ but not greater than 525 GJ of MDQ	(\$/day)	\$754.6775 + \$2.1047/GJ of MDQ for MDQ over 275	\$788.7300 + \$2.2754/GJ of MDQ for MDQ over 275	\$828.0950 + \$2.3778/GJ of MDQ for MDQ over 275
Greater than 525GJ of MDQ	(\$/day)	\$1280.8525 + \$1.8317/GJ of MDQ for MDQ over 525	\$1357.5800 + \$1.9796/GJ of MDQ for MDQ over 525	\$1422.5450 + \$2.0706/GJ of MDQ for MDQ over 525

Notes:

1. The total network charge for each site for each billing period will be calculated using the daily charges. Each days charge will comprise
 - c) a base charge calculated on the site Agreed Demand (MHQ); plus
 - d) an MDQ charge
2. The daily base charge refers to the customers Agreed Demand (nominated MHQ) as determined by APT Allgas
3. The MDQ charges refer to the customers MDQ for the previous 12 months.
4. For customers without interval metering, the MDQ will be calculated by APA based on the customer's consumption data, days of operation and a seasonality factor of 1.3
5. The customers' MDQ and MHQ readings remain constant during the year except in the case of overruns (see section 3 of Terms and Conditions for details)
6. Charges shown in the above table apply in 2011/12 only. Charges for subsequent years will be escalated in accordance with the methodology shown in section 4.5 of the APT Allgas Access Arrangement.
7. Charges are exclusive of Goods and Services Tax (GST).



4 Demand Tariff – Toowoomba Region – 2011/12

Network Charges (Exclusive of GST)		Zone 7 (DZ07)	Zone 8 (DZ08)
Base Charge (MHQ)	(\$/GJ of MHQ/day)	\$2.1865	\$4.0229
MDQ of 50GJ or less	(\$/day)	\$61.9000	\$80.2100
Greater than 50GJ but not greater than 125 GJ of MDQ	(\$/day)	\$61.9000 + \$0.4096/GJ of MDQ for MDQ over 50	\$80.2100 + \$0.8647/GJ of MDQ for MDQ over 50
Greater than 125GJ but not greater than 275 GJ of MDQ	(\$/day)	\$92.6200 + \$0.3299/GJ of MDQ for MDQ over 125	\$145.0625 + \$0.6712/GJ of MDQ for MDQ over 125
Greater than 275GJ but not greater than 525 GJ of MDQ	(\$/day)	\$142.1050 + \$0.2730/GJ of MDQ for MDQ over 275	\$245.7425 + \$0.4551/GJ of MDQ for MDQ over 275
Greater than 525GJ of MDQ	(\$/day)	\$210.3550 + \$0.2503/GJ of MDQ for MDQ over 525	\$359.5175 + \$0.2617/GJ of MDQ for MDQ over 525

Notes:

1. The total network charge for each site for each billing period will be calculated using the daily charges. Each days charge will comprise
 - e) a base charge calculated on the site Agreed Demand (MHQ); plus
 - f) an MDQ charge
2. The daily base charge refers to the customers Agreed Demand (nominated MHQ) as determined by APT Allgas
3. The MDQ charges refer to the customers MDQ for the previous 12 months.
4. For customers without interval metering, the MDQ will be calculated by APA based on the customer's consumption data, days of operation and a seasonality factor of 1.3
5. The customers' MDQ and MHQ readings remain constant during the year except in the case of overruns (see section 3 of Terms and Conditions for details)
6. Charges shown in the above table apply in 2011/12 only. Charges for subsequent years will be escalated in accordance with the methodology shown in section 4.5 of the APT Allgas Access Arrangement.
7. Charges are exclusive of Goods and Services Tax (GST).



5 Demand Tariff – Oakey Region – 2011/12

Network Charges (Exclusive of GST)		Zone 9 (DZ09)	Zone 10 (DZ10)
Base Charge (MHQ)	(\$/GJ of MHQ/day)	\$1.9927	\$2.1275
MDQ of 50GJ or less	(\$/day)	\$65.2000	\$142.4500
Greater than 50GJ but not greater than 125 GJ of MDQ	(\$/day)	\$65.2000 + \$0.5233/GJ of MDQ for MDQ over 50	\$142.4500 + \$2.6736/GJ of MDQ for MDQ over 50
Greater than 125GJ but not greater than 275 GJ of MDQ	(\$/day)	\$104.4475 + \$0.4323/GJ of MDQ for MDQ over 125	\$342.9700 + \$2.1503/GJ of MDQ for MDQ over 125
Greater than 275GJ but not greater than 525 GJ of MDQ	(\$/day)	\$169.2925 + \$0.3072/GJ of MDQ for MDQ over 275	\$665.5150 + \$1.3197/GJ of MDQ for MDQ over 275
Greater than 525GJ of MDQ	(\$/day)	\$246.0925 + \$0.2503/GJ of MDQ for MDQ over 525	\$995.4400 + \$0.5689/GJ of MDQ for MDQ over 525

Notes:

1. The total network charge for each site for each billing period will be calculated using the daily charges. Each days charge will comprise
 - g) a base charge calculated on the site Agreed Demand (MHQ); plus
 - h) an MDQ charge
2. The daily base charge refers to the customers Agreed Demand (nominated MHQ) as determined by APT Allgas
3. The MDQ charges refer to the customers MDQ for the previous 12 months.
4. For customers without interval metering, the MDQ will be calculated by APA based on the customer's consumption data, days of operation and a seasonality factor of 1.3
5. The customers' MDQ and MHQ readings remain constant during the year except in the case of overruns (see section 3 of Terms and Conditions for details)
6. Charges shown in the above table apply in 2011/12 only. Charges for subsequent years will be escalated in accordance with the methodology shown in section 4.5 of the APT Allgas Access Arrangement.
7. Charges are exclusive of Goods and Services Tax (GST).



6 Reference Ancillary Services – 2011/12

Reference Ancillary Service		Charges (Exclusive of GST)
Special Meter Read	(\$/each)	\$18.95
Inlet Disconnection	(\$/each)	\$52.04
Inlet Reconnection	(\$/each)	\$66.12

Notes:

1. Reference Ancillary Services as published in the APT Allgas Access Arrangement.
2. Charges shown in the above table apply in 2011/12 only. Charges for subsequent years will be escalated in accordance with the methodology shown in section 4.5 of the APT Allgas Access Arrangement.
3. Charges are exclusive of Goods and Services Tax (GST).



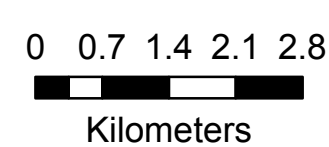
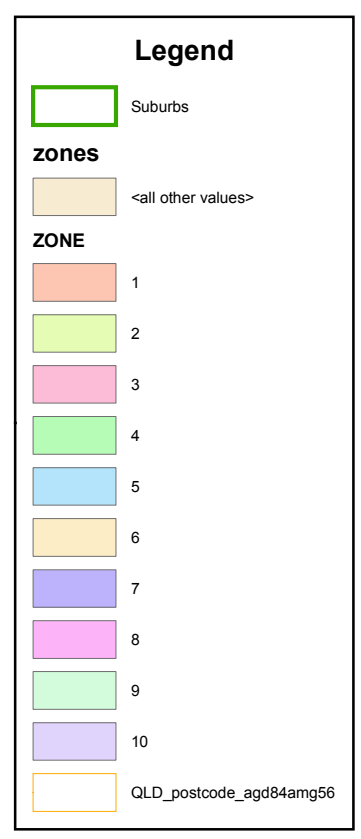
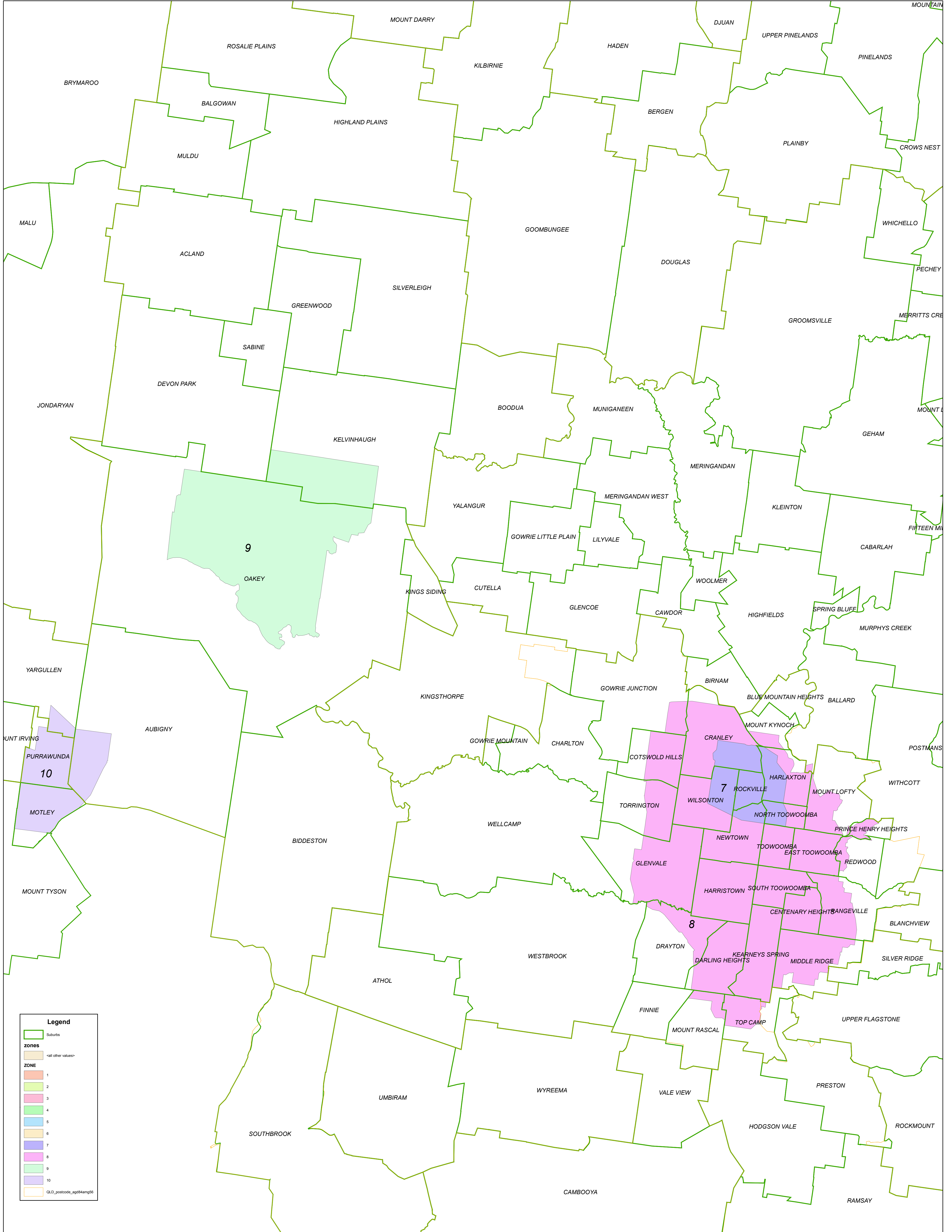
7 Demand Zone Maps (Indicative Only)

Brisbane and Southern Zones

Western Zones

Note: Specific site addresses should be referred to APT Allgas for zone determination.

Toowoomba Oakey Tariff Zones



1:79,043



**APT Allgas Energy
Pty Limited**

Terms & Conditions

Effective
01 July 2011 – 30 June 2016



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Background

- ~~A. Allgas Energy Pty Ltd (Allgas) submitted an Access Arrangement to the Queensland Competition Authority in accordance with requirements of the Gas Pipelines Access (Queensland) Act 1998 and the Code. This Access Arrangement has been approved.~~
- ~~B. Section 3.6 of the Code requires Allgas to include in the Access Arrangement the Terms and Conditions on which it will supply Reference Services. The Terms and Conditions must be reasonable in the opinion of the Queensland Competition Authority.~~
- ~~C. Allgas has prepared these Terms and Conditions to satisfy its obligations under section 3.6 of the Code. The Terms and Conditions are intended to be consistent with the Access Arrangement.~~
- ~~D. The party seeking access to the Network on these Terms and Conditions is referred to as the User. The contracting party may be either a retailer, who provides a bundled service to an End User of gas, or the End User of gas directly.~~
- ~~E. The Agreement between Allgas and the User comprises the Terms and Conditions set out below.~~

APT Allgas has prepared these Terms and Conditions to satisfy its obligations under Rule 48(1)(d)(ii) of the Rules. The Access Agreement between APT Allgas and the User comprises the Terms and Conditions set out below.



1 Acknowledgements

APT Allgas and the User acknowledge:

- (a) that this AgreementAccess Agreement is intended to be consistent with the Access Arrangement as amended from time to time; and
- (b) terms defined in the Access Arrangement have the same meaning in this Access Agreement unless the context requires otherwise; and
- (c) to the extent that there is any inconsistency between this AgreementAccess Agreement and the Access Arrangement as amended from time to time, the provisions of the Access Arrangement prevail.



2 Reference Services

2.1 Provision of Reference Services

During the Term, AllgasAPT Allgas will make available Volume Customer Services, Demand Customer Services and Reference Ancillary Services to the User.

2.2 Determination of Customer

AllgasAPT Allgas will determine from time to time whether an End User is a Volume Customer or a Demand Customer. This determination is binding on the User.

2.3 Operation and Management

AllgasAPT Allgas will ensure that the Network is operated and managed in accordance with the Access Arrangement, the Code-Rules and with applicable laws and any relevant standards which apply from time to time.



3 Capacity management

3.1 Quantity Delivered

The MHQ of Natural Gas which ~~Allgas~~APT Allgas must transport to each Delivery Point is limited to the Agreed Demand.

The MDQ of Natural Gas which ~~Allgas~~APT Allgas transports to each Delivery Point is not limited.

3.2 MDQ Overruns

~~The MDQ for a Demand Customer is nominated for the Contract Year based on their MDQ in the previous 12 months. Where a Demand Customer has Interval Metering and their actual MDQ exceeds their nominated MDQ at a Delivery Point:~~

~~(a) within a single billing period, Allgas will not adjust the nominated MDQ for that Contract Year; or~~

~~(b) in a second billing period during the same Contract Year, the nominated MDQ for the remainder of the Contract Year will reflect the highest recorded MDQ. Where a Demand Customer Delivery Point has Interval Metering and a Demand Customer's actual MDQ exceeds their nominated MDQ at that Demand Customer Delivery Point:~~

~~(a) for the first time in a 12 month period, APT Allgas will not adjust the nominated MDQ; or~~

~~(b) for the second time in a 12 month period, the nominated MDQ will be adjusted to reflect the highest recorded MDQ in that period, and the adjusted MDQ will be binding on the Demand Customer.~~

3.3 Reduction in MDQ

This clause applies only to Demand Customers.

3.3.1

Request for Reduction in MDQ

Subject to clauses 3.3.6 and 3.3.7, if:

(a) the Demand Customer to whom Natural Gas is supplied at a Demand Customer Delivery Point experiences a permanent, material change in its requirements for Natural Gas at that Demand Customer Delivery



Point such that its daily Natural Gas requirements are significantly less than the current MDQ for that Demand Customer Delivery Point; or

- (b) for a period of not less than 12 months the Customer has not, on any Network Day, taken delivery of a quantity of Natural Gas at the Demand Customer Delivery Point equal to or in excess of 90% of the MDQ; and
- (c) a reduction to the MDQ for that Demand Customer Delivery Point will not unreasonably jeopardise APT Allgas' ability to recover capital expended by APT Allgas in installing infrastructure to serve that Demand Customer Delivery Point; and
- (d) there is no contractual arrangement in place in respect of the Demand Customer Delivery Point requiring the User to make payments, based on the current MDQ, for a minimum term to enable APT Allgas to recover, from the User, capital expended by APT Allgas in installing infrastructure to serve that Demand Customer Delivery Point, then the User may, request the MDQ for that Delivery Point be reduced in accordance with the procedures in this clause 3.3:

3.3.2 Form of request

A request to APT Allgas seeking a reduction in the MDQ under clause 3.3.1 must:

- (a) be in writing;
- (b) nominate a particular Day from which the MDQ for that Delivery Point be varied to reflect the Customer's changed Natural Gas requirements (Specified Date). The Specified Date must be the first calendar day of a subsequent Month but no less than 4 weeks after the date of receipt of request;
- (c) state that it is made pursuant to this clause 3.3;
- (d) set out the new MDQ proposed by the User (Requested MDQ);
- (b) be supported by evidence reasonably satisfactory to APT Allgas to justify the Requested MDQ nominated by the User, including evidence:
 - (i) of the nature and reason for the change in the Demand Customer's Natural Gas requirements; and
 - (ii) that the Demand Customer's Natural Gas requirements for each Day will not exceed the Requested MDQ.



The evidence supplied to APT Allgas must be accompanied by a statement, from an authorised officer of the Demand Customer, attesting to the accuracy of the evidence.

3.3.3 Consideration of Request

- (a) APT Allgas will consider a request lodged in accordance with clauses 3.3.1 and 3.3.2 and will advise the User within 4 weeks of the date of request whether the request has been approved.
- (b) APT Allgas will not unreasonably withhold its acceptance of a request lodged in accordance with clauses 3.3.1 and 3.3.2.

3.3.4 Matters to be Considered

APT Allgas will have regard to the following factors when considering a request under clause 3.3.3:

- (a) the permanency of any change in the relevant Demand Customer's requirements for Natural Gas;
- (b) the long-term trend of the Demand Customer's demand for Natural Gas at the relevant Demand Customer Delivery Point, as derived from:
 - (i) historical data about the quantities of Natural Gas delivered through that Demand Customer Delivery Point; and
 - (ii) any reasoned forecasts of the Demand Customer's expected future demand for Natural Gas at that Demand Customer Delivery Point;
- (c) the extent to which, the proposed reduction will compromise APT Allgas' ability to recover the capital expenditure APT Allgas incurred in relation to the relevant Demand Customer Delivery Point, including whether APT Allgas has any contractual right to recover such expenditure from the User or someone else; and
- (d) any other factors that APT Allgas considers relevant, acting reasonably.

3.3.5 Acceptance of Request

Where APT Allgas agrees to a request made in accordance with clauses 3.3.1 and 3.3.2, then the MDQ for the relevant Demand Customer Delivery Point will be reduced to the Requested MDQ on and from the Specified Date.



3.3.6 Request for Explanation

APT Allgas must provide the User with an explanation of its decision to reject a request under this clause 3.3 upon request.

3.3.7 Subsequent Adjustment of MDQ

Subject to clause 3.3.8, nothing in this clause 3.3 prevents or limits any subsequent adjustment to the MDQ for a Demand Customer Delivery Point in accordance with any other clause of the Access Agreement.

3.3.8 Subsequent Requests

Where the MDQ for a Demand Customer Delivery Point has been reduced under this clause 3.3, then the User will not be entitled to make a further request to APT Allgas to reduce the MDQ at that Demand Customer Delivery Point until at least 1 Year has elapsed since the date that the MDQ was last reduced in accordance with this clause 3.3.

3.3.9 Non-Acceptance of Previous Request

Where a request lodged under clause 3.3.1 is not accepted by APT Allgas, then the User will not be entitled to make a further request to APT Allgas to reduce the MDQ at that Demand Customer Delivery Point until at least 6 months has elapsed since the date of lodgement of the most recent request under clause 3.3.1

3.4 Authorisation

Notwithstanding ~~Clause~~clauses 3.1 and 3.2, the User authorises ~~Allgas~~APT Allgas during the Term to deliver through each Delivery Point the quantity of Natural Gas supplied by ~~Allgas~~APT Allgas through that Delivery Point (whether the delivered quantity of Natural Gas is or is not specifically authorised by the User or the End User).

3.5 Network Limitations

At no time will ~~Allgas~~APT Allgas have any obligation to deliver more Natural Gas through any Delivery Point than is possible given the technical, physical or other limitations of the Network and the pressure and flow-rate of the Natural Gas within the Network. ~~Allgas~~APT Allgas will not connect a new Delivery Point to the Network unless the system has sufficient capacity to sustain that End User. ~~Allgas~~APT Allgas will maintain the network in accordance with legislative and statutory requirements where relevant and, to the extent not covered by legislation, in accordance with good engineering and industry practice.



3.6 Gas Balancing

At all times during the Term, the User must ensure that the aggregate quantity of Natural Gas delivered through each Receipt Point by or for the account of the User is equal to the aggregate quantity of Natural Gas delivered to or for the account of the User through each Delivery Point, after accounting for Unaccounted for Gas.

3.7 Quantity Received

[AllgasAPT Allgas](#) may determine the quantity of Natural Gas delivered through each Receipt Point by or for the account of the User on a reasonable basis, and this determination binds the User.



4 Metering

4.1 General Obligations

4.1.1 Provision of Metering Equipment

AllgasAPT Allgas will ensure each Delivery Point has Metering in accordance with applicable laws and any relevant standards that apply from time to time, to measure the volume of Natural Gas delivered through that Delivery Point.

4.1.2 Maintenance

AllgasAPT Allgas will ensure that all Metering is maintained in a reasonable condition throughout the Term, in accordance with applicable laws and any relevant standards that apply from time to time.

4.1.3 Meter Accuracy

The accuracy of Metering at any Receipt Point or Delivery Point is in accordance with applicable laws and any relevant standards that apply from time to time.

4.1.4 Correction of Readings

If AllgasAPT Allgas is required to correct previous readings under Clauseclause 4.1.3:

- (a) the correction must reflect:
 - (i) the actual volume of Natural Gas delivered; or
 - (ii) a reasonable estimate of the volume of Natural Gas delivered,

since the date of the last reading taken from the Metering or, if later, the last date on which the Metering was tested and the measurements found to be within the Allowable Margin of Accuracy;

- (b) the correction will be binding on the User; and
- (c) AllgasAPT Allgas must recalculate the Charges for the relevant Delivery Point, and debit the User any underpayment or credit the User any overpayment, in the next tax invoice issued in accordance with ClausePart 8.



4.2 Meter Reading

4.2.1 Scheduled

Subject to this Agreement~~Access Agreement~~, Allgas~~APT Allgas~~ will use best endeavours to ensure that the Metering:

- (a) at each Delivery Point of a Volume Customer is read at least every 3 months; and
- (b) at each Delivery Point of a Demand Customer is read at least monthly.

4.2.2 Special

The User may request Allgas~~APT Allgas~~ to make special readings of the Metering at any Delivery Point at the User's cost. The cost of the special reading:

- (a) is stipulated in Appendix B to the Access Arrangement ~~—~~ 'Tariff Schedule';
- (b) must be paid by the User if the reading is not taken because Allgas~~APT Allgas~~ is unable to obtain safe, reasonable and unhindered access pursuant to Part 11~~Clause~~; and
- (c) will be refunded by Allgas~~APT Allgas~~ if the scheduled reading taken is found to be in error.

4.2.3 No Measurements

If the volume of Natural Gas delivered at any Delivery Point during any period is not measured by the Metering at that Delivery Point for any reason whatsoever, Allgas~~APT Allgas~~ may estimate the volume of Natural Gas delivered at that Delivery Point during that period on a reasonable basis and this will bind the User.



5 Network pressures

5.1 Receipt Point Pressures

5.1.1 User's Obligation

The User will arrange for the delivery of Natural Gas at each Receipt Point within a pressure range as reasonably nominated from time to time by [AllgasAPT Allgas](#).

5.1.2 Failure to Comply

If the User is in breach of [Clause](#) 5.1.1, [AllgasAPT Allgas](#) may:

- (a) curtail or interrupt deliveries through any Receipt Point or any Delivery Point;
- (b) flare or otherwise dispose of Natural Gas in the Network; or
- (c) take whatever steps [AllgasAPT Allgas](#) considers necessary or desirable,
- (d) to increase or reduce the pressure of Natural Gas within the Network or to avoid any threat to persons or property.

5.2 Delivery Point Pressures

5.2.1 [APT Allgas](#)' Obligation

Subject to the technical, physical or other limitations of the Network, [AllgasAPT Allgas](#) will deliver Natural Gas at each Delivery Point at a minimum pressure of 1.125kPa, but always within the pressure range specified by [AllgasAPT Allgas](#) from time to time.

5.2.2 Failure to Comply

[AllgasAPT Allgas](#) will not breach its obligations under [c](#)Clause 5.2.1 where its failure to comply with that [c](#)Clause is due to:

- (a) the technical, physical or other limitations of the Network;
- (b) insufficient Natural Gas being delivered into the Network; or
- (c) delivery of Natural Gas into the Network at pressures outside the limits specified from time to time by [AllgasAPT Allgas](#),



whether or not ~~Allgas~~APT Allgas knew, or ought to have known, of those facts or matters at any time.

5.2.3 No Implied Obligation

To avoid any doubt, ~~Allgas~~APT Allgas is not under an obligation to modify, or cause to be modified, the technical, physical or other limitations of the Network other than to ensure that the safety and integrity of the Network is maintained.



6 Gas specifications

6.1 *Odourisation*

AllgasAPT Allgas will ensure that all Natural Gas in the Network is odourised in accordance with applicable laws and any relevant standards which apply from time to time.

6.2 *Quality of Gas – User*

The User must:

- (a) ensure all arrangements in relation to the delivery of Natural Gas to the Delivery Points, including the Delivery Point Facilities, are in accordance with any applicable laws and relevant standards which apply from time to time; and
- (b) deliver, or cause to be delivered, at each Receipt Point, Natural Gas which meets the gas specifications stipulated in applicable laws and relevant standards from time to time.

6.3 *Quality of Gas – APT Allgas*

AllgasAPT Allgas must ensure that the quality of the Natural Gas, delivered at each Receipt Point, is maintained at the gas specifications stipulated in applicable laws and relevant standards from time to time.

6.4 *Failure to Comply*

If the User is in breach of Clauseclause 6.2, AllgasAPT Allgas is not required to provide the Reference Services and may:

- (a) curtail or interrupt deliveries through any Receipt Point or any Delivery Point;
- (b) flare or otherwise dispose of Natural Gas in the Network; or
- (c) take whatever steps AllgasAPT Allgas considers necessary or desirable,

to ensure the Natural Gas within the Network meets the gas specifications stipulated in applicable laws and relevant standards from time to time or to avoid any threat to persons or property.



7 Ownership of gas

7.1 Warranty of Title

The User warrants that:

- (a) the User has good title to all Natural Gas delivered into the Network at each Receipt Point, which is free and clear of all mortgages, charges and other encumbrances; and
- (b) the User has fulfilled all obligations, including regulatory and contractual, necessary for the User to supply Natural Gas at each Receipt Point for transportation by [AllgasAPT Allgas](#) under this [AgreementAccess Agreement](#).

7.2 Ownership

Upon receipt of Natural Gas at a Receipt Point:

- (a) the Natural Gas, except Unaccounted for Gas, shall remain the property of the User within the Network; and
- (b) Unaccounted for Gas shall become the property of [AllgasAPT Allgas](#) within the Network.

7.3 Commingling

The Natural Gas received at any Receipt Point may be commingled with other Natural Gas in the Network. [AllgasAPT Allgas](#) is entitled to deliver Natural Gas in a commingled state to each Delivery Point.



8 Charges, invoicing and payments

8.1 Security

AllgasAPT Allgas may require a User to:

- (a) provide reasonable security, the type and extent to be reasonably determined by AllgasAPT Allgas, for the performance of the User's obligations under this Access Agreement; and
- (b) demonstrate to AllgasAPT Allgas' reasonable satisfaction the User's ability to meet all financial obligations under this Access Agreement.

8.1.1 When Security Undertaking is Required

In applying Clause 8.1, AllgasAPT Allgas may request the User to procure an undertaking under Clause 8.1.2 if, at the time of the request the User cannot demonstrate that:

- (a) it is rated and has an Acceptable Credit Rating; or

~~it has an unqualified Standard and Poor's credit rating of at least BBB+ or its equivalent form from another recognised credit reporting agency reasonably acceptable to Allgas (an 'Acceptable Credit Rating');~~ or (b) the performance of the User's obligations under this Access Agreement are guaranteed (on terms acceptable to AllgasAPT Allgas) by a Credit Support Guarantor ~~another entity who has an Acceptable Credit Rating ('Credit Rating Guarantor')~~.

8.1.2 Undertaking

Subject to Clause 8.1.1, the User must give to AllgasAPT Allgas within 10 Business Days after AllgasAPT Allgas' request under Clause 8.1.1, an unconditional and irrecoverable undertaking ('Credit Support') in favour of AllgasAPT Allgas for an amount not less than the amount payable by the User to AllgasAPT Allgas under this Access Agreement for the 3 months following the request, such amount is to be reasonably estimated by AllgasAPT Allgas ('Required Amount'). The Credit Support must be issued to either an Australian Bank and another financial institution approved by AllgasAPT Allgas on terms acceptable to AllgasAPT Allgas to secure the due and punctual performance of the User's obligations under this Access Agreement.



8.1.3 Suspend Reference Services

If, within 10 Business Days after AllgasAPT Allgas' request under cClause 8.1.2 the User fails to provide the Credit Support, AllgasAPT Allgas may suspend the provision of Reference Services until the User provides AllgasAPT Allgas with the Credit Support.

8.1.4 Call on the Credit Support

AllgasAPT Allgas may only call on the Credit Support to convert it into money if the User has failed to pay any amount due and owing to AllgasAPT Allgas in connection with this AgreementAccess Agreement within 7 days of AllgasAPT Allgas issuing a written notice of demand requiring payment.

8.1.5 User not to Restrain

Subject to AllgasAPT Allgas complying with cClause 8.1.4, the User must not take any steps to seek an injunction or otherwise restrain:

- (a) any issuer of the Credit Support from paying AllgasAPT Allgas pursuant to the Credit Support;
- (b) AllgasAPT Allgas from taking any steps for the purposes of making a demand against the Credit Support; or
- (c) AllgasAPT Allgas using the money obtained in the calling on the Credit Support.

8.1.6 Maintenance of Required Amount

If, at any time during the term of this AgreementAccess Agreement, the uncalled Credit Support is less than the Required Amount, the User must, within 10 Business Days of AllgasAPT Allgas' request, increase the amount of the Credit Support to the Required Amount.

8.1.7 Refund of Balance

Any balance of the Credit Support outstanding after payment of all amounts owing by the User to AllgasAPT Allgas in connection with this Access Agreement will be paid to the User (or cancelled or returned to the User, as appropriate or advised by the User) following termination of this Access Agreement.



8.1.8 No Prejudice of Rights

~~Allgas~~APT Allgas' exercise of its rights under this ~~c~~Clause 8.1 does not prejudice any other rights which ~~Allgas~~APT Allgas may have in respect of any outstanding amount owed by the User.

8.2 Obligation to Pay Charges

In consideration for the Reference Services provided, or to be provided under this ~~Access~~ Agreement, the User must pay ~~Allgas~~APT Allgas the Charges in accordance with this ~~Clause Part~~ 8.

8.3 Invoicing

~~Allgas~~APT Allgas will use reasonable endeavours to provide, either in writing or by electronic means, a tax invoice (~~the~~ 'Tax Invoice') by the seventh Day of each Month, specifying an itemised list:

- (a) of the amounts due in respect of the Reference Services supplied to the User in the preceding Month;
- (b) of any other item agreed between the parties; and
- (c) describing each item with sufficient information to enable the User to reconcile the ~~DUOS~~Charges at an individual customer level.

Any failure to provide the Tax Invoice within this period does not limit or restrict the rights of ~~Allgas~~APT Allgas in relation to the amounts due under this ~~Agreement~~Access Agreement.

8.4 Payment

The User shall pay the aggregate amount stated in the Tax Invoice within 14 Days of the date of the Tax Invoice (the 'Due Date'). Payment may be made by electronic funds transfer to a nominated bank account or such other means as previously agreed to in writing between the parties. If the Due Date is not a Business Day, then payment shall be made on or before the preceding Business Day.

Notwithstanding ~~c~~Clause 8.6, the User shall pay the full amount of any disputed invoice in accordance with this ~~c~~Clause.

8.5 Failure to Pay the Tax Invoice

If the Tax Invoice is not paid by the Due Date:



- (a) [AllgasAPT Allgas](#) may require the User to pay interest on the overdue amount, calculated on a daily basis at the Rate plus 2% per annum from the Due Date to the date of payment;
- (b) [AllgasAPT Allgas](#) may issue a written notice of demand requiring payment of the amount within 7 Days from the date of the notice of demand; and
- (c) if the amount is not paid within the time specified in the notice of demand, [AllgasAPT Allgas](#) may:
 - (i) suspend provision of the Reference Services to the User, or
 - (ii) terminate this [AgreementAccess Agreement](#) in accordance with [Clause Part 18](#).

8.6 Disputed Tax Invoices

If the User disputes part or all of the Tax Invoice:

- (a) the User shall, within 7 Days after receipt of the Tax Invoice, notify [AllgasAPT Allgas](#) in writing specifying the amount in dispute and the reasons for the dispute;
- (b) each party shall nominate an officer who shall meet with the other party's officer to try to resolve the dispute; and
- (c) if those officers fail to resolve the dispute within 21 Days, each party shall comply with [PartClause 16](#).

8.7 Incorrect Tax Invoices

If it comes to the attention of either party that the User has been overcharged or undercharged:

- (a) the party, upon becoming aware of the error, must notify the other party of the error;
- (b) [AllgasAPT Allgas](#) must verify the error and the amount undercharged or overcharged;
- (c) within 28 Days of the notification under paragraph (a), [AllgasAPT Allgas](#) may issue an amended tax invoice or if the Tax Invoice has been paid, credit the User's account in respect of the amount in error.



The User may not claim from [AllgasAPT Allgas](#) any amount overcharged if more than 12 Months has elapsed since the date of the Tax Invoice in which the overcharge occurred.

[AllgasAPT Allgas](#) may not claim from any User any amount undercharged if more than 12 Months has elapsed since the date of the Tax Invoice in which the undercharge occurred.

8.8 Interest on Disputed or Incorrect Amount

If either party makes a payment under [cClause](#) 8.6 or 8.7, the party can be required to pay interest on that amount, calculated daily at the Rate plus 2% per annum, from the Due Date.

8.9 Adjustment Where Tax Invoice Estimated

If information is unavailable to [AllgasAPT Allgas](#) at the beginning of a Month to allow preparation of the Tax Invoice based on actual Charges, ('Estimated Month') [AllgasAPT Allgas](#) shall use estimated information to prepare the Tax Invoice. In the Month that information becomes available ('Current Month') with respect to these actual Charges, the Tax Invoice for the Current Month shall be adjusted to reflect the difference between the actual and estimated Charges of the Estimated Month. Neither [AllgasAPT Allgas](#) nor the User shall be entitled to the payment of interest on any adjustment under this [cClause](#) 8.9.



9 Cost pass through of new or changed obligations Taxation

9.1 ~~Existing Impost Increases~~ New or increased obligations

~~If a new obligation is imposed on APT Allgas, or if an existing obligation increases (for example in increase in an applicable tax) during the Term (a Cost Pass-through Event) If the rate of an Impost levied at the Commencement Date increases during the Term, Allgas~~ APT Allgas is entitled to recover the amount of the increase from the User each Month, according to a mechanism reasonably determined by Allgas APT Allgas which is equitable and is designed to ensure Allgas APT Allgas will not enjoy a windfall benefit.- Any proposed increase must be Material and must be approved by the AER in accordance with clause 4.5.3 of the Access Arrangements ~~submitted to the Regulator for approval.~~

9.2 ~~Removal or reduction in obligations~~ Existing Impost Decreases

~~If an existing obligation on APT Allgas is removed or reduced the rate of an Impost levied at the Commencement Date decreases or is abolished during the Term, Allgas~~ APT Allgas shall pay the User the amount of the decrease or the abolished amount each Month, according to a mechanism reasonably determined by Allgas APT Allgas which is equitable and is designed to ensure Allgas APT Allgas will not enjoy a windfall benefit. Any proposed decrease must be Material and must be approved by the AER in accordance with clause 4.5.3 of the Access Arrangements ~~submitted to the Regulator for approval.~~

~~9.3~~ New Impost

~~Where a new Impost becomes payable after the Commencement Date, Allgas may recover that Impost from the User according to a mechanism reasonably determined by Allgas which is designed to ensure Allgas will not enjoy a windfall benefit. Any such increase will be approved by the Regulator prior to being levied.~~



10 Information and assistance

The User will provide [AllgasAPT Allgas](#), or procure the User's End Users, or Transmission Pipeline Operator, to provide to [AllgasAPT Allgas](#):

- (a) whatever information [AllgasAPT Allgas](#) might reasonably require from time to time; and
- (b) whatever assistance or co-operation [AllgasAPT Allgas](#) might reasonably require from time to time,

in connection with this [Access](#) Agreement.



11 Access to premises

11.1 *User's Obligation*

The User must:

- (a) grant AllgasAPT Allgas, its employees, servants and agents safe, reasonable and unhindered access and any easement, licence or other document which AllgasAPT Allgas reasonably requires to assure AllgasAPT Allgas its right of access, to enter any premises owned by the User upon which facilities connected to the Network are located; and
- (b) use reasonable endeavours to assist AllgasAPT Allgas, its employees, servants and agents to gain safe, reasonable and unhindered access, including the grant of and any easement, licence or other document which AllgasAPT Allgas reasonably requires to assure AllgasAPT Allgas its right of access, to enter any premises owned by a third party, including the User's End User, upon which facilities connected to the Network are located,
- (c) so that AllgasAPT Allgas may perform its obligations or exercise any rights under this AgreementAccess Agreement.

11.2 APT Allgas' Obligation

Prior to exercising any rights conferred by Clause clause 11.1, AllgasAPT Allgas must take all reasonable steps to ensure its employees, servants and agents who enter the premises cause as little inconvenience to the User as possible and observe relevant safety and security procedures in providing the Reference Services under this AgreementAccess Agreement.



12 Interruptions for maintenance

12.1 *Immediate Repairs or Maintenance*

After providing the User as much notice as is reasonable in the circumstances (except in an emergency when no notice is required), AllgasAPT Allgas shall be entitled to curtail or interrupt provision of the Reference Services:

- (a) to protect the operational integrity and safe operation of the Network; or
- (b) to comply with any applicable laws and regulations; or
- (c) in any other situation when immediate repairs or maintenance are required.

AllgasAPT Allgas, when undertaking localised curtailment or interruption to the provision of the Reference Services will do so in a manner that treats similar Users the same.

12.2 *Planned Repairs or Maintenance*

If AllgasAPT Allgas proposes to carry out any planned work which may affect its ability to provide Reference Services to the User, AllgasAPT Allgas shall give the User reasonable notice of the planned work and after consultation with the User, shall in carrying out that work, use all reasonable endeavours to avoid or minimise any disruption or curtailment to the Reference Services as is reasonable in the circumstances.

12.3 *Supply Curtailment*

12.3.1 Right to Curtail

Subject to clauses 12.3.2 and 12.3.3, AllgasAPT Allgas may interrupt or curtail deliveries of Natural Gas through the Network (whether to or for the account of the ~~Network~~ User or to or for the account of any other person):

- (a) where necessary to permit maintenance, repairs, improvements or alterations to the Network or any part of it;
- (b) where necessary to protect the operational integrity of the Network or any part of it or to ensure the safe and efficient operation of the Network or any part of it;



- (c) where the Quantity of Natural Gas delivered into the Network or any part of it is insufficient to meet demand; or
- (d) in the event of an emergency or where necessary to avert danger to persons or property or to comply with any law.

12.3.2 Notice of Curtailment

Allgas~~APT Allgas~~ will give the ~~Network~~-User or the ~~Network~~-User's End Users Customers—at least four days' notice whenever Allgas~~APT Allgas~~ proposes to interrupt or curtail deliveries of Natural Gas to or for the account of the ~~Network~~-User in order that Allgas~~APT Allgas~~ may undertake Planned Maintenance or augment the Network.

Whenever Allgas~~APT Allgas~~ proposes to interrupt or curtail deliveries of Natural Gas to or for the account of the ~~Network~~-User for any reason (other than an emergency), Allgas~~APT Allgas~~ will give the ~~Network~~-User whatever notice is reasonable in the circumstances.

12.3.3 Order of Priority

If Allgas~~APT Allgas~~ proposes to interrupt or curtail deliveries of Natural Gas pursuant to clause 12.3 and it has a choice about which deliveries it will interrupt or curtail, or the order in which it will interrupt or curtail deliveries, then, to the extent that it is practicable to do so, Allgas~~APT Allgas~~ will endeavour to interrupt or curtail deliveries in the following descending order of priority:

- (a) Interruptible DPs~~Delivery Points~~;
- (b) Demand Customer Delivery Points ~~DPs~~ with alternative fuel sources;
- (c) Demand Customer Delivery Points ~~DPs~~ with the ability to shut down their plant or operations with minimal disruption;
- (d) Demand Customer Delivery Points ~~DPs~~ which are capable of releasing the greatest capacity to that part or parts of the Network in respect of which load shedding is required;
- (e) other Demand Customer Delivery Points~~DPs~~;
- (f) Volume Customer Delivery Points ~~DPs~~ that are not Domestic Delivery Points~~DPs~~;
- (g) Domestic Delivery Points~~DPs~~;
- (h) emergency or essential services (such as hospitals).



Where two or more Delivery Points DPs fall within a particular category specified in this clause, AllgasAPT Allgas may interrupt or curtail deliveries to those Delivery Points DPs in such order as AllgasAPT Allgas determines having regard to the relevant circumstances, but AllgasAPT Allgas will not select which of those Delivery Points DPs to curtail or interrupt based on the identity of the Network-User.

12.3.4 Categorisation of Delivery Points

For the purposes of clause 12.3, AllgasAPT Allgas will determine, on a reasonable basis, into which category any particular Delivery Points DP falls, based on its actual knowledge of the Delivery Point DP. AllgasAPT Allgas' determination will bind the Network-User.

12.3.5 Network-User Information

The Network-User must give AllgasAPT Allgas whatever information AllgasAPT Allgas reasonably requests from time to time to enable AllgasAPT Allgas to interrupt or curtail deliveries of Natural Gas pursuant to the Agreement Access Agreement. That information may include (but is not limited to) emergency contact details for the Network-User and for the Network-User's Customers End Users (as appropriate).

12.3.6 Updates

The Network-User must give AllgasAPT Allgas whatever additional information is necessary from time to time to ensure that all information given to AllgasAPT Allgas pursuant to the previous clause remains true, correct and up to date throughout the Term.

12.3.7 Assistance

The Network-User must give AllgasAPT Allgas (and must cause or procure each Network-User's End User Customer to give AllgasAPT Allgas) whatever assistance AllgasAPT Allgas reasonably requests from time to time to interrupt or curtail deliveries of Natural Gas to or for the account of the Network-User.



13 Insurance

13.1 User's Obligation

The User must:

- (a) take out valid insurance policies throughout the Term, with insurers approved by [AllgasAPT Allgas](#), such approval not being unreasonably withheld, against whatever risks [AllgasAPT Allgas](#) reasonably specifies from time to time by notice to the User, including:
 - (i) workers' compensation insurance in accordance with statutory requirements, including cover for unlimited common law liability;
 - (ii) all risks property damage insurance providing indemnity against any damage, loss or destruction of the User's plant and equipment connected to the Network; and
 - (iii) public and products liability insurance for an amount of not less than \$10 million providing indemnity against any risk of loss, destruction, damage, death or injury to property or third parties;
- (b) obtain [AllgasAPT Allgas](#)' approval of the terms of each insurance policy, such approval not being unreasonably withheld; and
- (c) whenever reasonably requested by [AllgasAPT Allgas](#), give [AllgasAPT Allgas](#):
 - (i) a true and complete copy of any insurance policy which the User obtains or maintains under this [Access Agreement](#);
 - (ii) a certificate of currency for the insurance; and
 - (iii) whatever other information [AllgasAPT Allgas](#) requests in relation to that insurance.

13.2 Claims

In dealing with claims or potential claims against the insurance policy maintained by the User under this [Access Agreement](#), the User must:

- (a) promptly notify [AllgasAPT Allgas](#) of the event which gives rise to, or may give rise to, the claim;
- (b) take whatever steps [AllgasAPT Allgas](#) reasonably requires to enforce settlement of the claim; and



- (c) not take any action to settle or compromise the claim without the consent of APT Allgas, with such consent not to be unreasonably withheld.

13.3 Failure to Insure

If the User fails to obtain or maintain any insurance under Clause 13.1:

- (a) the User must promptly notify APT Allgas of the breach; and
- (b) APT Allgas may proceed to obtain and maintain that insurance on behalf of the User, at the User's expense.



14 Warranties, indemnities and limitation of liability

14.1 *Indirect or Consequential Loss*

Notwithstanding any clause of this AgreementAccess Agreement, neither AllgasAPT Allgas nor the User will be liable for any ~~indirect or e~~Consequential Loss arising out of or in connection with this Access Agreement (except as provided for elsewhere in the Access Arrangement).

14.2 *Claim by the User*

If the User has any claim against AllgasAPT Allgas arising out of or in connection with this Access Agreement the User must promptly notify AllgasAPT Allgas in writing, including sufficient details of the claim to enable a reasonable assessment by AllgasAPT Allgas.

14.3 *Limit of Liability*

Notwithstanding any other provision of this Access Agreement, any claim or claims by the User against AllgasAPT Allgas arising out of or in connection with this Access Agreement shall be limited to \$100,000 in total in any one calendar Year during the Term.

14.4 *Implied Warranties*

In respect of implied conditions and warranties:

- (a) AllgasAPT Allgas excludes all implied conditions and warranties except any implied condition or warranty the exclusion of which would contravene any statute or cause any part of this clause to be void ('Non-excludable Warranty');
- (b) AllgasAPT Allgas' liability to the User for breach of a Non-excludable Warranty (other than an implied warranty of title) is limited, at AllgasAPT Allgas' option, to refunding the price of the goods or services in respect of which the breach occurred or to providing, replacing or repairing those goods or providing those services again but in either case shall not exceed the amount of \$100,000; and
- (c) nothing in this AgreementAccess Agreement excludes or limits the application of any provision of any statute (including the *Trade Practices Act 1974*) where to do so would:



- (i) contravene that statute; or
- (ii) cause any part of this AgreementAccess Agreement to be void.

14.5 Indemnities

AllgasAPT Allgas will make good or pay compensation to an equivalent value for damage to property caused by AllgasAPT Allgas or its agents in installing, reading or servicing equipment used for the purpose of delivering gasNatural Gas.

The User indemnifies AllgasAPT Allgas and its employees, agents and contractors, against all liabilities, losses, damages, costs and expenses suffered or incurred by AllgasAPT Allgas or its employees, agents and contractors as a result of:

- (a) breach by the User of its obligations under this AgreementAccess Agreement;
- (b) breach by the User of any of its warranties made or deemed to have been made under this AgreementAccess Agreement;
- (c) damage to any Receipt Point, any Delivery Point, any Metering Equipment or any other part of the Network, that is caused by the act or omission of the User or any of the User's End Users or any of their respective employees, agents, contractors or invitees;
- (d) death or personal injury of any person resulting from an act or omission of the User or any of the User's End Users or any of their respective employees, agents, contractors or invitees;
- (e) any claim by any third party, including any of the User's End Users, in respect of any injury, loss, damage, costs or expenses of any kind arising out of or in connection with this Access Agreement or resulting directly or indirectly from the operation, maintenance, repair, administration or management of the Network or any part of it; and
- (f) the imposition of costs, charges, royalties, excises or taxes.



15 Confidentiality

15.1 *User's Obligations*

The User:

- (a) may use Confidential Information only for the purposes of this ~~Agreement~~Access Agreement; and
- (b) must keep confidential all Confidential Information, except if disclosure is permitted by ~~c~~Clause 15.2.

15.2 *Disclosure*

The User may disclose Confidential Information:

- (a) to the extent required by law; and
- (b) to its employees, servants and agents for the purposes of this ~~Agreement~~Access Agreement, having first directed its employees, servants and agents to keep confidential all Confidential Information.

15.3 ~~Allgas~~APT Allgas' Obligations

~~Allgas~~APT Allgas is bound by Part 16 of the Rules ~~Section 4.1(f) of the Code~~ regarding the confidentiality of information disclosed by Users.



16 Dispute resolution

A party must not start arbitration or court proceedings (except proceedings seeking interlocutory relief) in respect of a dispute arising out of this [Access Agreement](#) ('Dispute') unless it has complied with the following procedure:

- (a) a party claiming that a Dispute has arisen must notify the other party to the Dispute giving details of the Dispute;
- (b) during the 20 Business Day period after a notice is given under paragraph (a) (or longer period agreed in writing by the parties to the Dispute) ('Initial Period') each party to the Dispute ('Disputant') must use its reasonable efforts to resolve the Dispute;
- (c) if the Disputants are unable to resolve the Dispute within the Initial Period, each Disputant agrees that the Dispute must be referred for mediation, at the request of either Disputant;
- (d) a Dispute referred for mediation under paragraph (c) must be dealt with in the following manner:
 - (i) the mediator will be appointed by the Institute of Arbitrators [& Mediators Australia](#);
 - (ii) the mediation process and timetable will be chosen by the mediator but must be completed within [20 Business Days](#)~~one Month~~ of referral to mediation;
 - (iii) any determination of the mediator will not be binding on the parties unless the parties agree to be bound in writing;
 - (iv) information relating to the subject matter of the Dispute must remain confidential to the parties; and
 - (v) if the Dispute is not resolved within [20 Business Days](#)~~one Month~~ of being referred to mediation, the mediation process will terminate at the expiry of that period;
- (e) each Disputant must bear its own costs of complying with this [ClausePart](#) and the Disputants must bear equally the costs of any mediator engaged; and
- (f) each party must continue to comply with this [Access Agreement](#) notwithstanding the existence of a Dispute under this [ClausePart](#).



17 Settlement of industrial disputes

Notwithstanding any other provision in this [Access](#) Agreement, the parties agree that the settlement of strikes, lockouts and other industrial disturbances affecting the Network shall be entirely within the discretion of [Allgas](#)~~APT~~ [Allgas](#).



18 Termination

18.1 *Default by the User*

If the User:

- (a) suffers an Insolvency Event; or
- (b) defaults in the payment of any moneys owing following receipt of a notice of demand under [Clauseclause](#) 8.5; or
- (c) defaults in the performance of any obligations under this [Access Agreement](#), other than the payment of any moneys owing and, where such default is capable of remedy, fails to remedy or remove the cause or causes of default within 21 Days from the receipt of written notification from [AllgasAPT Allgas](#) requiring the User to remedy or remove the default,

[AllgasAPT Allgas](#) may at its sole discretion:

- (a) suspend the Reference Services to the User until:
 - (i) all moneys in default plus interest at the Rate plus 2% per annum have been paid; or
 - (ii) any other default, including the Insolvency Event, has been remedied or removed; and/or
- (b) terminate this [Access Agreement](#) by notice, with immediate effect upon receipt.

18.2 *Default by ~~AllgasAPT Allgas~~*

If [AllgasAPT Allgas](#) defaults in the performance of material obligations under this ~~Agreement~~[Access Agreement](#) and, where such default is capable of remedy, fails to remedy or remove the cause or causes of the default within 21 Days from the receipt of written notification from the User requiring [AllgasAPT Allgas](#) to remedy or remove the default, then the User may terminate this [Access Agreement](#) by notice with immediate effect upon receipt.

18.3 *After Termination*

After termination of this [Access Agreement](#), [AllgasAPT Allgas](#) and the User have no further rights or obligations under this [Access Agreement](#) except:



- (a) under Clauses-Parts 8, 14, and clause 18.6 ~~and 18.7~~ which continue in full force and effect; and
- (b) the User is still obligated to pay moneys owing.

18.4 Costs

Without notice to the User, any costs reasonably incurred by AllgasAPT Allgas in remedying a default under this Clause-Part 18 may be treated as a liquidated debt payable by the User.

18.5 Additional Rights and Remedies

The termination rights and remedies set out in this Clause-Part 18 are in addition to and not in substitution for any other rights or remedies available to AllgasAPT Allgas whether pursuant to this Access Agreement, at law, in equity or otherwise.

18.6 Effect of Termination

Termination by a party shall be without prejudice to any accrued rights or remedies of either party which are expressed to survive termination.



19 Force Majeure

19.1 Effect of Force Majeure

If a Force Majeure Event affecting a party precludes that party ('Precluded Party') partially or wholly from complying with its obligations, except its payment obligations under [Clause Part 8 of this Agreement](#)[Access Agreement](#), then:

- (a) as soon as reasonably practicable after that Force Majeure Event arises, the Precluded Party must notify the other party of:
 - (i) the Force Majeure Event;
 - (ii) which obligations the Precluded Party is precluded from performing ('Affected Obligations');
 - (iii) the extent to which the Force Majeure Event precludes the Precluded Party from performing the Affected Obligations ('Precluded [Event](#)'[Extent](#)); and
 - (iv) the expected duration of the delay arising directly out of the Force Majeure Event;
- (b) the Precluded Party's obligation to perform the Affected Obligations will, to the Precluded [Event](#)'[Extent](#), be suspended for the duration of the actual delay arising directly out of the Force Majeure Event ('Actual Delay'); and
- (c) the other party's obligations to perform any obligations dependent on the Affected Obligations will be suspended until the Precluded Party resumes performance.

19.2 Termination

If the Actual Delay continues for more than 6 months, the other party may terminate this [Agreement](#)[Access Agreement](#) immediately by giving notice to the Precluded Party.



20 Assignment

20.1 The User

The User must not transfer, assign or otherwise deal with this [AgreementAccess Agreement](#) or any rights under this [AgreementAccess Agreement](#) except in accordance with the Access Arrangement as amended from time to time.

20.2 AllgasAPT Allgas

[AllgasAPT Allgas](#) may:

- (a) transfer or assign its rights and obligations under this [AgreementAccess Agreement](#) to any person; and
- (b) mortgage, charge or otherwise encumber any of its rights or obligations under this [AgreementAccess Agreement](#) in favour of any person.

20.3 Effect of Assignment

If [AllgasAPT Allgas](#) exercises its right under [c](#)Clause 20.2-(a), [AllgasAPT Allgas](#) will be automatically released and discharged from its rights, obligations and liabilities under and in relation to this [Access](#) Agreement.



21 Notices

21.1 Written Notice

Unless otherwise agreed, a party notifying under this [Access](#) Agreement must do so in writing:

- (a) directed to the recipient's address as specified in the Instrument of [Arrangement Agreement](#), or as varied by any notice; or
- (b) hand delivered or sent by prepaid post or facsimile to that address.

[Allgas APT Allgas](#)' address and facsimile numbers is:

~~Allgas: Chief Executive Officer
Allgas Energy Pty Ltd
GPO Box 1461
Brisbane 4001 Australia
Tel: (07) 3426 1618
Fax: (07) 3426 1665~~

[APT Allgas: General Manager Networks](#)

[Level 19, HSBC Building](#)
[580 George Street](#)
[Sydney NSW 2000](#)
[PO Box R41](#)
[Royal Exchange NSW 1225](#)
[Ph 02 9693 0057](#)
[Fax 02 9693 0093](#)

21.2 When Notice Received

A notice given in accordance with [c](#) Clause 21.1 is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid post, 3 Business Days after the date of posting; or
- (c) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the total number of pages of the notice unless, within eight Business Hours after that transmission, the recipient informs the sender that it has not received the entire notice.



22 Miscellaneous provisions

22.1 Authority to Sign

Each party warrants that it has authority to sign this [Access](#) Agreement and that such authority has not been revoked. Each representative signing this [Access](#) Agreement warrants that:

- (a) the authority under which the representative has been appointed to sign this [Access](#) Agreement on behalf of each party is effective; and
- (b) the representative has received no notice of the termination (including any event which would constitute termination by operation of law) of the authority to sign this [Access](#) Agreement on behalf of each party.

22.2 Waiver

The failure of a party at any time to require performance of any obligation under this [Access](#) Agreement is not a waiver of that party's right:

- (a) to insist on performance of, or claim damages for breach of, that obligation unless that party acknowledges in writing that the failure is a waiver; and
- (b) at any other time to require performance of that or any other obligation under this [Access](#) Agreement.

22.3 Rights, Powers and Remedies

Each right, power and remedy of [AllgasAPT Allgas](#) under this [AgreementAccess Agreement](#) is in addition to any other right, power and remedy of [AllgasAPT Allgas](#) under this [AgreementAccess Agreement](#) or at law. The exercise by [AllgasAPT Allgas](#) of any one right, power or remedy will not preclude the simultaneous or subsequent exercise of any other right, power or remedy.

22.4 Governing Law

This [AgreementAccess Agreement](#) is governed by the law applicable in Queensland. Each party submits to the jurisdiction of the courts of Queensland.



22.5 Severability

Part or all of any provisions of this [Access](#) Agreement that is illegal or unenforceable may be severed from this [Access](#) Agreement and the remaining provisions of this [Access](#) Agreement continue in force.

22.6 No Benefit to Other Persons

Neither [AllgasAPT Allgas](#) nor the User intends that the provisions of this [Access](#) Agreement are to benefit, or affect contractually, in any way any other person. No person, other than valid assignees, will have any right to enforce the terms of this [Access](#) Agreement against the User or [AllgasAPT Allgas](#).

22.7 Relationship

[AllgasAPT Allgas](#) and the User acknowledge that this [Access](#) Agreement does not create a relationship of joint venturers or partnership between [AllgasAPT Allgas](#) and the User.

22.8 Costs and Stamp Duty

Each party will bear its own costs of preparing and executing of this [Access](#) Agreement. The User will pay all stamp duty payable in any jurisdiction on or in respect of this [Access](#) Agreement or any document prepared or executed to give effect this [Access](#) Agreement.

22.9 Further Assurances

The User will do, or procure to be done, all things that [AllgasAPT Allgas](#) considers necessary or desirable from time to time to give full effect to this [Access](#) Agreement.

22.10 Alteration

Subject to [Clause-Part 1](#), this [Access](#) Agreement may be altered only in writing signed by each party.

22.11 Counterparts

This [Access](#) Agreement may be executed in any number of counterparts.