

**REQUEST FOR STANDARD OTSA FOR SOUTH EAST PIPELINE SYSTEM  
REQUIRED, AND OTHER IMPORTANT, INFORMATION**

**1. Information about Epic Energy**

**1.1 Operator**

The operator of the South East Pipeline System (**SEPS**) is Epic Energy South Australia Pty Ltd ABN 54 068 599 815 (**Epic Energy**).

**1.2 Representative**

A request for a standard OTSA for the SEPS – **which request must include the information described in section 2 below** – must be sent either by email, post or hand delivery to the following representative of Epic Energy at the relevant address below:

Attention: Manager Commercial  
Email: [commercial@epic.com.au](mailto:commercial@epic.com.au)

Epic Energy  
Level 8  
1 King William Street  
Adelaide SA 5000

**2. Information that must be supplied to Epic Energy**

- (a) At the time of requesting a standard OTSA from Epic Energy, the prospective secondary shipper (**PS Shipper**) must provide Epic Energy with the following:
- (i) the full name of the PS Shipper;
  - (ii) the ACN, ARBN and ABN (as applicable) of the PS Shipper;
  - (iii) the registered office in Australia of the PS Shipper;
  - (iv) the address for service in Australia of formal notices on the PS Shipper under the standard OTSA;
  - (v) evidence to the reasonable satisfaction of Epic Energy that the PS Shipper is resident in Australia or has a permanent establishment in Australia;
  - (vi) evidence to the reasonable satisfaction of Epic Energy that the PS Shipper:
    - (A) is incorporated or constituted under the *Corporations Act 2001* (Cth) (**Corporations Act**); or, if not
    - (B) is duly incorporated and has the legal capacity to enter into and perform the standard OTSA;
  - (vii) evidence to the reasonable satisfaction of Epic Energy that the PS Shipper is not an externally-administered body corporate (as defined in the Corporations Act) or under a similar form of administration under the laws of some other jurisdiction;
  - (viii) evidence to the reasonable satisfaction of Epic Energy that the PS Shipper is capable of being sued in its own name in courts established under the laws of Australia; and
  - (ix) evidence to the reasonable satisfaction of Epic Energy that the PS Shipper does not enjoy immunity from legal proceedings or legal process (including, without limitation, any immunity from execution).
- (b) When providing information and documentation to Epic Energy pursuant to paragraph 2(a), the PS Shipper will be taken to have:

- (i) represented and warranted to Epic Energy that such information and documentation is true and correct in all respects; and
- (ii) acknowledged and agreed that Epic Energy will rely on that information and documentation.

3. **Other important information – creditworthiness and credit support**

- (a) The PS Shipper should be aware that clause 21.3(a) of the standard terms within the standard OTSA require the PS Shipper to provide credit support to Epic Energy **unless** any of the exceptions set out in that clause apply.
- (b) Pursuant to clause 21.3(a), credit support will not be required in the following circumstances:
  - (i) if the PS Shipper has a Standard & Poor's or Fitch credit rating of BBB-, or Moody's credit rating of Baa3, or better, and evidence of that rating is provided to the reasonable satisfaction of Epic Energy;
  - (ii) if the PS Shipper does not have a credit rating from Standard & Poor's, Fitch or Moody's of the type referred to in paragraph 3(b)(i), but has financial substance equivalent to or better than an entity with such a credit rating, and evidence of that financial substance is provided to the reasonable satisfaction of Epic Energy;
  - (iii) if the PS Shipper does not have a credit rating from Standard & Poor's, Fitch or Moody's of the type referred to in paragraph 3(b)(i), or financial substance equivalent to or better than an entity with such a credit rating, but evidence is provided to the reasonable satisfaction of Epic Energy that the PS Shipper's obligations under the standard OTSA will be guaranteed (in a form and on terms and conditions reasonably required by Epic Energy) by an Australian resident body corporate:
    - (A) with a Standard & Poor's or Fitch credit rating of BBB-, or Moody's credit rating of Baa3, or better; or
    - (B) which, although not rated by Standard & Poor's, Fitch or Moody's, has financial substance equivalent to or better than an entity with a Standard & Poor's or Fitch credit rating of BBB-, or Moody's credit rating of Baa3, or better.
- (c) However, if none of the circumstances described in paragraph 3(b) apply in respect of the PS Shipper, or if the PS Shipper is unable to provide evidence of their application to the reasonable satisfaction of Epic Energy, then, as Epic Energy will be entitled to require the PS Shipper to provide credit support:
  - (i) the PS Shipper must nominate to Epic Energy the quantity to be used to determine 'Shipper's Credit Support Amount', which in this paragraph 3(c), is called the **Credit Support MDQ**; and
  - (ii) **Shipper's Credit Support Amount** will be equal to the amount determined in accordance with the following formula:
 

**30 x Credit Support MDQ x T**

where:

    - (A) Credit Support MDQ is the MDQ nominated by Shipper (in GJs) for credit support purposes; and
    - (B) T is the price for a GJ of firm forward haul service as published by Epic Energy pursuant to the National Gas Rules (or the service offered by Epic Energy which is closest in nature to a firm forward haul service). Where there is more than one tariff which may satisfy these criteria, Epic Energy will, acting reasonably, determine which tariff to use.

- (d) The PS Shipper **should note** each of the following important matters:
- (i) if the PS Shipper is required to provide credit support, then the PS Shipper is entitled to choose whether that credit support takes the form of:
    - (A) a bank guarantee for the amount of Shipper's Credit Support Amount from a bank, and on terms, reasonably acceptable to Epic Energy; or
    - (B) a cash deposit of an amount equal to Shipper's Credit Support Amount; or
    - (C) such other form of credit support acceptable to Epic Energy in its absolute discretion;
  - (ii) if the PS Shipper is required to provide credit support, then Epic Energy will not be required to provide the PS Shipper with Services on a Day to the extent the PS Shipper has not provided credit support in respect of a quantity of MDQ equal to or more than the quantity of Service sought to be used by the PS Shipper on that Day. For example, if the PS Shipper has provided credit support for only 10 TJ/Day then Epic Energy will not be required to recognise and provide Services (in aggregate) for a quantity of capacity of more than 10 TJ/Day;
  - (iii) given:
    - (A) paragraph 3(d)(i); and
    - (B) the risk that the PS Shipper may not receive any Services (or Services to the extent the PS Shipper requires) if the circumstances described in paragraph 3(d)(ii) occur,

Epic Energy **recommends** that, if any credit support will be required, it is provided to Epic Energy by PS Shipper before the intended commencement date for the provision of any Services under the standard OTSA. In order to ensure this occurs, the PS Shipper should finalise:

- (C) the form; and
  - (D) the amount,
- of credit support with Epic Energy prior to that date; and
- (iv) the PS Shipper may change the MDQ it has nominated for credit support purposes by giving not less than 2 Business Days' prior notice to Epic Energy.