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Group



# GasNet Australia Access Arrangement

Approved:

Commencement Date: 1 January 2008

# GasNet Australia Access Arrangement

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# GasNet Australia Access Arrangement

## Details

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<b>Covered Pipeline</b>	Principal Transmission System (“ <b>PTS</b> ”)	
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<b>Lodged By</b>	GasNet Australia (Operations) Pty Ltd ABN 65 083 009 278 (“ <b>GasNet</b> ”)	
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<b>Commencement Date</b>	1 January 2008	
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<b>End Date</b>	31 December 2012	
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# GasNet Australia Access Arrangement

## General

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### 1 Introduction

#### 1.1 Purpose

This Access Arrangement is established for the PTS.

#### 1.2 Access to PTS

The PTS is a Covered Pipeline under the Code.

Together, this Access Arrangement and the VENCORP Access Arrangement set out the policies, tariffs and basic terms and conditions which apply to third party access to the PTS.

#### 1.3 Description of the PTS

The PTS is a high pressure gas transmission network which transports natural gas within Victoria and to New South Wales via the Interconnect Pipeline. As at 1 January 2008, the PTS:

- (a) comprised approximately 1,933 km of pipelines;
- (b) had five main injection points at:
  - (i) Longford, being:
    - (A) the site of the Esso/BHP Billiton processing facility; and
    - (B) VicHub (the interconnection with the Eastern Gas Pipeline);
  - (ii) Culcairn (the interconnection with the Moomba-Sydney Pipeline System);
  - (iii) Port Campbell, being:
    - (A) the injection point for WUGS and various production fields; and
    - (B) the interconnection with the SEA Gas Pipeline and Minerva processing plant;
  - (iv) Dandenong (the site of the LNG facility);
  - (v) Pakenham (the injection point for gas sourced from the Yolla fields); and

- (c) served a total consumption base of approximately 1.4 million residential consumers and approximately 45,000 industrial and commercial consumers in Melbourne and regional Victoria.

The PTS is described more fully in Schedule 5 of this Access Arrangement.

#### **1.4 One system, two access arrangements**

As described in clause 3, there are currently two Service Providers (as defined in the Code) with respect to the PTS:

- (a) GasNet is the owner of the PTS and is responsible for the maintenance of the PTS; and
- (b) VENCORP is the operator of the PTS under the Market Carriage regime established by the MSO Rules.

As a result, this Access Arrangement must be read in conjunction with the VENCORP Access Arrangement. In particular, as operator, VENCORP is responsible for the registration of and day-to-day coordination with Users of the PTS. A copy of the VENCORP Access Arrangement is available from VENCORP's web site at [www.vencorp.com.au](http://www.vencorp.com.au).

Under section 10.2 of the Code, there has been an allocation of obligations between GasNet, as owner of the PTS, and VENCORP as operator of the system, which is reflected in this Access Arrangement and the VENCORP Access Arrangement.

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## **2 Term**

### **2.1 Commencement**

This Access Arrangement commences on 1 January 2008.

### **2.2 Revisions Submission Date**

The Revisions Submission Date is 31 March 2012.

### **2.3 Revisions Commencement Date**

The Revisions Commencement Date is the later of 1 January 2013 and the date on which approval of revisions to this Access Arrangement take effect.

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## **3 Services Policy**

### **3.1 Relationship with VENCORP**

GasNet owns the PTS and VENCORP operates the PTS.

Access to the PTS for Users is governed by the MSO Rules, which establish a Market Carriage regime for the transportation of gas. In order to obtain access to the PTS, a User must register with VENCORP as a Market Participant under the MSO Rules. As a result, VENCORP has the direct legal relationship with Market Participants regarding access to the PTS.

In order to provide access to the PTS under the MSO Rules, VENCORP obtains the availability of the PTS from GasNet. GasNet and VENCORP are parties to the Service Envelope Agreement, under which:

- (a) GasNet:
  - (i) makes available the entire PTS to VENCORP; and
  - (ii) provides a range of supporting services to VENCORP; and
- (b) VENCORP:
  - (i) operates the PTS in accordance with the MSO Rules; and
  - (ii) agrees to direct Market Participants to pay the Transmission Tariffs directly to GasNet.

### **3.2 Reference Service**

GasNet will make available a single Reference Service comprising the Tariffed Transmission Service, being the availability of the PTS.

### **3.3 Terms and Conditions**

The terms and conditions on which GasNet will supply the Tariffed Transmission Service are the same as those set out in the Service Envelope Agreement and the MSO Rules.

### **3.4 Existing contractual obligations**

The Service Envelope Agreement includes firm and binding contractual obligations of GasNet and VENCORP. VENCORP is an existing User of the PTS.

GasNet is not required to provide any services or take any steps that are inconsistent with or that adversely affect the performance of:

- (a) GasNet's obligations under the Service Envelope Agreement; or
- (b) VENCORP's obligations under the Service Envelope Agreement.

### **3.5 Availability of Service Envelope Agreement**

GasNet agrees to make available to a User, upon request, a copy of the Service Envelope Agreement

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## **4 Reference Tariff Policy - Transmission Tariffs**

### **4.1 Transmission Tariffs**

This Access Arrangement governs the Transmission Tariffs, being the Reference Tariff applicable to the Tariffed Transmission Service.

## 4.2 Initial Transmission Tariffs

The initial Transmission Tariffs (excluding GST) are set out in Schedule 1.

The Transmission Tariffs comprise:

- (a) the rules and billing parameters set out in Schedule 1;
- (b) the GST-exclusive tariffs set out in Schedule 1 or as amended in accordance with this Access Arrangement; plus
- (c) an additional amount of GST calculated by multiplying the relevant GST exclusive tariffs by the prevailing GST rate.

## 4.3 Tariff Path

Transmission Tariffs may be altered in accordance with this clause 4 and the procedures and principles set out in Schedules 3 and 4.

The Transmission Tariffs may vary on the basis of a Reference Tariff Control Formula Approach.

Under this approach, an initial set of Reference Tariffs may vary over the Third Access Arrangement Period in accordance with a specified formulae or process. The formulae are set out in Schedule 4.

## 4.4 New Facilities Investment that satisfies section 8.16 of the Code

The Transmission Tariffs have been determined on the basis of New Facilities Investment that is forecast to occur within the Third Access Arrangement Period and is reasonably expected to pass the requirements in section 8.16(a) of the Code.

In addition, under section 8.15 of the Code, GasNet may, at any time during the Third Access Arrangement Period, submit revisions to this Access Arrangement to increase the Capital Base of the PTS to recognise further New Facilities Investment that satisfies section 8.16(a) of the Code.

## 4.5 New Facilities Investment that does not satisfy section 8.16(a) of the Code

In addition to its other rights under the Code, GasNet may, at its discretion, undertake New Facilities Investment that does not satisfy the requirements of section 8.16(a) of the Code (“**Speculative Facilities**”).

If GasNet constructs Speculative Facilities, then:

- (a) the portion of the New Facilities Investment which does satisfy the requirements of section 8.16(a) of the Code (the “**Recoverable Portion**” under the Code) may, on a revision application by GasNet, be incorporated into the Capital Base of the PTS; and
- (b) an amount in respect of the balance of the New Facilities Investment forms part of the Speculative Investment Fund (as contemplated by the Code) and may be subsequently added to the Capital Base if, at any time, the type and volume of services provided using the increase



in Capacity attributable to the Speculative Facilities change such that any part of the Speculative Investment Fund would then satisfy the requirements of section 8.16(a).

The amount of the Speculative Investment Fund is to be calculated in accordance with section 8.19 of the Code.

#### **4.6 Capital Redundancy**

The Regulator may review, and if necessary, adjust the Capital Base (at the start of the Fourth Access Arrangement Period) to take account of wholly or partially redundant assets, being assets which:

- (a) as a whole no longer contribute to the provision of the Tariffed Transmission Service; or
- (b) have a significantly reduced contribution to the provision of the Tariffed Transmission Service due to the partial redundancy of that asset.

#### **4.7 Incentive Mechanism**

As contemplated by section 8.44 of the Code, this Access Arrangement incorporates an incentive mechanism that permits GasNet to retain certain returns (if any) from the Transmission Tariffs during the Third Access Arrangement Period that exceed the level of returns expected at the beginning of the Third Access Arrangement Period.

In particular, this Access Arrangement incorporates a rolling carryover incentive mechanism that permits GasNet to retain efficiency gains from the Third Access Arrangement Period in the Fourth Access Arrangement Period as discussed in clause 7.2.

#### **4.8 Fixed Principles**

The Fixed Principles applying to the Fourth Access Arrangement Period are set out in clause 7.

#### **4.9 Pass Through Events**

If a Pass Through Event occurs, then GasNet is entitled to amend the Transmission Tariffs to pass through the financial effect of the Pass Through Event in accordance with clause 6.

#### **4.10 Tariff amendment**

To avoid doubt, any amendment to the Transmission Tariffs in the Third Access Arrangement Period made under or as contemplated by clauses 4.2, 4.3, 4.7, 4.9 or 6:

- (a) constitutes an amendment under GasNet's Reference Tariff Policy; and
- (b) does not constitute a revision of this Access Arrangement under the Code.

#### **4.11 Self-insurance**

- (a) GasNet will self insure in respect of the following risks for the Third Access Arrangement Period:
  - (i) extortion and bomb threats;
  - (ii) insurer credit risk;
  - (iii) uplift liability;
  - (iv) key person risk;
  - (v) employment practices risk; and
  - (vi) fraud risk.
- (b) Any losses incurred by GasNet in respect of the risks identified in paragraph (a) will not be included in calculating Reference Tariffs.

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## **5 Extensions and Expansions Policy**

### **5.1 Coverage**

- (a) Subject to clauses 5.1(b) and 5.1(c), an Extension to, or Expansion of, the PTS is covered by this Access Arrangement.
- (b) An Extension will not be covered by this Access Arrangement if GasNet gives written notice to the Regulator before the Extension comes into service that the Extension will not be covered by this Access Arrangement.
- (c) An Expansion required to increase withdrawals at Culcairn over and above the current capacity of 17 TJ will not be covered by this Access Arrangement if GasNet gives written notice to the Regulator before the Expansion comes into service that the Expansion will not be covered by this Access Arrangement.

### **5.2 Effect of Extension/Expansion on Reference Tariffs**

- (a) If an Extension to, or Expansion of, the PTS is covered by this Access Arrangement, then GasNet may, as contemplated by clauses 4.4 and 4.5 of this Access Arrangement, submit revisions to this Access Arrangement under section 2.28 of the Code, seeking to increase the Capital Base for the PTS to recognise the actual capital costs incurred in constructing the Extension or Expansion.
- (b) Those revisions will be considered under the relevant provisions of the Code (including sections 8.15 to 8.19 of the Code) and, as contemplated by the Code, may result in the Capital Base being increased to reflect:
  - (i) the actual capital costs incurred in relation to the Extension or Expansion; or

- (ii) if the New Facilities Investment does not satisfy the requirements of section 8.16(a), the Recoverable Portion.

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## **6 Pass Through Events**

### **6.1 Pass Through Event statement**

- (a) Subject to clause 6.6, in relation to each Regulatory Year (t) GasNet must, at least 50 Business Days before the start of that Regulatory Year (ie during Regulatory Year (t-1)), give a statement to the Regulator stating whether or not there are any Pass Through Events that:
  - (i) have a financial effect on GasNet in the current or previous Access Arrangement Period; or
  - (ii) are reasonably anticipated to have a financial effect on GasNet in Regulatory Year (t),which have not been previously notified to the Regulator under this clause.
- (b) If the statement provided to the Regulator under clause 6.1(a) identifies one or more Pass Through Events, then the statement must include, in relation to each of these Pass Through Events:
  - (i) details of the Pass Through Event concerned;
  - (ii) the date the Pass Through Event took or will take effect;
  - (iii) the financial effects or anticipated financial effects of the Pass Through Event on GasNet; and
  - (iv) the Pass Through Amount GasNet proposes in relation to the Pass Through Event.
- (c) A statement given under clause 6.1(a) must include documentary evidence (if available) which substantiates the financial or anticipated financial effects of the Pass Through Event. GasNet must use best endeavours to ensure that such information is available.

### **6.2 Regulator's decision**

- (a) Upon receipt of a statement from GasNet under clause 6.1(a), the Regulator must approve the statement unless it determines, acting reasonably, that:
  - (i) the Pass Through Event did not or will not occur; or
  - (ii) the proposed Pass Through Amount will not result in GasNet being economically neutral, as determined in accordance with clause 6.3.

The Regulator must notify GasNet in writing of the Regulator's decision.

- (b) The Regulator must give a notice under clause 6.2(a) within 20 Business Days of receiving a statement from GasNet under clause 6.1(a).
- (c) If the Regulator does not give a notice to GasNet under clause 6.2(a) within the period specified in clause 6.2(b), then the Regulator is taken to have notified GasNet of its decision under clause 6.1(a) that the Pass Through Amount to apply is as proposed in the statement given by GasNet under clause 6.1(a).

### **6.3 Factors the Regulator must take into account**

- (a) The Regulator must approve the Pass Through Amount proposed by GasNet in a statement issued under clause 6.1 unless the Regulator determines, acting reasonably, that the financial effect or anticipated financial effect on GasNet in the Third Access Arrangement Period and subsequent Access Arrangement Periods associated with the Pass Through Event concerned will not result in GasNet being economically neutral taking into account:
  - (i) the financial effect to GasNet associated with the Tariffed Transmission Service attributable to the Pass Through Event concerned, and the time at which the financial effect arises;
  - (ii) in relation to a Change in Taxes Event, the impact of any change in another tax which was introduced as complementary to the Change in Taxes Event concerned;
  - (iii) the effect of any other previous Pass Through Events which have not previously been approved by the Regulator under this clause 6.3;
  - (iv) in relation to a Counterparty Default Event, the recovery of any outstanding amounts; and
  - (v) any other relevant factors.
- (b) A Pass Through Amount may be positive or negative.

### **6.4 How does GasNet apply a Pass Through Amount?**

A Pass Through Amount approved (or deemed to be approved) by the Regulator under clause 6.2 must be applied by GasNet in accordance with Schedule 4.

### **6.5 Pass Through Amounts which incorporate a forecast**

For the purposes of calculating the benefit sharing allowance under clause 7.2 and in applying the Price Control Formula in Schedule 4, an approved Pass Through Amount which incorporates a forecast will be updated so as to reflect the actual Pass Through Amount (when known).

## 6.6 Immaterial Pass Through Amounts

GasNet is not required to prepare a statement under clause 6.1 if the aggregate of all Pass Through Amounts for Regulatory Year (t) is less than \$50,000.

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## 7 Fixed Principles

In making a determination in relation to the Reference Tariff (or Reference Tariffs) with respect to GasNet for the Fourth Access Arrangement Period, the Regulator must adopt the following Fixed Principles.

### 7.1 Carry-forward amount

The Regulator must include in the Reference Tariffs for the Fourth Access Arrangement Period:

- (a) an allowance for FCA (as defined in Schedule 4); and
- (b) an allowance for SCA (as defined in Schedule 4).

### 7.2 Benefit sharing allowance

- (a) In each of the first five years after 2012, the Reference Tariffs must be determined in a manner that includes, in addition to all other amounts required or permitted under the Code or GasNet's Access Arrangement, a benefit sharing allowance calculated in accordance with this clause.
- (b) Subject to clause 7.2(i), the benefit sharing allowance ( $B_t$ ) in each year (t) is equal to the sum of the efficiency gains ( $E_t$ ) in selected prior years, as given in the following table:

Year	$B_t$
2013	$E_{2008} + E_{2009} + E_{2010} + E_{2011}$
2014	$E_{2009} + E_{2010} + E_{2011}$
2015	$E_{2010} + E_{2011}$
2016	$E_{2011}$
2017	

- (c) The efficiency gain for 2008 is calculated in accordance with the following formula:

$$E_{2008} = F_{2008} - A_{2008}$$

where:

$F_{2008}$  = GasNet's forecast operating costs for 2008

$A_{2008}$  = GasNet's actual operating costs for 2008

- (d) The efficiency gains or losses ( $E_t$ ) for each of 2009, 2010, and 2011 are calculated in accordance with the following formula:

$$E_t = (A_{t-1} - A_t) - (F_{t-1} - F_t)$$

where:

$A_t$  = GasNet's actual operating costs for year (t)

$A_{t-1}$  = GasNet's actual operating costs for the year prior to year (t)

$F_t$  = GasNet's forecast operating costs for year (t)

$F_{t-1}$  = GasNet's forecast operating costs for the year prior to year (t)

- (e) In each case,  $A_t$ ,  $A_{t-1}$  and  $A_{2008}$  must be determined:
- (i) using the same cost categories and methodology used to calculate the total forecasts in Table 3-6 of GasNet's Access Arrangement Information (excluding, for the avoidance of doubt any regulatory costs and expenses associated with GasNet's access arrangement for the Fourth Access Arrangement Period);
  - (ii) excluding any actual fuel gas costs; and
  - (iii) without adjustments for volume.
- (f) GasNet's forecast operating costs for any year, are equal to:
- (i) the forecast operating costs for that year as shown in Table 3-6 of GasNet's Access Arrangement Information, less
    - (A) fuel gas costs; and
    - (B) any efficiency carry over (benefit sharing allowance) from any previous Access Arrangement Period; plus
  - (ii) the aggregate of all Pass Through Amounts approved by the Regulator with respect to that year; plus
  - (iii) additional operating and maintenance costs (excluding fuel gas costs) associated with Extensions and Expansions which are included in GasNet's Capital Base at the commencement of the Fourth Access Arrangement Period, but which are not included in the forecast capital expenditure for 2008 to 2012 as shown in Table 3-10 of the Access Arrangement Information.
- (g) For the purposes of calculating the benefit sharing allowance ( $B_t$ ) in the years 2013 to 2016, the actual and forecast operating costs in 2008 to 2011 must be reduced to real 2007 dollars. The calculated allowance ( $B_t$ ) in each year must then be adjusted by the actual and forecast CPI change between 2007 and that year (2013 to 2016).

- (h) In calculating the allowable revenues for operations and maintenance expenditure for the Fourth Access Arrangement Period, the Regulator must:
  - (i) comply with the requirements of the Code;
  - (ii) use the actual operating costs in 2011, adjusted for the change in forecast operating costs between 2011 and 2012 and, to avoid doubt, not taking into account the efficiency gain (loss) made in 2012;
  - (iii) take into account forecast changes in workload, taxes, Regulatory Events, insurance premiums and other relevant costs between 2011 and each year of the Fourth Access Arrangement Period; and
  - (iv) take into account a percentage trend factor.
- (i) For the purposes of determining the benefit sharing allowance for 2013 to 2016, if  $B_t$  is less than zero the Regulator must consider, taking into account the requirements of the Code, whether and to what extent the allowance should be included in the forecast operating costs.

### **7.3 Pass through carry forward**

If:

- (a) a Pass Through Event has occurred;
- (b) the Pass Through Event has a financial effect on GasNet in the Third Access Arrangement Period; and
- (c) GasNet has not given a statement under clause 6.1(a) during the Third Access Arrangement Period in relation to that Pass Through Event,

then GasNet may request a Pass Through Amount to apply in the Fourth Access Arrangement Period on the same terms as clauses 6.1 to 6.4.

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## **8 General**

### **8.1 Capacity Management Policy**

The PTS is a Market Carriage pipeline.

### **8.2 Queuing Policy**

Consistent with section 10.2 of the Code, responsibility for complying with the obligations imposed by sections 3.12 to 3.15 of the Code is allocated to VENCORP.

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## 9 Interpretation

### 9.1 Definitions

The following meanings apply unless the contrary intention appears. Capitalised terms used in this Access Arrangement which are not defined have the meaning given to those terms in the Code.

**Applicable Law** means any legislation, delegated legislation (including regulations), codes, licences or guidelines associated with the Tariffed Transmission Service, and includes the Code and the MSO Rules.

**Authority** means any government or regulatory department, body, instrumentality, minister, agency or authority (including VENCORP and the Regulator) or any body which is the successor to the administrative responsibilities to that department, body, instrumentality, minister, agency or authority.

**Asbestos Event** means any cost, expense or liability incurred by GasNet arising out of or in connection with a claim by a third party in respect to an asbestos related disease.

**Business Day** means a day other than a Saturday or Sunday or a day proclaimed as a public holiday in Melbourne.

**Change in Taxes Event** means:

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

to the extent that the change, removal or imposition results in a change in the amount GasNet is required to pay or is taken to pay (whether directly or under any contract) by way of Relevant Taxes.

**Code** means the National Third Party Access Code for Natural Gas Pipeline Systems.

**Commencement Date** means 1 January 2008.

**Connected Transmission Pipeline** means the pipelines named as “connected transmission pipelines” in clause 1.3(c) of Schedule 1.

**Connection Point** means a point where gas may be Injected into or Withdrawn from the PTS.

**Consumer** means a person who consumes or proposes to consume gas transported through the PTS.

**Counterparty Default Event** means the default by a Shipper in respect of an amount or amounts payable by the Shipper to GasNet under the relevant Gas Transportation Deed.



**CPI** means the Consumer Price Index All Groups, Weighted Average of Eight Capital Cities published by the Australian Bureau of Statistics.

**Cross System Withdrawal Tariff** means the tariff specified in clause 1.3(e) of this Schedule 1, as amended in accordance with this Access Arrangement.

**Distribution Tariff D** means the relevant gas distribution tariff of that name or, if no such tariff exists, a reasonable replacement nominated by GasNet and approved by the Regulator.

**DUAFG** means distribution unaccounted for gas.

**EDD** means the Effective Degree Days as defined in the VENCORP 2006 APR.

**Fourth Access Arrangement Period** means the Access Arrangement Period commencing on 1 January 2013.

**Gas Day** has the same meaning as in the MSO Rules.

**GasNet (NSW)** means GasNet Australia (NSW) Pty Ltd, ABN 14 079 136 413 (formerly Transmission Pipelines Australia (Assets) Pty Ltd).

**GIA** means the Gas Industry Act 2001 (Vic).

**GST** means the tax imposed by the GST Act and the related imposition Acts of the Commonwealth.

**GST Act** means A New Tax System (Goods and Services Tax) Act 1999 including all amendments made to the Act and any other regulations and other instruments made under the Act.

**Injection** means an injection of gas into the PTS (and Inject and Injected have corresponding meanings).

**Injection Pipeline** means, in relation to an Injection Zone, the corresponding pipeline or pipelines and, to avoid doubt, includes:

- (a) in relation to the Longford Injection Zone, any or all of the pipeline from Longford to Pakenham;
- (b) in relation to the Port Campbell Injection Zone, any or all of the pipeline from Iona to Lara; and
- (c) in relation to the Culcairn Injection Zone, any or all of the pipeline from Culcairn to Barnawartha.

**Injection Tariffs** means the tariffs for Injections of gas into the PTS calculated in accordance with clause 1.2 of Schedule 1, as amended in accordance with the Access Arrangement.

**Injection Point** means a Connection Point at which gas may be Injected into the PTS.

**Injection Zone** means the Injection Point or Injection Points identified in section 2.1 of Schedule 2 as an “Injection Zone”.

**Interconnect Pipeline** means the pipeline owned by GasNet from Barnawartha in Victoria to Culcairn in New South Wales.

**Insurance Event** means circumstances in which:

- (a) GasNet is required to pay a deductible in connection with a claim under an insurance policy; or
- (b) an event occurs which:
  - (i) is within GasNet’s Minimum Insurance Level but is not insured (whether as a result of unavailability, GasNet’s election or otherwise); and
  - (ii) causes GasNet to suffer loss or damage.

**LNG Storage Facility** means the LNG storage facility owned by GasNet which is located at Dandenong.

**Market Carriage** has the meaning given in the Code.

**Market Participant** has the meaning given in the MSO Rules.

**Matched Withdrawal** means, in relation to any gas Injected into the PTS, the corresponding Withdrawal (if any) to which the gas is allocated under the rules set out in clause 1.5 of Schedule 1.

**Minimum Insurance Level** means the level of insurance comprising the insurance policies (whether as a policy or by way of cover note or similar) held (or required to be held) by GasNet as at the Commencement Date, taking into account all relevant aspects of the insurance including:

- (a) the type of the insurance;
- (b) the amount of the insurance;
- (c) the amount of any deductibles; and
- (d) any exclusions.

**MIRN** means meter identification registration number.

**MSO Rules** has the meaning given in the GIA.

**New Facilities Investment** has the meaning given in the Code.

**Pass Through Event** means:

- (a) a Change in Taxes Event;
- (b) a Regulatory Event;
- (c) an Insurance Event;

- (d) a Counterparty Default Event;
- (e) a Terrorism Event; or
- (f) an Asbestos Event.

**Pass Through Amount** means in relation to the occurrence of a Pass Through Event, the amount or amounts that the Regulator has approved (or is taken to have approved) as the financial or anticipated financial effect of the Pass Through Event.

**Peak Period** means the period of 1 June to 30 September of a calendar year.

**PTS** means the GasNet System, being the Gas Transmission System as defined in the Service Envelope Agreement, but for the purposes of this Access Arrangement, excludes:

- (a) any Extension that GasNet elects not to be covered by this Access Arrangement in accordance with clause 5.1(b); and
- (b) any Expansion that GasNet elects not to be covered by this Access Arrangement in accordance with clause 5.1(c).

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

**Regulatory Event** means a decision made by the Regulator or any other Authority or any amendment to an Applicable Law that has the effect of:

- (a) imposing minimum standards (including safety or technical standards) on GasNet relating to the Tariffed Transmission Service that are different from the set of minimum standards imposed on GasNet associated with the Tariffed Transmission Service;
- (b) altering the nature or scope of the services that comprise the Tariffed Transmission Service;
- (c) substantially varying the manner in which GasNet is required to undertake any activity forming part of the Tariffed Transmission Service from the Commencement Date; or
- (d) substantially varying the manner in which GasNet is able to recover costs from the Commencement Date,

as a result of which GasNet incurs materially higher or lower costs associated with the Tariffed Transmission Service than it would have incurred but for that event.

**Regulatory Year** means each year during the Third Access Arrangement Period beginning on 1 January and ending on 31 December.

**Relevant Tax** means any tax, (including any rate, duty, charge, levy or other like or analogous impost paid or taken to be paid by GasNet associated with the Tariffed Transmission Service), but excludes:

- (a) income tax (or State equivalent tax) and capital gains tax;
- (b) penalties and interest for late payment relating to any tax, rate, duty, charge, levy or analogous impost;
- (c) fees and charges paid or payable in respect of a Regulatory Event;
- (d) stamp duty, financial institutions duty, bank accounts debits tax or similar taxes or duties; and
- (e) any tax, rate, duty, charge, levy or other like or analogous impost which replaces the taxes and charges referred to in (a) to (d).

**Second Access Arrangement** means the access arrangement (including any revisions) for the Second Access Arrangement Period.

**Second Access Arrangement Period** means the Access Arrangement Period commencing on 1 January 2003 and ending on 31 December 2007.

**Service Envelope Agreement** means the agreement of that name entered into between VENCORP, GasNet (NSW) and GasNet dated 2 November 2006.

**Shipper** means a person who transports gas on the PTS.

**Speculative Facilities** has the meaning given in clause 4.5.

**Speculative Investment Fund** has the meaning given in the Code.

**Storage Facility** means a facility for the storage of gas including the LNG Storage Facility and underground storage.

**Supply Point** has the meaning given in the *Gas Industry (Residual Provisions) Act 1994 (Vic)*.

**System Export Tariff** means the tariff, specified in clause 1.3(c) of this Schedule, as amended in accordance with the Access Arrangement.

**Tariffed Transmission Service** means making available the PTS on the same terms as those set out in the Service Envelope Agreement.

**Terrorism Event** means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

**Third Access Arrangement Period** means the Access Arrangement Period commencing on 1 January 2008 and ending on 31 December 2012.

**Transmission Delivery Tariff** means Transmission Delivery Tariff D or Transmission Delivery Tariff V.

**Transmission Delivery Tariff D** means the tariffs identified as “transmission delivery tariff D” in clause 1.3(a) of Schedule 1, as amended in accordance with the Access Arrangement.

**Transmission Delivery Tariff V** means the tariffs identified as “transmission delivery tariff V” in clause 1.3(b) of Schedule 1, as amended in accordance with the Access Arrangement.

**Transmission Refill Tariff** means the tariffs specified in clause 1.3(d) of Schedule 1, as amended in accordance with the Access Arrangement.

**Transmission Tariffs** means the tariffs for the Tariffed Transmission Service, calculated in accordance with this Access Arrangement.

**VENCorp** has the meaning given in the GIA.

**VENCorp Access Arrangement** means the Access Arrangement by VENCorp for the PTS which was approved by the Regulator for the Third Access Arrangement Period.

**VENCorp 2006 APR** means the Annual Gas Planning Report for the forecast period 2007-2011, prepared by VENCorp and published in November 2006.

**VicHub** means the licensed transmission pressure gas pipeline joining the PTS to the Eastern and Tasmanian Gas Pipelines in the vicinity of Longford.

**Winter Injection Volume** means, in relation to each Injection Zone, the quantity of gas (in GJ) injected at that Injection Zone during June, July, August and September of a calendar year.

**Withdrawal** means a withdrawal of gas from the PTS (and Withdraw has a corresponding meaning).

**Withdrawal Point** means a Connection Point at which gas may be Withdrawn from the PTS.

**Withdrawal Tariffs** means the tariffs for Withdrawals of gas from the PTS calculated in accordance with clause 1.3 of Schedule 1, as amended in accordance with the Access Arrangement.

**Withdrawal Zone** means the Withdrawal Point or Withdrawal Points identified in clause 2.2 of Schedule 2 as a “Withdrawal Zone”.

**Zone** means a Withdrawal Zone or an Injection Zone.

**WUGS** means the western underground gas storage facility located at Iona.

## 9.2 Interpretation

Unless the contrary intention appears, a reference in this Access Arrangement to:

- (a) **(variations or replacement)** a document (including this Access Arrangement) includes any variation or replacement of it;

- (b) **(clauses and schedules)** a clause or schedule is a reference to a section of or schedule to this Access Arrangement;
- (c) **(reference to statutes)** a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (d) **(singular includes plural)** the singular includes the plural and vice versa;
- (e) **(executors, administrators, successors)** a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (f) **(dollars)** Australian dollars, dollars, A\$ or \$ is a reference to the lawful currency of Australia;
- (g) **(calculation of time)** if a period of time dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (h) **(meaning not limited)** the words "include", "including", "for example" or "such as" are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

### 9.3 GasNet (NSW)

This Access Arrangement applies to GasNet itself and GasNet (NSW) as owners of the PTS. However, GasNet and GasNet (NSW) are not partners. Where relevant, all references to GasNet are taken to be references to each of GasNet and GasNet (NSW) severally.

# GasNet Australia Access Arrangement

## Schedule 1 - Initial Transmission Tariffs

### 1.1 Transmission Tariffs

The Transmission Tariffs comprise:

- (a) the Injection Tariffs, being the tariffs for Injections into the PTS calculated under clause 1.2 of this Schedule; and
- (b) the Withdrawal Tariffs, being the tariffs for Withdrawals from the PTS calculated under clause 1.3 of this Schedule.

### 1.2 Injection Tariffs

The Injection Tariff applicable to an Injection into the PTS is determined by reference to the location of the Injection and the deemed location of the Matched Withdrawal.

The principles for determining the applicable Injection Zone and Matched Withdrawal Zone are discussed in clauses 1.4 and 1.5 of this Schedule.

#### (a) *Injection at Longford Injection Zone*

Matched Withdrawal Zone	Injection Tariff (\$/GJ, for the Winter Injection Volume)	X-factor
All Withdrawal Zones except LaTrobe, Tyers, West Gippsland and Lurgi	0.2243	-2.8%
LaTrobe	0.0546	-2.8%
Tyers & Lurgi	0.1103	-2.8%
West Gippsland	0.1540	-2.8%

#### (b) *Injection at Culcairn Injection Zone*

Matched Withdrawal Zone	Injection Tariff (\$/GJ, for the Winter Injection Volume )	X-factor
All Withdrawal Zones except Interconnect	0.1101	-2.8%
Interconnect	0.0178	-2.8%

#### (c) *Injection at Port Campbell Injection Zone*

Matched Withdrawal Zone	Injection Tariff (\$/GJ, for the Winter Injection Volume )	X-factor
All Withdrawal Zones except Western and South West and Port SEAGas Pipeline	0.1965	-2.8%
Western and SEAGas Pipeline	0.0000	NA
South West	0.0750	-2.8%

(d) *Injection at Pakenham Injection Zone*

<b>Matched Withdrawal Zone</b>	<b>Injection Tariff (\$/GJ, for the Winter Injection Volume )</b>	<b>X-factor</b>
All Zones	0.0403	-2.8%

(e) *Injection at Dandenong Injection Zone*

<b>Matched Withdrawal Zone</b>	<b>Injection Tariff (\$/GJ, for the Winter Injection Volume )</b>	<b>X-factor</b>
All Zones	0.0000	NA

### 1.3 Withdrawal Tariffs

The Withdrawal Tariff applicable to a Withdrawal from the PTS is determined by reference to the location of the Connection Point at which the Withdrawal occurs and the nature of the Withdrawal.

The principles for determining the applicable Zone in which a Connection Point is located and the nature of a Withdrawal are discussed in clauses 1.4 and 1.6 of this Schedule.

(a) *Transmission Delivery Tariff - Tariff D*

Subject to the exceptions in clauses 1.3(c), 1.3(d), 1.3(e), 1.3(f) and 1.3(g) of this Schedule, the Withdrawal Tariffs for Tariff D are as follows:

<b>Withdrawal Zone Number</b>	<b>Withdrawal Zone Name</b>	<b>Transmission delivery tariff D (\$/GJ)</b>	<b>X-factor</b>
1	LaTrobe	0.1180	-2.8%
2	West Gippsland	0.2007	-2.8%
3	Lurgi	0.2444	-2.8%
4	Metro North West	0.2834	-2.8%
5	Calder	0.5391	-2.8%
6	South Hume	0.4489	-2.8%
7	Echuca	0.6110	-2.8%
8	North Hume	0.6748	-2.8%
9	Western	0.3209	-2.8%
21	Warrnambool	0.0828	0.0%
22	Koroit	0.1713	0.0%
10	Murray Valley	0.8918	-2.8%
11	Interconnect	1.1287	-2.8%
13	South West	0.1092	-2.8%
17	Wodonga	0.8045	-2.8%
18	Tyers	0.1628	-2.8%
19	Culcairn	0.5000	0.0%
20	Metro South East	0.2834	-2.8%
24	Geelong	0.1167	-2.8%



(b) *Transmission Delivery Tariff V*

The Withdrawal Tariff for Tariff V is as follows:

\$0.3562/GJ

(c) *System Export Tariff*

Where a Connection Point in an Injection Zone services an export of gas from the PTS to a Connected Transmission Pipeline, gas Injected at that Injection Zone and Withdrawn through that Connection Point is subject to the System Export Tariff specified below, instead of the Withdrawal Tariff specified in clause 1.3(a) of this Schedule.

<b>Withdrawal Zone Number</b>	<b>Connected Transmission Pipeline Name</b>	<b>System Export Tariff (\$/GJ)</b>	<b>X-factor</b>
31	VicHub	0.0000	0.0%
33	SEA Gas Pipeline	0.0200	0.0%

(d) *Transmission Refill Tariff*

Where a Connection Point services a Storage Facility, all gas Withdrawn through that Connection Point is subject to the Transmission Refill Tariff specified below, instead of the Withdrawal Tariff specified in clause 1.3(a) of this Schedule.

<b>Withdrawal Zone Number</b>	<b>Storage Facility Name</b>	<b>Transmission Refill Tariff (\$/GJ)</b>	<b>X-factor</b>
23	LNG	0.1500	0.0%
32	WUGS	0.2000	0.0%

(e) *Cross System Withdrawal Tariff*

If:

- (i) gas is Withdrawn at a Connection Point, other than a Connection Point servicing a Storage Facility, located on an Injection Pipeline other than the Interconnect Pipeline; and
- (ii) that Withdrawal is a Matched Withdrawal with respect to an Injection Zone other than the Injection Zone for that Injection Pipeline,

then the Withdrawal is subject to the following Cross System Withdrawal Tariff in addition to the applicable Injection Tariff and Withdrawal Tariff.

<b>Injection Pipeline</b>	<b>Cross System Withdrawal Tariff D (\$/GJ)</b>	<b>X-factor</b>
All	0.1742	-2.8%

(f) *Matched Withdrawals - Culcairn*

If a Withdrawal in one of the following Zones is a Matched Withdrawal relating to Injections in the Culcairn Zone, then the following Matched Withdrawal Tariffs apply instead of the tariffs described in clause 1.3(a) of this Schedule:

<b>Withdrawal Zone Number</b>	<b>Withdrawal Zone Name</b>	<b>Transmission delivery tariff D (\$/GJ)</b>	<b>X-factor</b>
8	North Hume	0.2531	-2.8%
10	Murray Valley	0.2736	-2.8%
11	Interconnect	0.0000	-2.8%
17	Wodonga	0.1384	-2.8%

(g) *Matched Withdrawals - Metro (South East)*

If a Withdrawal in the Metro South East Zone is a Matched Withdrawal relating to Injections in the Pakenham Zone, then the following Matched Withdrawal Tariffs apply instead of the tariffs described in clause 1.3(a) of this Schedule:

<b>Withdrawal Zone Number</b>	<b>Withdrawal Zone Name</b>	<b>Transmission delivery tariff D (\$/GJ)</b>	<b>X-factor</b>
20	Metro South East	0.1503	0.0%

#### **1.4 Assignment of Zones - Tariff D**

- (a) Each Withdrawal at a Connection Point is taken to occur in the Withdrawal Zone to which the Connection Point is allocated in accordance with Schedule 2.
- (b) Each Injection at a Connection Point is taken to occur in the Injection Zone to which the Connection Point is allocated in accordance with Schedule 2.

#### **1.5 Assignment of Withdrawals to Injection locations**

- (a) For the purposes of this Schedule, Withdrawals by a Shipper in a Withdrawal Zone on a Gas Day are deemed to have been Injected:
  - (i) at the closest Injection Zone at which the Shipper injected gas, to the extent that such Injections have not been deemed to have been Withdrawn at a closer Withdrawal Zone to that Injection Zone;

- (ii) to the extent that Shipper's Withdrawals have not been allocated under clause (i), at the next closest Injection Zone at which the Shipper Injected gas on that Gas Day, to the extent that such Injections have not been deemed to have been Withdrawn at a closer Withdrawal Zone to that Injection Zone; and
  - (iii) to the extent that Shipper's Withdrawals have not been allocated under clauses (i) and (ii), at further Injection Zones, in increasing order of distance, at which the Shipper Injected gas on that Gas Day, to the extent that such Injections have not been deemed to have been Withdrawn at closer Withdrawal Zones to those Injection Zones, until all Withdrawals by a Shipper are allocated to Injection Zones or all gas Injected by the Shipper on that Gas Day has been allocated, in which case paragraph (b) below applies.
- (b) If a Shipper's total Withdrawals on a Gas Day are greater than its total Injections on that Gas Day, then the applicable Withdrawal Tariff for Withdrawal quantities greater than Injections (after the allocation under paragraph (a)) will be the Withdrawal Tariff (which is not subject to matching) in the Withdrawal Zone at which the gas is Withdrawn.
- (c) If:
- (i) the quantity of gas that a Shipper has Injected at an Injection Zone on a Gas Day is greater than that Shipper's Matched Withdrawals between and including that Injection Zone and the Metro Withdrawal Zones for that Gas Day; and
  - (ii) that excess is Withdrawn from one or more of the LaTrobe, Tyers, Lurgi, West Gippsland, Western, South West or Geelong Withdrawal Zones,

then, in addition to any other applicable tariffs for Tariff D customers, all such excess gas will be subject to the Cross System Withdrawal Tariff, in addition to any applicable Injection or Withdrawal Tariff.

- (d) For the purposes of this clause 1.5:
- (i) the distance between an Injection Zone and a Withdrawal Zone is measured by pipeline distance (and not geographic distance);
  - (ii) within each Withdrawal Zone, gas subject to Transmission Delivery Tariff V is allocated before gas subject to Transmission Delivery Tariff D;
  - (iii) withdrawals at a Connected Transmission Pipeline subject to a System Export Tariff within a Withdrawal Zone are deemed to be closer to the Injection Point than other Withdrawals from that Withdrawal Zone;

- (iv) all Injections and Withdrawals will be as determined by VENCORP under the MSO Rules;
- (v) withdrawals in the Metro (South East) Zone are deemed to be closer to the Pakenham injection point than those at the LNG facility;
- (vi) a Shipper who injects gas at an Injection Zone may assign that gas for the purposes of calculation of Matched Withdrawals relating to that Injection Zone to any other Shipper who Withdraws gas from a Withdrawal Zone to which a discounted Injection Tariff for that Injection Zone applies; and
- (vii) assignment of gas under this clause 1.5(d)(vi) must be evidenced by letters from both parties to GasNet received by GasNet no later than 18 Business Days after the month in which the gas flowed.

## **1.6 Allocation to Tariff D**

Withdrawals at a Connection Point are allocated to Tariff D and Tariff V as follows.

- (a) If the Connection Point services an individual Consumer, then all gas delivered through that Connection Point is allocated to Transmission Delivery Tariff D.
- (b) If the Connection Point is a connection with a transmission system, then all gas delivered through that Connection Point is subject to Transmission Delivery Tariff D.
- (c) If the Connection Point services a distribution system, then the volume of gas subject to Transmission Delivery Tariff D is the sum of the gas delivered from that distribution system, subject to Distribution Tariff D, plus the applicable benchmark DUAFG allowance (if any), as applied by VENCORP. Where the allocation of gas cannot be made at an individual Connection Point, the data is aggregated at the Withdrawal Zone level.
- (d) All gas subject to a Transmission Refill Tariff is allocated to Tariff D.
- (e) In any other case, the Withdrawal is subject to Transmission Delivery Tariff V.

## **1.7 Billing parameters**

Transmission Tariffs are charged in accordance with the billing parameters defined below.

- (a) Except where otherwise agreed between GasNet and the Shipper, the Shipper will be charged monthly.
- (b) Withdrawal Tariffs are charged in accordance with the following procedure:

Charges are levied monthly in arrears where the monthly charge for month m for each Shipper is calculated by applying the following, summed over all Zonal Withdrawal Tariffs for each Shipper separately (1 to n):

$$MCA = \sum_1^n (MV_e * TC)_D + (MV_e * TC)_V + (MV_e * TC)_R + (MV_e * TC)_C + ADJ$$

where:

*MCA* is the charge for the billing period;

*MV<sub>e</sub>* is the estimated monthly volume for month m Withdrawn in the relevant Zone subject to the relevant tariff as provided by VENCORP at day M+18;

*TC* is the applicable Zonal Withdrawal Tariff;

*D* refers to Transmission Delivery Tariff D;

*V* refers to Transmission Delivery Tariff V;

*R* refers to Refill Withdrawal Tariffs;

*C* refers to Cross System Tariffs; and

*ADJ* is the adjustment for month m-5.

Where:

$$ADJ = \sum_1^n ((MV - MV_e) * TC)_D + ((MV - MV_e) * TC)_V + ((MV - MV_e) * TC)_R + ((MV - MV_e) * TC)_C$$

where:

*MV* is the monthly volume for month m Withdrawn in the relevant Zone as provided by VENCORP at day M+18.

- (c) Injection Tariffs applying to the Peak Period are charged in aggregate for each Shipper according to the following procedure:
- (i) for a billing period between January and October, the monthly charge is calculated by applying the relevant tariff to EMC, where:
    - (A) EMC is a monthly allocation of Winter Injection Volume for Regulatory Year “t”, using a quantity agreed by GasNet and the Shipper or, failing agreement:
      - (1) a load profile, based on the Shipper’s actual annual Withdrawal load profile for Regulatory Year “t-1”; or

- (2) if the Shipper has no load profile for Regulatory Year “t-1”, the average system load profile for Regulatory Year “t-1”; and
- (B) the Winter Injection Volume for Regulatory Year “t” is based on a prorata allocation across each Shipper based on injections from the previous year of the annual approved Winter Injection Volume approved by the Commission as part of the annual tariff review used to set the Transmission Tariffs for Regulatory Year “t”.
- (ii) for the November and December billing periods, the monthly charge is calculated by applying the following formula:

$$MC = (AAC - CBTD)/2$$

where:

*MC* is the charge for each of the November and December billing periods in Regulatory Year “t”.

*CBTD* is the sum of the charges for all prior billing periods of Regulatory Year “t”.

*AAC* is the annual charge calculated by applying the relevant Transmission Tariff components to *EAD*.

where:

*EAD* is the actual Winter Injection Volume for Regulatory Year “t”.

# GasNet Australia Access Arrangement

## Schedule 2 - Injection and Withdrawal Zones

### 2.1 Injection Zones

The Injection Zones are as described below.

An Injection Point forms part of an Injection Zone if the Injection Point is designated by a MIRN identified with respect to an Injection Zone, as follows.

Injection Zone	Meter No.	MIRN	Site Name
Port Campbell	M139 NA	30000168PC 30000154PC	SEA Gas Iona
Longford	M001 M137	30000001PC 30000167PC	Longford Vic Hub
Dandenong	M108	30000101PC	Dandenong (LNG 2750)
Pakenham	M138	30000170PC	Pakenham
Culcairn	M126	20000001PC	Culcairn

Any Injection Point that is not described above will be allocated by GasNet to a new or existing Injection Zone consistent with the existing allocations.

### 2.2 Withdrawal Zones

The Withdrawal Zones are as described below.

A Withdrawal Point forms part of a Withdrawal Zone if the Withdrawal Point is designated by a MIRN identified with respect to a Withdrawal Zone, as follows.

Meter No.	Site Name	MIRN
<b>1 LaTrobe</b>		
M078	Rosedale	30000072PC
M079	Sale	30000073PC
M085	Traralgon	30000079PC
M104	Maryvale (Ampcor)	30000097PC
M134	EMEAL (Loy Yang)	30000164PC
M155	Valley Power	30000183PC
<b>2 West Gippsland</b>		
n/a		
<b>3 Lurgi</b>		
M062	Drouin	30000057PC
M070	Longwarry	30000065PC
M075	Moe	30000069PC
M084	Trafalgar	30000078PC
M090	Warragul (Works)	30000084PC
M092	Yarragon	30000086PC

<b>Meter No.</b>	<b>Site Name</b>	<b>MIRN</b>
M098	Cloverlea (Darnum)	30000092PC
<b>4 Metro North West</b>		
M008	Brooklyn Compressor Station	30000010/11PC
M009	West Melbourne (Footscray)	30000012PC
M011	Melbourne (Queens Wharf Rd)	30000013PC
M013	Spotswood	30000015/16PC
M014	West Melbourne (N. Melbourne)	30000017/18PC
M026	Derrimut City Gate	30000026PC
M027	Melton South City Gate	30000027PC
M028	Laverton North City Gate	30000028PC
M029	Hoppers Crossing (Forsyth Rd)	30000029PC
M030	Hoppers Crossing (Heath's Rd)	30000030PC
M031	Werribee (Old Sneydes Rd)	30000031PC
M032	Werribee (Lock Av)	30000032PC
M045	Sunbury	30000043PC
M048	Diggers Rest	30000044PC
M049	Sydenham	30000045PC
M103	Newport Power Station	30000096PC
M107	Laverton North (BHP Methanol)	30000100PC
M115	Keon Park East	30000107/108PC
M116	Keon Park West	30000109/110PC
M117	Craigieburn	30000111PC
M118	Epping (O'Herns Rd)	30000112PC
M121	Rockbank	30000117PC
M125	Mernda (Laurimar Park)	30000145PC
M135	Somerton Power Station	30000165PC
M142	Whittlesea	30000172PC
M143	Laverton Power Station (Snowy Hydro)	30000175PC
M148	Yarra Glen	30000177PC
<b>5 Calder</b>		
M052	Bacchus Marsh	30000047PC
M053	Ballan	30000048PC
M054	Ballarat	30000049PC
M057	Bendigo	30000052PC
M059	Castlemaine	30000054PC
M061	Daylesford	30000056PC
M068	Kyneton	30000063PC
M073	Maryborough	30000067PC
M086	Wallace	30000080PC
M099	Carisbrook	30000093PC



Meter No.	Site Name	MIRN
<b>6 South Hume</b>		
M058	Broadford	30000053PC
M064	Euroa	30000059PC
M066	Kilmore	30000061PC
M077	Seymour (Supply to Puckapunyal)	30000071PC
M080	Seymour (Telegraph Rd)	30000074PC
M087	Wallan	30000081PC
<b>7 Echuca</b>		
M063	Echuca	30000058PC
M067	Kyabram	30000062PC
M074	Merrigum	30000068PC
M081	Shepparton	30000075PC
M082	Tatura	30000076PC
M083	Tongala	30000077PC
<b>8 North Hume</b>		
M055	Benalla	30000050PC
M056	Benalla (Supply to Monsbent)	30000051PC
M088	Wangaratta	30000082PC
M089	Wangaratta East	30000083PC
M100	Chiltern	30000094PC
<b>9 Western</b>		
M093	Cobden	30000087PC
M094	Hamilton	30000088PC
M096	Portland	30000090PC
M144	Iluka Minerals Plant	30000174PC
<b>10 Murray Valley</b>		
M111	Rutherglen	30000103PC
M112	Yarrawonga	30000104PC
M113	Cobram	30000105PC
M114	Koonoomoo	30000106PC
<b>11 Interconnect</b>		
M130	Walla Walla	20000003PC
<b>13 South West</b>		
M133	Colac	30000161PC
NA	Iona (WUGS)	30000156PC
<b>17 Wodonga</b>		
M091	Wodonga	30000085PC
<b>18 Tyers</b>		
M060	Churchill	30000055PC
M071	Morwell (Firmin's Lane)	30000066PC

<b>Meter No.</b>	<b>Site Name</b>	<b>MIRN</b>
M076	Morwell (Porter's Rd)	30000070PC
M102	Jeeralang Power Station	30000095PC
<b>19 Culcairn</b>		
M126	Culcairn	20000002PC
<b>20 Metro South East</b>		
M002	Dandenong T.S. (Peninsula)	30000002PC
M003	Dandenong (Henty St)	30000003/4PC
M004	Murrumbeena	30000005/6PC
M005	Dandenong T.S. (Lurgi)	30000007PC
M006	Dandenong (LNG 700)	30000159/160PC
M007	Dandenong T.S. (Edithvale)	30000009PC
M012	St. Kilda (Aughtie Dr)	30000014PC
M015	Noble Park	30000019PC
M016	Clayton	30000020PC
M017	Oakleigh	30000021PC
M018	Malvern (Ewart St)	30000022PC
M019	St. Kilda East (Orrong Rd)	30000023PC
M023	Port Melbourne (Howe Pde)	30000024PC
M024	Port Melbourne (Lorimer St)	30000025PC
M033	Healesville	30000033PC
M034	Gembrook	30000034PC
M035	Lyndhurst	30000035PC
M036	Cranbourne (Huon Park Rd)	30000036PC
M037	Cranbourne (Narre Warren Rd)	30000037PC
M038	Clyde North (Tuckers Rd)	30000038PC
M040	Pakenham (Koo Wee Up Rd)	30000039PC
M042	Hampton Park	30000040PC
M043	Narre Warren	30000041PC
M044	Berwick	30000042PC
M105	Port Melbourne (Unichema)	30000098PC
M109	Dandenong (LNG 7000)	30000102PC
M138	Bass Gas	30000171PC
M147	Seville East	30000176PC
<b>21 Warrnambool</b>		
M097	Allansford	30000091PC
<b>22 Koroit</b>		
M095	Koroit	30000089PC
<b>23 Geelong</b>		
M051	Avalon	30000046PC
M065	Corio	30000060PC
M069	Lara	30000064PC

<b>Meter No.</b>	<b>Site Name</b>	<b>MIRN</b>
<b>31 Vic Hub</b>		
M137	Vic Hub	30000166PC
<b>33 SEA Gas</b>		
M139	SEA Gas	30000169PC

Any Withdrawal Point that is not described above will be allocated by GasNet to a Withdrawal Zone consistent with the existing allocations.

### **2.3 Allocation of Supply Points to Withdrawal Zones**

For the purpose of allocation of Supply Points to Withdrawal Zones:

- (a) Supply Points served directly from the PTS are individually allocated based on the custody transfer meter providing supply to that Supply Point;
- (b) Supply Points assigned to Distribution Tariff D are individually allocated based on the custody transfer meter providing supply to that Supply Point; and
- (c) As a postage stamp tariff applies to Tariff v Supply Points, there is no allocation to Withdrawal Zones required.

Note:

All gas delivered through Zones 11 (Interconnect) and 19 (Culcairn) are allocated to Tariff D.

# GasNet Australia Access Arrangement

## Schedule 3 - Altering Transmission Tariffs

### 3.1 Proposed tariffs

For each Regulatory Year GasNet must, at least 20 Business Days before the start of that Regulatory Year, give the Regulator a statement:

- (a) setting out its proposed Transmission Tariffs for that Regulatory Year;
- (b) setting out the proposed tariff components for each of those Transmission Tariffs;
- (c) demonstrating compliance of the proposed Transmission Tariffs with the relevant principles and formulae in Schedule 4; and
- (d) setting out the proposed changes (if any) in the billing parameters contained in Schedule 1, or to any other matters in that schedule.

### 3.2 Altering a tariff during a Regulatory Year

GasNet may alter a Transmission Tariff during a Regulatory Year in accordance with section 2 of the Code.

### 3.3 Regulator's approval

- (a) The Regulator must not approve a statement given by GasNet under clause 3.1 of this Schedule if the statement does not comply with the relevant principles and formulae in Schedule 4.
- (b) The Regulator must approve a statement given by GasNet under clause 3.1 of this Schedule if:
  - (i) the statement complies with the relevant principles and formulae in Schedule 4; and
  - (ii) all the forecasts included in the statement are satisfactory to the Regulator.
- (c) If the Regulator does not notify GasNet of the Regulator's decision regarding a statement given by GasNet under clause 3.1 of this Schedule within 15 Business Days of the Regulator receiving the statement, the Regulator is taken to have approved the statement.
- (d) If under clause 3.3(a) of this Schedule the Regulator must not approve a statement given by GasNet, the Regulator may allow GasNet to replace the statement within such time as specified by the Regulator.
- (e) Where a statement has been replaced in accordance with clause 3.3(d) of this Schedule, the replacement statement will be taken to be a statement validly provided under clause 3.1 of this Schedule and the replaced statement will be taken not to have been submitted by GasNet.

### **3.4 Effective date**

The Transmission Tariffs in the statement given by GasNet approved or taken to have been approved by the Regulator apply from the latest of:

- (a) the date on which the Regulator approves or is taken to have approved the alteration; and
- (b) the start of the Regulatory Year in which the Transmission Tariffs are to apply.

### **3.5 Failure to provide a statement**

If GasNet does not provide a statement to the Regulator as required under clause 3.1 of this Schedule in relation to a Regulatory Year or such a statement is provided but is not approved by the Regulator, the Regulator may re-set the relevant Transmission Tariffs for GasNet for the Regulatory Year in a manner in which the Regulator could have approved the Transmission Tariffs if included in a statement given by GasNet under clause 3.1 of this Schedule.

### **3.6 Proposing tariffs after revision**

If, at any time prior to the Revisions Commencement Date, this Access Arrangement is revised under the Code and, as a result of the revision, the Reference Tariffs or the Reference Tariff Policy is (or are to be) revised, then GasNet may give the Regulator a statement:

- (a) specifying a date on which the revision will take effect (“**Start Date**”);
- (b) setting out its proposed Transmission Tariffs for the period commencing on the Start Date and ending on the day before the start of the next Regulatory Year;
- (c) setting out the proposed tariff components for each of those Transmission Tariffs;
- (d) demonstrating compliance of the proposed Transmission Tariffs with the relevant principles and formulae in Schedule 4; and
- (e) setting out the proposed changes (if any) in the billing parameters contained in Schedule 1, or to any other matters in that schedule.

### **3.7 Regulator’s approval**

- (a) The Regulator must not approve a statement given by GasNet under clause 3.6 of this Schedule if the statement does not comply with the relevant principles and formulae in Schedule 4.
- (b) The Regulator must approve a statement given by GasNet under clause 3.6 of this Schedule if:
  - (i) the statement complies with the relevant principles and formulae in Schedule 4; and

- (ii) all the forecasts included in the statement are satisfactory to the Regulator.
- (c) If the Regulator does not notify GasNet of the Regulator's decision regarding a statement given by GasNet under clause 3.6 of this Schedule within 15 Business Days of the Regulator receiving the statement, the Regulator is taken to have approved the statement.
- (d) If, under clause 3.7(a) of this Schedule the Regulator does not approve a statement given by GasNet, the Regulator may allow GasNet to replace the statement within such time as specified by the Regulator.
- (e) Where a statement has been replaced in accordance with clause 3.7(a) of this Schedule, the replacement statement will be taken to be a statement validly provided under clause 3.6 of this Schedule and the replaced statement will be taken not to have been submitted by GasNet.

### **3.8 Effective date**

The Transmission Tariffs in the statement given by GasNet approved or taken to have been approved by the Regulator under clause 3.7 of this Schedule apply from the latest of:

- (a) the date on which the Regulator approves or is taken to have approved the alteration; or
- (b) the Start Date specified in the statement.

# GasNet Australia Access Arrangement

## Schedule 4 - Price Control Formula

### 4.1 Revenue control principles

- (a) The revenue control model permits individual components of the Transmission Tariffs to be adjusted up or down for a given Regulatory Year after the first Regulatory Year provided that:
- (i) the NPV of the actual revenues (**AR**) (determined in accordance with clause 4.2 below) achieved is to be no greater than the NPV of the adjusted target revenues (**ATR**) (determined in accordance with clause 4.3 below); and
  - (ii) no component of the Transmission Tariffs can be increased by more than  $(CPI - X)^* (1 + Y)$  for any Regulatory Year, where:
    - (A) X is the tariff path factor prescribed for that Transmission Tariff component in the Access Arrangement; and
    - (B) Y is 2% except where the forecast Transmission Tariffs (all escalated at  $(CPI - X)^* 1.02$ ) for the remainder of the Third Access Arrangement Period provide insufficient revenue to achieve the ATR. Where this occurs, Y may be more than 2% in respect of a component of the Transmission Tariffs provided that the resulting Transmission Tariff does not exceed the tariff price path that would have eventuated if the standard CPI - X price path had been followed for that component of the Transmission Tariff over the entire Third Access Arrangement Period.
- (b) All monetary calculations and figures used in calculations in this Schedule 4 are to be expressed in real dollar values using a CPI indexed at December 2006, and using the best estimate of the CPI at December of each year of the Third Regulatory Period and in respect to target revenues, the forecast CPI used in this Access Arrangement.
- (c) All calculations and figures used in this Schedule 4 for determination of any price control formula component at any particular time must be the best estimate of that component at the relevant time using reported or actual (as the case may be) values where available and the best estimates of forecast values where required. For the purposes of this paragraph (c), the price control formula components include revenues, volumes, CPI, EDDs, Pass Through Amounts etc).
- (d) The NPV is to be calculated using a discount rate equal to the real WACC as approved for the Third Access Arrangement Period.

### 4.2 AR

Each determination of AR will be equal to the best estimate of the actual revenues received for the whole of the Third Access Arrangement Period at

the time of calculation, using both actual data (**Actual Revenues**) (where available) and best estimates of forecast revenues (**Forecast Revenues**) where required.

For example, for a determination of AR in November 2009, the best estimate of actual revenues will be the Actual Revenues in 2008 and the Forecast Revenues expected for the remainder of the Third Access Arrangement Period. A determination of AR in subsequent years will use the Actual Revenues received where available, and the best revised forecasts for the remaining years, where the revised forecasts may differ from those forecasts made at earlier determinations.

#### 4.3 ATR

$$\text{ATR} = \text{VATR} + \text{PTA} + \text{CFA}$$

Where:

VATR is volume adjusted target revenue calculated in accordance with clause 4.4;

PTA is the Pass Through Amount calculated in accordance with clause 6 of the Access Arrangement; and

CFA is, for the Regulatory Year 2009 only, the amount KTb calculated for 2007 in accordance with clause 4.7 of the Second Access Arrangement.

Notes:

1. The best estimates of the CFA costs are included in the Non-Capital Costs (as defined in the Code) for the Third Access Arrangement Period, but the correct values for these factors will not be known until the first year of the Third Access Arrangement Period.
2. CFA and PTA may be positive or negative.

#### 4.4 VATR

$$\text{VATR} = \frac{\text{TR}}{\text{TV}} \times \text{AAV}$$

Where:

TR is the target revenue as set out in Table 3-12 of the Access Arrangement Information;

TV is the total volume withdrawn from the PTS as set out in section 2 of Schedule 2 to the Access Arrangement Information; and

AAV is the adjusted actual volume, calculated in accordance with clause 4.5.



#### 4.5 AAV

If:

- (a)  $WAAV > TV$ , then AAV is the *lesser* of:
  - (i) WAAV; and
  - (ii)  $TV (1+VRF)$ ; and
- (b)  $WAAV < TV$ , then AAV is the *greater* of:
  - (i) WAAV; and
  - (ii)  $TV (1-VRF)$ ,

where:

WAAV is the weather adjusted volume calculated in accordance with clause 4.6;

TV is total volume calculated in accordance with clause 4.4; and

VRF is 0.055

#### 4.6 WAAV

$$WAAV = (VW + TS \times (\text{Target EDD} - \text{Actual EDD})) \times 0.85$$

Where:

VW is the actual volume withdrawn from the PTS excluding any volumes associated with an Expansion of withdrawal capacity at Culcairn;

TS is the target temperature sensitivity, being the increase in annual gas volumes for an increase of one in the annual EDD, as set out in Table 7-1 of the Access Arrangement Information;

Target EDD the measure of annual EDD as expected in a standard year as set out in Table 7-2 of the Access Arrangement Information; and

Actual EDD is the actual measured EDDs for a Regulatory Year, as reported in the VENCorp APR or otherwise made available by VENCorp.

#### **4.7 First Carry-Forward Amount FCA**

The first carry forward amount (**FCA**) will be calculated in the last year of the Third Access Arrangement Period. It will be included as a building block component in the first year of the Fourth Access Arrangement Period.

FCA will be determined according to the following formula:

$$\text{FCA} = \text{ATR} - \text{AR}$$

Where AR and ATR are to be calculated using the best estimates and available data at the time of the determination of FCA.

For inclusion in the building block calculation for 2013, the FCA will be escalated for inflation from December 2006 to December 2013.

#### **4.8 Second Carry-Forward Amount SCA**

The second carry forward amount (**SCA**) will be calculated in the first year of the Fourth Access Arrangement Period as a correction to the determination of the FCA, using the correct actual values of all factors required in the determination of FCA. It will be included as a CFA in the determination of tariffs for 2014.

SCA will be determined according to the following formula:

$$\text{SCA} = \text{Recalculated FCA} - \text{FCA}$$

Where Recalculated FCA is the same calculation as for FCA, except that it is to use the actual values for AR, ATR, AV, EDD, CPI and PTA.

For inclusion in the building block calculation for 2014, the SCA will be escalated for inflation from December 2006 to December 2014.

# GasNet Australia Access Arrangement

## Schedule 5 - Description of PTS

Pipeline Licence	Location/Route	Length (km)	Pipe Diameter (mm)	MAOP (kPa)
	<i>Longford to Dandenong and Wollert System</i>			
Vic:68	Healesville-Koo-Wee-Rup Rd	1.2	80	2760
Vic:91	Anderson St, Warragul	4.8	100	2760
Vic:107	Pound Rd to Tuckers Rd	2.0	100	2760
Vic:50	Supply to Jeeralang	0.4	300	2760
Vic:50	Morwell to Dandenong	126.8	450	2760
Vic:75	Longford to Dandenong	174.2	750	6890
Vic:117	Rosedale to Tyers	34.3	750	7070
Vic:120	Longford to Rosedale	30.5	750	7070
Vic:135	Bunyip to Pakenham	18.7	750	7070
Vic:141	Pakenham to Wollert	93.1	750	6890
Vic:121	Tyers to Morwell	15.7	500	7070
Vic:67	Maryvale	5.4	150	6890
	<i>Wollert to Wodonga/Echuca/Bendigo System</i>			
Vic:101	Keon Park to Wollert	14.1	600	2760
Vic:202	Keon Park East - Keon Park West	0.6	450	2760
Vic:101	Wollert to Wodonga	269.4	300	7400
Vic:101	Euroa to Shepparton	34.5	200	7400
Vic:132	Shepparton to Tatura	16.2	200	7390
Vic:136	Tatura to Kyabram	21.3	200	7390
Vic:152	Kyabram to Echuca	30.7	150	7390
Vic:143	Wandong to Kyneton	59.5	300	7390
Vic:128	Mt Franklin to Kyneton	24.5	300	7390
Vic:131	Mt Franklin to Bendigo	50.8	300	7390
Vic:78	Ballan to Bendigo	90.8	150	7390
Vic:125	Guildford to Maryborough	31.4	150	7390
Vic:238	Somerton Pipeline	3.4	250	2760
Vic:176	Chiltern Valley to Rutherglen	14.7	200	7400
Vic:182	Rutherglen to Koonoomoo	88.8	200	7400
Vic:178	Barnawartha to Murray River	5.5	450	10200
NSW:24	Murray River to Culcairn	57.0	450	10200

# GasNet Australia Access Arrangement

Pipeline Licence	Location/Route	Length (km)	Pipe Diameter (mm)	MAOP (kPa)
	<b><i>Brooklyn to Ballarat System</i></b>			
Vic:78	Brooklyn to Ballan	66.6	200	7390
Vic:78	Ballan to Ballarat	22.7	150	7390
Vic:134	Ballan to Ballarat	22.8	300	7390
Vic:122	Derrimut to Sunbury	24.0	150	7390
	<b><i>Brooklyn to Geelong System</i></b>			
Vic:81	Brooklyn to Corio	50.7	350	7390
Vic:162	Laverton to BHP	1.6	150	2760
Vic:253	Lateral to Snowy Hydro	1.6	350	10,200
	<b><i>Dandenong to West Melbourne / Brooklyn System</i></b>			
Vic:36	Dandenong to West Melbourne	36.2	750	2760
Vic:108	South Melbourne to Brooklyn	12.8	750	2760
Vic:129	Princess Hwy to Henty St	0.2	500	2760
Vic:129	Dandenong to Princess Hwy	5.0	750	2760
Vic:36	Princess Hwy to Regent St	0.8	200	2760
Vic:164	Supply to Bay St To Unichema	0.4	150	2760
Vic:124	Supply to Newport Power Station	1	450	2760
	<b><i>Western Network</i></b>			
Vic:145	Paaratte to Allansford	33.3	150	7400
Vic:155	Allansford to Portland	100.4	150	9890
Vic:168	Curdievale to Cobden	27.7	150	9890
Vic:171	Codrington to Hamilton	54.6	150	9890
Vic:212	Lateral to Iluka Plant	1.1	100	9,890
	<b><i>South West Pipeline</i></b>			
Vic:227	Iona to Paaratte	7.8	150	7400
Vic:231	Iona to Lara	143.9	500	10200