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# GAS TRANSPORTATION AGREEMENT SOUTH EAST PIPELINE SYSTEM

EPIC ENERGY SOUTH AUSTRALIA PTY LTD (ABN 54 068 599 815)

**AND** 

THE PARTY NAMED IN ITEM 1 OF SCHEDULE 1

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## GAS TRANSPORTATION AGREEMENT

#### DATED:

#### **BETWEEN:**

**EPIC ENERGY SOUTH AUSTRALIA PTY LTD** (ABN 54 068 599 815) of 26 High Street, Dry Creek SA 5094 (**Service Provider**);

#### **AND**

THE PARTY DESCRIBED IN ITEM 1 OF SCHEDULE 1 (User).

#### WHEREAS:

- **A.** Service Provider together with its Related Bodies Corporate owns and operates the Pipeline System.
- **B.** User requires the Services.
- **C.** Service Provider has agreed to provide the Services to User on the terms and conditions set out in this Agreement.

## IT IS AGREED:

## 1. **DEFINITIONS**

# 1.1 Definition of Terms

**Accumulated Imbalance** means, at a point in time, the aggregate of User's Imbalances up to that point in time.

**Actual Receipts** means, for a Day, the total quantity of Gas received into the Pipeline System on that Day as determined in accordance with clause 14.1 or clause 14.2 (as applicable).

Adequate Assurance has the meaning given in clause 17.9(c).

**AEMO** has the meaning given in the National Gas Law.

**AEMO Zone** has the meaning given to the term 'zone' in Part 24 of the National Gas Rules.

**Affiliate** of a Party means a Related Body Corporate of that Party, together with each fund or other entity in respect of which the Related Body Corporate performs services as a manager, trustee or responsible entity.

**Agreement** means this Gas Transportation Agreement including all Schedules, as it may be amended, supplemented, restated, assigned or novated from time to time.

**Auction Capacity** has the same meaning that 'auction capacity' has under the National Gas Rules.

**Auction Service** has the same meaning that 'auction service' has under the National Gas Rules.

**Auction Service Priority Principles** has the same meaning that 'auction service priority principles' has under the National Gas Rules.

# Australian Carbon Scheme means any scheme which:

- (a) limits, regulates, imposes Liability in respect of, or relates to, greenhouse gas emissions in Australia; and
- (b) requires the surrender of Permits in relation to those emissions or that Liability (including so as to avoid a Shortfall Charge).

**Australian Carbon Scheme Law** means any law, regulation, rule, code, guideline or other legislative or regulatory instrument that creates, regulates or relates to an Australian Carbon Scheme.

Authorised Variation has the meaning given in clause 9.2(d).

**Bilateral Trade** means the sale of Transportation Capacity (other than through the Exchange or the Capacity Auction) by User to an Other User pursuant to terms agreed between User and that Other User.

**Business Day** means any Day other than a Saturday, Sunday or public holiday in South Australia.

**Capacity** means the capacity of the Pipeline System or (if the context requires) a part of the Pipeline System (including a Receipt Point or Delivery Point) to deliver, or (if the context requires) receive, Gas on a Day.

**Capacity Auction** has the same meaning that 'capacity auction' has under the National Gas Rules.

**Capacity Transfer and Auction Procedures** means the procedures of that name made by AEMO under the National Gas Law.

**Carbon Cost** means the reasonable costs incurred by Service Provider in respect of Gas delivered to User that arises out of or incidental to or resulting from an Australian Carbon Scheme, including:

- (a) the costs of acquiring units, permits, allowances or credits (which may include the reasonable costs of managing the acquisition and surrender process) to meet an obligation imposed or to avoid a shortfall, penalty or fine under an Australian Carbon Scheme; and
- (b) the costs of undertaking activities intended to abate or sequester greenhouse gas emissions,

but excludes any related interest, penalties and fines (including any shortfall charges) imposed or incurred under an Australian Carbon Scheme.

**Carbon Instruments** has the meaning given in clause 18.3.

#### Change in Law means:

- (a) any law, regulation, rule, code, sub-code or procedure being introduced, amended or repealed in whole or in part;
- (b) the imposition of any Impost which was not in force as at the date of this Agreement;

- (c) the rate at which any Impost is levied being varied from the rate prevailing as at the date of this Agreement;
- (d) the basis on which any Impost is levied or calculated being varied from the basis on which it is levied or calculated as at the date of this Agreement;
- (e) a variation in the interpretation or administration of a law or regulation by a Government Agency or a court or tribunal; or
- (f) a scheme being introduced by any Government Agency providing for Service Provider to gain or hold any licence, permit or authorisation or providing for Service Provider to purchase, hold or surrender any certificate, permit or instrument or any such scheme being varied,

except to the extent that such imposition, amendment, repeal, variation or introduction relates to income tax or GST or constitutes a tax on the profits of Service Provider.

**Claim** includes any claim, action, demand, proceeding, suit or other action whether for payment of money (including damages) or any other relief or remedy:

- (a) under, arising out of or in connection with this Agreement;
- (b) arising out of or in connection with the Services; or
- (c) otherwise at law or in equity including:
  - (i) by statute;
  - (ii) in tort for negligence or otherwise; or
  - (iii) for restitution, including restitution based on unjust enrichment.

**Code** has the same meaning that 'Operational Transportation Service Code' has in the National Gas Law.

#### Commercial Terms Schedule:

- (a) means, at a point in time, a commercial terms schedule attached, or applying, to this Agreement at that time and relating to a particular Service setting out commercial terms applicable to the provision of that Service to User, including type of Service, Service Commencement Date, Service Term, applicable tariffs and charges, receipt and delivery points, MDQ and any special conditions applicable to the provision of that Service; and
- (b) includes the General Charges Schedule.

**Compressor Fuel** means the quantity of Gas used as fuel in the provision of Pipeline Services, including fuel used in compressors on the Pipeline System and gas engine alternator fuel, but excluding Inlet/Outlet Compressor Fuel.

Condition Precedent Satisfaction Date means the date in Item 8 of Schedule 1.

Confidential Information has the meaning given in clause 34.1.

#### **Confirmed Quantities:**

(a) in relation to User pursuant to this Agreement, has the meaning given in clause 13.2; and

(b) in relation to an Other User has a corresponding meaning.

## Consequential Losses includes:

- special, indirect, remote, consequential and incidental losses or damages (whether or not they were or ought to have been foreseen or known by the other Party);
- (b) any loss of business opportunity, business interruption, loss of revenue, loss of access to markets, loss of goodwill, loss of business reputation, future reputation or publicity, increased overhead costs, damage to credit rating, loss of use, loss of interest or loss of profit or anticipated loss of profit or revenue;
- (c) punitive or exemplary damages; and
- (d) third party financial or economic losses,

and any other similar loss.

**Contracted Delivery Point MDQ** means, in respect of a Delivery Point, the Capacity at that Delivery Point in relation to which Service Provider has contracted to User to provide the Firm Service, as set out in the Commercial Terms Schedule for the Firm Service (and, except where indicated to the contrary in this Agreement, as adjusted by Service Provider to give effect to, or as a result of any:

- (a) applicable notification by AEMO to Service Provider of a sale of Capacity in accordance with the Capacity Transfer and Auction Procedures; or
- (b) valid notices in accordance with the terms of this Agreement and/or an Other User's agreement for Pipeline Services with Service Provider by which Service Provider is informed of the sale of Capacity by way of a relevant Bilateral Trade).

**Contracted Receipt Point MDQ** means, in respect of a Receipt Point, the Capacity at that Receipt Point in relation to which Service Provider has contracted to User to provide the Firm Service, as set out in the Commercial Terms Schedule for the Firm Service (and, except where indicated to the contrary in this Agreement, as adjusted by Service Provider to give effect to, or as a result of any:

- (a) applicable notification by AEMO to Service Provider of a sale of Capacity in accordance with the Capacity Transfer and Auction Procedures; or
- (b) valid notices in accordance with the terms of this Agreement and/or an Other User's agreement for Pipeline Services with Service Provider by which Service Provider is informed of the sale of Capacity by way of a relevant Bilateral Trade).

Corporations Act means Corporations Act 2001 (Cth).

**Counsel** has the meaning given in clause 32.1(c)(i).

CRS has the meaning given in clause 29.1.

CRS User has the meaning given in clause 29.2(b).

**Curtailment Notice** has the meaning given in clause 22.3(a).

Daily Tier 1 Excess Imbalance Quantity means:

Criteria	Daily Tier 1 Excess Imbalance Quantity
On a Day when the absolute value of the Accumulated Imbalance is less than the Tolerance Level	Zero
On a Day when the absolute value of the Accumulated Imbalance is within Tier 1	The amount (expressed as an absolute value) determined by subtracting the Tolerance Level from the absolute value of the Accumulated Imbalance
On a Day when the absolute value of the Accumulated Imbalance is within Tier 2	The amount (expressed as an absolute value) determined by subtracting the Tolerance Level from the maximum Tier 1 quantity

## Daily Tier 2 Excess Imbalance Quantity means:

Criteria	Daily Tier 2 Excess Imbalance Quantity
On a Day when the absolute value of the Accumulated Imbalance is less than the minimum Tier 2 quantity	Zero
On a Day when the absolute value of the Accumulated Imbalance is within Tier 2	The amount (in GJ) by which the absolute value of the Accumulated Imbalance exceeds the minimum Tier 2 quantity

## Day means:

- (a) subject to paragraph (b), a period of 24 consecutive hours beginning at 0530 hours on each day and ending at 0530 hours on the following day; or
- (b) such other period of time as may be required by law.

**Default** has the meaning given in clause 31.1(b).

**Default Charge Rate** means the rate bearing that description set out in the General Charges Schedule, as adjusted during the Term in accordance with clause 17.2.

## **Delivery Point** means:

- (a) for the purposes of this Agreement, a Delivery Point as specified in the relevant Commercial Terms Schedule, and any New Delivery Point determined in accordance with this Agreement; and
- (b) for the purposes of an agreement with an Other User, an existing or a new delivery point for the purposes of the agreement with that Other User.

**Direct Losses** means, in relation to a Party, actual, direct and foreseeable costs, losses or damages incurred by that Party caused by, or resulting from, a breach of this Agreement by the other Party, and includes all charges or other amounts that

would be payable by User to Service Provider under this Agreement during the Term, but does not include any Consequential Losses.

**Disagreement** has the meaning given in clause 32.1(c).

Disclosing Party has the meaning given in clause 34.1(d).

Dispute has the meaning given in clause 32.1.

Event of Default has the meaning given in clause 31.1.

Excess Imbalance has the meaning given in clause 16.4.

**Excess Imbalance Charge** means the charge referred to in clause 16.3 and the General Charges Schedule.

**Exchange** means the gas trading exchange established by AEMO under the National Gas Law and Part 22 of the National Gas Rules.

**Exchange Trade** means the sale of Transportation Capacity by User through the Exchange.

Execution Date has the meaning given in clause 3.1.

*Financial Matter* has the meaning given in clause 32.2(b).

#### Firm Service:

- (a) in relation to User pursuant to this Agreement, has the meaning given in clause 5.1(b); and
- (b) in relation to an Other User, has an equivalent meaning.

**Firm Service Charge** means the charge bearing that description set out in the Commercial Terms Schedule for the Firm Service.

**Firm Service Charge Rate** means the rate bearing that description set out in the Commercial Terms Schedule for the Firm Service, as adjusted during the Term in accordance with clause 17.2.

## Firm Service MDQ means:

- (a) in relation to User pursuant to this Agreement, the quantity of Gas specified as such in the Commercial Terms Schedule for the Firm Service; and
- (b) in relation to an Other User, the maximum quantity of Gas that the Other User has contracted to have delivered in aggregate at all delivery points on the Pipeline System under the Firm Service on any Day.

**Firm Service User** means a person that has entered into a contract with Service Provider for a Firm Service (other than User pursuant to this Agreement).

Force Majeure has the meaning given in clause 24.1(a).

**Forward Haul Auction Service** has the same meaning that 'forward haul auction service' has under the National Gas Rules.

**Forward Haul Auction Service MDQ** has the same meaning that 'forward haul auction MDQ' has under the National Gas Rules.

**Gas** means any hydrocarbons in a gaseous state and any mixture of one or more hydrocarbons in a gaseous state that may contain other gases (including the residue resulting from the treatment or processing of natural gas).

Gas Specification has the meaning given in clause 20.1.

**General Charges Schedule** means the schedule setting out the charges payable by User under this Agreement which are not specific to any particular Service, being Schedule 5.

**GJ** means one (1) gigajoule which is equal to 10<sup>9</sup> Joules.

**Government Agency** means any government or any governmental, semi-governmental, administrative, regulatory, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in Australia (whether federal, state or local) or any other part of the world.

**GST** has the same meaning as given in the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Imbalance means, for a Day, the difference between:

- (a) the amount being equal to:
  - (i) the quantity of Gas received by Service Provider from User into the Pipeline System on that Day; less
  - (ii) User's share of System Use Gas for that Day; and
- (b) the amount being equal to the quantity of Gas delivered by Service Provider to User from the Pipeline System on that Day,

it being acknowledged that the Imbalance may be a positive number or a negative number.

**Imbalance Correction Quantity** means, for a Day, the quantity of Gas (if any) in respect of User that has been posted by Service Provider on the CRS, and which is required to be corrected by User under clause 16.2.

*Impost* means any tax, excise, charge, levy, duty, fee, rate, royalty (whether based on value, profit or otherwise) or impost levied, charged or imposed on Service Provider by any Government Agency and includes the cost of any certificate or instrument required to be acquired, but does not include GST.

Independent Expert has the meaning given in clause 32.1(a)(iv).

**Information Recipient** has the meaning given in clause 34.1.

**Inlet/Outlet Compressor Fuel** means the gas used in any compression facilities, including gas engine alternators and heaters, that are used to provide a pressure service at any Receipt Point or Delivery Point.

## Insolvency Event means:

- (a) a "controller" (as defined in section 9 of the Corporations Act), administrator or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of a person;
- (c) any application (not withdrawn or dismissed within 7 Days) is made to a court for an order, an order is made, a meeting is convened or a resolution is passed, for the purpose of:

- (i) appointing a person referred to in paragraphs (a) or (b) of this definition;
- (ii) winding up or deregistering a person; or
- (iii) proposing or implementing a scheme of arrangement;
- (d) any application (not withdrawn or dismissed within 7 Days) is made to a court for an order, a meeting is convened, a resolution is passed or any negotiations are commenced, for the purpose of implementing or agreeing:
  - (i) a moratorium of any debts of a person;
  - (ii) any other assignment, composition or arrangement (formal or informal) with a person's creditors; or
  - (iii) any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee,

or any agreement or other arrangement of the type referred to in this paragraph (d) is ordered, declared or agreed to;

- (e) as a result of the operation of section 459F(1) of the Corporations Act, a person is taken to have failed to comply with a statutory demand (as defined in that Act);
- (f) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person;
- (g) the Commissioner of Taxation issues a notice to any creditor of a person under the *Taxation Administration Act 1953* (Cth) requiring that creditor to pay any money owing to that person to the Commissioner in respect of any tax or other amount required to be paid by that person to the Commissioner (whether or not due and payable) or the Commissioner advises that creditor that it intends to issue such a notice;
- (h) anything analogous to anything referred to in paragraphs (a) to (g) (inclusive) of this definition, or which has a substantially similar effect, occurs with respect to a person under any law of any jurisdiction; or
- (i) a person is, or admits in writing that it is, or is declared to be, or is taken under any applicable law to be (for any purpose), insolvent or unable to pay its debts.

Interconnect Parties means persons who operate Interconnect Facilities.

Interconnect Facilities means those pipeline facilities that are required to connect the Pipeline System to the facilities of User or of another person who receives and/or delivers Gas for User's account, which are necessary to enable Service Provider to receive or deliver Gas under this Agreement.

*Interest Rate* means the corporate overdraft reference rate for overdrafts of greater than \$100,000 (monthly charging cycle) applied from time to time by the Commonwealth Bank of Australia.

## Interruptible Service:

- (a) in relation to User under this Agreement, has the meaning given in clause 5.2(b); and
- (b) in relation to an Other User, has an equivalent meaning.

*Interruptible Service Charge* means the charge bearing that description set out in the Commercial Terms Schedule for the Interruptible Service.

*Interruptible Service Charge Rate* means the rate bearing that description set out in the Commercial Terms Schedule for the Interruptible Service, as adjusted during the Term in accordance with clause 17.2.

*Interruptible Service Delivered Quantity* means, for a Day, the quantity of Gas allocated to the Interruptible Service for that Day under clause 14.6.

## Interruptible Service MDQ means:

- (a) in relation to User pursuant to this Agreement, the quantity of Gas specified as such in the Commercial Terms Schedule for the Interruptible Service; and
- (b) in relation to an Other User, the maximum quantity of Gas that the Other User has contracted to have delivered in aggregate at all Delivery Points on the Pipeline System under that Interruptible Service on any Day.

**Interruptible Service User** means a person (other than User pursuant to this Agreement) that has entered into an agreement with Service Provider for an Interruptible Service.

**Katnook Receipt Point** means the entrance to the Pipeline System at the outlet of the meter station at Katnook.

**Kilopascal** (kPa) means one kilopascal and is equal to one thousand pascals absolute.

**Liability** means any debt, obligation, fine, penalty, Losses, expense, cost, outgoing, charge or compensation of any kind, including those that are prospective and contingent and those the amount of which is not ascertained or ascertainable.

**Licence** means Pipeline Licences No.3 and No.4 issued under the *Petroleum and Geothermal Energy Act* 2000 (SA) by the Minister of Energy.

Line Pack Gas has the meaning given in clause 10.5(b).

**Losses** means, in relation to a Party, all losses, damages, costs, claims, charges or expenses whatsoever including any direct, special, indirect, consequential or incidental losses or damages (whether or not they were or ought to have been foreseen or known by the other Party) including Consequential Losses.

**Lower Tier Service** has the same meaning that 'lower tier service' has under the National Gas Rules.

**Maintenance Operations** has the meaning given in clause 22.1(a).

#### MDQ means:

(a) in relation to a Service, and depending on the context:

- the maximum quantity of Gas that User may supply in aggregate at Receipt Points and/or take in aggregate at Delivery Points under that Service on any Day, as determined in accordance with the relevant Commercial Terms Schedule (after adjustment under any applicable provision of this Agreement); or
- (ii) the maximum quantity of Gas that User may supply at a Receipt Point or take at a Delivery Point under that Service on any Day, as determined in accordance with the relevant Commercial Terms Schedule (after adjustment under any applicable provision of this Agreement); and
- (b) in relation to an Other User and a Pipeline Service, and depending on the context:
  - (i) the maximum quantity of Gas that the Other User is entitled to supply in aggregate at Receipt Points and/or take in aggregate at Delivery Points under that Pipeline Service on any Day; or
  - (ii) the maximum quantity of Gas that the Other User is entitled to supply at a Receipt Point and/or take at a Delivery Point under that Pipeline Service on any Day.

**Measuring Equipment** has the meaning given in Schedule 3.

**MHQ** means the maximum quantity of Gas that User may supply at a Receipt Point and/or take at a Delivery Point in any hour, as determined in accordance with clause 15.1.

**Month** means the period beginning on the first Day of a calendar month and ending on the first Day of the next calendar month, provided that:

- (a) if the Services Commencement Date is other than the first Day of a calendar month, the first Month will be the period beginning on the Services Commencement Date and ending on the first Day of the next calendar month; and
- (b) if the Termination Date is other than the first Day of a calendar month, the final Month will be the period from the first Day of the calendar month in which the Termination Date occurs to the end of the Day that is the Termination Date.

**National Gas Law** means the Schedule to the *National Gas (South Australia) Act* 2008 (SA).

National Gas Rules is defined in the National Gas Law.

**Nomination Cut-Off Time** means, for a Day:

- (a) subject to paragraph (b), the cut-off time specified in the Standard Market Timetable applicable to Services other than Auction Services (being 1430 hours on the previous Day); or
- (b) such other time as may be required by law.

Non-Specification Gas has the meaning given in clause 20.2(a).

**Non-Specification Gas** has the meaning given in clause 20.3(b)(i).

**Non-Specification Gas Quantity** means the quantity of Gas supplied by User at a Receipt Point that does not meet the Gas Specification.

**Non-Specification Gas Rejection Notice** has the meaning given in clause 20.3(b)(ii).

Notice has the meaning given in clause 28.1(a).

**Notice for Arbitration** has the meaning given in clause 32.10.

**OE Valid Trading Party** has the meaning given in clause 27.1(c).

**OFO** or **Operational Flow Order** has the meaning given in clause 23.1(a).

Operational Transfer has the meaning given in clause 6.1(a).

Other Entitlement has the meaning given in clause 27.1(a).

Other Entitlement Bilateral Trade has the meaning given in clause 27.1(a).

Other Notices has the meaning given in clause 28.3(a)(iii).

**Other User** means a person (other than User pursuant to this Agreement) to whom Service Provider is providing, or (if the context requires) intends to provide, Pipeline Services (and who, for clarity, may be a Primary Shipper or a Secondary Shipper).

#### OTSA means:

- (a) a 'standard OTSA' (as defined in the National Gas Law) prepared and published by Service Provider in accordance with the National Gas Law and/or National Gas Rules; or
- (b) an 'operational transportation service agreement' (as defined in the National Gas Law) that is different to the standard OTSA prepared and published by Service Provider and which has been entered into by Service Provider with the relevant Other User.

**Party** means either Service Provider or User; and **Parties** means both Service Provider and User.

Payment Default has the meaning given in clause 31.1(c).

**Peaking Charge** means the charge bearing that description set out in the General Charges Schedule.

**Peaking Gas** means any Gas delivered by Service Provider in excess of the MHQ as determined under clause 15.2.

**Permit** means a permit, consent, allowance, credit, offset, unit, certificate or other instrument.

Pipeline Gas has the meaning given in clause 10.5(a).

**Pipeline Service Point** has the same meaning that 'pipeline service point' has in Part 24 of the National Gas Rules.

**Pipeline Services** means Gas receipt, transportation, delivery and related services provided by means of the Pipeline System (which, for clarity, includes the Services, Traded Forward Haul Service and Forward Haul Auction Service).

**Pipeline System** means the pipeline system that is operated by Service Provider pursuant to the Licence.

**Pipelines Access-Arbitration Regime** means the access dispute provisions set out in Chapter 6A of the National Gas Law and Division 4 of Part 12 of the National Gas Rules.

**PPSA Security Interest** has the meaning given in clause 33.3(c).

## **PPS Law** means:

- (a) the *Personal Property Securities Act 2009* (Cth) and any regulation made thereunder; and
- (b) any amendment made at any time to any other legislation as a consequence of a law or regulation referred to in paragraph (a).

**Primary Shipper** has the same meaning that 'primary shipper' has under the National Gas Rules.

Proposed OEBT Notice has the meaning given in clause 27.2.

**Quarter** means a 3 Month period beginning on each of 1 January, 1 April, 1 July and 1 October.

**reasonable and prudent** means, in relation to an undertaking, the exercise of that degree of skill, diligence, prudence and foresight that would reasonably and ordinarily be exercised by a skilled and experienced person complying with recognised standards and applicable laws in the same type of undertaking under the same circumstances and conditions; and **reasonably and prudently** has a corresponding meaning.

#### Receipt Point means:

- (a) for the purposes of this Agreement, any of the Katnook Receipt Point or SESA Receipt Point and/or any other receipt points determined in accordance with this Agreement; and
- (b) for the purposes of an agreement with an Other User, an existing or a new receipt point for the purposes of the agreement with that Other User.

**Related Body Corporate** has the meaning given to that term in section 9 of the Corporations Act, and additionally in the case of Service Provider includes:

- (a) each entity that would be considered a Related Body Corporate of Service Provider if section 48(2) of the Corporations Act did not apply; and
- (b) each entity:
  - (i) which has a relevant interest in the securities of one of the entities referred to in paragraph (a); or
  - (ii) which is a subsidiary of one of the entities referred to in paragraph (a); or
  - (iii) in which one of the entities referred to in paragraph (a) has a relevant interest in its securities,

and for these purposes a subsidiary and a relevant interest in securities each has the meaning as defined in the Corporations Act.

**Renomination** has the same meaning that 'renomination' has in Part 24 of the National Gas Rules.

**Scheduled Delivery Quantity** means, in respect of a Service and a Delivery Point for a Day, the quantity of Gas scheduled for delivery to User at that Delivery Point under that Service on that Day.

**Scheduled Receipt Quantity** means, in respect of a Service and a Receipt Point for a Day, the quantity of Gas scheduled for receipt from User at that Receipt Point on that Day.

**Scheduling Time** means, in respect of a Service for a Day:

- (a) for a Service that:
  - (i) is not a Lower Tier Service; or
  - (ii) is a Lower Tier Service but is not to be scheduled to use Auction Capacity,

subject to the Capacity Transfer and Auction Procedures, up to 90 minutes after the applicable Nomination Cut-Off Time for that Service; and

(b) for a Service that is a Lower Tier Service and is to be scheduled to use Auction Capacity, after Forward Haul Auction Services for that Day have been scheduled.

**Secondary Shipper** has the same meaning that 'secondary shipper' has under the National Gas Rules.

**Security Amount** has the meaning given in clause 17.9(c).

Security Documents has the meaning given in clause 33.3(e).

Security Interest has the meaning given in clause 33.3(c)(ii).

**Service** means a Pipeline Service for which a Commercial Terms Schedule is effective (as that Commercial Terms Schedule may be varied or amended in accordance with this Agreement from time to time).

Service Commencement Date for a Service means the later of:

- (a) the date that the Service will commence as set out in the Commercial Terms Schedule for that Service; and
- (b) the beginning of the Day that commences after the date on which the requirements of clause 2 are met.

**Service Term** for a Service means the period commencing on the relevant Service Commencement Date and ending on the relevant Service Termination Date.

**Service Termination Date** for a Service means the date that the Service will end as set out in the Commercial Terms Schedule for that Service unless that date is extended in accordance with the terms of this Agreement.

**SESA Pipeline** means the pipeline system from Poolaijelo in Victoria to Penola in South Australia in respect of which Pipeline Licence PL 16 has been granted under the *Petroleum and Geothermal Energy Act 2000* (SA).

**SESA Receipt Point** means the point immediately downstream of the point of connection between the SESA Pipeline and the Pipeline System.

**SP Confidentiality Undertaking** means a written undertaking in favour of, and in a form acceptable to, the Disclosing Party and the Information Recipient, to keep confidential the Confidential Information to be disclosed, on terms the same, or the same in all material respects, as those in clause 34.1.

**Standard Market Timetable** means the standard market timetable in Part 26 of the National Gas Rules.

SUG Modification Notice has the meaning given in clause 10.4(b).

**System Use Gas** has the meaning given in clause 10.5.

**System Use Gas Percentage** at any time before the SUG Modification Notice takes effect, has the meaning given in clause 10.4(c)(ii), or at any time on and from the date on which the SUG Modification Notice takes effect, has the meaning given in clause 10.4(d)(ii).

**Technical Matter** has the meaning given in clause 32.2(a).

**Term** has the meaning given in clause 3.1.

**Termination Date** means the time of commencement of the last Day of the Service Term for the Service that ends last under this Agreement, or any earlier date on which this Agreement is terminated in accordance with its terms.

*Tier 1* has the meaning given in clause 16.3(c).

**Tier 1 Excess Imbalance Charge** means the charge payable by User in respect of its Daily Tier 1 Excess Imbalance Quantities and calculated in accordance with the General Charges Schedule and clause 16.3.

**Tier 1 Excess Imbalance Charge Rate** means the rate bearing that description set out in the relevant General Charges Schedule, as adjusted during the Term in accordance with clause 17.2.

Tier 2 has the meaning given in clause 16.3(c).

**Tier 2 Excess Imbalance Charge** means the charge payable by User in respect of its Daily Tier 2 Excess Imbalance Quantities and calculated in accordance with the General Charges Schedule and clause 16.3.

**Tier 2 Excess Imbalance Charge Rate** means the rate bearing that description set out in the General Charges Schedule, as adjusted during the Term in accordance with clause 17.2.

**TJ** means terajoule and is equal to one thousand (10<sup>3</sup>) GJ.

Tolerance Level has the meaning given in clause 16.3(c).

**Total System Use Gas Quantity** at any time before the SUG Modification Notice takes effect, has the meaning given in clause 10.4(c)(ii), or, at any time on and from the date on which the SUG Modification Notice takes effect, has the meaning given in clause 10.4(d)(ii).

**Traded Firm MDQ** has the meaning given in clause 6.1(b).

**Traded Forward Haul Service** has the same meaning that 'Traded Forward Haul Service' has under the Code.

**Traded Forward Haul Service MDQ** has the same meaning as 'Traded Forward Haul Service MDQ' has under the Code.

**Transportation Capacity** has the meaning given to the term 'transportation capacity' in the National Gas Law.

**Unauthorised Overrun Charge** means the charge bearing that description set out in the General Charges Schedule.

**Unauthorised Overrun Gas** means, for a Day, the quantity of Gas allocated as such for that Day under clause 14.6(c).

**Unauthorised Overrun Charge Rate** means the rate bearing that description set out in the General Charges Schedule, as adjusted during the Term in accordance with clause 17.2.

Valid Trading Party has the meaning given in clause 6.4(b).

**Wilful Misconduct** means, in relation to a Party, any act or omission of that Party or any of its employees, agents or contractors which:

- (a) was done or omitted to be done with deliberate, knowing or reckless disregard for its foreseeable, harmful and avoidable consequences; and
- (b) was not an error of judgment, mistake or other act or omission (negligent or not) that was made in good faith.

**Year** means a period of 12 consecutive Months, commencing on each 1 January during the Term, provided that:

- (a) if the Services Commencement Date occurs on a day other than 1 January, the first Year will be the period beginning on that Services Commencement Date and ending at the end of the Day that commences on the next 31 December; and
- (b) if the Termination Date occurs on a date other than 1 January, the final Year will be the period from 1 January immediately prior to the Termination Date to the end of the Day that is the Termination Date.

## 1.2 Interpretation

In the construction of this Agreement, unless the context requires otherwise:

- (a) a reference to a clause or schedule is to a clause of or schedule to, this Agreement, and a reference to this Agreement includes any schedule or annexure;
- (b) a reference to a party to a document (including a Party under this Agreement), includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (c) words indicating the singular number include the plural number and vice versa;
- (d) words indicating one gender include any other gender;

- (e) headings are for convenience only and do not affect interpretation;
- (f) another grammatical form of a defined word or expression has a corresponding meaning;
- (g) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (h) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, reenactments or replacements of any of them;
- (i) a reference to any agreement (including this Agreement) or other document or instrument is a reference to that agreement as amended, varied, novated or substituted from time to time;
- (j) references to dollars or \$ are references to Australian dollars;
- (k) unless otherwise expressly indicated, a reference to a time of day in connection with the performance of an obligation by a Party is a reference to Australian central standard time (and not adjusted for daylight saving time), even if the obligation is to be performed elsewhere;
- (I) the meaning of general words is not limited by specific examples introduced by 'including', 'for example' or similar expressions;
- (m) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (n) any agreement, representation, warranty or indemnity by two or more Parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (o) any agreement, representation, warranty or indemnity in favour of two or more Parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (p) a rule of construction does not apply to the disadvantage of a Party because the Party was responsible for the preparation of this Agreement or any part of it; and
- (q) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day. (For clarity, an obligation or an event relating to an operational issue that is to be performed or occur on a Day (including an obligation to give an operational Notice) must be performed or must occur on that Day.)

## 1.3 Standards

Terminology used to describe units will, unless otherwise stated, be in accordance with:

- (a) Australian Standard AS ISO 1000 1998, the international system of units (SI) and its application;
- (b) the *National Measurement Act 1960* and the regulations under that Act;

- (c) AS/NZS 1376 1996 Conversion Factors; and
- (d) the Australian Gas Association publication 'Metric Units and Conversion Factors for Use in the Australian Gas Industry'.

# 1.4 Rounding

- (a) Subject to clauses 1.4(b) and 1.4(c), any numerical calculation that results in more than four decimal places must be rounded to four decimal places by being rounded up, if the decimal place following the fourth decimal place is greater than or equal to 5, and rounded down, if the decimal place following the fourth decimal place is less than 5.
- (b) Any numerical calculation of a quantity of Gas must be rounded to the nearest GJ by being rounded up, if the first decimal place is greater than or equal to 5, and rounded down, if the first decimal place is less than 5.
- (c) With the exception of tariffs, any numerical calculation of a dollar amount must be rounded to the nearest cent by being rounded up, if the next decimal place is greater than or equal to 5, and rounded down, if the next decimal place is less than 5.
- (d) Any numerical calculation of a tariff amount must be rounded to four decimal places by being rounded up, if the next decimal place is greater than or equal to 5, and rounded down, if the next decimal place is less than 5.

#### 1.5 User

A reference to the supply by, or delivery to, User of Gas means:

- (a) supply or delivery of Gas under this Agreement; and
- (b) includes supply of Gas by, or delivery of Gas to, a person on behalf of User.

### 1.6 Quantities

References to the supply of Gas at a Receipt Point or the delivery of Gas at a Delivery Point are references to, unless the context otherwise requires, quantities of Gas so supplied or delivered under this Agreement.

## 2. CONDITIONS PRECEDENT

#### 2.1 Condition Precedent

This Agreement, other than this clause 2 and clauses 3, 4, 17.9, 24, 28, 30, 31, 32, 33, 34 and 37 (which come into effect on the Execution Date), is subject to and does not come into effect unless and until Service Provider has obtained the approval of its board of directors to enter into this Agreement.

#### 2.2 Benefit of the Condition Precedent

The condition precedent set out in clause 2.1 is for the benefit of Service Provider and Service Provider must act reasonably and prudently to satisfy that condition precedent by the Condition Precedent Satisfaction Date.

## 2.3 Satisfaction or Waiver

- (a) Service Provider may waive the condition precedent set out in clause 2.1 by Notice to User.
- (b) Service Provider must provide User with Notice as soon as reasonably practicable after the condition precedent set out in clause 2.1 has been satisfied.

#### 2.4 Termination if Condition Precedent not Satisfied or Waived

If the conditions precedent set out in clause 2.1 has not been satisfied or waived by the Conditions Precedent Satisfaction Date (or such later date as the Parties may agree in writing), either Party may, by giving not less than 7 Days' Notice to the other Party, terminate this Agreement and the provisions of clause 31.6 apply.

#### 3. COMMENCEMENT AND TERM

## 3.1 Commencement and Term of Agreement

Subject to clause 2, this Agreement takes effect on the date it is executed by the Parties (**Execution Date**) and will cease to have effect on the Termination Date (**Term**).

#### 3.2 Service Terms

The term for the provision of a Service will commence on the Service Commencement Date for that Service and will continue for the Service Term for that Service, unless this Agreement is terminated earlier in accordance with its terms.

## 4. REPRESENTATIONS AND WARRANTIES

## 4.1 User's Representations and Warranties

User represents and warrants to Service Provider that:

- (a) it has full power and authority to enter into this Agreement, and has taken all necessary action to authorise the execution and performance of this Agreement;
- (b) its obligations under this Agreement are legally valid and binding and are enforceable against it in accordance with their terms;
- (c) User's execution and performance of this Agreement does not:

- (i) contravene its constituent documents or any law or any obligations or undertakings by which it or any of its assets are bound; or
- (ii) exceed any limitation on its, or its directors', powers;
- (d) it is not in default under any law affecting it or its assets, or any obligation or undertaking by which it or any of its assets are bound which will, or might reasonably be expected to, materially affect its ability to perform its obligations under this Agreement;
- (e) it does not have immunity from the jurisdiction of a court or from legal process which will, or might reasonably be expected to, materially affect its ability to perform its obligations under this Agreement; and
- (f) there is no pending or threatened action or proceeding affecting User or any of its assets before a court, referee, Government Agency, commission, arbitrator or other tribunal which will, or might reasonably be expected to, materially affect its ability to perform its obligations under this Agreement.

# 4.2 Service Provider's Representations and Warranties

Service Provider represents and warrants to User that:

- it has full power and authority to enter into this Agreement, and has taken all necessary action to authorise the execution and performance of this Agreement;
- (b) its obligations under this Agreement are legally valid and binding and are enforceable against it in accordance with their terms;
- (c) Service Provider's execution and performance of this Agreement does not:
  - (i) contravene its constituent documents or any law or any obligations or undertakings by which it or any of its assets are bound; or
  - (ii) exceed any limitation on its, or its directors', powers;
- (d) it is not in default under any law affecting it or its assets, or any obligation or undertaking by which it or any of its assets are bound which will, or might reasonably be expected to, materially affect its ability to perform its obligations under this Agreement;
- (e) it does not have immunity from the jurisdiction of a court or from legal process which will, or might reasonably be expected to, materially affect its ability to perform its obligations under this Agreement; and
- (f) there is no pending or threatened action or proceeding affecting Service Provider or any of its assets before a court, referee, Government Agency, commission, arbitrator or other tribunal which will, or might reasonably be expected to, materially affect its ability to perform its obligations under this Agreement.

#### 5. SERVICES

#### 5.1 Firm Service

(a) On any Day during the Service Term of the Firm Service, Service Provider will provide the Firm Service to User on and subject to the terms of this Agreement.

# (b) Firm Service means:

- (i) the receipt by Service Provider on a Day of User's Gas at one or more Receipt Points (up to the respective Contracted Receipt Point MDQs), of the quantities of Gas scheduled for that Day in accordance with clause 9 in respect of the Firm Service up to but not exceeding the aggregate of the Firm Service MDQ and the required quantity of System Use Gas and the Imbalance Correction Quantity; and
- (ii) subject to User supplying the quantity of Gas it is scheduled to supply on that Day, the delivery by Service Provider to User on that Day, at Delivery Points, of the quantity of Gas scheduled for delivery in accordance with clause 9 in respect of the Firm Service at those Delivery Points (up to the respective Contracted Delivery Point MDQs) up to but not exceeding the Firm Service MDQ in aggregate.
- (c) Service Provider will not be obliged to deliver an aggregate quantity of Gas to User under the Firm Service at the Delivery Points greater than the aggregate quantity of Gas received from User at the Receipt Points excluding System Use Gas.

## 5.2 Interruptible Service

(a) On any Day during the Service Term of the Interruptible Service, Service Provider will provide the Interruptible Service to User on and subject to the terms of this Agreement.

## (b) Interruptible Service means:

- (i) the receipt by Service Provider on a Day of User's Gas at one or more Receipt Points of the quantities of Gas scheduled for that Day in accordance with clause 9 in respect of the Interruptible Service up to but not exceeding the Interruptible Service MDQ in aggregate, plus any System Use Gas and the Imbalance Correction Quantity; and
- (ii) subject to User supplying the quantity of Gas it is scheduled to supply on that Day, the delivery by Service Provider to User on that Day, at Delivery Points, of the quantity of Gas scheduled for delivery in accordance with clause 9 in respect of the Interruptible Service at those Delivery Points up to but not exceeding the Interruptible Service MDQ in aggregate.

(c) The Interruptible Service will only be available on a Day if sufficient Capacity remains after all of the agreements for Pipeline Services with a higher priority than the Interruptible Service have been satisfied by Service Provider and may be interrupted on a Day even after the Interruptible Service has been scheduled by Service Provider for that Day.

#### 6. SALE OF FIRM SERVICE MDQ

## 6.1 User's right to sell

- (a) User is entitled to sell all or part of the Firm Service MDQ for a Day for use under an OTSA (an **Operational Transfer**), on and subject to the provisions of this clause 6.
- (b) The quantity of Firm Service MDQ that is sold, or (as the context requires) intended to be sold, for a Day under an Operational Transfer is the **Traded Firm MDQ**.

#### 6.2 Mode of sale

Subject to the terms and conditions of this clause 6, an Operational Transfer may take place:

- (a) through an Exchange Trade; or
- (b) under a Bilateral Trade.

## 6.3 Preconditions to an Exchange Trade

User's right under clause 6.2(a) is subject to and conditional upon validation of the sale and purchase of the relevant quantity of Traded Firm MDQ in accordance with the Capacity Transfer and Auction Procedures (and, accordingly, if and for so long as the sale and purchase fails validation on a ground provided for in the Capacity Transfer and Auction Procedures, the sale and purchase will be disregarded).

#### 6.4 Bilateral Trades

- (a) This clause 6.4 sets out the procedures by which User may, by Bilateral Trade, sell Firm Service MDQ to an Other User.
- (b) User may only enter into a Bilateral Trade with:
  - (i) an Other User who is a party to an OTSA; or
  - (ii) such Other User approved by Service Provider (which approval is not to be unreasonably withheld).

# a Valid Trading Party.

(c) Service Provider is not required to give effect to an Operational Transfer by way of a Bilateral Trade unless Service Provider receives a joint notice of the Bilateral Trade from User and the proposed Valid Trading Party at Service Provider's email address for Other Notices set out in this Agreement (or by such other means reasonably required by Service Provider, including lodgement on the CRS) at least 10 Business Days prior to the first Day for which the Bilateral Trade will have effect setting out:

- (i) the term of the Bilateral Trade;
- (ii) the quantity of Traded Firm MDQ to which the Bilateral Trade relates;
- (iii) the AEMO Zone(s) to which the Bilateral Trade relates;
- (iv) the Receipt Point and Delivery Point from which the quantity of Traded Firm MDQ is to be released by User; and
- (v) the Receipt Point and Delivery Point at which the Valid Trading Party will use that Traded Firm MDQ.
- (d) If Service Provider receives a notice in accordance with clause 6.4(c), Service Provider may only refuse to give effect to the relevant Bilateral Trade if:
  - (i) Service Provider is entitled, under clause 6.6, to not give effect to that Bilateral Trade;
  - (ii) the quantity of Traded Firm MDQ to which that Bilateral Trade relates will, for any part of the term of the Bilateral Trade, exceed User's Firm Service MDQ (assessed prior to that Bilateral Trade); or
  - (iii) the quantity of Traded Firm MDQ to which that Bilateral Trade relates is not able to be used by the Valid Trading Party in the AEMO Zone(s) to which that Bilateral Trade relates.
- (e) Service Provider will notify User within 8 Business Days of receipt of a notice under clause 6.4(c) that it:
  - (i) will give effect to the Bilateral Trade; or
  - (ii) is refusing to give effect to the Bilateral Trade, in which case the notice will provide the reason(s) for which Service Provider is refusing to give effect to the Bilateral Trade.

## 6.5 Consequences of Operational Transfer

Despite anything to the contrary in this Agreement, for the period of an Operational Transfer, the Firm Service MDQ of User will be taken to be reduced by the quantity of the Traded Firm MDQ the subject of that Operational Transfer for the purposes of, and only of:

- (a) clause 5.1;
- (b) clause 7.1;

- (c) clause 8;
- (d) clause 9;
- (e) clause 14.6;
- (f) the definition of 'Tolerance Level' in clause 16.3(c);
- (g) the definition of 'Tier 1' in clause 16.3(c);
- (h) the definition of 'Tier 2' in clause 16.3(c); and
- (i) clause 16.

## 6.6 Rights of Service Provider

Despite anything to the contrary in this clause 6, Service Provider will be entitled, without any liability to User, to:

- (a) decline to give effect to an Exchange Trade in circumstances permitted by the Capacity Transfer and Auction Procedures;
- (b) not give effect, or continue to give effect, to an Exchange Trade where permitted by the National Gas Rules or otherwise by law; and
- (c) not give effect to an Operational Transfer if, or suspend giving effect to an Operational Transfer during any period in which, User is:
  - (i) in breach of this Agreement;
  - (ii) 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; or
  - (iii) the Valid Trading Party is in breach of the OTSA with Service Provider under which the Traded Firm MDQ the subject of that Bilateral Trade would be used.

## 6.7 No responsibility for use by Valid Trading Party

- (a) User has no liability to Service Provider for any acts or omissions of the acquiring Valid Trading Party during the period of a Bilateral Trade in respect of the Traded Firm MDQ to which that Bilateral Trade relates.
- (b) Clause 6.7(a) does not apply to liability of User which arises independently of the Bilateral Trade or this Agreement.

#### 7. PRIORITY OF SERVICE

# 7.1 Order of Priority – other than Renominations

If there is insufficient Capacity to satisfy all:

- (a) nominations by User and all Other Users; or
- (b) quantities scheduled by Service Provider for User and all Other Users (other than due to any accepted Renomination(s)),

for Pipeline Services for a Day, then Service Provider will:

- (c) in the case of clause 7.1(a), schedule Gas deliveries and/or receipts in the order set out below; or
- (d) in the case of clause 7.1(b), curtail Gas deliveries and/or receipts in the opposite order to that set out below (and where Service Provider is curtailing Gas deliveries and/or receipts, references below to quantities nominated by User or an Other User will be taken to be references to quantities scheduled by Service Provider for that User or Other User):
  - (i) Quantities nominated by User and all Firm Service Users within their respective Firm Service MDQs and User and all Other Users within their respective Traded Forward Haul Service MDQs. If the sum of the confirmed nominations exceeds the available Capacity, the available Capacity will be shared between User, all Firm Service Users, and all such Other Users pro rata on the basis of their respective Firm Service MDQs or Traded Forward Haul Service MDQs (as applicable) (or Contracted Receipt Point MDQs or Contracted Delivery Point MDQs, as applicable) for the relevant Day.
  - (ii) Quantities nominated by User and all Other Users within their respective Forward Haul Auction Service MDQs (and accepted by Service Provider). If the sum of the confirmed nominations exceeds the available Capacity, the available Capacity will be shared between User and all such Other Users pro rata on the basis of the amounts of their respective accepted nominations for Forward Haul Auction Service for the relevant Day.
  - (iii) Quantities nominated by User and all Interruptible Service Users (and accepted by Service Provider) for an Interruptible Service. If the sum of those quantities exceeds the actual Capacity available to meet those requested Interruptible Services, the available Capacity will be shared between User and all such Other Users pro-rata on the basis of the amounts of their respective accepted nominations for Interruptible Service on the relevant Day.

#### 7.2 Renominations

If there is insufficient Capacity to satisfy all quantities scheduled by Service Provider for Pipeline Services for User and all Other Users on a Day due to any accepted Renomination(s), Service Provider will curtail Gas deliveries and/or receipts in accordance with:

- (a) the Auction Service Priority Principles, if and to the extent they are applicable on that Day; and otherwise
- (b) clause 7.1(b).

# 7.3 Variations to Priority and Sequence

- (a) Subject to clause 7.3(b), User acknowledges and agrees that Service Provider may from time to time agree to provide Other Users with Pipeline Services that are not listed in clause 7.1 and that, despite clause 7.1, Service Provider may, by Notice to User, vary the priority and sequence in clause 7.1 by:
  - (i) inserting one or more additional paragraphs; and/or
  - (ii) modifying one or more existing paragraphs,

to reflect the priority and sequence that Service Provider and the Other Users have agreed will be accorded to those Pipeline Services.

(b) Service Provider will not vary clause 7.1so as to accord any Pipeline Service provided to an Other User a higher priority than that referred to in clause 7.1(d)(i) (but, for the avoidance of doubt, Service Provider may accord a Pipeline Service the same priority as that referred to in clause 7.1(d)(i)).

# 8. FORECASTS AND NOMINATIONS

#### 8.1 Nominations

- (a) Not later than 5 Business Days prior to the first Day of each Month, User must provide to Service Provider its nominations for each Service for each Day of that Month.
- (b) User may provide Service Provider with nominations for more than one Month in advance, which shall remain in effect until User provides Service Provider with a revised nomination.
- (c) By no later than the Nomination Cut-Off Time on each Day User must give Service Provider its nomination for each Service under this Agreement for the next Day and its best estimate of its nomination for each Service under this Agreement for the following two Days. Each such nomination and best estimate will prevail over any nomination for the relevant Day that may have been provided by User under clause 8.1(a).

- (d) User's nomination must specify the quantity of Gas nominated:
  - (i) to be supplied by User at each Receipt Point in respect of each Service and in aggregate at the Receipt Points; and
  - (ii) to be taken at each Delivery Point in respect of each Service and in aggregate at the Delivery Points.
- (e) If any of the quantities of Gas nominated by User for a Day under clause 8.1(c) (or deemed to have been nominated for that Day under clause 8.2) are not scheduled by Service Provider pursuant to clause 9, Service Provider will advise User by a scheduled quantities report by electronic means as soon as practicable (and in any event by no later than the latest Scheduling Time applicable to the Services nominated (or deemed to have been nominated) by User for that Day).
- (f) Where User has submitted a nomination under this clause 8.1, and Service Provider reasonably believes that nomination is not bona fide, Service Provider will have the right to reject such nomination in whole or in part. Where Service Provider rejects such nomination, it will advise User via the CRS, email or electronic means as soon as practicable.
- (g) If the sum of any nominations in respect of a Service for any Day exceeds the applicable MDQ, Service Provider may reduce those nominations to the amount of the applicable MDQ, and those reduced quantities will be deemed to be the nominated quantities.
- (h) By making nominations in accordance with this clause 8.1, User will be deemed to have warranted that User has made to the relevant Interconnect Parties, and those Interconnect Parties have accepted, a nomination for the supply at the relevant Receipt Points of the quantity of Gas the subject of the nominations made in accordance with this clause 8.1 (including User's share of any System Use Gas and any Imbalance Correction Quantity) on the relevant Day.
- (i) User is solely responsible for the accuracy of its nominations and Service Provider will have no obligation to enquire whether nominations are correct.

#### 8.2 Deemed Nominations

If User fails to make a nomination under clause 8.1(c) for any Service for a Day, User's nomination for that Service for that Day will be deemed to be:

- (a) where the Service is the Firm Service:
  - (i) where a best estimate of nominated quantity for that Day has previously been made under clause 8.1(c), that best estimate;
  - (ii) where a best estimate of nominated quantity for that Day has not previously been made under clause 8.1(c) but a nomination for that

- Day has previously been made under clause 8.1(a), that nominated quantity; or
- (iii) where a best estimate of nominated quantity for that Day has not previously been made under clause 8.1(c) an a nomination for that Day has not been made under clause 8.1(a), zero; and
- (b) for any other Service, zero.

#### 9. SCHEDULING AND VARIATIONS

# 9.1 Scheduling of Receipt and Delivery Quantities

- (a) This clause 9.1 applies to all Services unless specified otherwise in a Commercial Terms Schedule.
- (b) By no later than the applicable Scheduling Time for a Service, Service Provider will schedule receipts and deliveries of Gas for that Service as nominated by User for the following Day in accordance with clause 8. (For clarity, User acknowledges and agrees that receipts and deliveries of Gas for a Day in respect of any Service that is a Lower Tier Service and which is to be scheduled to use Auction Capacity, will not be scheduled until after Forward Haul Auction Services have been scheduled have been scheduled for User and Other Users who nominate to be provided with Forward Haul Auction Service on that Day.)
- (c) Service Provider is not obligated to schedule for receipt at the Receipt Points on a Day more Gas than the lesser of:
  - (i) the total of the quantities of Gas nominated by User at Receipt Points; and
  - (ii) the total of the quantities of Gas nominated by User at Delivery Points,

for that Day, plus System Use Gas and any Imbalance Correction Quantity.

- (d) Service Provider will not be obligated to schedule for delivery at Delivery Points on a Day more Gas than is scheduled to be received at the Receipt Points, less any System Use Gas.
- (e) Service Provider is not obligated to accept into the Pipeline System any quantity of Gas on a Day that exceeds the total of the Scheduled Receipt Quantities for that Day (unless there has been an Authorised Variation for that Day pursuant to clause 9.2).
- (f) If the Contracted Receipt Point MDQ or the Contracted Delivery Point MDQ is equal to or greater than the quantity of Gas nominated by User as Firm Service at the relevant Receipt Point or Delivery Point (as applicable), Service Provider will schedule the receipts or deliveries of Gas nominated

by User, provided that Service Provider will not be obliged to schedule as Firm Service quantities of Gas:

- (i) to be supplied by User at each Receipt Point and in aggregate at the Receipt Points; and
- (ii) to be taken at each Delivery Point and in aggregate at the Delivery Points.

for a Day that exceeds the Firm Service MDQ, except to the extent that such obligations or rights are expressly varied under this Agreement.

# 9.2 Rescheduling

- (a) Subject to the provisions of this clause 9.2, User may at any time prior to 1800 hours on a Day request Service Provider to authorise a variation in one or more of the Scheduled Receipt Quantities for that Day, provided that:
  - (i) the amount of the variation sought is matched (in aggregate, but net of User's share of that Day's System Use Gas and inclusive of any Imbalance Correction Quantity) by variations to specific Scheduled Delivery Quantities for the same Day; and/or
  - (ii) the variation does not reduce the scheduled quantities for that Day to a quantity that is less than the quantity of Gas already received and delivered for User on that Day, as determined by Service Provider on the basis of the best information available to Service Provider at the time.
- (b) In order for Service Provider to consider a request for a variation to a Scheduled Receipt Quantity, User must specify the Receipt Point at which the amount of the variation is to apply.
- (c) Service Provider will have no obligation to authorise a variation to a Scheduled Receipt Quantity for a Day if, to do so, would adversely affect the quantities of Gas already scheduled for receipt from and delivery to Other Users on that Day.
- (d) If a request for a variation to one or more of the Scheduled Receipt Quantities for a Day is approved by Service Provider (Authorised Variation), the nominated quantities and the scheduled quantities will be amended accordingly as follows:
  - (i) for variation requests received prior to 1130 hours on a Day the relevant quantities will be amended by Service Provider by 1230 hours;
  - (ii) for variation requests received prior to 1500 hours on a Day the relevant quantities will be amended by Service Provider by 1600 hours; and

- (iii) for variation requests received prior to 1800 hours on a Day the relevant quantities will be amended by Service Provider by 1900 hours.
- (e) Each time there is an Authorised Variation in respect of User or Service Provider approves a variation to any of the scheduled quantities for any Other Users, the System Use Gas in respect of User and Other Users for the Day will be recalculated using the calculation in clause 10.4 and posted on the CRS.

## 10. SYSTEM USE GAS

# 10.1 Take or Return of System Use Gas

Service Provider may, at no cost to Service Provider, either take System Use Gas from the Gas supplied by User and Other Users into the Pipeline System or return System Use Gas by reducing Gas supplied by User and Other Users into the Pipeline System.

## 10.2 Responsibility for System Use Gas

- (a) User will be responsible for providing Service Provider with, or taking delivery of, its share of System Use Gas, which may be a positive or negative amount.
- (b) Service Provider will use reasonable and prudent efforts to minimise the quantity of System Use Gas that is required for the operation of the Pipeline System.
- (c) The Gas used for Inlet/Outlet Compressor Fuel at any Receipt Point or Delivery Point will be allocated only amongst Users of the relevant Receipt Point or Delivery Point.

# 10.3 Supply or Return of System Use Gas

- (a) Where System Use Gas is required to be supplied on a Day, User will supply, and Service Provider will be entitled to take, User's share of System Use Gas for that Day at no cost to Service Provider.
- (b) Where System Use Gas is required to be returned by Service Provider on a Day, User will accept its share of System Use Gas for that Day at no cost to Service Provider.

## 10.4 Calculation of System Use Gas

- (a) As soon as reasonably practicable:
  - (i) after Service Provider has scheduled all Services for User, and all Pipeline Services for all Other Users; and also after
  - (ii) an Authorised Variation; and also after

(iii) Service Provider has authorised a variation to the scheduled quantities of an Other User,

for a Day, Service Provider will calculate and post on the CRS the share of System Use Gas that User must supply or take delivery of at the beginning of the following Day based on the most recent schedule.

- (b) Service Provider may, at its discretion, provide User with 2 months' notice that the method for calculation of User's share of System Use Gas will be modified (**SUG Modification Notice**).
- (c) From the earliest Service Commencement Date until the Day on which a SUG Modification Notice takes effect, the quantity of System Use Gas required to be provided by User will be calculated as follows:
  - (i) User's share of System Use Gas for a Day will be the quantity determined by multiplying the System Use Gas Percentage for that Day by the quantity of Gas to be supplied by User at the Receipt Points on that Day.
  - (ii) The **System Use Gas Percentage** for a Day will be calculated as follows:
    - (A) Service Provider will reasonably and prudently estimate the total quantity of System Use Gas required to be supplied by, or returned to, User and all Other Users on that Day (**Total System Use Gas Quantity**); and
    - (B) that Total System Use Gas Quantity will then be expressed as a percentage of the sum of the quantities of Gas nominated to be supplied at the Receipt Points on that Day by User and all Other Users.
- (d) On and from the date on which the SUG Modification Notice takes effect:
  - (i) User's share of System Use Gas for a Day will be:
    - (A) the quantity determined by multiplying the System Use Gas Percentage for that Day by the quantity of Gas to be delivered for User at the Delivery Points on that Day; plus
    - (B) the sum of any Inlet/Outlet Compressor Fuel quantity for that User, calculated in accordance with clause 10.4(e); and
  - (ii) the **System Use Gas Percentage** for a Day will be calculated as follows:
    - (A) Service Provider will reasonably and prudently estimate the total quantity of System Use Gas (excluding Inlet/Outlet Compressor Fuel) required to be supplied by, or returned to.

User and all Other Users on that Day (**Total System Use Gas Quantity**); and

- (B) that Total System Use Gas Quantity will then be expressed as a percentage of the sum of the quantities of Gas nominated to be delivered to the Delivery Points on that Day for User and all Other Users.
- (e) The Inlet/Outlet Compressor Fuel quantity for User for each Receipt Point or Delivery Point used by User on a Day, will be calculated as the actual quantity of Inlet/Outlet Compressor Fuel used by the compressors located at that Receipt Point or Delivery Point, as measured from that Day, prorated based on the quantity of Gas allocated to User at the relevant Receipt Point or Delivery Point on that Day, against the total quantity of gas received at or delivered to the relevant Receipt Point or Delivery Point on that Day.
- (f) User acknowledges and agrees that, for the purposes of informing User of User's share of System Use Gas prior to the Day in accordance with clause 10.4(a), Service Provider will estimate the Inlet/Outlet Compressor Fuel quantities for the Day, but the amount of Inlet/Outlet Compressor Fuel provided by User on the Day will be the actual amount calculated in accordance with clause 10.4(e), which may be greater or lesser than the estimated quantity. Service Provider's estimate will be based on the quantity of Gas that Service Provider reasonably and prudently estimates will be used by the compressors located at the Receipt Point or Delivery Point on that Day, pro-rated based on the quantity of Gas scheduled for User at the relevant Receipt Point or Delivery Point for that Day, against the total quantity of gas scheduled for receipt at or delivery to the relevant Receipt Point or Delivery Point for that Day.
- (g) User's System Use Gas for a Day may be adjusted to reflect:
  - (i) any adjustment to User's System Use Gas made:
    - (A) after Service Provider authorises a variation request made by User or an Other User; or
    - (B) to reflect the actual quantity of Inlet/Outlet Compressor Fuel used on the relevant Day; and
  - (ii) any error in the measurement or calculation of Inlet/Outlet Compressor Fuel quantities for that Day.
- (h) Service Provider will, on request by User, provide on a Monthly basis, such information as is reasonably required to justify Service Provider's calculation of the quantity of System Use Gas required for each Day of the relevant month.

#### 10.5 System Use Gas

**System Use Gas** means the quantity of Gas reasonably and prudently required by Service Provider for the purposes of:

- (a) operating and maintaining the Pipeline System (including Compressor Fuel, Inlet/Outlet Compressor Fuel, heater Gas, Gas lost, Gas vented, and Gas unaccounted for) (**Pipeline Gas**); and
- (b) keeping the line pack of the Pipeline System at a level consistent with the efficient operation of the Pipeline System (**Line Pack Gas**),

#### 11. RECEIPT AND DELIVERY POINT OBLIGATIONS

## 11.1 Receipt Point Quantity Obligations of User

Except as otherwise provided in this Agreement, on a Day for which there is a Scheduled Receipt Quantity, User must supply the amount of that Scheduled Receipt Quantity at the relevant Receipt Point.

# 11.2 Delivery Point Quantity Obligations of User

Except as otherwise provided in this Agreement, on a Day for which there are Scheduled Delivery Quantities, User must take delivery of those Scheduled Delivery Quantities at the nominated Delivery Points.

### 11.3 Receipt Point Pressure

- (a) User must supply Gas (including System Use Gas and any Imbalance Correction Quantity) at Receipt Points at:
  - (i) a gauge pressure as uniform as practicable; and
  - (ii) a pressure sufficient to allow:
    - (A) the entry of the required quantity of Gas into the Pipeline System at each of those Receipt Points; and
    - (B) the transportation in the Pipeline System of the quantity of gas required to be transported on any Day,

provided that User must not supply Gas at a pressure below four thousand nine hundred and fifty (4,950) kPa without Service Provider's approval and under no circumstances may User supply Gas at a pressure greater than six thousand two hundred (6,200) kPa.

(b) User acknowledges that Service Provider is under no obligation to install compression or other facilities to permit the receipt of User's Gas at any Receipt Point.

## 11.4 Odorisation

(a) Gas in the Pipeline System will not be odorised by Service Provider.

(b) User must ensure that all Gas of which it takes delivery is odorised at the applicable Delivery Point in accordance with the regulations under the *Gas Act 1997* (SA).

## 11.5 Receipt Point Quantity Obligations of Service Provider

Except as otherwise provided in this Agreement, on a Day for which there is one or more Scheduled Receipt Quantities, Service Provider will accept from User at the nominated Receipt Point(s) the quantity of Gas supplied by User up to the Scheduled Receipt Quantity(ies) plus any System Use Gas and the Imbalance Correction Quantity.

## 11.6 Delivery Point Quantity Obligations of Service Provider

Except as otherwise provided in this Agreement, on a Day for which there is one or more Scheduled Delivery Quantities, Service Provider will deliver to User at the nominated Delivery Point(s) the quantity of Gas supplied by User on that Day at the nominated Receipt Point(s), less System Use Gas and the Imbalance Correction Quantity, up to the aggregate of the Scheduled Delivery Quantities.

## 11.7 Delivery Point Pressure

- (a) Service Provider will maintain Pipeline System pressures so that the delivery pressure at a Delivery Point does not:
  - (i) fall below the minimum pressure for that Delivery Point as set out in Schedule 2; or
  - (ii) exceed the maximum pressure for that Delivery Point as set out in Schedule 2.
- (b) User acknowledges that Service Provider can only fulfil its obligations under this clause 11.7 if User meets its obligations under clause 11.3.

### 12. MEASUREMENT AT RECEIPT AND DELIVERY POINTS

### 12.1 Measurement at Receipt Points

The quantity and quality of Gas metered at each Receipt Point will be measured in accordance with the following:

- (a) At the Katnook Receipt Point:
  - (i) all measurement and tests for quantity and quality of Gas to be supplied by User as at the Execution Date will be accomplished through Measuring Equipment provided and maintained by the Katnook gas producers at or near the Katnook Receipt Point and thereafter at such other place or places as may from time to time be agreed upon by the parties;

- (ii) User must use reasonable endeavours to facilitate access to the Measuring Equipment by Service Provider at all reasonable hours for inspection purposes and during all tests for quantity and quality of Gas and at the cleaning, installing, changing, repairing, inspecting, calibrating or adjusting of the Measuring Equipment;
- (iii) upon request by Service Provider, User must (subject to its obligations under any law or contract) promptly submit to Service Provider Measuring Equipment records and charts in its possession together with calculations therefrom for inspection and verification and Service Provider will return the same within ten (10) days after receipt. User will preserve for a period of at least four (4) years all test data, charts and other similar records coming into its possession, which it is entitled to retain; and
- (iv) the measurement and testing of Gas supplied under this Agreement at the Katnook Receipt Point by User will be governed by the provisions set out in Schedule 4.

## (b) At the SESA Receipt Point:

- (i) all measurement and tests for quantity and quality of Gas to be supplied by User as at the Execution Date will be accomplished through equipment provided and maintained by the owner or operator of the SESA Pipeline at or near the Ladbroke Grove Power Station PRMS (Pressure Reduction Meter Station) and thereafter at such other place or places as may from time to time be agreed upon by the parties; and
- (ii) the measurement and testing of Gas supplied under this Agreement at the SESA Receipt Point by User will be governed by the provisions set out in Schedule 4.
- (c) User must ensure that it makes available at no cost to Service Provider:
  - (i) all metering data, gas flow data, temperature data, pressure data, Gross Heating Value data and moisture content data for the Katnook Receipt Point and the SESA Receipt Point via telemetry links between the Katnook gas producers' and the SESA Pipeline owner's flow computers respectively and Service Provider's SCADA system;
  - (ii) all gas composition and gas properties data via telemetry links between the SESA Pipeline owner's gas chromatograph and Service Provider's SCADA (Supervisory Control And Data Acquisition) system; and
  - (iii) on each 30 September during the Term, a report showing the gas composition and quality of the gas produced at each field supplying gas at the Katnook Receipt Point and the normal blended gas composition at the Katnook Receipt Point under this Agreement.

Gas composition will be measured using techniques defined in Australian Standard AS4564 and will include mol% of total inerts and mol% of carbon dioxide.

# 12.2 Measurement at Delivery Points

The quantity and quality of Gas metered at each Delivery Point will be measured in accordance with Schedule 4.

#### 13. CONFIRMATION OF PRIOR DAY'S RECEIPTS

## 13.1 Application of Clause

This clause 13 applies only to those Receipt Points at which the metering equipment is not owned by Service Provider.

## 13.2 Confirmation of Prior Day's Receipts

Not later than 0830 hours on each Day, User must procure that the Interconnect Parties provide Service Provider, in relation to each Receipt Point, with a copy of a confirmation of the:

- (a) actual quantity of Gas supplied for User at that Receipt Point on the previous Day; and
- (b) the aggregate quantity of Gas supplied for all Other Users at that Receipt Point, on the previous Day,

(**Confirmed Quantities**). If a confirmation is incomplete or not received by the that time, then the provisions of clause 14.1 or clause 14.2(c) (as applicable) will apply.

# 13.3 Confirmed Quantities

- (a) If, under clause 13.2, the provisions of clause 14.2(c) apply at a Receipt Point, Service Provider will use reasonable endeavours to continue to seek Confirmed Quantities from the Interconnect Parties for that Receipt Point and, if those Confirmed Quantities are provided, Service Provider will reallocate the Actual Receipts accordingly.
- (b) Notwithstanding clause 13.3(a), Service Provider will be under no obligation to make a reallocation under clause 13.3(a), after the fifth Day of the Month following the Month to which the reallocation relates.
- (c) If Service Provider makes a reallocation under clause 13.3(a), User will be liable for Excess Imbalance Charges on the basis of the Confirmed Quantities, and if those charges have previously been imposed on the basis of a determination under clause 14.2(c), Service Provider will make the necessary adjustments in the next invoice issued under this Agreement.

(d) Service Provider is under no obligation to make a reallocation where the Interconnect Party provides a confirmation for a Day under clause 13.2 but subsequently changes the Confirmed Quantities for that Day.

## 14. ALLOCATION OF RECEIPT AND DELIVERY POINT QUANTITIES

# 14.1 Allocation of Receipts - Sole User

Where a Receipt Point is used on a Day only by User, User will, for the purposes of this Agreement, be taken to have supplied the total quantity of Gas determined as having been supplied at that Receipt Point on that Day.

## 14.2 Allocation of Receipts - Shared Receipt Point

Subject to any different allocation arrangements that may be agreed between Service Provider, Interconnect Parties, User and all Other Users using a Receipt Point which are notified to Service Provider by no later than 7 Days prior to the first Day in respect of which the arrangements apply, the following allocation procedures will apply where a Receipt Point is used on a Day by User and by one or more Other Users:

- (a) if the total quantity of Gas determined as having been supplied at that Receipt Point on that Day is equal to the sum of the Confirmed Quantities for that Day, then:
  - User will, for the purposes of this Agreement, be taken to have supplied on that Day at that Receipt Point, User's portion of the sum of the Confirmed Quantities; and
  - (ii) each of the Other Users will be taken to have supplied on that Day at that Receipt Point, their respective portions of the sum of the Confirmed Quantities:
- (b) if the total quantity of Gas determined as having been supplied at that Receipt Point on that Day is greater or less than the sum of the Confirmed Quantities for that Day, then:
  - (i) User will, for the purposes of this Agreement; and
  - (ii) each of the Other Users will,

be taken to have supplied on that Day at that Receipt Point, that proportion of the total quantity of Gas determined to have been supplied at that Receipt Point that each of their respective Confirmed Quantities bears to the sum of all of their Confirmed Quantities; or

(c) if Confirmed Quantities are not provided to Service Provider for that Day by the Interconnect Parties in accordance with clause 13, or if Confirmed Quantities are provided for that Day by the Interconnect Parties for one or more but not all of User and each of the Other Users, then Service

Provider may determine the proportion of Gas to be attributed to User and each Other User for that Day by reference to:

- (i) their respective scheduled quantities for that Day at the Receipt Point; or
- (ii) their respective contractual rights on that Day at the Receipt Point: or
- (iii) any other information to which a reasonable and prudent pipeline operator would have regard.

### 14.3 Allocation of Deliveries - Sole User

Where a Delivery Point is used on a Day only by User, User will, for the purposes of this Agreement, be deemed to have taken delivery of the total quantity of Gas determined as having been delivered from the Pipeline System at that Delivery Point on that Day.

## 14.4 Allocation of Deliveries - Shared Delivery Point

Where a Delivery Point is used on a Day by User and by one or more Other Users, the total quantity of Gas determined as having been delivered from the Pipeline System at that Delivery Point on that Day will be allocated by Service Provider between User and the Other Users in accordance with:

- (a) any agreement between Service Provider, User and all Other Users who take delivery of Gas at that Delivery Point (Delivery Point Allocation Agreement), provided that:
  - (i) the Delivery Point Allocation Agreement allocates the total quantity of Gas determined as having been delivered at that Delivery Point by Service Provider; and
  - (ii) User has given Service Provider a copy of the Delivery Point Allocation Agreement not later than 30 Days prior to the commencement of the Month in which it is to apply; or
- (b) if no Delivery Point Allocation Agreement exists, or if User fails to provide Service Provider with a copy of the Delivery Point Allocation Agreement for the Delivery Point by the time specified in clause 14.4(a)(ii), then Service Provider may determine the proportion of Gas to be attributed to User and each Other User for that Day by reference to:
  - (i) their respective scheduled quantities for that Day at the Delivery Point;
  - (ii) their respective contractual rights for that Day at the Delivery Point; or
  - (iii) any other information to which a reasonable and prudent pipeline operator would have regard.

## 14.5 Sequence of Gas Flow

The sequence in which Gas is received by Service Provider from User on a Day under this Agreement, will be:

- (a) first, User's share of System Use Gas for that Day;
- (b) second, the amount of the Imbalance or Accumulated Imbalance to be corrected on that Day pursuant to clause 16.2; and
- (c) third, the Scheduled Delivery Quantities for that Day (including any Authorised Variations for that Day).

#### 14.6 Contractual Allocation of Delivered Quantities between Services

The aggregate quantity of Gas determined to have been delivered to User by Service Provider on a Day under this Agreement will be allocated as follows:

- first, as Gas delivered pursuant to the Firm Service up to the aggregate of the Scheduled Delivery Quantities for the Firm Service but not exceeding the Firm Service MDQ;
- (b) second, as Gas delivered pursuant to the Interruptible Service up to the aggregate of the Scheduled Delivery Quantities for the Interruptible Service but not exceeding the Interruptible Service MDQ; and
- (c) third, as Unauthorised Overrun Gas.

### 15. MAXIMUM HOURLY QUANTITIES

## 15.1 User's obligations

On a Day, User must not:

- (a) supply a quantity of Gas in any 1 hour period at a Receipt Point in excess of:
  - (i) 110 per cent of 1/24<sup>th</sup> of the total of User's Scheduled Receipt Quantities for that Day at that Receipt Point; or
  - (ii) such greater proportion of the total of User's Scheduled Receipt Quantities for that Day at that Receipt Point as Service Provider may, in its absolute discretion, approve;
- (b) take delivery of quantities of Gas at any Delivery Point in any 1 hour period in excess of 6% of the total of User's Scheduled Delivery Quantities for that Day at that Delivery Point; or
- (c) take delivery of quantities of Gas at any Delivery Point in excess of 5.25% of the total of User's Scheduled Delivery Quantities at that Delivery Point for that Day in any 1 hour period within 12 consecutive hours.

## 15.2 Peaking Gas

If User takes delivery of a quantity of Gas at a Delivery Point in any 1 hour which quantity exceeds the MHQ, that will be considered Peaking Gas and Service Provider will charge User the Default Charge Rate for each GJ of Peaking Gas.

#### 16. IMBALANCE

#### 16.1 Obligation of User

On each Day, User must use reasonable endeavours to ensure that there is no Imbalance and the Accumulated Imbalance is within the Tolerance Level.

#### 16.2 Correction of Imbalance

- (a) Not later than 1300 hours on each Day, Service Provider will notify User of any Imbalance and Accumulated Imbalance for the prior Day by publishing the quantities on the CRS. However, nothing in this clause 16 prevents Service Provider from posting on the CRS any Imbalance or Accumulated Imbalance at any time in any Day.
- (b) User:
  - (i) must begin to correct an Imbalance or Accumulated Imbalance that is outside of the Tolerance Level as soon as possible after the amount of that Imbalance or Accumulated Imbalance has been posted on the CRS; and
  - (ii) in any event, must clear any Imbalance or Accumulated Imbalance if and to the extent it is outside the Tolerance Level on the Day following the Day on which the amount has been posted on the CRS.

## 16.3 Excess Imbalance Charge

- (a) To the extent that, at the end of any Day, the absolute value of the Accumulated Imbalance falls outside of the Tolerance Level and within either Tier 1 or Tier 2 (each as defined below), an **Excess Imbalance**Charge is payable by User to Service Provider.
- (b) The Excess Imbalance Charge will be the sum of any Tier 1 Excess Imbalance Charge and any Tier 2 Excess Imbalance Charge.
- (c) For purposes of this Agreement, the **Tolerance Level**, **Tier 1** and **Tier 2** are, respectively, as follows:

**Tolerance Level**: the GJ equivalent to 5% of Firm Service MDQ

**Tier 1**: the GJ range equivalent to more than the Tolerance

Level but not exceeding 20% of Firm Service MDQ

**Tier 2**: the GJ equivalent more than 20% of Firm Service

MDQ

## 16.4 Rights of Service Provider

- (a) If Service Provider:
  - (i) becomes aware of an Imbalance that is likely to result in an Accumulated Imbalance that is greater than the Tolerance Level (an **Excess Imbalance**); and
  - (ii) determines, acting reasonably and prudently, that such Excess Imbalance may impede the ongoing efficient and reliable operation of the Pipeline System,

then Service Provider may post a notification on the CRS or otherwise notify User in writing.

- (b) If User does not commence action to remedy the situation specified in the notification under clause 16.4(a) immediately after the notification has been posted or delivered (as applicable), Service Provider may, in addition to its rights under clause 16.3, take one or more of the following actions:
  - (i) issue an Operational Flow Order under clause 23;
  - (ii) curtail or suspend deliveries to User at one or more Delivery Points; or
  - (iii) interrupt or cease receipts of Gas from User at one or more Receipt Points,

to correct such Excess Imbalance to the extent that it no longer impedes, or prevents a risk of impeding the ongoing efficient and reliable operation of the Pipeline System.

## 16.5 Imbalance Trading

- (a) User may exchange all or part of an Accumulated Imbalance for an equal but opposite quantity of an Other User's imbalance on such terms as User may agree with the Other User, provided that Notice of the exchange is received by Service Provider from both User and the relevant Other User by no later than the Nomination Cut-Off Time on the Day after the Day of the Accumulated Imbalance. Where an exchange is made, both the Accumulated Imbalance and the Other User's imbalance will be adjusted accordingly.
- (b) A Notice under this clause 16.5 must be made by User to Service Provider via CRS.
- (c) An exchange under clause 16.5(a) will not affect User's Liability to pay:
  - (i) any of the charges payable under the Agreement for the Services rendered by Service Provider; or

(ii) any Excess Imbalance Charge payable in respect of the Accumulated Imbalance for the period prior to the exchange.

## 16.6 Accumulated Imbalance after Termination or Expiry

If on the date of expiration or termination of this Agreement there is an Accumulated Imbalance, then despite the expiration or termination of this Agreement, Service Provider must notify user in writing and User must:

- (a) if the Accumulated Imbalance is negative, within 10 Days after receipt of the Notice from Service Provider, make a quantity of Gas equal to the Accumulated Imbalance available for receipt by Service Provider at a Receipt Point; and
- (b) if the Accumulated Imbalance is positive, make arrangements to sell the amount of the Accumulated Imbalance to an Other User. If such sale is not completed within 30 Days of the date that User receives Notice of the Accumulated Imbalance from Service Provider, the amount will be forfeited by User without entitlement to compensation. Service Provider will provide reasonable assistance to User to obtain a sale of the amount of the Accumulated Imbalance on reasonable terms using Service Provider's existing facilities (for example, by posting the amount for sale on the CRS).

#### 17. FINANCIAL MATTERS

## 17.1 Charges

- (a) User must pay the charges (including any applicable surcharges or general charges) that relate to the Services as set out in the Commercial Terms Schedules or in the General Charges Schedule or which are otherwise payable under this Agreement, in the manner and at the times set out in the relevant Commercial Terms Schedule, the General Charges Schedule or otherwise under this Agreement (as applicable), including:
  - (i) any outstanding Excess Imbalance Charge payable by User to Service Provider under clause 16.3;
  - (ii) any charge based on the Default Charge Rate incurred by User under clause 22.5 in connection with the violation of a Curtailment Notice;
  - (iii) any charge based on the Default Charge Rate incurred by User under clause 23.5 in connection with any variance from the requirements of an OFO; and
  - (iv) any other charge or amount owing by User to Service Provider under this Agreement.
- (b) All amounts referred to in this Agreement (including the Commercial Terms Schedules and the General Charges Schedule) are exclusive of

applicable GST and are in dollars as at the year set out in the relevant Commercial Terms Schedule.

# 17.2 CPI Adjustment

- (a) On 1 January of each Year (commencing in the year set out in the relevant Commercial Terms Schedule), all of the rates and charges set out in the Commercial Terms Schedules will be adjusted by multiplying them by the Escalation Factor for that year, and the relevant Schedules will be deemed to have been varied to incorporate the adjusted rates and charges.
- (b) The **Escalation Factor** for each year is calculated as:

$$1 + ((CPI_a - CPI_b) / CPI_b)$$

where:

- (i) **CPI**<sub>a</sub> means CPI in respect of the September Quarter immediately preceding the relevant adjustment date;
- (ii) **CPI**<sub>b</sub> means CPI in respect of the September Quarter that is 12 months before the quarter to which CPI<sub>a</sub> relates; and
- (iii) if CPI<sub>a</sub> is less than CPI<sub>b</sub>, then ((CPI<sub>a</sub>-CPI<sub>b</sub>) / CPI<sub>b</sub>) is deemed to be zero; and
- (iv) **CPI** means the consumer price index (weighted average for 8 capital cities, all groups) published from time to time by the Australian Bureau of Statistics or if that index is suspended or discontinued or if the basis of assessment is changed so that it no longer accurately reflects changes in the prevailing levels of prices substantially in the same manner as it did prior to the change in basis, then an alternative index that reflects movements in the cost of living in all of the capital cities of Australia will be selected by Service Provider and substituted for the relevant index for the period of the suspension or, in the case of a discontinuance of the CPI or a material alteration in its calculation, on a permanent basis and the calculation of the adjustments to be made under clause 17.2(a) will be made using such alternative index as though it was the CPI.

## 17.3 Invoicing

- (a) By the 10<sup>th</sup> Day of each Month, Service Provider will provide to User an invoice specifying the charges and other amounts payable under clause 17.1 for all Services supplied by Service Provider to User in the preceding Month.
- (b) User must pay each invoice by electronic payment to an account nominated by Service Provider (or by such other such other means as Service Provider may require) by not later than the 20th Day of the Month in which it is received.

- (c) Each invoice will be accompanied by a gas balance report showing for each Day of the preceding Month (subject to clause 17.3(d)):
  - (i) the quantity of Gas received into the Pipeline System from User at each Receipt Point;
  - (ii) the total quantity of Gas delivered to User from the Pipeline System at each Delivery Point, together with the quantities delivered pursuant to each of the Services;
  - (iii) User's share of System Use Gas;
  - (iv) the sum of the Scheduled Receipt Quantities and the sum of the Scheduled Delivery Quantities; and
  - (v) the Imbalance and Accumulated Imbalance.
- (d) If actual information necessary for invoicing is unavailable to Service Provider in sufficient time to permit the preparation of an invoice, Service Provider may use estimated information based on prior invoices issued to User to prepare the invoice. When the actual information becomes available, the next invoice rendered by Service Provider will be adjusted to reflect the difference between the amount that would have been invoiced had the actual information been available to Service Provider and the amount that was invoiced based on the estimated information. No interest will be payable on the amount of any such adjustment for the period between the relevant invoices.

## 17.4 Invoice Disputes

- (a) If User disputes part or all of an invoice:
  - (i) User must, by the due date for payment of the invoice, give Service Provider a Notice specifying the amount in dispute and the reasons for the dispute; and
  - (ii) each Party will:
    - (A) designate senior manager or executive of the Party to meet with a designated senior manager or executive of the other Party within 5 Business Days after the giving of the Notice under clause 17.4(a)(i) to try to resolve the dispute; and
    - (B) if the appointed senior managers or executives fail to resolve the dispute within five Business Days after their meeting pursuant to clause 17.4(a)(ii)(A), refer the matter to an Independent Expert for determination in accordance with clauses 32.3 to 32.11 as a financial matter (as that term is used in clause 32).
- (b) A resolution of a dispute relating to an invoice by the senior managers or executives of the Parties under clause 17.4(a)(ii)(A) must be recorded in

writing and signed and dated by such senior managers or executives, after which the resolution of the dispute will be final and binding on the Parties.

- (c) Despite clause 17.4(a), User must, in the absence of manifest error, pay the full amount of any disputed invoice in accordance with clause 17.3(b).
- (d) If, as a result of the resolution of a dispute of the nature described in clause 17.4(a), either Party is required to pay an amount to the other Party, then the amount must be paid within 14 Days after the date that the dispute was resolved together with interest on that amount calculated on a daily basis at the Interest Rate.

### 17.5 Incorrect Invoices

- (a) If at any time during the Term either Party determines that User:
  - (i) has been overcharged or undercharged for Services under this Agreement; and
  - (ii) has paid the invoice(s) to which the overcharge(s) or undercharge(s) relate(s),

then, within 14 Days after the date that Notice of the error has been received from the Party that discovered the error and the amount of the overcharge or undercharge has either been agreed by the Parties or determined pursuant to clause 17.4, either

- (iii) Service Provider will repay to User the amount of the overcharge together with interest on that amount calculated on a daily basis at the Interest Rate; or
- (iv) User will pay to Service Provider the amount of the undercharge together with interest on that amount calculated on a daily basis at the Interest Rate,

as applicable.

(b) A Party may not claim from the other Party any amount overcharged or undercharged if more than 18 Months have elapsed since the date of the invoice in question.

#### 17.6 Default Interest

If either Party fails to pay any amount due under this Agreement then that Party will pay interest on the overdue amount, calculated on a daily basis at the Interest Rate plus 2% per annum, from the due date until the date of actual payment.

### 17.7 GST

(a) Words or expressions used in this clause 17.7 which are defined in the A New Tax System (Goods and Services Tax) Act 1999 (Cth) have the same meaning in this clause 17.7.

- (b) If a party (Supplier) is required to pay GST in respect of a supply made under or in connection with (including by reason of a breach of) this Agreement, the recipient of the supply must (in addition to any other monetary or non-monetary payment for, or in connection with, the supply) pay to the Supplier an amount equal to the GST exclusive consideration for the taxable supply multiplied by the prevailing rate of GST (GST Amount) unless and to the extent the consideration is expressly stated to be GST inclusive.
- (c) The recipient need not pay the GST Amount in respect of a taxable supply until the Supplier has given the recipient a tax invoice in respect of that taxable supply.
- (d) Provided a tax invoice has been given, the GST Amount must be paid by the recipient:
  - (i) if any monetary consideration is payable for the supply, at the same time and in the same manner as such monetary consideration; or
  - (ii) if no monetary consideration is payable for the supply, within 10 Business Days after the Day on which the tax invoice is given.
- (e) If any payment to be made to a Party under or in connection with this Agreement is a reimbursement or indemnification of an expense or other Liability incurred or to be incurred by that Party, then the amount of the payment must be reduced by the amount of any input tax credit to which that Party, or the representative member of the GST group that Party is a member of (as the case may be), is entitled for that expense or other Liability, such reduction to be effected before any increase in accordance with clause 17.7(b).
- (f) If an adjustment event arises in respect of a supply made under or in connection with this Agreement, then:
  - (i) if the Supplier's corrected GST Amount is less than the previously attributed GST Amount, the Supplier will refund the difference to the recipient; or
  - (ii) if the Supplier's corrected GST Amount is greater than the previously attributed GST Amount, the recipient will pay the difference to the Supplier; and
  - (iii) the Supplier must issue an adjustment note to the recipient within seven Days of the adjustment event occurring; and
  - (iv) any payment under clauses 17.7(f)(i) or 17.7(f)(ii) must be paid to the Supplier or recipient (as the case may be) within 15 Days of the adjustment note being issued by the Supplier.
- (g) In this Agreement, all references to monetary and non-monetary payments and obligations to make payments, including all references to

compensation (including by way of reimbursement or indemnity), are, but for the operation of this clause, exclusive of GST, unless expressly stated to be GST-inclusive.

## 17.8 Liability for Change in Law

- (a) To the extent that a Change in Law directly or indirectly:
  - (i) affects the direct or indirect costs of or to Service Provider in respect of the goods, services or other things supplied or provided under or in connection with this Agreement, including direct and indirect costs in respect of production, creation, performance, acquisition, supply, sale or disposal of such goods, services or other things; or
  - (ii) leads to a change in the benefits gained by Service Provider from the activities described in clause 17.8(a)(i) (except by operation of this clause 17.8),

and the increase or decrease in those amounts or that change in benefit is not to be reimbursed under any other provision of this Agreement, the charges payable pursuant to clause 17.1 will be adjusted by Service Provider to reflect the impact on Service Provider of the increase or decrease or the change in benefit, as the case may be, attributable to the Change in Law.

- (b) Any variation to the charges payable pursuant to clause 17.1 as a result of the operation of clause 17.8(a) will be effective as from the date of the relevant Change in Law.
- (c) Service Provider will give Notice to User of any variation to the charges payable pursuant to clause 17.1 as a result of the operation of this clause 17.8 as soon as practicable after any variation takes effect under clause 17.8(b).
- (d) If a Change in Law imposes an obligation or requirement on Service Provider that is inconsistent with this Agreement, Service Provider is relieved of its obligations under this Agreement to the extent of that inconsistency and User must co-operate with Service Provider in such manner as is determined by Service Provider (acting reasonably) to be necessary or desirable for compliance with that Change in Law, including making such amendments to this Agreement as may be reasonably required for compliance with that Change in Law.

### 17.9 Prudential Undertaking

(a) If User does not have, or ceases to have, a long term senior unsecured debt rating of at least "BBB-" by Standard & Poor's or an equivalent rating from another internationally recognised rating agency (Minimum Credit Rating), User will provide Service Provider with a guarantee of all User's obligations under this Agreement for the Term from a Related Body Corporate of User with the Minimum Credit Rating (Guarantor) in favour of Service Provider (Undertaking).

- (b) For the avoidance of doubt, Service Provider will not be required to commence providing the Services or continue providing the Services until User:
  - (i) provides Service Provider with an Undertaking under clause 17.9(a); or
  - (ii) otherwise satisfies Service Provider of the ability of User to meet its contractual obligations to Service Provider.
- (c) If User is unable to provide the Undertaking or if an Undertaking provided by User ceases to have effect or the credit rating of the Guarantor is downgraded below the Minimum Credit Rating or, in Service Provider's reasonable opinion, one or more events have occurred that have or are likely to have a material adverse effect on the Guarantor's ability to meet its obligations under the Undertaking, then Service Provider may request that User provide it with any one of the following:
  - (i) an irrevocable demand guarantee issued on terms and by a bank or other financial institution acceptable to Service Provider;
  - (ii) an irrevocable letter of credit satisfactory to Service Provider, acting reasonably; or
  - (iii) some other form of prudential assurance satisfactory to Service Provider.

(each an **Adequate Assurance**) for a sum equal to the amount that would be payable by User under this Agreement over the Term (and ignoring any sales or transfers by User of Firm Service MDQ or Other Entitlements that may take place during the Term) (**Security Amount**).

- (d) If User does not provide Service Provider with Adequate Assurance within 14 Days of Service Provider's request, Service Provider may suspend the performance of any and all of its obligations under this Agreement until User has provided the requested Adequate Assurance.
- (e) If User fails to pay Service Provider:
  - (i) any amount due and payable under this Agreement within the time provided under this Agreement; or
  - (ii) any amount due and payable following the resolution of a Dispute pursuant to clause 32,

Service Provider may demand payment of such amount from the Guarantor or apply the Adequate Assurance (as applicable) in satisfaction of the outstanding payment obligation.

(f) If:

- (i) Adequate Assurance provided by User is in the form of money (Monetary Assurance); and
- (ii) User subsequently wishes to replace that Adequate Assurance with another form of Adequate Assurance that is not money (Replacement Assurance),

then User acknowledges and agrees that, following receipt of that Replacement Adequate Assurance, Service Provider will:

- (iii) retain that Monetary Assurance; and
- (iv) for each Month after the date of receipt in respect of which an invoice is rendered by Service Provider under this Agreement, apply that Monetary Assurance in satisfaction of:
  - (A) full payment of that invoice; or
  - (B) if the then balance of that Monetary Assurance is less than the amount of that invoice, payment of that portion of the invoice as equates to that balance, and User must pay the remainder of that invoice in accordance with clause 17.3(b).
- (g) If at the end of the Term all or any part of an Undertaking or an Adequate Assurance has not been applied by Service Provider to meet User's payment obligations under this Agreement, then Service Provider must forthwith return that Undertaking or Adequate Assurance to User.
- (h) If:
  - (i) an irrevocable demand guarantee is issued by the bank of a customer of User;
  - (ii) that bank is acceptable to Service Provider (acting reasonably); and
  - (iii) the demand guarantee is on terms acceptable to Service Provider,

then Service Provider will accept that bank guarantee as Adequate Assurance for the purposes of clause 17.9(c).

## 18. AUSTRALIAN CARBON SCHEME

# 18.1 Compliance by Parties

Notwithstanding any other provision of this Agreement, if an Australian Carbon Scheme applies to the provision of Services under this Agreement, User and Service Provider must comply with the requirements of this clause.

## 18.2 Good faith negotiations

If, during the Term, an Australian Carbon Scheme applies to the provision of Services under this Agreement, User and Service Provider agree to negotiate in good faith appropriate amendments to this Agreement.

## 18.3 Agreed principles

The agreed amendments to this Agreement must be consistent with the following principles. To the extent permitted by law:

- (a) Carbon Costs attributable to the Gas transported under this Agreement to be passed through to User;
- (b) the responsibility for acquiring, purchasing, holding or surrendering carbon credits, permits or similar instruments (**Carbon Instruments**) in respect of the embodied emissions in the Gas transported under this Agreement to be transferred to User;
- (c) Service Provider must use reasonable endeavours to minimise any Carbon Costs; and
- (d) User may request reasonable information substantiating the calculation of Carbon Costs or Carbon Instruments from Service Provider, and Service Provider must provide such information to User and permit it to be audited by an independent third party.

### 19. RIGHTS OF SERVICE PROVIDER

#### 19.1 Co-mingling of Gas

Service Provider will have the right to co-mingle Gas supplied by User with other Gas in the Pipeline System.

### 19.2 Processing

Service Provider may compress, cool, heat, clean and apply other processes to Gas consistent with its reasonable and prudent operation of the Pipeline System.

## 19.3 Operation of Pipeline System

Subject to its compliance with its obligations under this Agreement, Service Provider reserves the right to decide the manner in which it will operate the Pipeline System.

## 19.4 Delivery of Gas

Service Provider may at its absolute discretion satisfy its obligation to deliver Gas to User by using a Gas pipeline other than the Pipeline System, or by any other means.

### 20. GAS QUALITY

# 20.1 Gas Specification

- (a) All Gas supplied by User at a Receipt Point must:
  - (i) conform with the specification set down in AS 4564 "Australian Standard Specification for General Purpose Natural Gas";
  - (ii) not contain more than 5% by volume of carbon dioxide;
  - (iii) not have a water vapour content of more than sixty milligrams per cubic metre (60 mg/m³) or as otherwise advised by Service Provider; and
  - (iv) not exceed seventy two degrees (72°C) in temperature,

provided that at no time may the Gas Specification be of a lesser standard than that required by law (**Gas Specification**).

- (b) For the avoidance of doubt, User acknowledges and agrees that in order to conform with the Gas Specification the Gas must not contain:
  - (i) materials, dust or other solid or liquid matter, waxes, gums, gum forming constituents, and unsaturated or aromatic hydrocarbons to an extent which might cause damage to, or interfere with the proper operation of, pipes, meters, regulators, control systems, equipment or appliances or which might cause the Gas to be harmful or toxic to persons having contact with it in normal work operations or usage;
  - (ii) unsaturated or aromatic hydrocarbons to an extent that causes unacceptable sooting; or
  - (iii) other substances to the extent that they cause damage to, or problems in operation of, pipelines or appliances or that cause the products of combustion to be toxic, or hazardous to health, other than substances that are usually found in natural Gas combustion products.
- (c) For the purpose of the Gas Specification, carbon dioxide is an inert gas.

### 20.2 Supply of Non-Specification Gas by User

- (a) Service Provider may refuse to accept Gas into the Pipeline System that does not meet the Gas Specification (**Non-Specification Gas**) if to do so may result in:
  - (i) Service Provider delivering Non-Specification Gas at a Delivery Point to an Other User: or
  - (ii) damage to the Pipeline System.

- (b) If Non-Specification Gas is supplied into the Pipeline System by User, Service Provider:
  - may issue an OFO directing User to restrict or terminate supplies of Non-Specification Gas into the Pipeline System;
  - (ii) will, if it issues an OFO, communicate that fact as soon as practicable to the Interconnect Parties or other persons supplying such Non-Specification Gas to User (if known) and request that such Interconnect Parties or other persons terminate the supply of such Non-Specification Gas as soon as possible;
  - (iii) may (if necessary and possible) itself restrict or terminate supplies of Non-Specification Gas into the Pipeline System;
  - (iv) will, if there is no other practical means of addressing the matter, vent or flare Gas to remove any or all of the Non-Specification Gas (and, in that event, Service Provider will give User Notice of the venting or flaring, or post a notification of the venting or flaring on the CRS); and
  - (v) will, as soon as it becomes aware that User has introduced Non-Specification Gas into the Pipeline System, provide User and all Other Users with Notice of that fact.
- (c) Where Gas is vented or flared by Service Provider pursuant to clause 20.2(b)(iv):
  - (i) the total quantity of Gas vented or flared (including any Gas meeting the Gas Specification):
    - (A) will be deemed not to have been received into the Pipeline System;
    - (B) will be to the account of User (unless the Non-Specification Gas was supplied into the Pipeline System by User and by one or more Other Users, in which case the total quantity of Gas vented or flared will be pro-rated amongst those persons on the basis of their respective scheduled receipt quantities at the relevant Receipt Point); and
  - (ii) User must, as soon as reasonably practicable after being notified of that venting or flaring, supply at the relevant Receipt Point a quantity of Gas conforming with the Gas Specification equal to the quantity of vented or flared Gas that is to the account of User.

## 20.3 Quality at Delivery Points

(a) If on a Day User supplies Gas into the Pipeline System that conforms to the Gas Specification, then Service Provider will on that Day deliver Gas to User that conforms with the Gas Specification.

- (b) If Service Provider delivers or proposes to deliver Non-Specification Gas to User at the Delivery Point then:
  - (i) Service Provider must, as soon as it becomes aware of Non-Specification Gas at the Delivery Point, provide User with Notice of that fact (Non-Specification Gas Notice);
  - (ii) User may, within two hours of receiving a Non-Specification Gas Notice, issue a Notice to Service Provider directing Service Provider to restrict or terminate the delivery of Non-Specification Gas at the Delivery Point (Non-Specification Gas Rejection Notice), failing which it is deemed to accept the Non-Specification Gas;
  - (iii) Service Provider must comply with the Non-Specification Gas Rejection Notice as soon as practicably possible after receiving it and, the Firm Service Charge, as applicable, will be reduced to the extent of any quantity of Non-Specification Gas delivered by Service Provider up to the point in time that Service Provider complies with the Non-Specification Gas Rejection Notice; and
  - (iv) Service Provider's liability to User in connection with the delivery of Non-Specification Gas will be limited to the reduction in the Firm Service Charge contemplated by clause 20.3(b)(iii) and User will be entitled to no other compensation from Service Provider in that regard.

## 21. WARRANTY OF TITLE, CONTROL, POSSESSION AND RESPONSIBILITY

### 21.1 Warranty of Title

- (a) User represents, warrants and covenants to and with Service Provider that, at the time it supplies Gas into the Pipeline System at a Receipt Point, User will have full legal and beneficial title to the Gas, free and clear of all liens, charges and other security interests, encumbrances, any other third party interests and all other claims of any nature that are inconsistent with Service Provider's operation of the Pipeline System or that will conflict with the provision of the Services by Service Provider in accordance with this Agreement.
- (b) Subject to clause 21.1(c), title to and risk in Gas supplied into the Pipeline System by User will at all times remain with User.
- (c) Title to and risk in Pipeline Gas (except for Gas unaccounted for and lost Gas) passes from User to Service Provider when that Gas is used by Service Provider in the operation of the Pipeline System and/or in the provision of the Pipeline Services.

## 21.2 Custody, Control and Responsibility

Subject to the terms of this Agreement, Service Provider will:

- (a) take custody and control of Gas from the relevant Receipt Point until its delivery at a Delivery Point in accordance with the nomination procedure set out in clause 8; and
- (b) assume legal responsibility and Liability for Gas only while it is within Service Provider's custody and control.

## 21.3 Deemed Delivery of Gas

The Parties agree that by delivering Gas to a Delivery Point in accordance with the terms of this Agreement, Service Provider will be deemed to have delivered User's Gas to User. Such delivered Gas at a Delivery Point is and will be deemed to be that Gas received by Service Provider from User at the Receipt Point(s).

#### 22. MAINTENANCE AND CURTAILMENT

### 22.1 Maintenance

- (a) Service Provider will arrange for all maintenance, repairs, testing, enhancements, expansions, connections, adding to, altering, replacing or cleaning of the Pipeline System that affect, or are likely to affect, Capacity (Maintenance Operations) to be carried out at such times and in such a way as would a reasonable and prudent operator.
- (b) Where the nature or extent of any Maintenance Operations make it likely that, notwithstanding reasonable and prudent efforts by Service Provider, some restriction in the Firm Service may be required, then Service Provider will use reasonable endeavours to consult with User and Firm Service Users to arrange for those Maintenance Operations to be carried out so as to minimise, if and to the extent reasonably practicable in the circumstances, disruption to the Firm Service.

# 22.2 Interruption to Services without Liability

Without limiting Service Provider's rights elsewhere in this Agreement, and despite anything to the contrary in this Agreement, Service Provider may, without Liability to User, curtail or interrupt the Services, totally or partially, for any period of time that Service Provider reasonably and prudently considers to be necessary:

- (a) because of any condition, situation or circumstance that in the opinion of Service Provider may:
  - (i) present a threat of danger to the life, health or property of any person; or
  - (ii) jeopardise the operational efficiency or integrity of the Pipeline System;

- (b) to comply with the requirements of the Licence, any Government Agency or any law;
- (c) during an event of Force Majeure;
- (d) during, as a result of, or in relation to User taking delivery of a quantity of Gas in excess of the MHQ;
- (e) in the circumstances described in clause 16.4(b)(ii), clause 16.4(b)(iii) or clause 20.2(b); or
- (f) in circumstances where User consents to the curtailment or interruption.

### 22.3 Provision of Notice

- (a) Service Provider will provide User with notification of any curtailment or interruption to the Services in accordance with this clause 22 (a Curtailment Notice) at a time and in a manner that is reasonable and prudent under then existing conditions which, depending on such conditions, may be before or after the curtailment or interruption. Where such a Curtailment Notice is provided on the CRS, Service Provider will send a copy of that Curtailment Notice by facsimile or email to User in accordance with clause 28 and will also telephone User to advise that the Curtailment Notice has been or will be provided.
- (b) User will be solely responsible for informing all affected gas suppliers and downstream entities of the curtailment or interruption set out in any Curtailment Notice.
- (c) Nothing in this clause 22.3 limits Service Provider's right to curtail or interrupt the Services in accordance with the provisions of this Agreement.

## 22.4 Curtailment Compliance

- (a) If Service Provider issues a Curtailment Notice, then User will be allowed one hour (or such lesser or greater time as may be stipulated by Service Provider in the Curtailment Notice) to comply with the requirements of the Curtailment Notice.
- (b) If User does not comply with the requirements of a Curtailment Notice within the time period stipulated by Service Provider, Service Provider may take action to give effect to those requirements.

# 22.5 Charge

All Gas taken by User in violation of a Curtailment Notice after the time referred to in clause 22.4(a) has passed, will attract a charge calculated by multiplying the number of GJs (or part thereof) of Gas in respect of which User is at variance from the level of receipts or deliveries specified in the Curtailment Notice by the Default Charge Rate.

#### 23. OPERATIONAL FLOW ORDERS

## 23.1 Description of Contents of OFOs

- (a) An **OFO** (or **Operational Flow Order**) is an announcement by Service Provider:
  - (i) of operating conditions, attributable to conduct of User, that is in breach of User's obligations under this Agreement, which conduct is adversely affecting or may adversely affect, the provision of Pipeline Services to one or more Other Users; and
  - (ii) that directs User to take specific action as a result.

The issue of an OFO is in addition to any other rights that Service Provider has under this Agreement.

- (b) Each OFO will contain the following:
  - (i) the time and date that it was issued;
  - (ii) the time and date from which the OFO is effective;
  - (iii) the duration of the OFO (provided that if none is specified, the OFO will remain effective until further notice);
  - (iv) the action, if any, that User must take;
  - (v) the reason(s) for the OFO including the particulars of the relevant breach of User's obligation under this Agreement that gave rise to the issue of the OFO; and
  - (vi) such other information as Service Provider considers necessary.

### 23.2 Conditions Under Which an OFO may be issued

An OFO may be issued:

- (a) to alleviate conditions that threaten the operational integrity of the Pipeline System;
- (b) to maintain Line Pack Gas and pressures necessary in order for Service Provider to maintain Capacity and the ability to receive and deliver scheduled quantities of Gas under this Agreement and the agreements with Other Users;
- (c) to ensure adequate quantities of Gas are received at the Receipt Points on the Pipeline System and taken by User at specific Delivery Points on the Pipeline System;

- (d) to alleviate operational problems arising from excessive supplies of Gas at the Receipt Points or excessive deliveries of Gas at specific Delivery Points;
- (e) to alleviate other Receipt Point or Delivery Point problems or difficulties not reflected in clauses 23.2(a) to 23.2(d); or
- (f) for any other reason Service Provider deems necessary to address operating conditions or conduct of the kind referred to in clause 23.1(a)(i).

## 23.3 Means of Issuing OFOs

- (a) Service Provider may issue an OFO by posting the OFO on the CRS. Notification that an OFO has been issued and will be sent by email to User and Service Provider will also telephone User to advise that the OFO has been or will be issued.
- (b) User:
  - (i) must monitor the CRS for any OFO applicable to User; and
  - (ii) will be solely responsible for complying with each OFO.

## 23.4 Obligations of User

- (a) Upon an OFO being issued, User must, from the time the OFO is effective until it ceases to have effect (either according to its terms or upon Service Provider giving Notice to that effect) take the actions set out in the OFO, which may include:
  - (i) only using a Delivery Point in respect of which User has a Contracted Delivery Point MDQ;
  - (ii) increasing supplies at Receipt Points and/or restricting deliveries of Gas at Delivery Points;
  - (iii) restricting or limiting supplies of Gas at Receipt Points; or
  - (iv) any other action Service Provider deems necessary to address operating conditions or conduct of the kind referred to in clause 23.1(a)(i).
- (b) If User does not comply with the requirements of an OFO within the time period stipulated by Service Provider, Service Provider is entitled to take such recourse as it deems necessary to give effect to those requirements.

## 23.5 Payment of Charge by User

User must pay an amount equal to the Default Charge Rate for each GJ of Gas in respect of which User is at variance from the level of receipts or deliveries specified in an OFO between the time that an OFO becomes effective and the time it ceases to have effect according to its terms or is otherwise terminated or withdrawn by Service Provider.

#### 24. FORCE MAJEURE

#### 24.1 Definition

- (a) Subject to clause 24.1(b), for the purposes of this Agreement, **Force Majeure** means any event or circumstance not within the reasonable control of a Party which, by the exercise of due diligence, that Party is not reasonably able to foresee, prevent or overcome, including without limiting the generality of the nature of those events or circumstances and providing they meet the foregoing criteria:
  - (i) acts of God, including earthquakes, floods, washouts, landslides, lightning, storms and the elements;
  - (ii) strikes, lockouts, bans, slowdowns or other industrial disturbances;
  - (iii) acts of enemy, wars, acts of terrorism, blockades or insurrections, riots and civil disturbances, arrest and restraint of rulers and peoples;
  - (iv) fire or explosion;
  - (v) epidemic or quarantine;
  - (vi) any order of any court or any order, law, rule, regulation, act or omission of any Government Agency having jurisdiction or any failure to obtain any necessary governmental consent or approval;
  - (vii) any accident, breakages or accident to machinery or pipelines, the necessity for making repairs and/or alterations in machinery or pipelines (other than routine maintenance for which notice has not been given), freezing of pipelines; or
  - (viii) partial or entire failure of pipeline(s) or deliverability.
- (b) Notwithstanding clause 24.1(a), the following will not under any circumstance constitute (directly or indirectly) events or circumstances of Force Majeure:
  - (i) changes in market structure or market conditions for:
    - (A) the transportation, purchase or sale of Gas; or
    - (B) any good or service manufactured or provided by User;
  - (ii) lack of, or reduction in, Gas reserves, water supply or raw materials;
  - (iii) commercial failure, expiration or termination for whatever reason of a contract; or
  - (iv) lack of funds.

#### 24.2 Non-Performance Excused

Subject to clauses 24.3 and 24.4, any failure by either Party to perform an obligation under this Agreement will, during the time and to the extent that such performance is prevented, wholly or in part, by Force Majeure:

- (a) be excused and not constitute a default of that Party's obligations under this Agreement; and
- (b) not give rise to any Liability to the other Party.

## 24.3 Notification and Diligence

A Party that is, by reason of Force Majeure, unable to perform any obligation must:

- (a) give the other Party a Notice as soon as possible after becoming aware of the Force Majeure specifying:
  - (i) particulars of the event or circumstance of Force Majeure (known at the time of giving Notice) including the date of commencement of the event or circumstance and an estimate of the period of time required to enable it to resume full performance of its obligations; and
  - (ii) where possible, the means proposed to be adopted to remedy or abate the Force Majeure;
- (b) use reasonable and prudent efforts to remedy, abate or mitigate the effects of the Force Majeure as expeditiously as possible; and
- (c) resume performance as expeditiously as possible after the Force Majeure has abated to an extent which permits resumption of performance, and notify the other Party immediately when resumption of performance has occurred.

### 24.4 Consequence of Force Majeure

- (a) An event or circumstance of Force Majeure does not relieve either Party from its obligations to make payments of amounts then due in respect of Gas previously delivered.
- (b) An event or circumstance of Force Majeure affecting User does not suspend or reduce User's obligation to pay any moneys that would be payable under this Agreement.

#### 24.5 Extended Force Majeure

If a Party has invoked the provisions of this clause 24 and the same Force Majeure prevents the performance of any obligation or condition required to be performed under this Agreement for a period of 18 consecutive Months:

(a) either Party may terminate this Agreement by giving the other Party not less than two Months' Notice to that effect; and

(b) thereafter neither Party will be under any further obligation to the other, but each the Party will remain responsible for the performance of its obligations under this Agreement arising prior to the date of termination.

### 25. ENTRY RIGHTS

## 25.1 Grant Right of Entry

Subject to any existing connection agreements and clause 25.2, each Party grants to the other Party, and to the other Party's officers, employees, agents and contractors, a right of entry for any purposes contemplated by this Agreement to premises owned or controlled by it and upon which any Receipt Point or Delivery Point is located (**Premises**).

## 25.2 Notice and other Obligations of Party Seeking Entry

The Party seeking entry to Premises:

- (a) must give at least 24 hours' Notice to the other Party specifying the time of such proposed entry and the reason why entry is required;
- (b) must take all reasonable steps to ensure that its officers, employees, agents and contractors who enter the Premises cause as little inconvenience as possible to any operations of the other Party on the Premises and at all times observe all safety and security procedures (including, any relevant induction procedures) reasonably required by the Party giving access;
- (c) will be liable for all acts and omissions of its officers, employees, agents and contractors who enter the Premises except where such acts and omissions result from the negligence or default of the Party giving access; and
- (d) must bear its own costs of obtaining entry to the Premises.

#### 25.3 Third Parties' Premises

If any equipment to be owned by or relied upon by either Party for the purposes of this Agreement is, or will be, located on premises of a third party, then the Party owning or relying upon the equipment will use its best endeavours to secure for the other Party a right of entry (equivalent to that in clause 25.1) to the third party's premises.

# 26. NEW RECEIPT AND DELIVERY POINTS

#### 26.1 New Receipt Point or Delivery Point

(a) Subject to clauses 26.1(b) through 26.1(d), User may add a new receipt point or a new delivery point to the existing Receipt Points or existing Delivery Points (each a **New Receipt Point** or a **New Delivery Point** as

applicable) by making a written request to Service Provider, in which User provides:

- (i) a description of the New Receipt Point or New Delivery Point; and
- (ii) the date from which the addition or change is to occur (which must be at least 30 Days after the date on which the request is received by Service Provider),

## (a New Point Request).

- (b) Subject to clause 26.1(c) and clause 26.1(d), Service Provider will provide Services to a New Delivery Point or from a New Receipt Point described in a New Point Request, provided that:
  - (i) in the case of either a New Receipt Point or New Delivery Point:
    - (A) there is a connection allowing the physical flow of Gas in accordance with Service Provider's standards between the Pipeline System and the New Receipt Point or New Delivery Point and that New Receipt Point or New Delivery Point has been fully constructed, commissioned and is operational;
    - (B) there is adequate available Capacity at the New Receipt Point or the New Delivery Point for Service Provider to undertake the New Point Request;
    - (C) User agrees that, after Service Provider implements the New Point Request, User will continue to pay, as a minimum, the tariffs and charges paid by User under the terms of this Agreement immediately prior to Service Provider implementing the New Point Request;
    - (D) User agrees to pay any reasonable additional charges (including, any additional lateral or receipt point charges associated with implementing the New Point Request, including the provision of Services from the New Receipt Point or to the New Delivery Point, as applicable) necessary for Service Provider to recover the additional costs (if any) of operating the Pipeline System or New Receipt Point or New Delivery Point facilities as applicable, including any applicable capital cost rebates, which additional charges are reasonably incurred by Service Provider as the result of the New Point Request. Service Provider can levy these additional costs as a lump sum, periodic payment or by reference to contract volumes, but in any case must provide an estimate of these additional charges prior to implementing the New Point Request; and
    - it is commercially, technically and operationally feasible for Service Provider to do so;

- (ii) in the case of a New Receipt Point:
  - (A) the New Receipt Point is located at a point on the Pipeline that is consistent with the direction of the Services to be provided using that Receipt Point; and
  - (B) the New Receipt Point is capable of delivering Gas into the Pipeline System at a pressure sufficient to provide the Services; and
- (iii) in the case of a New Delivery Point, it is located at a point on the Pipeline consistent with the direction of the Services to be provided using that Delivery Point.
- (c) The addition of a New Receipt Point or New Delivery Point pursuant to this clause 26.1 will also be subject to:
  - (i) any other reasonable conditions Service Provider may impose; and
  - (ii) User and Service Provider setting out in a document signed by both Parties all amendments to the Commercial Services Schedule(s) and any relevant provision of this Agreement that are necessary to give effect to changes to be made pursuant to this clause 26.1.
- (d) Notwithstanding clause 26.1(b), Service Provider is under no obligation whatsoever to undertake construction or make capital improvements at any New Receipt Point or New Delivery Point unless Service Provider and User have entered into a separate written agreement to the contrary.

## 26.2 Reallocation of Delivery Point MDQ

- (a) Subject to clauses 26.2(b) through 26.2(d), User may request a reallocation of some of its Contracted Delivery Point MDQ from and existing Delivery Point to another existing Delivery Point (Alternate Delivery Point), (referred to as a Delivery Point Reallocation) by making a request to Service Provider in writing.
- (b) Subject to clauses 26.2(c) and 26.2(d), Service Provider will agree to and will implement the Delivery Point Reallocation as soon as reasonably practicable after the request from User is made (and, in any event, not later than 30 Days after that request is made), provided that:
  - it is technically and operationally feasible for Service Provider to undertake the requested Delivery Point Reallocation and any such Delivery Point Reallocation does not result in a breach by Service Provider of any legal or other regulatory requirements;
  - (ii) there is adequate available Capacity at the Alternate Delivery Point for Service Provider to undertake the requested Delivery Point Reallocation;

- (iii) User agrees that, after Service Provider implements the requested Delivery Point Reallocation, User will continue to pay, as a minimum, the tariffs and charges paid by User under the terms of this Agreement immediately prior to Service Provider implementing the requested Delivery Point Reallocation;
- (iv) User agrees to pay any reasonable additional charges (including any additional lateral or delivery point charges associated with implementing the requested Delivery Point Reallocation) necessary for Service Provider to recover the additional costs (if any) of operating the Pipeline System or the Alternate Delivery Point, which additional charges will be reasonably incurred by Service Provider as the result of the requested Delivery Point Reallocation including any applicable capital cost rebates. Service Provider can levy these additional costs as a lump sum, periodic payment or by reference to contract volumes, but, in any case, must provide User with an estimate of these additional charges prior to implementing the Delivery Point Reallocation; and
- (c) The Delivery Point Reallocation will also be subject to:
  - (i) any other reasonable conditions Service Provider may impose; and
  - (ii) User and Service Provider setting out in a document signed by both Parties all amendments to the Commercial Terms Schedule and any relevant provision of this Agreement that are necessary to give effect to changes to be made pursuant to this clause 26.2.
- (d) Notwithstanding clauses 26.2(b) and 26.2(c), Service Provider is under no obligation whatsoever to undertake construction or make capital improvements at a Delivery Point unless Service Provider and User have entered into a separate written agreement to the contrary.

## 26.3 Reallocation of Receipt Point MDQ

- (a) Subject to clauses 26.3(b) through 26.3(d), User may request a reallocation of its Contracted Receipt Point MDQ from an existing Receipt Point to another existing Receipt Point (Alternate Receipt Point) (referred to as a Receipt Point Reallocation) by making a request to Service Provider in writing.
- (b) Subject to clauses 26.2(c) and 26.2(d), Service Provider will agree to and will implement the Receipt Point Reallocation as soon as reasonably practicable after the request from User is made (and, in any event, not later than 30 Days after that request is made), provided that:
  - it is technically and operationally feasible for Service Provider to undertake the requested Receipt Point Reallocation and any such Receipt Point Reallocation does not result in a breach by Service Provider of any legal or other regulatory requirements;

- (ii) there is adequate available Capacity at the Alternate Receipt Point for Service Provider to undertake the requested Receipt Point Reallocation:
- (iii) User agrees that, after Service Provider implements the requested Receipt Point Reallocation, User will continue to pay, as a minimum, the tariffs and charges paid by User under the terms of this Agreement immediately prior to Service Provider implementing the requested Receipt Point Reallocation; and
- (iv) User agrees to pay any reasonable additional charges (including, any additional lateral or delivery point charges associated with implementing the requested Receipt Point Reallocation) necessary for Service Provider to recover the additional costs (if any) of operating the Pipeline System or the Alternate Receipt Point, which additional charges will be reasonably incurred by Service Provider as the result of the requested Receipt Point Reallocation including any applicable capital cost rebates. Service Provider can levy these additional costs as a lump sum, periodic payment or by reference to contract volumes, but, in any case, must provide User with an estimate of these additional charges prior to implementing the Receipt Point Reallocation.
- (c) The Receipt Point Reallocation will also be subject to:
  - (i) any other reasonable conditions Service Provider may impose; and
  - (ii) User and Service Provider setting out in a document signed by both Parties all amendments to the Commercial Terms Schedule and any relevant provision of this Agreement that are necessary to give effect to changes to be made pursuant to this clause 26.3.
- (d) Notwithstanding clauses 26.2(b) and 26.2(c), Service Provider is under no obligation whatsoever to undertake construction or make capital improvements at a Receipt Point unless Service Provider and User have entered into a separate written agreement to the contrary.

### 26.4 Receipt Point Equipment

Unless the Parties otherwise agree:

- (a) any equipment at a Receipt Point that is not owned by Service Provider and is necessary to enable it to provide the Services:
  - (i) must be made available by User to Service Provider at no cost for use by Service Provider; and
  - (ii) will be operated and maintained at User's cost by Service Provider;
- (b) User must ensure that all Measuring Equipment at a New Receipt Point that is not owned by Service Provider is designed and constructed in accordance with Schedule 3:

- (c) the Measuring Equipment at a Receipt Point, irrespective of ownership, must at all times comply with the specifications and other technical requirements for Measuring Equipment set out in Schedule 3 so as to record continuously the volume and the energy flow rate and all measurements used in their computation; and
- (d) a Receipt Point must have an emergency shutdown valve, flow control valve with pressure control override, and equipment for metering, quality measurement, pressure control, isolation, protection and cleaning, and for making available metering data for instantaneous transmission to the Pipeline System's control centre with SCADA and communications protocols acceptable to Service Provider, and any other equipment for the safe and reliable receipt of Gas in accordance with this Agreement.

#### 26.5 Unused Receipt Points

If Gas has not been supplied at a Receipt Point by or on behalf of User or any Other Users during any period of 12 consecutive Months:

- (a) Service Provider may, upon giving not less than 180 Days' Notice to User (if affected) and all affected Other Users, cease to make use of that Receipt Point for the provision of Pipeline Services; and
- (b) in that event, where User or an Other User has a contract for a Firm Service:
  - that contract will be deemed to be amended by deleting the reference to there being a Contracted Receipt Point MDQ at that Receipt Point;
     and
  - (ii) User must transfer, pursuant to clause 26.3, the amount of the Contracted Receipt Point MDQ at that Receipt Point so that it becomes, or increases, one or more Contracted Receipt Point MDQ at one or more other Receipt Points.

### 26.6 Delivery Point Equipment

Unless the Parties otherwise agree:

- (a) any equipment at or downstream of a Delivery Point that is not owned by Service Provider and is required by Service Provider to provide the Services:
  - (i) must be made available by User to Service Provider at no cost for use by Service Provider; and
  - (ii) will be operated and maintained by Service Provider;
- (b) User must ensure that all Measuring Equipment at a New Delivery Point that is not owned by Service Provider is designed and constructed in accordance with Schedule 3:

- (c) the Measuring Equipment at any New Delivery Point, irrespective of ownership, must at all times comply with the specifications and other technical requirements for Measuring Equipment set out in Schedule 3 so as to record continuously the volume and the energy flow rate and all measurements used in their computation; and
- (d) a Delivery Point must have an emergency shutdown valve, flow control valve with pressure control override, and equipment for metering, quality measurement, pressure control, isolation, protection and cleaning, and for making available metering data for instantaneous transmission to the Pipeline System's control centre with SCADA and communications protocols acceptable to Service Provider, and any other equipment for the safe and reliable delivery of Gas in accordance with this Agreement.

## 26.7 Unused Delivery Points

If delivery of Gas has not been taken at a Delivery Point by a person having a contract for a Firm Service during any period of 12 consecutive Months:

- (a) Service Provider may, upon giving not less than 180 Days' Notice to User (if affected) and all affected Other Users, cease to make use of that Delivery Point for the provision of Pipeline Services; and
- (b) in that event, where User or an Other User has a contract for a Firm Service:
  - (i) that contract will be deemed to be amended by deleting the reference to there being a Contracted Delivery Point MDQ at that Delivery Point; and
  - (ii) User must transfer, pursuant to clause 26.2, the amount of the Contracted Delivery Point MDQ at that Delivery Point so that it becomes, or increases, one or more Contracted Delivery Point MDQ at one or more other Delivery Points.

### 26.8 Adjoining Facility Operator

Service Provider may exchange metering data and allocated Gas quantities determined pursuant to this Agreement with the operator of any distribution pipeline system, transmission pipeline system or other Gas facility that directly connects with the Pipeline System, or with the market operator (or intermediary) of any market associated with that distribution pipeline system, transmission pipeline system or other Gas facility.

# 26.9 Additional rights under National Gas Rules

In addition to the rights granted to User under the earlier provisions of this clause 26, User has the right to request, from time to time, the use of an additional Pipeline Service Point as set out in Part 24 of the National Gas Rules.

#### 27. SALE OF OTHER ENTITLEMENTS

#### 27.1 Other Entitlements Bilateral Trades

- (a) This clause 27 sets out the procedures by which User may transfer to an Other User, hourly entitlements, imbalance entitlements and other contractual entitlements to use Capacity (**Other Entitlement**) by Bilateral Trade (**Other Entitlement Bilateral Trade**).
- (b) For clarity, an Other Entitlement Bilateral Trade does not include a Bilateral Trade to which clause 6 applies.
- (c) User may only enter into an Other Entitlement Bilateral Trade:
  - (i) with an Other User who is a party to an OTSA; or
  - (ii) such Other User approved by Service Provider (which approval is not to be unreasonably withheld),

an **OE Valid Trading Party** on, and subject to, the terms and conditions of this clause 27.

## 27.2 Information to be provided to Service Provider

In order for Service Provider to assess a proposed Other Entitlement Bilateral Trade (including the operational, safety and other impacts of that Other Entitlement Bilateral Trade), User must first provide a joint notice of that proposed Other Entitlement Bilateral Trade from User and the proposed OE Valid Trading Party at Service Provider's email address for Other Notices set out in this Agreement (or by such other reasonable means nominated by Service Provider, including lodgement on the CRS) setting out:

- (a) the nature of the Other Entitlement the subject of that proposed Other Entitlement Bilateral Trade:
- (b) the quantity of the Other Entitlement to which that proposed Other Entitlement Bilateral Trade relates;
- (c) details of the operational impacts of giving effect to that proposed Other Entitlement Bilateral Trade; and
- (d) the term of that proposed Other Entitlement Bilateral Trade,

(Proposed OEBT Notice).

# 27.3 Assessment by Service Provider and giving effect to Other Entitlement Bilateral Trades

- (a) As soon as reasonably practicable after receipt of a Proposed OEBT Notice, Service Provider will:
  - (i) assess the details in that Proposed OEBT Notice;

- (ii) determine whether it requires additional information in order to determine whether it will give effect to the proposed Other Entitlement Bilateral Trade the subject of that Proposed OEBT Notice; and
- (iii) if it does require additional information, notify User of the nature and extent of that additional information.
- (b) If Service Provider determines that it will give effect to an Other Entitlement Bilateral Trade the subject of a Proposed OEBT Notice (which, for clarity, will only be able to occur after any and all additional information required by Service Provider has first been received and assessed), then:
  - (i) Service Provider will notify User of the date on which Service Provider, acting reasonably and prudently, is able to give effect to that proposed Other Entitlement Bilateral Trade; and
  - (ii) User must, if it wishes Service Provider to give effect to that Other Entitlement Bilateral Trade from that date, provide a joint notice to that effect from User and the OE Valid Trading Party at Service Provider's email address for Other Notices set out in this Agreement (or by such other reasonable means nominated by Service Provider, including lodgement on the CRS).
- (c) If Service Provider determines that it will not give effect to an Other Entitlement Bilateral Trade the subject of a Proposed OEBT Notice, then Service Provider will:
  - (i) notify User of that determination as soon as reasonably practicable after making that determination; and
  - (ii) set out the reason(s) for that determination.
- (d) Service Provider may only refuse to give effect to an Other Entitlement Bilateral Trade the subject of a Proposed OEBT Notice if:
  - (i) Service Provider, acting reasonably and prudently, is of the opinion that giving effect to that Other Entitlement Bilateral Trade will or may:
    - (A) adversely affect, or impact upon, the safe and reliable operation of the Pipeline System or any part of it;
    - (B) not be able to be achieved in a workable manner and consistently with other provisions of this Agreement or the OE Valid Trading Party's agreement with Service Provider; or
    - (C) adversely affect the ability of Service Provider to meet its obligations to any Other User;
  - (ii) under clause 27.4 Service Provider is not required to give effect to that Other Entitlement Bilateral Trade; or

(iii) the quantity of the Other Entitlement to which that Other Entitlement Bilateral Trade relates will, for any part of the term of that Other Entitlement Bilateral Trade, exceed User's relevant Other Entitlement (assessed prior to that Other Entitlement Bilateral Trade).

#### 27.4 Grounds to refuse Other Entitlement Bilateral Trade

Despite anything to the contrary in this clause 27, Service Provider is not required to give effect to an Other Entitlement Bilateral Trade the subject of a Proposed OEBT Notice if:

- (a) where permitted by the National Gas Rules or otherwise by law: or
- (b) if:
  - (i) User is in breach of this Agreement; or
  - (ii) User is 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; or
  - (iii) the OE Valid Trading Party is in breach of its agreement with Service Provider under which it would use the quantity of the Other Entitlement proposed to be acquired under the Other Entitlement Bilateral Trade.

#### 27.5 No responsibility for use by OE Valid Trading Party

- (a) User has no liability to Service Provider for any acts or omissions of the acquiring OE Valid Trading Party during the period of the Other Entitlement Bilateral Trade in respect of the quantity of the Other Entitlement to which the Other Entitlement Bilateral Trade relates.
- (b) Clause 27.5(a) does not apply to liability of User which arises independently of the Other Entitlement Bilateral Trade or this Agreement.

#### 27.6 Other Entitlement Bilateral Charge

- (a) For each Other Entitlement Bilateral Trade approved pursuant to this clause 27, User must pay to Service Provider an amount equal to the actual costs and expenses (including legal costs on a solicitor and own client basis) incurred by Service Provider in assessing, and giving effect to, that Other Entitlement Bilateral Trade (Other Entitlement Bilateral Trade Charge).
- (b) An Other Entitlement Bilateral Trade Charge will be payable by User within 10 Business Days after receipt by User of a tax invoice for that amount from Service Provider.

#### 27.7 Reduction in User's Other Entitlements

Despite anything to the contrary in this clause 27or elsewhere in this Agreement, to the extent that Service Provider gives effect to an Other Entitlement Bilateral

Trade by User, User's relevant Other Entitlement is reduced by the quantity of Other Entitlement the subject of that Other Entitlement Bilateral Trade.

#### 28. NOTICES

#### 28.1 CRS

- (a) Subject to clauses 28.1(b) and 28.1(c), it is intended that each notice, notification, consent, request and other communication (**Notice**) between the Parties will be given or made on the CRS, provided that Notices may also be given in accordance with clause 28.2.
- (b) Clause 28.1(a) does not apply in relation to any Notice that is expressly required to be given in accordance with a provision of this Agreement.
- (c) If at any time the CRS fails to function properly, then each Notice that is required to be given during the period of failure must be given in accordance with clause 28.2.

#### 28.2 Written Form

- (a) Except as otherwise provided in this Agreement, any Notice or invoice issued under this Agreement must be:
  - (i) in writing and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post, email or facsimile to the recipient's address, email address or facsimile number specified in clause 28.3, as varied by any Notice given by the recipient to the sender.
- (b) A Notice or invoice issued in accordance with clause 28.2(a) will be taken to be received:
  - (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second Business Day after the date of posting (or on the seventh Business Day after the date of posting if posted to or from a place outside Australia);
  - (iii) if sent by email, when the sender has received a confirmation email from the addressee of the original email (provided that an autogenerated reply from the addressee will not constitute such a confirmation); or
  - (iv) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within one Business Day after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a Business Day or is after 1700 hours (local time) on a Business Day in the place of receipt, the Notice is taken to be received at 0900 hours (local time) on the next Business Day in the place of receipt.

#### 28.3 Address for Notices

Unless changed, the Parties' address and other contact details for Notices under this Agreement are, subject to clause 28.2(a)(ii):

- (a) in the case of Service Provider:
  - (i) for Day to Day operational Notices, as set out in Item 5 of Schedule 1;
  - (ii) for charging, invoicing and other financial Notices, as set out in Item 6 of Schedule 1;
  - (iii) for all other Notices (**Other Notices**), as set out in Item 7 of Schedule 1; and
- (b) in the case of User:
  - (i) for Day to Day operational Notices, as set out in Item 2 of Schedule 1;
  - (ii) for charging, invoicing and other financial Notices, as set out in Item 3 of Schedule 1;
  - (iii) for all other Notices, as set out in Item 4 of Schedule 1.

#### 29. CUSTOMER REPORTING SYSTEM

#### 29.1 Establishment of CRS

Service Provider will establish and maintain a customer reporting system (**CRS**) for the purposes described in this Agreement (and for such other purposes as are notified by Service Provider from time to time).

#### 29.2 Information and Access

- (a) Service Provider will afford User with access to the CRS during the Term on an interactive and timely basis.
- (b) Service Provider agrees that access to the CRS will be provided on an interactive, non-discriminatory, timely basis only to the following persons:
  - (i) User and Other Users that have a current contract for Pipeline Services on the Pipeline System with Service Provider; and
  - (ii) a person that has been assigned a CRS User ID and password by Service Provider,

each of such persons being a CRS User.

## 29.3 CRS User Obligations

- (a) In addition to any other obligations of User (express and implied) under this Agreement in relation to the CRS, User must:
  - (i) abide by such reasonable rules for the use of the CRS as are published by Service Provider from time to time;
  - (ii) confine its use of the CRS to purposes necessary to meet its obligations, and to exercise its rights, under its own contract(s) for Pipeline Services on the Pipeline System with Service Provider;
  - (iii) only seek access on the CRS to information that is either:
    - (A) specific to User; or
    - (B) relevant to all CRS Users;
  - (iv) not, and must not attempt to:
    - (A) corrupt; or
    - (B) interfere with,

the operation of the CRS; and

- (v) implement appropriate security procedures in relation to:
  - (A) the CRS User ID and password assigned to User by Service Provider; and
  - (B) User's access to the CRS,

to prevent unauthorised access to User's information or to the CRS.

- (b) User acknowledges and agrees that:
  - (i) Service Provider would incur significant costs, expenses and inconvenience if User were to breach any of the obligations referred to in clause 29.3(a); and
  - (ii) the obligations in clause 29.3(a) are material obligations for the purposes of clause 31.1(b).

## 29.4 Procedures to Back-Up, Archive and Retrieve Data

(a) After the end of each Month, Service Provider will remove all completed transactions from the CRS for the preceding Month, but notices still current at that time will not be removed.

- (b) Subject to any additional statutory, regulatory or contractual record retention requirements, Service Provider will retain (for 24 Months for audit purposes) daily back-up files of the data displayed on the CRS.
- (c) Service Provider will, upon receipt of a request on the CRS from User:
  - (i) provide to User, in electronic form, a copy of any data retained by Service Provider pursuant to clause 29.4(b), excluding any data which is, or which Service Provider considers to be, confidential or commercially sensitive; or
  - (ii) permit User to view, at Service Provider's nominated office, the data retained by Service Provider pursuant to clause 29.4(b) that relates solely to User.

## 29.5 CRS Not Operational

If at any time the CRS is not operating or fails to function properly, then all notices, notifications, requests, consents and other communications (including operating protocols) that are required to be given during the period of failure must be given by facsimile in accordance with clause 28.2.

## 29.6 Monitoring of CRS

User acknowledges that it will be solely responsible for monitoring the CRS for information relating to or affecting User.

#### 30. LIABILITY AND INDEMNITY

## 30.1 Indemnity

- (a) User indemnifies Service Provider and each of its Related Bodies Corporate for any Losses suffered or incurred by:
  - (i) Service Provider or any of its Related Bodies Corporate; or
  - (ii) User,

in connection with any Claim brought against Service Provider or any of its Related Bodies Corporate or otherwise, arising out of or in connection with:

- (iii) the supply by User of Non-Specification Gas into the Pipeline System; or
- (iv) User's failure to comply with an OFO (including for actions taken by Service Provider under clause 23.4(b)),

except to the extent that any such Losses result from any negligent act or omission, unlawful act, Wilful Misconduct, fraudulent conduct or breach of this Agreement by Service Provider or any of its Related Bodies Corporate.

- (b) User indemnifies Service Provider and each of its Related Bodies Corporate for any Direct Losses suffered or incurred by Service Provider or any of its Related Bodies Corporate, in connection with any Claim brought against Service Provider or any of its Related Bodies Corporate or otherwise, arising out of or connection with:
  - (i) an Excess Imbalance in respect of which Service Provider has posted a notification on the CRS or otherwise given a Notice to User pursuant to clause 16.4; or
  - (ii) any breach by User of its obligations under, or any use of the CRS in contravention of (or as a result of the contravention of), clause 29,

except to the extent that any such Direct Losses result from any negligent act or omission, unlawful act, Wilful Misconduct, fraudulent conduct or breach of this Agreement by Service Provider or any of its Related Bodies Corporate.

#### 30.2 Direct Losses

- (a) Subject to clause 30.2(b), the Liability of each Party to the other for any breach of this Agreement will be limited to the Direct Losses that are caused by that the relevant breach or cause of action.
- (b) The limitation of Liability in clause 30.2(a) does not apply to or otherwise limit:
  - (i) User's indemnity in favour of Service Provider in clause **Error!** Reference source not found.; or
  - (ii) the Liability of a Party to the extent that the Liability results from:
    - (A) any breach of clause 34; or
    - (B) any fraud or Wilful Misconduct.
- (c) Notwithstanding any other provision of this Agreement Service Provider's liability arising out of or in any way connected with this Agreement or any Claim shall not exceed the sum equivalent to 6 months Firm Service Charges under this Agreement in the aggregate.

#### 30.3 Third party benefit

Each Party acknowledges and agrees that Service Provider holds on trust for each of its Related Bodies Corporate the benefit of any rights and remedies conferred upon them by this clause 30 and in the case of breach Service Provider may enforce any of those rights and remedies on the behalf of all or any of them.

#### 30.4 Minimise Losses

Each Party agrees it will act in a reasonable and prudent way to minimise losses to the other Party in respect of the indemnities given in this clause 30.

#### 31. DEFAULT AND TERMINATION

## 31.1 Default by User

An Event of Default by User occurs when User:

- (a) suffers an Insolvency Event;
- (b) defaults in performance of a material obligation under this Agreement (**Default**) and, where the Default is capable of being remedied, does not remedy the Default within a period of 21 Days from the date of User's receipt of Notice from Service Provider requiring the Default to be remedied; or
- (c) fails to pay any amount due to Service Provider and that amount, plus interest accrued at the Interest Rate plus 2% per annum, is still outstanding 7 Days after the date of User's receipt of Notice of the outstanding amount from Service Provider (**Payment Default**).

## 31.2 Rights of Service Provider

If an Event of Default by User occurs, Service Provider may, by Notice to User:

- (a) suspend the Services with immediate effect and, if Service Provider wishes to do so, provide access to a third party to that amount of the Capacity in the Pipeline System contracted to User under this Agreement, until (as the case may be):
  - (i) the Insolvency Event has been removed or rectified;
  - (ii) the Default has been remedied; or
  - (iii) the Payment Default has been remedied; and/or
- (b) terminate this Agreement with immediate effect.

## 31.3 Continuation of Payment Obligations

If Service Provider elects to suspend the Services under clause 31.2, User will not be relieved of any of its obligations to make payments under this Agreement in respect of the Services performed prior to the suspension.

## 31.4 Rights of User

If Service Provider:

- (a) defaults in providing the Firm Service to User under this Agreement and does not remedy that default within 7 Days after the date of Service Provider's receipt of Notice from User requiring that default to be remedied;
- (b) otherwise defaults in performance of a material obligation and does not remedy that default within a period of 21 Days from the date of Service

Provider's receipt of Notice from User requiring the default to be remedied; or

(c) fails to pay any amount due and payable to User under this Agreement and that amount, plus interest accrued at the Interest Rate plus 2% per annum, is still outstanding 7 Days after the date of Service Provider's receipt of Notice of demand from User,

User may, by Notice to Service Provider, terminate this Agreement or suspend the operation of this Agreement until the default or failure referred to in paragraph (a), (b) or (c) above has been rectified with immediate effect.

## 31.5 Other Rights and Remedies

The rights and remedies described in clauses 31.2 and 31.4 are in addition to any other rights and remedies available to the Parties whether in law, in equity or otherwise.

## 31.6 Prior Rights

Termination of this Agreement will not prejudice the rights of either Party that have accrued prior to the date of termination.

#### 32. DISPUTE RESOLUTION AND INDEPENDENT EXPERTS

## 32.1 Dispute resolution

- (a) Subject to clause 17.4, if any dispute, controversy or claim arises between the Parties out of or in connection with this Agreement, including any question regarding its existence, validity or termination (**Dispute**) and a Party wishes to initiate a resolution of the Dispute, that Party must give a Notice of Dispute to the other Party, in which event:
  - each Party must nominate one of its senior managers or executives to meet with the senior managers or executives of the other Party in an attempt to resolve the Dispute;
  - (ii) the senior managers or executives nominated under clause 32.1(a)(i) must use their best endeavours to resolve the Dispute within a period of 20 Business Days after the Notice of the Dispute was given;
  - (iii) if the Parties agree, they may retain the non-binding mediation services of an agreed mediator; and
  - (iv) if the Dispute remains unresolved at the end of the period referred to in clause 32.1(a)(ii), and the Dispute is a technical matter or a financial matter (as those expressions are defined in clause 32.2), then either Party may give Notice to the other Party within five Business Days that it requires the Dispute to be determined by an independent expert (Independent Expert) in accordance with clauses 32.3 to 32.8.

- (b) The Parties must use reasonable endeavours to resolve a Dispute under this clause 32.
- (c) If a disagreement arises about whether the Dispute falls within the definition of technical matter under clause 32.2(a) or financial matter under clause 32.2(a) (**Disagreement**), then:
  - (i) within five Business Days of receiving a Notice in accordance with clause 32.1(a)(iv), the Parties must appoint a Senior Counsel or Kings Counsel (**Counsel**). If the Parties cannot agree upon the identity of Counsel, then the appointment is to be determined by the President of the South Australian Bar Association (or the President's delegate);
  - (ii) within five Business Days of Counsel's appointment, each Party may provide a written submission (of no longer than three pages) to Counsel and the other Party in relation to the Disagreement; and
  - (iii) within 10 Business Days of Counsel's appointment, Counsel will make a determination in writing in relation to the Disagreement. The determination will be final and binding on the Parties and the Parties agree that the determination will be conclusive as to whether a Dispute satisfies the definition of a financial matter or a technical matter (as the case may be).

#### 32.2 Technical and financial matters

For the purposes of this clause 32:

- (a) a **Technical Matter** means a matter that is wholly capable of determination by reference to engineering or scientific knowledge and practices; and
- (b) a **Financial Matter** means a matter that is wholly capable of determination by reference to auditing and accounting records, knowledge or practices.

#### 32.3 Appointment of Independent Expert

In the event that a Dispute is required to be determined by an Independent Expert under clause 32.1(a)(iv), the procedure for the appointment of an Independent Expert shall be as follows:

- (a) the Party wishing to have the Dispute determined shall give Notice to that effect to the other Party specifying the nature of the Dispute; and
- (b) the Parties must endeavour to agree upon the identity of the Independent Expert to be appointed, but in the event they are unable to agree upon the identity of the Independent Expert within 15 Days of the Notice referred to in clause 32.3(a), either Party may provide a copy of the Notice and a copy of this clause 32:

- (i) if the Dispute relates to a Technical Matter, to the President for the time being of the Institution of Engineers, Australia (or their delegate); or
- (ii) if the Dispute relates to a Financial Matter, to the Chief Executive Officer for the time being of The Institute of Arbitrators & Mediators Australia (or their delegate); or
- (iii) in either case, if the relevant body referred to in clause 32.3(b)(i) or clause 32.3(b)(ii) no longer exists, to the President (or their delegate) for the time being of such successor body or association as is then performing the function formerly carried out by the relevant body,

together with a request for the nomination of a suitably qualified person to act as the Independent Expert to determine the Dispute and the person so nominated shall be appointed as the Independent Expert for the determination of the Dispute.

## 32.4 Expert not an arbitrator

The Independent Expert appointed under clause 32.3 will act as an expert and not as an arbitrator and may proceed in any manner that the Independent Expert considers appropriate, without being bound to observe the rules of natural justice or the rules of evidence.

## 32.5 Evidence and representation

- (a) Each Party may be legally represented at any hearing before the Independent Expert.
- (b) Each Party shall make available to the Independent Expert all materials requested by the Independent Expert and all other materials which are relevant to the Independent Expert's determination, subject to any valid claim to legal professional privilege.
- (c) Unless otherwise agreed by the Parties, all material and evidence made available for the purposes of the determination shall be kept confidential.

#### 32.6 Determination

- (a) The Independent Expert shall make a determination of the issue in Dispute within three Months of his or her appointment. The determination of the Independent Expert:
  - (i) will be in writing;
  - (ii) will be final and binding upon the Parties in the absence of fraud, manifest error or breach of clause 32.8(c) by the Independent Expert; and
  - (iii) shall be kept confidential unless otherwise agreed to by all Parties involved in the determination.

- (b) Before the expiration of the period referred to in clause 32.6(a) the Independent Expert may extend the period of time referred to in clause 32.6(a) by period of time not greater than three Months.
- (c) For the avoidance of doubt, the Parties agree that if a Dispute has been determined by an Independent Expert it may not be referred to arbitration in accordance with clauses 32.9 and 32.10.

#### **32.7 Costs**

The costs in relation to a determination by the Independent Expert shall be dealt with as follows:

- (a) unless the Parties otherwise agree, the Parties will share the cost of the Independent Expert equally; and
- (b) the Parties will each bear their own costs in relation to the submission of the Dispute to, and its determination by, the Independent Expert.

## 32.8 Qualifications of Independent Expert

An Independent Expert appointed under clause 32.3:

- (a) must have no interest or duty which conflicts, or which may conflict, with his or her function as the Independent Expert;
- (b) will not (otherwise than by agreement between the Parties) be a current employee or officer of a Party or a Related Body Corporate of a Party, or have been an employee, officer or contractor of, or consultant to, a Party during the four years immediately preceding the referral of the relevant Dispute to an Independent Expert; and
- (c) must disclose fully to the Parties, before being appointed as the Independent Expert, any interest or duty which may conflict with his or her appointment.

#### 32.9 Determination of Dispute by arbitration

lf:

- (a) a Dispute is not required to be determined by an Independent Expert under clause 32.1(a)(iv); and
- (b) the Dispute resolution procedure in clauses 32.1(a)(i) and 32.1(a)(ii) has been followed.

then either party may refer the Dispute for determination by arbitration in accordance with clause 32.10.

## 32.10 Arbitration process

Subject to clause 32.9, either Party may submit any Dispute to arbitration by Notice to the other Party (**Notice for Arbitration**), including the name of the proposed arbitrator, in which case the following procedure shall apply:

- (a) if the Party receiving a Notice for Arbitration does not wish to accept the appointee as sole arbitrator, it shall within 14 Days of receipt of the Notice for Arbitration notify the other Party of the name of its appointee as a second arbitrator:
- (b) if the Party receiving a Notice for Arbitration does not give Notice of its appointee within the time referred to in paragraph (a), the arbitrator nominated in the Notice of Arbitration will be the sole arbitrator for the arbitration:
- (c) if two arbitrators are appointed, the arbitrators shall promptly following appointment jointly appoint a third person who shall act as umpire in the event that the arbitrators are unable to agree in their award. If the arbitrators fail to appoint an umpire within 15 Days of the date of the appointment of the second arbitrator, then upon the request of either Party, the umpire shall be appointed by the President for the time being of the Law Society of South Australia or in the event of that person's absence by any senior office bearer of the Law Society of South Australia;
- (d) once appointed, an arbitrator shall in no way represent any Party. Neither in deciding the identity and appointment of an umpire nor in any other way shall an arbitrator accept instructions or any expression of wishes from any Party, except where the arbitrators and the umpire jointly determine to seek instructions or expressions of wishes, or where the Parties join in instructions or an expression of wishes;
- (e) unless otherwise agreed between the Parties, the arbitration shall take place in Adelaide pursuant to the provisions of the *Commercial Arbitration Act 2011* (SA) and the laws governing the determination of the Dispute shall be the laws of South Australia;
- (f) the arbitration rules of the Australian Centre for International Commercial Arbitration (**Rules**), as in force from time to time, shall apply to the arbitration. In the case of any inconsistency between this Agreement and the Rules, this Agreement will prevail;
- (g) if an arbitrator requires any Party to make discovery of documents in respect of the arbitration, the Parties agree to limit the scope of discovery such that a Party is only required to give discovery of documents:
  - (i) that are directly relevant to the issues raised in the arbitration;
  - (ii) of which, after a reasonable search, the Party is aware; and
  - (iii) that are, or have been, in the Party's control;
- (h) the arbitrator or arbitrators will provide a determination in writing with supporting reasons. If there are two arbitrators and they fail to agree on a joint determination, they shall issue a statement to that effect and their separate determinations and reasons, which will be referred to the umpire for the umpire's consideration and determination (which will not involve a

new consideration of the facts and circumstances of the Dispute) and the umpire shall make a determination in writing with supporting reasons which shall be deemed to be the final award in the arbitration; and

(i) the Parties agree that the arbitration (including all materials created or received in connection with the arbitration) is to be kept confidential, save as for provided in the *Commercial Arbitration Act 2011* (SA).

## 32.11 Urgent Relief

Nothing in this clause 32 prejudices the right of a Party to seek urgent injunctive or declaratory relief in relation to any Dispute.

#### 32.12 Agreement not affected

The Parties agree that they will continue to fulfil their obligations under this Agreement while a Dispute is being determined in accordance with this clause 32.

#### 33. ASSIGNMENT

## 33.1 Assignment by Service Provider

- (a) Service Provider may, without the consent of User, assign the whole or any part of its rights under this Agreement to any transferee of an interest in the Pipeline System. The assignment will not be effective until the assignee executes a deed of covenant in favour of User agreeing to be bound by this Agreement.
- (b) Where Service Provider has made an assignment under clause 33.1(a), Service Provider will be released from its obligations under this Agreement (other than accrued obligations) to the extent of the assignment as from the date of assignment.
- (c) Service Provider may, with the consent of User (which consent will not be unreasonably withheld), assign the whole or any part of its rights under this Agreement to any person other than a transferee of an interest in the Pipeline System.

## 33.2 Assignment by User

- (a) Subject to clauses 33.2(c) and 33.3(a), User may assign all of its rights under this Agreement, or an undivided interest in all of its rights under this Agreement, in each case with the prior written consent of Service Provider (which consent will not be unreasonably withheld).
- (b) Without limiting the generality of clause 33.2(a), Service Provider will be entitled to withhold its consent if:
  - (i) User is in default of this Agreement (and the default has not been waived by Service Provider); or

- (ii) Service Provider is not reasonably satisfied as to the ability of the assignee to meet all of the obligations of User under this Agreement.
- (c) An assignment by User will be conditional upon, and will not be binding until:
  - (i) the execution by the assignee of a deed of covenant in favour of Service Provider agreeing to be bound by this Agreement which deed must be in a form reasonably acceptable to Service Provider; and
  - (ii) the reimbursement by the assignee of Service Provider's costs (including its legal costs) reasonably incurred in assessing whether the assignee will be able to meet all of the obligations of User under this Agreement and in connection with its review and negotiation of the deed of covenant referred to in clause 33.2(c)(i).
- (d) Where User has made an assignment under clause 33.2(a), User will be released from its obligations under this Agreement (other than accrued obligations) to the extent of the assignment and as from the date of assignment.

## 33.3 Agreement as Security

- (a) User may charge or mortgage its interest under this Agreement provided that the chargee or mortgagee acknowledges in writing, in a form satisfactory to Service Provider, that upon the enforcement or realisation of the charge or mortgage the chargee or mortgagee will be bound by the terms of this Agreement as if it were a party to it.
- (b) User agrees that it will not claim, take or enforce any form of PPSA Security Interest in respect of this Agreement or otherwise against Service Provider, and that it will not register any financing statement under the PPS Law in respect of any PPSA Security Interest in respect of this Agreement or otherwise against Security Provider.
- (c) For the purposes of clauses 33.3(b) and 36, **PPSA Security Interest** means any:
  - (i) 'security interest' (as defined in the PPS Law);
  - (ii) security for payment of money, performance of obligations or protection against default (including a mortgage, bill of sale, charge, lien, pledge, trust, power or title retention arrangement, right of setoff, assignment of income, garnishee order or monetary claim and flawed deposit arrangements) (each a **Security Interest**); and
  - (iii) thing or preferential interest or arrangement of any kind giving a person priority or preference over claims of other persons or creditors with respect to any property or asset.

- (d) Service Provider may at any time, and without the consent of User, charge, pledge, mortgage, assign or otherwise deal with its rights under this Agreement for any reason Service Provider sees fit.
- (e) User acknowledges and consents to the grant of a Security Interest by Service Provider over its interest in, and rights under, this Agreement and all of its other assets in favour of CBA Corporate Services (NSW) Pty Ltd as security trustee under a security trust (**Security Documents**) on behalf of the financiers who have provided or will provide financial accommodation to the parent company of Service Provider (QS MAPS Holdings No. 4 Pty Ltd).
- (f) User acknowledges and agrees that the enforcement of any Security Interest under the Security Documents will not constitute an Insolvency Event or entitle User to terminate, rescind or accept repudiation of, or suspend performance of any of its obligations under, this Agreement.
- (g) Nothing in this Agreement prevents or restricts Service Provider's rights to charge or mortgage its interest in this Agreement.

## 33.4 Delegation of Functions by Service Provider

Service Provider may delegate to one or more third parties that are, in Service Provider's opinion, technically competent and reputable, the performance of any or all of its obligations under this Agreement but will remain responsible for the performance of those obligations.

## 34. CONFIDENTIALITY

#### 34.1 Confidential Information

Each Party acknowledges and agrees that:

- (a) all data and information that is received by Service Provider from User pursuant to this Agreement, or of which Service Provider otherwise becomes aware in the course of performing this Agreement, that is specific to User's activities as a customer of Service Provider and is reasonably likely to be commercially sensitive (including User's nominations at Receipt Points and Delivery Points);
- (b) all data and information that is received by User from Service Provider pursuant to this Agreement, or of which User otherwise becomes aware in the course of performing this Agreement, and
- (c) the terms of this Agreement,

(together, **Confidential Information**) is confidential. Subject to clauses 34.2 and 34.3, a Party receiving Confidential Information (**Information Recipient**) must not disclose it to any other person for any purpose except:

(d) with the prior written consent of the other Party (**Disclosing Party**); or

- (e) in the following circumstances and upon the following conditions:
  - (i) to the extent required by any applicable law (including, for clarity, the National Gas Law and National Gas Rules and any instruments made under either of them) or any Government Agency, including any recognised stock exchange (except that this paragraph does not require a Party to disclose any information of the kind referred to in section 275(1) of the PPS Law);
  - (ii) to the extent that the information is at that time generally available to the public, otherwise than as a result of a breach of this Agreement;
  - (iii) to any Affiliate (including its employees, directors, consultants, contractors, lawyers, corporate advisers, investment managers, investment advisers, financial advisers, insurers, financiers, accountants and auditors), provided such disclosure is for the purposes of this Agreement;
  - (iv) to a bank or other financial institution (including its directors, employees, consultants, advisers, accountants and lawyers) in connection with the organisation of the financial affairs of the Information Recipient or its Affiliate;
  - (v) to a bona fide proposed assignee, transferee or purchaser of some or all of the share capital of the Information Recipient or in the case of Service Provider, its Related Bodies Corporate (including its proposed financier and its respective directors, employees, consultants, advisers, accountants and lawyers);
  - (vi) to the employees, directors, consultants, contractors, lawyers, corporate advisers, investment managers, investment advisers, financial advisers, insurers, financiers, accountants and auditors of the Information Recipient for the purposes of this Agreement and the transactions contemplated by this Agreement; or
  - (vii) to the extent required by an order of a court of competent jurisdiction for the purposes of any litigation or arbitration (including, at Service Provider's discretion, for the purposes of any arbitration under the Pipelines Access-Arbitration Regime), or as required for a determination by the Independent Expert under clause 32.

#### 34.2 Obligations

- (a) The Information Recipient must:
  - (i) prior to making any disclosure permitted by clause 34.1(e)(iii), 34.1(e)(iv), 34.1(e)(v) or 34.1(e)(vi) (each a **Specified Person**):
    - (A) make the Specified Person aware of the need to keep confidential the Confidential Information intended to be disclosed; and

- (B) take reasonable steps to ensure that the Specified Person does not do anything inconsistent with the Information Recipient's obligations under this clause 34 and complies with this clause 34 as if references to the Information Recipient were references to that Specified Person; and/or
- (ii) if requested in writing by the Disclosing Party, either in a specific instance or generally for the purposes of this clause 34.2(a)(ii), require a Specified Person of the type referred to in clause 34.1(e)(v) to whom the Information Recipient intends to make the disclosure to enter into a SP Undertaking.
- (b) Subject to clause 34.2(c), if the Information Recipient makes a disclosure to any Specified Person:
  - (i) without complying with the Information Recipient's obligations under clause 34.2(a)(i); or
  - (ii) in compliance with the Information Recipient's obligations under clause 34.2(a)(i), but that Specified Person nevertheless does something inconsistent with the Information Recipient's obligations under this clause 34.

and the Disclosing Party suffers or incurs any material Losses as a result, the Information Recipient will be liable for those Losses.

(c) Clause 34.2(b) will not apply if the Information Recipient obtains a SP Confidentiality Undertaking, whether as a result of a request from the Disclosing Party under clause 34.2(a)(ii) or otherwise.

#### 34.3 Acknowledgements

Despite clause 34.1, User acknowledges and agrees that Service Provider may disclose measurement data (where pertinent) to the operator of any pipeline that directly connects with the Pipeline System.

#### 35. ACCESS TO INFORMATION

#### 35.1 No Access

Subject to clause 35.2, User will have no right to be provided with any information that relates in any way to:

- (a) any employee, agent, contractor or consultant of Service Provider; or
- (b) any supplier of goods or services to Service Provider.

#### 35.2 Exceptions

Service Provider will provide to User:

(a) the name and contact details of any person appointed by Service Provider pursuant to clause 17.4(a)(ii); and

(b) the name and contact details of, and such other information as Service Provider considers relevant in relation to, any person to whom obligations are delegated under clause 32.1(a)(i).

#### 36. PPS LAW FURTHER ASSURANCES

## 36.1 User's obligations

If at any time a PPS Law applies to this Agreement or any transaction contemplated by this Agreement, or Service Provider determines that to be the case, User agrees to do anything (including obtaining consents, completing, signing and producing documents, and supplying information) which Service Provider considers necessary for the purposes of:

- (a) ensuring that any relevant PPSA Security Interest is enforceable, perfected and otherwise effective;
- (b) enabling Service Provider to apply for any registration, or give any notification, in connection with the PPSA Security Interest so that it has the priority required by Service Provider; and
- (c) enabling Service Provider to exercise powers, rights or remedies in connection with the PPSA Security Interest.

#### 36.2 Waiver

User waives its rights to receive any notice under the PPS Law (including a notice of a verification statement) unless the notice is required by the PPS Law and cannot be excluded.

#### 37. MISCELLANEOUS

#### 37.1 Exclusion of implied conditions and warranties

The Parties acknowledge and agree that in the performance of this Agreement all implied conditions and warranties are excluded, except any implied condition or warranty the exclusion of which would contravene any statute or cause any part of this Agreement to be void.

## 37.2 No limit in breach of statute

Nothing in this Agreement excludes or limits the application of any provision of any statute (including the *Competition and Consumer Act 2010* (Cth)) where to do so would:

- (a) contravene that statute; or
- (b) cause any part of this Agreement to be void.

## 37.3 Governing law

This Agreement is governed by the law of South Australia, and each Party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of South Australia and agrees to be bound by any decisions of those courts and any courts having jurisdiction to hear appeals from those courts.

#### 37.4 Survival

- (a) Clauses 1, 4, 17, 18, 25, 28, 29.4, 30, 31.6, 34, 37.1, 37.2, 37.3, 37.5, 37.6, 37.8, 37.9, 37.10 and 37.11, this clause 37.4 and any other clause by its nature intended to survive termination of this Agreement survives termination of this Agreement.
- (b) Any indemnity or any obligation of confidence under this Agreement is independent and survives termination of this Agreement.

#### 37.5 Relationship

This Agreement does not create a relationship of employment, trust, agency or partnership between the Parties.

#### 37.6 Approvals and consents

Except where this Agreement expressly states otherwise, a Party may, in its discretion, give conditionally or unconditionally or withhold any approval or consent under this Agreement.

#### 37.7 Entire agreement

This Agreement constitutes the entire agreement between User and Service Provider, and supersedes all prior agreements, representations, understandings, communications and negotiations. Trade usage or custom shall not override any term of this Agreement.

#### 37.8 Amendment

Except as otherwise provided for in this Agreement, no amendment of, or variation to, this Agreement will be binding unless it is in writing and signed by each of the parties.

## 37.9 Waivers

A Party does not waive a right, power or remedy if it fails to exercise or delays in exercising the right, power or remedy. A single or partial exercise of a right, power or remedy does not prevent another or further exercise of that or another right, power or remedy. A waiver of a right, power or remedy must be in writing and signed by the Party giving the waiver.

## 37.10 Severance

A term or part of a term of this Agreement that is illegal or unenforceable may be severed from this Agreement and the remaining terms or parts of the term of this Agreement will continue in full force and effect.

## 37.11 Costs and stamp duty

- (a) Each Party must pay its own costs of or in connection with the negotiation, preparation, execution and delivery of this Agreement.
- (b) Any stamp duty, duties or other taxes of a similar nature (including fines, penalties and interest) in connection with this Agreement or a transaction contemplated by this Agreement, must be paid by User.

#### 37.12 Further assurances

Each Party must do, at its own expense, everything reasonably necessary (including executing documents) to give full effect to this Agreement and the transactions contemplated by it.

## 37.13 No merger

The rights and obligations of the Parties under this Agreement do not merge on completion of any transaction contemplated by this Agreement.

## 37.14 Counterparts and electronic execution

- (a) This Agreement may be executed in any number of counterparts.
- (b) Each counterpart constitutes an original of this Agreement, and all executed counterparts constitute one instrument.
- (c) Each Party:
  - (i) consents to this Agreement being executed electronically by any method (including by signing on an electronic device, electronic signing platform or by digital signature) and existing in electronic form; and
  - (ii) agrees that:
    - (A) electronic signature and the method used is a legally valid and binding method of execution; and
    - (B) electronic signature is conclusive as to the identity of a Party and their intention to be bound as if signed by that Party's (or any of its duly authorised signatory's) manuscript signature.

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# **Schedule 1 – Contract Specifics**

Item	Matter/topic	Details
1.	User	[insert name] ABN [insert number]
2.	User – Operational Notices	[insert notification details]
3.	User – Financial Notices	[insert notification details]
4.	User – Other Notices	[insert notification details]
5.	Service Provider – Operational Notices	Attention: Pipeline Control  Telephone: 1300 662 734  Email: gas.control@epic.com.au
6.	Service Provider – Financial Notices	Attention: Commercial Operations Advisor Telephone: (08) 8343 8100 Email: marketsettlements@epic.com.au
7.	Service Provider – Other Notices	Attention: Head of Commercial  Address: Level 6, 70 Franklin Street, Adelaide SA 5000  Telephone: (08) 8343 8100  Email: commercial@epic.com.au
8.	Condition Precedent Satisfaction Date	[insert date]

# **Schedule 2 – Delivery Point Pressures**

Delivery Point	Delivery Pressure kPa	Minimum Pressure kPa	Maximum Pressure kPa	Pressure Inlet to Regulator kPa
Snuggery	800	700	900	2,000
Mount Gambier	600	550	650	2,000
Penola	320	250	390	2,000

Maximum and minimum pressures are dependent on the direction of flow. Capacity depends on pressure.

## Schedule 3 - Measuring Equipment

#### 1. MEASURING EQUIPMENT

**Measuring Equipment** is equipment for measuring the quantity, quality and condition of Gas at Receipt Points and Delivery Points. The equipment must include remotely controlled flow devices, must be capable of making data concerning quality, quantity and condition of Gas available for instantaneous transmission to Service Provider's control centre, must comply with the specifications and other technical requirements published from time to time by Service Provider and include SCADA and communications equipment and protocols compatible with Service Provider's equipment.

#### 2. CERTIFICATION

- (a) Where the Measuring Equipment is owned and operated by Service Provider, Service Provider will, if requested by User, furnish certification of the accuracy and the initial calibration for the metering equipment to User at or before the commencement of deliveries of Gas under this Agreement.
- (b) Where the Measuring Equipment is owned and operated by User or a third party, User must, if requested by Service Provider, furnish certification of the accuracy and the initial calibration for the metering equipment to Service Provider at or before the commencement of deliveries of Gas under this Agreement.

#### 3. METER DESIGN

- (a) Service Provider will:
  - (i) determine the nature, design and specifications of;
  - (ii) determine the configuration of and communication protocols for;
  - (iii) review all plans for; and
  - (iv) inspect the installation of,

all Measuring Equipment to be installed at a Delivery Point or a Receipt Point.

(b) No Receipt Point or Delivery Point will be connected to the Pipeline System unless it complies in all respects with Service Provider's specifications.

#### 4. FLOW DEVICES

- (a) Orifice metering systems will be constructed and installed in accordance with the provisions of American Gas Association (**AGA**) Report No. 3, such that an uncertainty of ±1.0% of the flow energy rate is achieved.
- (b) Turbine metering systems will be constructed and installed in accordance with the provisions of AGA Report No. 7, such that an uncertainty of ±1.0% of the flow energy rate is achieved.
- (c) Positive Displacement (PD) metering systems will be constructed and installed in accordance with the provisions of ANSI B109-3 (1986), such that an uncertainty of ±1.0% of the flow energy rate is achieved.
- (d) Ultrasonic metering systems will be constructed and installed in accordance with the provisions of AGA Report No. 9 such that an uncertainty of ±0.7% of the flow energy rate is achieved.
- (e) Coriolis metering systems will be constructed and installed in accordance with the provisions of AGA Report No. 11 such that an uncertainty of ±0.7% of the flow energy rate is achieved.
- (f) Other metering systems will be constructed and installed in accordance with established industry standards as adopted by Service Provider.

#### 5. DIFFERENTIAL PRESSURE FOR ORIFICE METERING

Differential pressure will be measured using microprocessor based 'smart' type transmitters, with 4-20 mA analogue output signals temperature compensated to minimise the effect of inaccuracies due to ambient temperature changes. The uncertainty of differential pressure transmitters will be ±0.1% or better of the calibrated range. Calibrated ranges will be selected to minimise the uncertainty of readings. Service Provider will have the right, but not the obligation, to install high and low pressure differential pressure transmitters based on turn down requirements of metering. If fitted, Service Provider will ensure that they will be switched automatically by the flow computer to select the optimum operating range.

### 6. PRESSURE

Pressure will be measured using microprocessor based 'smart' type transmitters, with 4-20 mA analogue output signals temperature compensated to minimise the effect of inaccuracies due to ambient temperature changes. Uncertainty of transmitters will be  $\pm 0.1\%$  of the calibrated range. Calibrated ranges will be selected to minimise the uncertainty of readings.

#### 7. TEMPERATURE

The temperature transmitter uncertainty will be  $\pm 0.2^{\circ}$ C of the calibrated range. Calibrated ranges will be selected to minimise the uncertainty of readings.

#### 8. FLOW COMPUTER

(a) Where a meter station is not owned and operated by Service Provider, User must ensure that a self-contained proprietary type flow computer is installed, and that instantaneous values for at least the following inputs and outputs are recorded and available for display from the flow computer:

Inputs	Outputs	
Differential pressure, high (orifice	Differential pressure (orifice meter)	
meter)	Pressure	
Differential pressure, low (orifice meter)	Temperature	
Pressure	Density	
Temperature	Instantaneous volumetric flow (corrected and uncorrected)	
Relative density	Cumulative volumetric flow	
Gas quality	Instantaneous energy flow	
Carbon dioxide	<b>3,</b>	
Nitrogen	Cumulative energy flow	
Dry Gross Heating Value	Instantaneous mass flow (turbine, ultrasonic and Coriolis meters)	
(volumetric and/or mass)	Cumulative mass flow (turbine,	
Frequency (turbine, PD and	ultrasonic and Coriolis meters)	
ultrasonic meters)	Control valve position	

- (b) The flow computer will be manually configured with input data for calculation factors, constants and Standard Conditions as well as fall back values for out of limit input signals and alarm outputs. Configuration data will be available on a local display. The flow computer input and output circuits and central processing unit will not increase the uncertainty of any measurement or calculation by more than ±0.1% of the range of that measurement or calculation.
- (c) At least 35 Days of hourly information will be backed up and stored on the flow computer.
- (d) Communication connections and protocol must be acceptable to Service Provider and must be compatible with, and connected to, Service Provider's SCADA system.
- (e) Where a meter station is owned and operated by Service Provider, Service Provider will determine to what extent the above parameters in this clause 8 will apply.

#### 9. ENERGY AND RELATIVE DENSITY

- (a) The energy content of the Gas will be monitored at all Receipt Points and various Delivery Points on the Pipeline System by an on-line gas chromatograph designed to take a continuous sample of Gas from the Pipeline System.
- (b) A sample probe will be used to extract the sample from the Pipeline System and the dead volume between the line and the analyser will be minimised. Sample condensation will be avoided. The samples will be analysed in accordance with ASTM D1945 'Standard Method for Analysis of Natural Gas by Gas Chromatography', and the calculations for Gross Heating Value and relative density will be determined in accordance with ISO 6976 'Natural Gas - Calculation of Calorific Value, Density and Relative Density' and AGA Report No 8 'Compressibility and Supercompressibility for Natural Gas and Other Hydrocarbon Gases'.
- (c) The gas chromatograph will provide instantaneous outputs of dry Gross Heating Value in MJ/m³, relative density, and compositions of carbon dioxide and nitrogen.
- (d) The gas chromatograph will be factory tested and calibrated using a certified natural gas gravimetric standard and will perform with an uncertainty of ±0.08 MJ/m³ for Gross Heating Value and ±0.003 for Relative Density. The gas chromatograph will include the facility for recalibrating itself automatically against a certified calibration gas at least once per Day.

#### 10. PULSATION OR HARMONICS DAMPING

User must ensure that pulsation or harmonics in the Gas stream delivered at the Receipt Point or Delivery Point does not interfere with the operation or accuracy of the metering equipment.

## Schedule 4 – Measurement at Receipt and Delivery Points

#### 1. VOLUMETRIC MEASUREMENT

- (a) Volumetric measurement in cubic meters per hour (m³/hr) will be calculated by a flow computer from flow meter signals, associated instruments and density and composition signals from an on-line gas chromatograph. The volumetric flow rate will be continuously recorded and integrated for the totalisation register.
- (b) All measurements, calculations and procedures used in determining volume, except for the correction for the deviation from the Ideal Gas Law, will be made in accordance with the instructions contained in:
  - (i) American Gas Association (**AGA**) Report No 3 for the Orifice Plate Metering Systems;
  - (ii) AGA Report No 7 as applied for Turbine Metering;
  - (iii) AGA Report No 7 as applied for Positive Displacement Metering;
  - (iv) AGA Report No 9 for Ultrasonic Metering; and
  - (v) relevant industry standards and such other standards as may be specified by Service Provider for any other metering system,

together with all presently existing supplements and appendices to those reports or any revisions of them acceptable to the parties.

- (c) Those instructions will be converted where necessary for compliance with Australian Standard AS1000 'The International System of Units (SI) and its Application', the Commonwealth *National Measurement Act 1960* and regulations under that Act and the Australian Gas Association publication 'Metric Units and Conversion Factors for use in the Australian Gas Industry' or any revision of those publications acceptable to the parties.
- (d) The compressibility correction for deviation from the Ideal Gas Law will be determined from the data contained in AGA Report No 8, or any revision of that report acceptable to the parties. The compositional data used in these calculations will be primarily derived from the on-line gas chromatograph.

#### 2. ENERGY MANAGEMENT

The energy flow rate will be calculated by the flow computer in Gigajoules per hour (GJ/hr) from the product of volumetric Gross Heating Value and the volumetric flow at Standard Conditions. The heating value will be continuously derived from the same on-line gas chromatograph used for determining the relative density and composition used in the volumetric flow calculation. The energy flow rate will be continuously recorded and integrated for the totalisation register.

## 3. MASS MANAGEMENT

- (a) For Coriolis metering, the mass flow rate will be measured by an integral mass flow transmitter in kilograms per hour (kg/hr). The mass flow rate will be continuously recorded and integrated for the totalisation register.
- (b) The volumetric flow rate cubic meters per hour (m³/hr) will be continuously derived in the flow computer using the same on-line gas chromatograph used for determining the relative density used in accordance with AGA Report No 11 for Coriolis Metering.

#### 4. OTHER MEASUREMENT

The temperature and pressure will be measured and recorded, so that the readings are representative of the conditions prevailing at the upstream face of each orifice plate, at each turbine meter, at each positive displacement meter and at each ultrasonic meter.

#### 5. PRESSURE

Pressure meters and transmitters are to measure gauge pressure. Calculations using gauge pressures are to incorporate local barometric pressure effects.

#### 6. CALIBRATION INSPECTION AND TESTING

#### (a) Scheduled Tests

Service Provider will carry out at quarterly intervals (or such longer period as may be agreed by the Parties) Validation Tests of the metering equipment in accordance with the procedures set out in this clause 6. Service Provider will give at least 14 Days' notice of the time and date of such tests and will supply a list of items to be tested to User. If User fails to witness such tests after the required notification is given, the test results will nevertheless be deemed to be acceptable. Upon request, the representatives of User at such tests will be supplied with copies of the field data and calculations following such tests, and User will be supplied with a full set of test results.

## (b) Unscheduled Tests

If metering equipment is out of service or needs repair, User will be invited to attend the investigation, repair and retest provided no delays are incurred which could jeopardize the integrity of the metering equipment, or in Service Provider's judgment, would adversely affect Service Provider's ability to meet any of its obligations.

#### (c) Test Results

The results of such tests will be deemed to be correct if corroborated by the next scheduled quarterly test. If such test results are not corroborated by

the routine quarterly test, those test results will be ignored and the correction procedures set out below will be implemented.

## (d) Correction Procedure

If at any time, any of the metering equipment is found to be unserviceable or registering inaccurately, it will be adjusted immediately to its specification. The previous reading of such metering equipment will be corrected for any period of inaccuracy which is definitely known or agreed upon, provided that the period for such correction will not extend beyond the date of the last previous Validation Test. Measurement during the correction period will be determined by Service Provider on the basis of the best data available, using the first of the following methods which, when considered in the following order, is feasible:

- (iii) recordings by any other measuring equipment acceptable to Service Provider and User; or
- (iv) trend data recorded by Service Provider or User, where this data can be proven to represent an accurate estimate of the actual measurement; or
- (v) by making the appropriate correction if the deviation from the accurate reading is ascertainable by calibration test or mathematical calculation; or
- (vi) by estimation acceptable to Service Provider and User based upon receipts or deliveries under similar conditions during a period when the metering equipment was registering accurately.

## 7. CALIBRATION EQUIPMENT AND PROCEDURES

Calibration equipment will have measurement accuracy at least four times better than the metering equipment which it will be used to calibrate. Calibration equipment will be provided with NATA endorsed certification of its accuracy, traceable to national standards. The appropriate certificates will be available for inspection during business hours at the offices of Service Provider. Calibration procedures and frequencies or changes thereto will be approved by User, which approval must not be unreasonably withheld.

#### 8. ADDITIONAL TESTS

User will have the right at any time in its discretion to require Service Provider to carry out tests in addition to the scheduled and unscheduled tests referred to in clauses 6(a) and 6(b). User will reimburse Service Provider for the cost of the additional tests unless it is shown from the results of those tests that the equipment being tested is not operating within the permissible limits of tolerance.

#### 9. INSPECTION OF EQUIPMENT RECORDS

User will be permitted to:

- (d) have access to the relevant measuring and testing equipment at all reasonable times for inspection purposes;
- (e) be present during testing of the quality and quantity of Gas; and
- (f) be present when measuring or testing equipment is cleaned, installed, repaired, inspected, calibrated or adjusted.

Service Provider will give reasonable notice to User prior to undertaking these activities, and will make any changes to the activities reasonably required by User for the purposes of this Schedule. To the extent such changes would result in significant and unreasonable additional cost, Service Provider and User will negotiate in good faith to determine how such changes are to be handled.

# **Schedule 5 – General Charges Schedule**

All amounts are quoted as at 1 January 2025, exclude GST and are subject to annual escalation in accordance with clause 17.2 commencing in 2026.

Charge	Amount	Payable
Excess Imbalance Charge	Calculated in accordance with clause 16.3.	Monthly in arrears
Tier 1 Excess Imbalance Charge	Daily Tier 1 Excess Imbalance Quantity x Tier 1 Excess Imbalance Charge Rate	
Tier 1 Excess Imbalance Charge Rate	130% of the Firm Service Charge Rate	N/A
Tier 2 Excess Imbalance Charge	Daily Tier 2 Excess Imbalance Quantity x Tier 2 Excess Imbalance Charge Rate	
Tier 2 Excess Imbalance Charge Rate	300% of the Firm Service Charge Rate	N/A
Unauthorised Overrun Charge	Unauthorised Overrun Gas x Unauthorised Overrun Charge Rate	Monthly in arrears for each GJ of Unauthorised Overrun Gas delivered in that Month
Unauthorised Overrun Charge Rate	300% of the Firm Service Charge Rate	N/A
Peaking Charge	Quantity of Peaking Gas delivered (in GJ) x Default Charge Rate	Monthly in arrears
Non-Specification Gas Charge	Non-Specification Gas Quantity x Non-Specification Gas Charge Rate	Monthly in arrears
Non-Specification Gas Charge Rate	\$11.3404 per GJ	N/A
Default Charge Rate	\$11.3404 per GJ	N/A

## Schedule 6 – Commercial Terms

#### 1. Service:

Firm Service

## 2. Service Commencement Date:

The beginning of the Day commencing on [insert date]

## 3. Service Term Termination Date:

The beginning of the Day commencing on the fifth anniversary of the Service Commencement Date

#### 4. Tariffs

All amounts are quoted as at 1 January 2025, exclude GST and are subject to annual escalation in accordance with clause 17.2 commencing in 2026.

Charge/Charge Rate	Amount	Payable
Firm Service Charge	Firm Service MDQ¹ (in GJ/Day) x number of Days in relevant month x Firm Service Charge Rate	Monthly in arrears
Firm Service Charge Rate	\$0.4779 per GJ	N/A

## 5. Receipt Points

Contracted Receipt
Point MDQ
(TJ/day)

Katnook Receipt Point

[x]
SESA Receipt Point

[x]

<sup>&</sup>lt;sup>1</sup> Note, for clarity, that this charge is calculated on the basis of the Firm Service MDQ, i.e. ignoring any Operational Transfers.

# 6. Delivery Points

The sum of all Contracted Delivery Point MDQs must equal User's Firm Service MDQ	Contracted Delivery Point MDQ (TJ/day)	Maximum Delivery Point Capacity (TJ/day)	Maximum Hourly Rate (GJ/Hour)
Delivery Points			
Snuggery	[x]	12.10	500
Mount Gambier	[x]	5.90	246
Penola	[x]	1.005	54

# 7. Quantities

Firm Service MDQ: 1TJs / Day

# 8. Special Conditions:

[<mark>insert any</mark>]

## Schedule 7 - Commercial Terms

#### 1. Service:

Interruptible Service

## 2. Service Commencement Date:

The beginning of the Day commencing on [insert date]

## 3. Service Term Termination Date:

The beginning of the Day commencing on the fifth anniversary of the Service Commencement Date

#### 4. Tariffs

All amounts are quoted as at 1 January 2025, exclude GST and are subject to annual escalation in accordance with clause 17.2 commencing in 2026.

Charge/Charge Rate	Amount	Payable
Interruptible Service Charge	Interruptible Service Charge Rate x Interruptible Service Scheduled Quantity	Monthly in arrears
Interruptible Service Charge Rate	130% of the Firm Service Charge Rate	N/A

## 5. Receipt Points

Katnook SESA

## 6. Delivery Points

Snuggery Mount Gambier Penola

## 7. Quantities

Interruptible Service MDQ: 0.25 TJs / Day

## 8. Special Conditions:

[insert any]

# **EXECUTION**

**Executed** as an agreement by:

EPIC ENERGY SOUTH AUSTRALIA PTY LIMITED (ABN 54 068 599 815) by its authorised representative:

Signature of Authorised Representative	Signature of Witness
Name of Authorised Representative (block letters)	Name Witness
Dated	
[INSERT] (ABN [INSERT]) in accordance with section 127(1) of the <i>Corporations Act 2001</i> (Cth):	
Signature of Director	Signature of Director/Secretary (Delete whichever is not applicable)
Name of Director (block letters)	Name of Director/Secretary (Delete whichever is not applicable) (block letters)
Dated	Dated