

# FACILITY SPECIFIC TERMS: Tasmanian Gas Pipeline

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## Introduction

This document sets out the Facility Specific Terms applicable to the Tasmanian Gas Pipeline (including the VTS Interconnect) (the **Transportation Facility**) (the **Facility Specific Terms**).

These Facility Specific Terms are published in accordance with the Operational Transportation Service Code (the **Code**).

This is version 2 of the Facility Specific Terms, published on 05 April 2019 and commencing 05 April 2019.

These Facility Specific Terms shall only take effect as between Tasmania Gas Pipeline Pty Ltd (ABN 36 083 052 019) (the **Service Provider**) and a Shipper pursuant to the terms of a Form of Agreement entered into between them in accordance with the Code (an **OTSA**), and under which the Standard Terms – Operational and Commercial Terms (**Standard Terms**) are incorporated.

The Standard Terms refer to these Facility Specific Terms and must be read together with them.

## Operative part

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### 1 Definitions

#### 1.1 *Standard Terms*

The definitions used in the Standard Terms are supplemented as follows and as set out in the balance of these Facility Specific Terms:

**Day** – for the purposes of paragraph (b)(i) of this definition in the Standard Terms – means the 24 hour period starting at 0630 hours Australian Eastern Standard Time.

**Nomination Cut-Off Time** – for the purposes of paragraph (b)(ii)(A) of this definition in the Standard Terms – means:

- (a) in the case of a VTS Service, 0600 hours Australian Eastern Standard Time on the previous VTS Day; or
- (b) otherwise, 1330 hours Australian Eastern Standard Time on the previous Day.

**Renomination Cut-Off Time** – for the purposes of paragraph (a) of this definition in the Standard Terms – means:

- (a) in the case of a VTS Service, the same time as the Nomination Cut-Off Time; or
- (b) otherwise, 1530 hours Australian Eastern Standard Time on the previous Day.

## 1.2 **Facility Specific Terms**

In these Facility Specific Terms, unless the contrary intention appears:

**Actual Delivered Quantity** means the actual quantity of Gas made available and delivered or deemed to be delivered by the Service Provider to or on behalf of the Shipper at a relevant Delivery Point for a Day.

**Actual Received Quantity** means the actual quantity of Gas made available and delivered or deemed to be delivered by the Service Provider to or on behalf of the Shipper at the relevant Receipt Point for a Day.

**Confirmed Receipt Nomination** means the amount of Gas the Service Provider confirms will be scheduled for receipt at a Receipt Point.

**Customer Website** means the Service Provider's customer website on the World Wide Web at [www.tasmaniangaspipeline.com.au](http://www.tasmaniangaspipeline.com.au) or such other URL as notified to the Shipper by the Service Provider.

**Gas Specification** means the gas specification set out in Schedule 1.

**Gas Transportation Agreement** means a bilateral gas transportation agreement or an OTSA, in each case entered into by the Service Provider and a shipper.

**High Priority Storage Service** is a service offered by the Service Provider under bilateral gas transportation agreements providing firm capacity on the Transportation Facility for the temporary storage in the Transportation Facility of quantities of Gas received on or delivered from the shipper's account where the Receipt Point and Delivery Point are the same point on the Transportation Facility, subject to the terms of the relevant bilateral gas transportation agreement.

**MAOP** means the maximum allowable operating pressure of the Transportation Facility as determined by the Service Provider in accordance with good engineering and operating practice.

**Measurement Manual** means the Measurement Manual published by the Service Provider on the Customer Website (as amended or replaced from time to time).

**Month** means a calendar month starting on the first day of the month and ending on the last day of the calendar month.

**Path** means the sections of the Transportation Facility between a single Receipt Point and a single Delivery Point through which Gas transported for the Shipper under the applicable Gas Transportation Agreement actually or nominally passes, and the Path is deemed to exist where the Receipt Point and the Delivery Point for the relevant Service are the same.

**Shared Delivery Point** means a Delivery Point shared by more than one shipper under a Gas Transportation Agreement.

**Shared Receipt Point** means a Receipt Point shared by more than one shipper under a Gas Transportation Agreement.

**VTS** means the pipeline infrastructure known as the 'Victorian Transmission System' covered under the National Gas Rules.

**VTS Day** means the 24 hour period starting at 0600 hours on a day and ending at 0600 hours on the following day.

**VTS Interconnect** means the connection between the Tasmanian Gas Pipeline and the VTS.

**VTS Service** means a Traded Forward Haul Service, Forward Haul Auction Service, Backhaul Auction Service or other service used to transport Gas through the VTS Interconnect whereby either

the Receipt Point or Delivery Point is defined to be 602 – VTS Interconnect or such other name as communicated by the Service Provider.

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## 2 Other Services

None.

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## 3 Scheduling

- (a) The Service Provider will, at the time the Scheduled Quantity is confirmed under clause 4.6(a) of the Standard Terms, determine the flow rates (in GJ/Day) required to flow from each Receipt Point to each Delivery Point to meet the Shipper's Scheduled Quantity plus any gas for correcting imbalances for the Day (**Daily Shipper Schedule**).
- (b) All quantities of Gas scheduled are to be received and/or delivered at an hourly rate not exceeding the maximum hourly quantity, which is calculated as the Scheduled Quantity plus any Gas for correcting imbalances for the Day, divided by:
  - (i) 24 in respect of a VTS Service; or
  - (ii) 20 in respect of any other Service,for each Receipt Point and Delivery Point (**MHQ**).
- (c) The Service Provider may, entirely at its discretion, increase the MHQ if, in its opinion, the variance in the MHQ:
  - (i) will not be detrimental to the operation of the Transportation Facility; and
  - (ii) will not detrimentally affect other shippers.

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## 4 Priority Principles

The Priority Principles are as set out in Schedule 2.

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## 5 System Use Gas

### 5.1 Title

The Service Provider has title to, and control and possession of, all System Use Gas within the Transportation Facility.

### 5.2 Application

Clauses 5.3, 5.4 and 5.5 apply only to Traded Forward Haul Service and Forward Haul Auction Service.

### 5.3 Shipper's Supply Obligation

- (a) The Shipper must, at its expense, contribute System Use Gas requirements to the Transportation Facility. The Shipper's proportion of System Use Gas in relation to a Service is determined as the ratio of:
  - (i) its Actual Delivered Quantity under the Service for each Delivery Point; to

- (ii) the total Actual Delivered Quantity under all Traded Forward Haul Services and Forward Haul Auction Services under OTSAs and all Firm Forward Haulage and As-Available Forward Haulage Services under bilateral Gas Transportation Agreements, for all shippers for all Delivery Points.
- (b) The Shipper's contribution to System Use Gas is calculated at the end of each Day and included in its Accumulated Imbalance.
- (c) The daily System Use Gas volumes shown on the Customer Website are indicative only until the end of the Month when the Shipper accounting reports are finalised by Service Provider.

#### **5.4 Audit**

- (a) The Shipper is entitled, by giving at least five (5) Business Days' notice to the Service Provider to engage an independent auditor, at the Shipper's expense, to review the Service Provider's records and documents for the sole purpose of verifying the Shipper's System Use Gas contribution.
- (b) The Service Provider must give reasonable assistance to the auditor, including answering any reasonable questions or requests for explanation or further information, provided, however, that nothing in this clause 5.4 obliges the Service Provider to assist the auditor if:
  - (i) doing so would cause the Service Provider to breach its confidentiality obligations under any document to which the Service Provider is a party; or
  - (ii) the auditor refuses to execute a confidentiality agreement on terms satisfactory to the Service Provider.
- (c) The auditor will be engaged on the basis that the auditor is not permitted to disclose to the Shipper any information disclosed to the auditor by the Service Provider other than the Shipper's correct System Use Gas contributions.

#### **5.5 System Use Gas Haulage Charge**

There is no charge to Shipper by the Service Provider for the haulage of System Use Gas supplied in accordance with this clause 5.

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## **6 Hourly Limitations**

### **6.1 Limitations**

Shipper must comply with the hourly limitations quantity imposed under clause 3(b).

### **6.2 Hourly Overrun Charges**

None.

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## 7 Pressure and Temperature

### 7.1 Gas pressure at Receipt Points

The Shipper must supply Gas at the Receipt Point within the following delivery pressure range.

Receipt Point	Pressure Range (kPa <sub>g</sub> )
TGP Receipt Point	9,000 – 14,895
Eastern Gas Pipeline	9,000 – 14,895

### 7.2 Gas pressure at the Delivery Point

The Service Provider must supply Gas at each Delivery Point within the applicable delivery pressure range set out below.

Deliver Point Location	Pressure Range (kPa <sub>g</sub> )
TGP Receipt Point to Bell Bay	3,000 – 14,895
Bell Bay to Bridgewater	3,000 – 10,200
Rosevale to Port Latta	3,000 – 10,200

The Shipper will be responsible for the pressure regulation of Gas once it has been delivered to the Shipper at the Delivery Point.

### 7.3 Temperature

The Shipper must supply Gas at the Receipt Point at a temperature between the Minimum Temperature and Maximum Temperature (each inclusive) set out in the Specification.

### 7.4 Changes

The Service Provider may not change the nominated Receipt Point's or Delivery Point's pressure or temperature ranges without the consent of Shipper (which consent may not be unreasonably withheld or delayed or given on unreasonable conditions).

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## 8 Charges

### 8.1 Standardisation Cost Charge

#### The Charges

Shipper must pay an upfront Standardisation Cost Charge of \$30,000 (excl. GST) on the date of entry into the OTSA.

Shipper must also pay an annual Standardisation Cost Charge of \$25,000 (excl. GST) on the date of entry into the OTSA and on or before each subsequent 15 January during the term of the OTSA.

These charges are made to recoup the 'standardisation costs' of the Service Provider, as referred to in rule 634 of the National Gas Rules (**Standardisation Costs**). The charges are based on the

Service Provider's best estimates of the Standardisation Costs to be incurred, the number of OTSAs to be entered into with Shippers under which the Standardisation Costs will be recovered and the amount to be recouped by the Service Provider from AEMO as proceeds of the capacity auction. The Service Provider anticipates it may revise these charges from time to time as its basis for estimation improves.

The Service Provider may increase the Standardisation Costs Charges by notice to the Shipper (and other OTSA shippers) to the extent necessary to ensure full recovery of its Standardisation Costs, as contemplated by rule 634(2) of the National Gas Rules. The Service Provider may also, consistent with rule 634(3) of the National Gas Rules, reduce or waive Standardisation Cost Charges from time to time where it is able to do so while still recovering its Standardisation Costs.

**Note to OTSA shippers on Methodology**

For the purposes of rule 634(6)(b) of the National Gas Rules, the Service Provider notes:

- (a) the following costs are included in its calculation of the Standardisation Costs:
  - (i) its initial internal and external legal, commercial, finance, accounting and information technology costs associated with establishing agreements, systems and processes referred to in rule 634(1) of the National Gas Rules – estimated at \$100,000;
  - (ii) its ongoing, annual internal and external legal, commercial, finance, accounting and information technology costs associated with the agreements, systems and processes referred to in rule 634(1) of the National Gas Rules – estimated at \$105,000 per annum;
  - (iii) its internal and external legal and commercial costs associated with entry into each OTSA – estimated at \$5,000 per OTSA; and
- (b) it has assumed it will enter into 4 OTSAs in the 12 months following 1 March 2019 and that at any given time it will have 4 OTSAs in force; and
- (c) it has assumed it will receive \$5,000 from AEMO on account of the proceeds of capacity auctions which will be applied to recover Standardisation Costs, as contemplated by rule 634(4) of the National Gas Rules.

**8.2 Imbalance Charges**

Imbalance Charges will be calculated and charged in accordance with clause 9.

**8.3 Unauthorised Overrun Charge**

Where clause 13.4 of the Standard Terms applies, the Unauthorised Overrun Charge will be as follows.

Zone	Charge (\$) / GJ
Zone 1 (incl. VTS)	1.7852
Zone 2	3.7712

The terms set out in Schedule 3 shall apply to allocate the actual delivered quantity of Gas between all shippers at Shared Delivery Points for the purposes of calculating Unauthorised Overrun Charges at Shared Delivery Points.

#### 8.4 **Authorised Overrun Charges**

Where Shipper requests and is granted consent by Service Provider for an overrun under clause 13.1 or 13.2 of the Standard Terms where this would otherwise result in Unauthorised Overrun Charge being payable under clause 13.4 of the Standard Terms (which consent the Service Provider may grant or refuse in its sole and absolute discretion) (such gas being **Authorised Overrun Gas**), an Authorised Overrun Charge will be payable by the Shipper as follows.

Where the overrun quantity is equal to or within 5% of the Scheduled Quantity:

<b>Zone</b>	<b>Charge (\$) / GJ</b>
Zone 1 (incl. VTS)	0.8926
Zone 2	1.8856

Where the overrun quantity exceeds 5% of the Scheduled Quantity:

<b>Zone</b>	<b>Charge (\$) / GJ</b>
Zone 1 (incl. VTS)	1.2050
Zone 2	2.5456

The delivery of overrun Gas on a Day is interruptible at the absolute discretion of the Service Provider, and the Service Provider will have no liability to the Shipper as a result of any interruption arising directly or indirectly out of the Shipper taking overrun Gas.

The terms set out in Schedule 3 shall apply to allocate the actual delivered quantity of Gas between all shippers at Shared Delivery Points for the purposes of calculating Authorised Overrun Charges at Shared Delivery Points.

#### 8.5 **Metering Charges**

The Shipper must pay a monthly Metering Charge determined by the Service Provider in accordance with the following principles:

- (a) the base amount to be recovered by the Service Provider for each meter each Month is \$2,110.86 (excl. GST) (**Base Metering Amount**);
- (b) where the Shipper is the sole user of a meter, it shall be responsible for 100% of the Base Metering Amount; and
- (c) where the Shipper is not the sole user of a meter, it shall be responsible for a reasonable proportion of the Base Amount determined by reference to its use of the meter relative to that of other shippers to whom the Service Provider provides services.

#### 8.6 **Escalation**

##### **Charges to be escalated**

The following charges, which are quoted in this document in 1 January 2018 dollars, (each a **Relevant Charge**) will be adjusted annually in accordance with this clause using the formula set out below (calculated to four decimal places) on and from each Review Date:

- (a) the Standardisation Cost Charge;

- (b) each Imbalance Charge;
- (c) each Unauthorised Overrun Charge;
- (d) each Authorised Overrun Charge; and
- (e) the Base Metering Amount,

PROVIDED THAT, if the application of the formula would result in a decrease in a Relevant Charge, the Relevant Charge will not be adjusted for the relevant calendar year.

**Formula**

$$T_r = T_b \left( 1 + \frac{(CPI_r - CPI_b)}{CPI_b} \right)$$

Where:

$T_r$  = Relevant Charge applicable from the Review Date

$T_b$  = Relevant Charge applicable immediately before the relevant Review Date

$CPI_r$  = CPI for quarter ended 31 December immediately before relevant Review Date

$CPI_b$  = CPI published for the quarter ending 31 December twelve months prior to  $CPI_r$

Review Date = annually, 1 January each year commencing 1 January 2019

CPI means the consumer price index published by the Australian Bureau of Statistics in Catalogue 6401.0-Table 1, Consumer Price Index - All Groups - Weighted Average of Eight Capital Cities or if that index is suspended or discontinued, the index substituted for it by the Australian Bureau of Statistics.

**9 Imbalance**

**9.1 Imbalance Allowance for Traded Forward Haul Services**

The Imbalance Allowance for Traded Forward Haul Services is 5% of the Scheduled Quantity on the relevant Day.

In accordance with clause 12.7(a) of the Standard Terms, the Imbalance Allowance for Forward Haul Auction Service and Backhaul Auction Service is zero.

**9.2 Imbalance Charges**

The following charges are the Imbalance Charges payable under the OTSA.

**General Imbalance Charge**

For the purposes of clause 12.3(a) of the Standard Terms, the Imbalance Charge is \$0.92 per GJ per Day.



### Accumulated Imbalance at end of Trade

For the purposes of clause 12.6(a) of the Standard Terms, the per Day Unauthorised Imbalance Charge is as follows.

Zone	Charge (\$) / GJ
Zone 1 (incl. VTS)	1.7852
Zone 2	3.7712

### Auction Service

For the purposes of clause 12.7(b)(i) of the Standard Terms, the per Day Unauthorised Imbalance Charge is as follows.

Zone	Charge (\$) / GJ
Zone 1 (incl. VTS)	1.7852
Zone 2	3.7712

### Recovery of Costs under clauses 12.6(b) and 12.7(b)(ii) of the Standard Terms

Where the Service Provider buys or sells Gas under clause 12.6(b) and clause 12.7(b)(ii) of the Standard Terms to reduce the Shipper's Accumulated Imbalance to zero:

- (a) in the case of a purchase of Gas, the Service Provider shall be entitled to reimbursement of the actual costs of acquiring the Gas plus 10%;
- (b) in the case of a sale of the Gas, the Service Provider may itself buy the Gas at the Victorian spot price (published by AEMO or its successor, current at the time the Gas is bought) less 10%; and
- (c) the Service Provider shall not be obliged to minimise the price at which Gas is bought or maximise the price at which Gas is sold.

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## 10 Odourisation

The Shipper must ensure all Gas delivered by it at a Receipt Point is odourised and meets the odour requirements of the Specification and applicable law.

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## 11 Metering Principles

### 11.1 General

This clause 11 (read together with the Measurement Manual) comprises the Metering Principles referred to in the Standard Terms.

## 11.2 **Technical Standards**

The Measurement Manual sets out the technical standards with which metering installations and associated equipment at Receipt Points, Delivery Points and Compressors (and if applicable Compressor Receipt Points and Compressor Delivery Points) must comply.

## 11.3 **Procedures for Measurement and Testing of Gas**

- (a) The Service Provider shall undertake metering at each Delivery Point and Receipt Point as contemplated by the Measurement Manual.
- (b) The Measurement Manual sets out the procedures for measurement and testing of Gas.
- (c) The Service Provider does not have to measure the parameters or quality of Gas at each Delivery Point, but may assume that the quality and heating value of the Gas delivered at one of the Shipper's Delivery Points is the same as the quality and heating value of the Gas delivered at another Delivery Point, if it is reasonable to do so.

## 11.4 **Accuracy Requirements for Metering Equipment**

The Measurement Manual sets out accuracy requirements with which metering equipment must comply, including the applicable margins of accuracy or tolerances (**Tolerances**).

## 11.5 **Procedures to Apply where Metering Equipment is Inaccurate**

- (a) If the Shipper, following completion of tests under clause 15.2 of the Standard Terms or otherwise, reasonably believes that particular measuring equipment at any of the Receipt Points or Delivery Points is inaccurate, the Service Provider must act within a reasonable time upon the Shipper's written request to calibrate the measuring equipment.
- (b) If the measuring equipment is accurate within the Tolerances set out in the Measurement Manual, the responsibility for the cost of calibration will be held by the party that requests the calibration.
- (c) At all other times, the responsibility for the cost of calibration will be held by the Service Provider.
- (d) If, after calibration, measuring equipment is found to be in error:
  - (i) in excess of the Tolerances set out in the Measurement Manual; and
  - (ii) the total measurement error for a Receipt Point or Delivery Point is more than 1% of the total quantity of Gas measured at that point since the last calibration,in the absence of a clearly identifiable event that has caused the calibration error, as determined by the Service Provider acting reasonably and in good faith, the Service Provider must issue a correction to any invoices since the last calibration.
- (e) The correction will be equivalent to half the determined error applied to all quantities measured on the Shipper's account at the Receipt Point or Delivery Point, as the case may be, over the period since the measuring equipment was last calibrated.

## 11.6 **Responsibility for Installation and Maintenance of Metering Equipment**

- (a) OTSAs will only apply to existing Delivery Points and Receipts Points where metering equipment is already in place and owned by or accessible to the Service Provider.

- (b) No additional metering equipment will be installed, or Delivery Points or Receipt Points added, to meter Gas delivered or received under OTSAs.
- (c) The Service Provider will be responsible for maintaining the metering equipment at the Delivery Points and Receipt Points or contracting to ensure this is done.

#### **11.7 Procedures to apply where metering equipment fails**

In the event the metering equipment fails, is unavailable or otherwise does not provide the required readings, the Service Provider may make a determination as to the required readings which will be binding for the purposes of the OTSA. In so doing, the Service Provider shall have regard to relevant available data, including (where available):

- (a) Scheduled Quantities;
- (b) quantities metered on the same or previous Days;
- (c) recordings at metering equipment at other points on the Transportation Facility; and
- (d) recordings at metering equipment upstream of a Receipt Point or downstream of a Delivery Point.

#### **11.8 Code Requirements**

- (a) The Service Provider must ensure any metering equipment which Service Provider owns or controls complies with these Metering Principles.
- (b) Where Service Provider is party to contractual arrangements with the owner or controller of metering equipment the Service Provider must use its reasonable endeavours to ensure that such metering equipment complies with these Metering Principles.

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## **12 Operational Communications**

- (a) For the purposes of clause 27.4(a) of the Standard Terms:
  - (i) the pypIT system, which is accessible through the Customer Website, is specified as the communications system to be used for operational notices relating to nominations and scheduling; and
  - (ii) all other operational notices (including in relation to Off Specification Gas and Curtailments) must be given by email in accordance with clauses 27.1 to 27.3 of the Standard Terms.
- (b) In order to use the pypIT system, Shipper must register for an account, download or acquire all necessary software and accept any applicable standard terms or licences associated with or necessary for the proper operation of the pypIT system.
- (c) If an operational notice required to be given through the pypIT system cannot be given through the pypIT system due to a fault with the pypIT system, the operational notice may instead be given by email in accordance with clauses 27.1 to 27.3 of the Standard Terms.
- (d) Service Provider may from time to time replace the pypIT system with another system by written notice to Shipper, in which case this clause shall apply to the new system in place of the pypIT system.

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## 13 Receipt and Delivery Points

The information required to be published under the Code in respect of Receipt Points and Delivery Points is accessible via the Customer Website.

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## 14 Trading entitlements

Imbalance entitlements are tradeable in accordance with clause 12.5 of the Standard Terms.

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## 15 Accommodating Differences in Gas Days

The Delivery Point 602 – VTS Interconnect will facilitate deliveries and withdrawals of Gas into and from the VTS which operates on the VTS Day which is a different gas day to the Transportation Facility. Without limiting the obligations of any party under this document, the Shipper and Service Provider must use their reasonable endeavours to ensure that quantities that are properly nominated for delivery on a Day (other than a VTS Day) under an OTSA are made available for delivery, and taken, on the corresponding VTS Day in the VTS, notwithstanding the difference in start and end times.

This clause shall cease to apply upon commencement of the Standard Market Timetable Commencement Date.

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## 16 Updates to Facility Specific Terms

- (a) As contemplated by rule 633 of the National Gas Rules, Service Provider may:
  - (i) amend these Facility Specific Terms from time to time subject to compliance with rule 633 of the National Gas Rules; or
  - (ii) be required to amend these Facility Specific Terms by the National Gas Rules.
- (b) Where such an amendment is made to these Facility Specific Terms, the amended Facility Specific Terms shall apply as between Service Provider and Shipper in place of these Facility Specific Terms with effect from the date Service Provider notifies Shipper of the amended Facility Specific Terms.

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## 17 Specific Facility Issues

### 17.1 Operational Flow Orders

- (a) The Service Provider may issue an order to the Shipper to alter Gas receipts and deliveries (**Operational Flow Order**) when, in the Service Provider's reasonable opinion, expected receipts and deliveries:
  - (i) will cause adverse operating conditions in the Transportation Facility;
  - (ii) will be at variance with Capacity limitations resulting from Force Majeure or other events and circumstances that endanger the safety or integrity of the Transportation Facility, including the need to perform unscheduled maintenance and/or repairs;
  - (iii) will prevent the Service Provider from meeting its commitments under its Gas Transportation Agreements with other shippers; or

- (iv) will adversely affect imbalances under its Gas Transportation Agreements with other shippers.
- (b) Each Operational Flow Order will contain:
  - (i) the time and date of issue of the Operational Flow Order;
  - (ii) the time that the Operational Flow Order is to become effective;
  - (iii) the duration of the Operational Flow Order (if not specified, the Operational Flow Order will remain in effect until further notice);
  - (iv) a description of the section of the Transportation Facility for which the Operational Flow Order is in effect;
  - (v) the specific actions required of the Shipper at the Receipt Points and Delivery Points in order to comply with the Operational Flow Order;
  - (vi) the reasons for issuing the Operational Flow Order; and
  - (vii) any other information relevant to the Operational Flow Order.
- (c) The Service Provider will use reasonable endeavours in first applying Operational Flow Orders to those shippers, if any, whose actions or omissions have resulted in the need for Operational Flow Orders.
- (d) In the event that an Operational Flow Order has been issued to the Shipper as a direct result of clearly identifiable acts or omissions of another shipper, any relevant service charges will be calculated on the basis of the quantities of Gas actually delivered to the Shipper on any Day, rather than on the basis of MDQ.
- (e) In the event that the Service Provider has given an Operational Flow Order to the Shipper that limits the Shipper's access to a specified amended flow along a Path:
  - (i) the Shipper will pay the Service Provider an Unauthorised Operational Flow Order Overrun Charge as follows for the Delivery Point per GJ delivered or received in excess of its amended flow along that Path

Zone	Charge (\$) / GJ
Zone 1 (incl. VTS)	2.6778
Zone 2	5.6568

; and

- (ii) an Unauthorised Overrun Charge under clause 8.3 will not be charged by the Service Provider on the same quantity of Gas.

## 17.2 High Priority Storage – Intra-Day Nominations

- (a) This clause 17.2 applies only to Traded Park Service where the Capacity that was traded to the Shipper to obtain the Traded Park Service was High Priority Storage Service.
- (a) The Shipper may, by notice to the Service Provider via the Customer Website, request a change to the Shipper's Scheduled Quantity for receipt and/or delivery from the Traded Park Service for any Receipt and/or Delivery Point for an amount not exceeding the Shipper's relevant MDQ for that Service (**Intra-Day Nomination**).

- (b) The Shipper must advise the Service Provider of any Intra-Day Nomination by lodging an Intra-Day Nomination on the Customer Website, or by the mechanism nominated by the Service Provider from time to time.
- (c) The Service Provider will use reasonable endeavours, acting reasonably and in good faith, to respond as soon as practicable and in any event to respond within one hour after receiving the Intra-Day Nomination.
- (d) The Service Provider will assess whether the Service Provider can fully or partially meet the Intra-Day Nomination taking into account:
  - (i) operational matters;
  - (ii) sufficient availability of Linepack (as determined by the Service Provider acting reasonably and in good faith) after the technical considerations of all Gas Transportation Agreements for Services with a higher priority in the Order of Priority have been satisfied;
  - (iii) whether the proposed change will detrimentally affect other shippers;
  - (iv) the provisions of the OTSA; and
  - (v) whether sufficient Capacity is available, taking into account the Order of Priority, and the Service Provider's decision regarding an Intra-Day Nomination is final.
- (e) Once a decision regarding the Intra-Day Nomination has been made by the Service Provider, the Service Provider will provide a Confirmed Nomination to the Shipper.
- (f) In the event that the Confirmed Nomination is not equal to the Intra-Day Nomination, the Shipper must advise the control room within one hour of receipt of the Confirmed Nomination whether the Shipper accepts the Confirmed Nomination. Subject to the terms of the OTSA (including these Facility Specific Terms), the Service Provider will provide the Service the Shipper confirms it wishes to receive under this clause 17.2(f) or, if no such confirmation is given, in accordance with the Confirmed Nomination.
- (g) The Shipper is responsible for making all necessary contractual arrangements to receive Gas at the Receipt Point and take Gas from the Delivery Point.
- (h) The Shipper acknowledges that an Intra-day Nomination may require an adjustment to an existing, or the issuance of a new, nomination in respect of the Shipper's VTS Service in order to give effect to that Intra-Day Nomination.
- (i) The Shipper acknowledges and agrees that an Intra-Day Nomination is subject to operational constraints affecting the Transportation Facility and the Shipper is limited to one Intra Day Nomination per day.

### **17.3 Sharing Arrangements**

The terms set out in Schedule 3 shall apply for the purposes of allocating the quantities of Gas allocated as being received from a Shipper at a Shared Receipt Point or delivered to a Shipper at a Shared Delivery Point, including for the purposes of calculating overruns and imbalances.

## Schedule 1 Gas Specification

Item	Specification	Test Method
Minimum Temperature	2°C	
Maximum Temperature	50°C	
Wobbe Index	Minimum 46.0 Maximum 52.0	ISO 6976; or ASTM D3588
Oxygen	Maximum 0.2% by volume	ISO 6974 and ISO 6975; or ASTM D1945
Total Inerts	Maximum 7% by volume	ISO 6974 and ISO 6975; or ASTM D1945
Hydrocarbon Dew Point	Maximum 2°C At 3,500 kPa <sub>g</sub> gauge	
Water Dew Point	See 'Water Content'	
Water Content	Minimum water dew point of 0°C at MAOP.  This is equivalent to a maximum water content of 75 mg/m <sup>3</sup> at 14,895 kPa and 70 mg/m <sup>3</sup> at 16,550 kPa.  Note: the m <sup>3</sup> is at standard conditions	ASTM D1142
Hydrogen Sulphide	Maximum 5.7 mg/m <sup>3</sup>	ISO 6326
Total Sulphur (including odourant)	Maximum 50 mg/m <sup>3</sup>	ASTM D1072
Total Sulphur (excluding odourant)	Maximum 40 mg/m <sup>3</sup>	ASTM D1072

**NOTES:**

All values measured or specified at 15°C and 101.325 kPa unless otherwise stated.

Wobbe Index means the Higher Heating Value divided by the square root of the relative density of the gas, both measured at the same time.

For the purposes of this Schedule 1, carbon dioxide and nitrogen will be deemed to be inert gases.

## Schedule 2 Priority Principles

### Introduction and Overview

This Schedule sets out the Priority Principles.

Consistent with the requirements of the Code (including Part 5, paragraph 5) and the National Gas Rules (including rule 651), these Priority Principles:

- (a) allocate priority for scheduling and curtailment of Capacity as follows:
  - (i) first, to firm forward haul services contracted by the Service Provider on a bilateral basis;
  - (ii) second, to auction services; and
  - (iii) third, to lower tier services contracted by the Service Provider on a bilateral basis; and
- (b) treat Traded Forward Haul Services and Traded Park Services equally with firm forward haul services and firm park services provided by the Service Provider on a bilateral basis.

Consistent with rule 651(2) of the National Gas Rules, the Service Provider is required to give effect to the Priority Principles in respect of a Day only to the extent it is operationally and technically feasible to do so on that Day in accordance with accepted good industry practice taking into account the operational circumstances (including operational constraints) impacting the Transportation Facility on the Day.

### Application to Services

The Priority Principles apply to the following services offered by the Service Provider to shippers under bilateral gas transportation agreements (including where traded through CBL Markets) (**TGP Services**) and to the Services described in Part 4 of the Code to the extent provided by the Service Provider and applicable to OTSAs (**Code Services**). The Transportation Facility is not able to offer Traded Compressor Service or Compressor Auction Service.



TGP Services	Code Services
<i>Firm Forward Haulage Service</i>	<i>Traded Forward Haul Service</i>
<i>As-Available Forward Haulage Service</i>	<i>Forward Haul Auction Service</i>
<i>As-Available Backhaul Haulage Service</i>	<i>Backhaul Auction Service</i>
<i>High Priority Storage Service</i>	<i>Traded Park Service</i>
<i>Firm Park Service</i>	
<i>As-Available Measurement Service</i>	
<i>As-Available Park and Lend Service</i>	
<i>As-Available Park Service</i>	
<i>CBL Auction Storage Service</i>	
<i>CBL Interruptible Forward Haulage Service</i>	

## Definitions

In this Schedule:

**Auction Capacity** has the meaning given to the term 'auction capacity' in Part 25 of the National Gas Rules.

**Lower Tier Services** means services at or below priority number 8 in the Order of Priority.

## Part A – Allocation of Capacity

The principles set out in this Part A are the principles to be used by the Service Provider to determine how available Capacity is allocated between Transportation Facility Users on a Day where it is less than either:

- (a) the aggregate nominations of Transportation Facility Users for use of Transportation Services on a Day; or
- (b) the quantities of Gas scheduled for Transportation Facility Users for Transportation Services on a Day.

### Scheduling of Capacity and Curtailment

Capacity will be scheduled and curtailed (other than due to a Renomination) in accordance with the following order of priority (**Order of Priority**):

(a) **Firm Forward Haulage Services – priority number 1**

*In the event of insufficient Capacity in the Transportation Facility to meet all Firm Forward Haulage Services contracted by the Service Provider, the Service Provider will Curtail the quantities of Gas to be transported on account of the Shipper and all other shippers for all Firm Forward Haulage Services under all Gas Transportation Agreements, such Curtailment to be made on a proportionate basis according to the proportion that the Shipper's MDQ is as a percentage of the total MDQs for all Firm Forward Haulage Services under all Gas Transportation Agreements at the relevant Receipt Point and/or Delivery Point, as applicable.*

Traded Forward Haul Service shall have the same priority as Firm Forward Haulage Services.

(b) **Make Up Gas – priority number 2**

*In the event of insufficient Capacity in the Transportation Facility to meet Make-Up Gas requirements under all Gas Transportation Agreements, the Service Provider will Curtail the quantities of Gas to be transported under all Gas Transportation Agreement that the Make-up Gas relates to, such Curtailment to be made on a proportionate basis according to the proportion that the Shipper's MDQ is as a percentage of the total MDQs for all Firm Forward Haulage Services under all Gas Transportation Agreements at the relevant Receipt Point and/or Delivery Point, as applicable.*

(c) **High Priority Storage Service – priority number 6**

*In the event of insufficient Capacity in the Transportation Facility to meet all High Priority Storage Services contracted by the Service Provider, the Service Provider will Curtail the provision of the High Priority Service to the Shipper and all other shippers for all High Priority Storage Services, such Curtailment to be made on a proportionate basis according to the proportion that the Shipper's MDQ is as a percentage of the total MDQs for all High Priority Storage Services under all Gas Transportation Agreements at the relevant Receipt Point and/or Delivery Point as applicable.*

Traded Park Service shall have the same priority as High Priority Storage Service where the Capacity that was traded to the Shipper to obtain the Traded Park Service was High Priority Storage Service.

(d) **Forward Haul Auction Service – priority number 7**

*In the event of insufficient Capacity in the Transportation Facility to meet all Forward Haul Auction Services contracted by the Service Provider, the Service Provider will Curtail the quantities of Gas to be transported on account of the Shipper and all other shippers for all*

*Forward Haul Auction Services under all OTSAs, such Curtailment to be made on a proportionate basis according to the proportion that the Shipper's MDQ is as a percentage of the total MDQs for all Forward Haul Auction Services under all Gas Transportation Agreements at the relevant Receipt Point and/or Delivery Point, as applicable.*

(e) **Backhaul Auction Service – priority number 8**

*In the event of insufficient Capacity in the Transportation Facility to meet all Backhaul Auction Services contracted by the Service Provider, the Service Provider will Curtail provision of the Backhaul Auction Services to the Shipper and all other shippers based on the date of execution of OTSA relating to the provision of that Backhaul Auction Service, with the Capacity the subject of the later OTSA being Curtailed first.*

(f) **As-Available Forward Haulage Service – priority number 10**

*In the event of insufficient Capacity in the Transportation Facility to meet all As-Available Forward Haulage Services contracted by the Service Provider, the Service Provider will Curtail provision of the As-Available Forward Haulage Service to the Shipper and all other shippers based on the date of execution of the annexure relating to the provision of that As-Available Forward Haulage Service, with the last signed annexure for an As-Available Forward Haulage Service being Curtailed first.*

(g) **CBL Interruptible Forward Haulage Service – priority number 12**

*In the event of insufficient Capacity in the Transportation Facility to meet all CBL Interruptible Forward Haulage Services contracted by the Service Provider, the Service Provider will Curtail provision of the CBL Interruptible Forward Haulage Services to the Shipper and all other shippers based on the time of execution of the relevant Gas Transportation Agreement.*

(h) **As-Available Backhaul Haulage Service – priority number 15**

*In the event of insufficient Capacity in the Transportation Facility to meet all As-Available Backhaul Haulage Services contracted by the Service Provider, the Service Provider will Curtail provision of the As-Available Backhaul Service to the Shipper and all other shippers based on the date of execution of the annexure relating to the provision of that As-Available Backhaul Haulage Service, with the Capacity the subject of the later annexure being Curtailed first.*

(i) **Firm Park Service – priority number 19**

*In the event of insufficient Capacity in the Transportation Facility to meet all Firm Park Services contracted by the Service Provider, the Service Provider will Curtail the quantities of Gas to be transported on account of the Shipper and all other shippers for all Firm Park Services under all Gas Transportation Agreements, such Curtailment to be made on a proportionate basis according to the proportion that the Shipper's MDQ is as a percentage of the total MDQs for all Firm Park Services under all Gas Transportation Agreements at the relevant Receipt Point and/or Delivery Point as applicable.*

*Traded Park Service shall have the same priority as Firm Park Service where the Capacity that was traded to the Shipper to obtain the Traded Park Service was Firm Park Service.*

(j) **As-Available Park and Lend Service – priority number 20**

*In the event of insufficient Capacity in the Transportation Facility to meet all As-Available Park and Lend Services contracted by the Service Provider, the Service Provider will Curtail the provision of the As-Available Park and Lend Service to the Shipper and all other shippers based on the Annexure Execution Date of the As-Available Park and Lend Service, with the last signed Gas Transportation Agreement for an As-Available Park and Lend Service being Curtailed first.*

(k) **CBL Auction Storage Service – priority number 22**

*In the event of insufficient Capacity in the Transportation Facility to meet all CBL Auction Storage Services contracted by the Service Provider, the Service Provider will Curtail provision of the CBL Auction Storage Services to the Shipper and all other shippers based on the time of execution of the relevant Gas Transportation Agreement.*

(l) **As-Available Park Service – priority number 24**

*In the event of insufficient Capacity in the Transportation Facility to meet all As-Available Park Services contracted by the Service Provider, the Service Provider will Curtail the provision of the As-Available Park Service to the Shipper and all other shippers based on the Annexure Execution Date of the As-Available Park Service, with the last signed Gas Transportation Agreement for an As-Available Park Service being Curtailed first.*

(m) **As-Available Measurement Service – priority number 25**

*In the event of insufficient Capacity in the Transportation Facility to meet all As-Available Measurement Services contracted by the Service Provider, the Service Provider will curtail provision of the As-Available Measurement Service based on the order the weekly nominations under the relevant Gas Transportation Agreements are received with the last received weekly nomination being curtailed first.*

(n) **Other**

*Any other type of Service that the parties agree that the Service Provider will provide to the Shipper as specified in an Annexure or otherwise documented.*

In addition to the above Order of Priority, in respect of Gas delivered in breach of clause 13.1 of the Standard Terms (**Unauthorised Overrun Gas**):

- (a) Unauthorised Overrun Gas on any Service other than a Firm Forward Haulage Service or Traded Forward Haul Service will be Curtailed before Unauthorised Overrun Gas on a Firm Forward Haulage Service or Traded Forward Haul Service, and then any Authorised Overrun Gas on all other services will be Curtailed by reference to each service priority number (as outlined above); and
- (b) if any other services are provided by the Service Provider on the Transportation Facility, those services will have priority over any Overrun Gas.

## **Part B - Transportation Services subject to Curtailment due to Renominations**

The principles set out in this Part B are the principles to be used by the Service Provider to determine which Transportation Services may be Curtailed due to Renominations by Transportation Services with a higher priority.

If there is a Renomination for Firm Forward Haulage Services or Traded Forward Haul Services, the scheduling of the renominated quantity will be met:

- (a) first, from Auction Capacity that was not allocated in the capacity auction for that Day;
- (b) second, by Curtailing Lower Tier Services to the extent the services are scheduled to use Auction Capacity; and
- (c) third, by Curtailing Forward Haul Auction Service; and
- (d) fourth, by Curtailing Make Up Gas and High Priority Storage Service.

If there is a Renomination for use of an Auction Service, the scheduling of the renominated quantity will be met:

- (a) first, from Auction Capacity that was not allocated in the capacity auction for that Day; and
- (b) second, by Curtailing Lower Tier Services to the extent the services are scheduled to use Auction Capacity.

# Schedule 3 Shared Delivery and Receipt Points

## SECTION 1 – ALL POINTS EXCEPT VTS INTERCONNECT

This Section 1 applies to all Shared Delivery Points and Shared Receipt Points other than VTS Interconnect.

### Part A – Allocation at Shared Delivery Points

#### 1. Definitions

The following definitions apply in Part A of Section 1 of this Schedule unless the context requires otherwise.

**Actual Customer Consumption** means, in relation to each Shipper at a Shared Delivery Point, the total quantity of Gas consumed by customers downstream of the Shared Delivery Point that was transported by that Shipper for those customers or the retailer which supplied those customers, as determined by data provided by an Allocation Agent or such other source as approved by the parties and each other shipper in writing.

**Allocation Agent** means a person certified as an allocation agent pursuant to the Gas Customer Transfer and Reconciliation Code issued under the *Gas Act 2000* (Tas).

**Deliverable Quantity** means, in respect of each Service of each Shipper on a Day, the quantity of Gas permitted to be delivered for or on the account of that Shipper to a Shared Delivery Point, taking into account any curtailment, interruption or other reduction to the quantity of Gas that Shipper is entitled to receive at the Shared Delivery Point under that Shipper's Gas Transportation Agreement.

**Permitted Quantity** means, in respect of each Service of each Shipper on a Day, the lesser of:

- (a) the Scheduled Quantity for that Service; and
- (b) the Deliverable Quantity for that Service,

on that Day.

**Total Actual Delivered Quantity** means, in relation to a Shared Delivery Point, the total quantity of Gas delivered or deemed to be delivered by the Service Provider to the Shipper and all other shippers at the Shared Delivery Point for a Day.

**Total Confirmed Delivery Nominations** means, in relation to a Shared Delivery Point, the aggregate of all Scheduled Quantities of the Shipper and all other shippers for the Shared Delivery Point.

**Total Permitted Quantity** means, in respect of a Day, the aggregate of all Permitted Quantities of the Shipper and all other shippers for that Day.

#### 2. Actual Customer Consumption at a Shared Delivery Point is greater than Zero

Notwithstanding any provision to the contrary contained in the OTSA, if on a Day the Actual Customer Consumption quantity at a Shared Delivery Point is greater than zero, the actual

delivered quantity of Gas of the Shipper at that Shared Delivery Point will be deemed to be the Actual Customer Consumption.

### **3. Confirmed Delivery Nominations**

#### **3.1. Total Confirmed Delivery Nominations at a Shared Delivery Point is greater than Zero**

Notwithstanding any provision to the contrary contained in the OTSA, if on a Day the Total Confirmed Delivery Nominations at a Shared Delivery Point is greater than zero, for the sole purposes of calculating Imbalance Charges at a Shared Delivery Point and the Monthly Imbalance Difference Adjustment (as determined under clause 5.2(b) Part A of Section 1 of this Schedule), the actual delivered quantity of Gas for each Service of the Shipper at that Shared Delivery Point will be deemed to be the quantity determined in accordance with the following formula:

$$\text{TADQ} \times \text{PQShipper} / \text{PQAll}$$

Where:

TADQ means the Total Actual Delivered Quantity at the Shared Delivery Point

PQShipper means the Permitted Quantity of the Shipper for that Service at the Shared Delivery Point

PQAll means the Total Permitted Quantity for the Shared Delivery Point

#### **3.2. Total Confirmed Delivery Nominations Equals Zero**

Notwithstanding any provision to the contrary contained in the OTSA, if on a Day the Total Confirmed Delivery Nomination at a Shared Delivery Point equals zero, for the sole purposes of calculating Imbalance Charges at a Shared Delivery Point and the Monthly Imbalance Difference Adjustment (as determined under clause 5.2(b) Part A of Section 1 of this Schedule), the Shipper's actual delivered quantity of Gas in respect of a Service at that Shared Delivery Point will be deemed to be the quantity determined in accordance with the following formula:

$$\text{TADQ} \times \text{MDQShipper} / \text{MDQAll}$$

Where:

TADQ means the Total Actual Delivered Quantity at the Shared Delivery Point

MDQShipper means the MDQ of the Shipper for that Service for that Shared Delivery Point

MDQAll means the aggregate of the MDQs of the Shipper and all other shippers for all Services for the Shared Delivery Point

#### **3.3. Acknowledgement**

If at any time during the period of supply under an OTSA a party (acting reasonably) notifies the other party that it has formed the view that the allocation method in clause 2 Part A of Section 1 of this Schedule no longer constitutes a fair and equitable basis for determining the quantity of Gas delivered by the Service Provider to the Shipper at the relevant Shared Delivery Point under the OTSA, the parties shall negotiate with one another and all other shippers who share that Shared Delivery Point in good faith and, without limiting clause 15 of these Facility Specific Terms, shall use reasonable

endeavours to agree an alternative fair and equitable basis for determining that delivered quantity.

#### 4. Monthly Reporting, Monthly Imbalance Difference Adjustment

##### 4.1. Monthly Reporting

- (a) The Shipper will deliver, or procure that the Allocation Agent delivers, to the Service Provider, by no later than the tenth Business Day of each Month, a notice setting out, for each Day in the previous Month, the Shipper's Actual Customer Consumption at each Shared Delivery Point. If the Shipper and all other shippers at a Shared Delivery Point agree, the Shipper may in that notice set out:
- (i) the allocation of the Shipper's Actual Customer Consumption at each Shared Delivery Point between the Shipper and other shippers or retailers (as applicable); and
  - (ii) direct the Service Provider to use that information for the purpose of providing an invoice under clause 5.1 of Part A of Section 1 of this Schedule.
- (b) If the Shipper or Allocation Agent fails to deliver such notice to the Service Provider under clause 4.1(a) of Part A of Section 1 of this Schedule by the tenth Business Day of the relevant Month, then the last day for delivery of the Actual Charges Report and Monthly Imbalance Difference Report by the Service Provider under clause 4.4(c) of Part A of Section 1 of this Schedule will be delayed by the same number of days as delivery of the notice is delayed.
- (c) Subject to clause 4.1(a) of Part A of Section 1 of this Schedule (and each other shipper's compliance with the equivalent provisions in their Gas Transportation Agreements), no later than the 15<sup>th</sup> Business Day of each Month, the Service Provider will deliver to the Shipper:
- (i) an **Actual Charges Report** which sets out in respect of each Shared Delivery Point for each Day in the previous Month, the Shipper's transportation charge (if any) calculated using the quantity of Gas allocated as delivered on the Shipper's account under clause 2 of Part A of Section 1 of this Schedule for that Shared Delivery Point; and
  - (ii) a **Monthly Imbalance Difference Report** which sets out the following information in respect of each Delivery Point or Zone:
    - (A) the Shipper's Accumulated Imbalance as at the end of the last Day of the previous Month calculated using the quantity of Gas allocated as delivered on the Shipper's account under clause 3 of Part A of Section 1 of this Schedule for Shared Delivery Points (**Allocated Monthly Imbalance**);
    - (B) the Shipper's Accumulated Imbalance as at the end of the last Day of the previous Month had such Accumulated Imbalance been calculated using Actual Customer Consumption for Shared Delivery Points under clause 2 of Part A of Section 1 of this Schedule instead of using the quantity of Gas allocated as delivered on the Shipper's account under clause 3 of Part A of Section 1 of this Schedule (**Actual Monthly Imbalance**);
    - (C) amount equal to the Actual Monthly Imbalance less the Allocated Monthly Imbalance (**Monthly Imbalance Difference**); and
    - (D) the information in paragraphs (A) to (C) above for each Other Shipper.



## **5. Invoicing**

### **5.1. Monthly invoicing and payment**

- (a) Notwithstanding any provision to the contrary contained in the OTSA, the Service Provider will not:
  - (i) subject to 5.1(b), provide an invoice or invoices to the Shipper until the Shipper has delivered, or procured the delivery, to the Service Provider of the Shipper's Actual Customer Consumption at a Shared Delivery Point under clause 4.1(a) of Part A of Section 1 of this Schedule; and
  - (ii) issue more than one invoice for a Delivery Point in respect of all Service Charges for that Delivery Point.
- (b) If the Shipper or Allocation Agent fails to deliver a notice to the Service Provider under clause 4.1(a) of Part A of Section 1 of this Schedule by the tenth Business Day of the relevant month, then:
  - (i) the Service Provider may reasonably estimate the Shipper's actual customer consumption at a Shared Delivery Point and provide an invoice or invoices to the Shipper based on that estimate; and
  - (ii) where possible, the Service Provider must reconcile Service Charges based on an estimation of actual customer consumption with the Actual Customer Consumption notified by the Shipper or Allocation Agent. An appropriate adjustment must be made in the Shipper's next invoice.
- (c) Notwithstanding any provision to the contrary contained in the OTSA, the Shipper, must pay each invoice by electronic funds transfer to a bank account nominated by the Service Provider to the Shipper from time to time, such payment to be made on or before the 20<sup>th</sup> Day of the following Month in respect of which the invoice is issued, or seven (7) Business Days after the Shipper receives the invoice, whichever is the later.
- (d) Authorised Overrun Charges, Unauthorised Overrun Charges and Unauthorised Operational Flow Order Overrun Charges will be calculated using the quantity of Gas allocated as delivered on the Shipper's account under clause 2 of Part A of Section 1 of this Schedule for each Shared Delivery Point.

### **5.2. Charges for Imbalance and Monthly Imbalance Difference Adjustment**

- (a) Imbalance Charges will be calculated using the quantity of Gas allocated as delivered on the Shipper's account under clause 3 of Part A of Section 1 of this Schedule for each Shared Delivery Point and in accordance with clause 8.7 and 5.2(b) of Part A of Section 1 of this Schedule.
- (b) Notwithstanding any provision to the contrary contained in the OTSA, the Shipper's Accumulated Imbalance for a Zone or Delivery Point, in respect of each Day in the five (5) Day period commencing on the second Business Day after the day on which the Service Provider delivers the Monthly Imbalance Difference Report or at such other time as mutually agreed by the parties and all other shippers, will be deemed to be the Shipper's Accumulated Imbalance for that Zone or Delivery Point on that Day.

## **6. Audit of Gas allocated at a Shared Delivery Point**

- (a) The Shipper may, by giving at least ten (10) Business Days' notice to the Service Provider, engage an independent auditor, at the Shipper's own cost, to review the Service Provider's records and documents for the sole purpose of verifying if the quantity of Gas allocated as delivered on the Shipper's account and invoiced by the

Service Provider has been undertaken in accordance with Part A of Section 1 of this Schedule.

- (b) The Service Provider must give reasonable assistance to the auditor, including answering any reasonable questions or requests of explanation or further information, provided however, that nothing in this clause 6 obliges the Service Provider to assist the auditor if:
  - (i) doing so would cause the Service Provider to breach its confidentiality obligations under any document to which the Service Provider is a party; or
  - (ii) the auditor refuses to execute a confidentiality agreement on terms satisfactory to the Service Provider.
- (c) The Shipper must give reasonable assistance to the auditor and the Service Provider, including providing confidential information relating to a Shared Delivery Point at the auditor or Service Provider's request (subject to any confidentiality restrictions).
- (d) The auditor will be engaged on the basis that the auditor is not permitted to disclose to the Shipper any information disclosed to the auditor by the Service Provider other than the Shipper's correct allocation and invoice of delivered Gas at the Delivery Point.

**Part B – Allocation at Shared Receipt Points**

Notwithstanding any provision to the contrary contained in the OTSA, the Actual Received Quantity of Gas for each Service of the Shipper at a Shared Receipt Point will be deemed to be the Shipper's Scheduled Quantity for that Service at that Shared Receipt Point.

## SECTION 2 – VTS INTERCONNECT

This Section 2 applies to the VTS Interconnect only.

### Part A – Allocation at Shared Delivery Points

#### 1. Definitions

The following definitions apply in Part A of Section 2 of this Schedule unless the context requires otherwise.

**Deliverable Quantity** means, in respect of each Service of each Shipper for a period on a Day, the quantity of Natural Gas permitted to be delivered for or on the account of that Shipper to a Shared Delivery Point at the VTS Interconnect, taking into account any curtailment, interruption or other reduction to the quantity of Natural Gas that Shipper is entitled to receive at the Shared Delivery Point under that Shipper's Gas Transportation Agreement.

**DWGM Allocation Agent** has the meaning given to the term "Allocation Agent" in the DWGM Rules.

**DWGM Rules** means the "Declared Wholesale Gas Market Rules" set out in Part 19 of the National Gas Rules.

**Permitted Quantity** means, in respect of each Service of each Shipper for a Scheduling Interval on a Day, the lesser of:

- (a) the Scheduled Quantity for that Service; and
- (b) the Deliverable Quantity for that Service,

for that Scheduling Interval.

**Scheduling Interval** has the meaning given in the DWGM Rules.

**Total Actual Delivered Quantity** means, in relation to a Shared Delivery Point at the VTS Interconnect, the total quantity of Gas delivered or deemed to be delivered by the Service Provider to the Shipper and all other shippers at that Shared Delivery Point (being the sum of the actual quantity metered by the Service Provider at the Shared Delivery Point at the VTS Interconnect and the Total Confirmed Receipt Nominations for the VTS Interconnect).

**Total Confirmed Delivery Nominations** means, in relation to a Shared Delivery Point at the VTS Interconnect, the aggregate of all Confirmed Delivery Nominations of the Shipper and all other shippers for that Shared Delivery Point.

**Total Confirmed Receipt Nominations** means, in relation to a Shared Receipt Point at the VTS Interconnect:

- (a) for a Scheduling Interval, the aggregate of all Confirmed Receipt Nominations of the Shipper and all other shippers for that Shared Receipt Point for that Scheduling Interval; and
- (b) for an hour occurring within a Scheduling Interval, the aggregate of all hourly amounts of the Shipper and all other shippers for that Shared Receipt Point as determined under Part B of Section 2 of this Schedule.

**Total DWGM Delivered Quantity** means, in relation to a Shared Delivery Point at the VTS Interconnect, the total quantity of Gas injected into the VTS by the Shipper and all other shippers at the relevant system injection point (being the sum of the actual quantity

metered at the relevant VTS system injection point in accordance with the DWGM Rules and the Total Confirmed Receipt Nominations for the VTS Interconnect).

**Total Permitted Quantity** means, in respect of a Scheduling Interval on a Day, the aggregate of all Permitted Quantities of the Shipper and all other shippers for that Scheduling Interval.

**2. VTS Interconnect allocations for the purpose of entitlements and obligations under this document**

**2.1. Total Confirmed Delivery Nominations at a Shared Delivery Point is greater than Zero**

Notwithstanding any provision to the contrary contained in the OTSA, if for a Scheduling Interval on a Day the Total Confirmed Delivery Nominations at a Shared Delivery Point is greater than zero, for the purpose of determining charges or any other entitlements or obligations of the Shipper under the OTSA, the Actual Delivered Quantity for each Service of the Shipper at that Shared Delivery Point for that Scheduling Interval will be deemed to be the quantity determined in accordance with the following formula:

$$\text{TADQ} \times \text{PQShipper} / \text{PQAll}$$

Where:

TADQ means the Total Actual Delivered Quantity at the Shared Delivery Point for the Scheduling Interval

PQShipper means the Permitted Quantity of the Shipper for that Service at the Shared Delivery Point for the Scheduling Interval

PQAll means the Total Permitted Quantity for the Shared Delivery Point for the Scheduling Interval

**2.2. Total Confirmed Delivery Nominations Equals Zero**

Notwithstanding any provision to the contrary contained in the OTSA, if for a Scheduling Interval on a Day the Total Confirmed Delivery Nomination at a Shared Delivery Point equals zero, for the purpose of determining charges or any other entitlements or obligations of the Shipper under the OTSA at a Shared Delivery Point at the VTS Interconnect, the Shipper's Actual Delivered Quantity in respect of a Service at that Shared Delivery Point for that Scheduling Interval will be deemed to be the quantity determined in accordance with the following formula:

$$\text{TADQ} \times \text{MDQShipper} / \text{MDQAll}$$

Where:

TADQ means the Total Actual Delivered Quantity at the Shared Delivery Point for the Scheduling Interval

MDQShipper means the MDQ of the Shipper for that Service for that Shared Delivery Point for the Scheduling Interval

MDQAll means the aggregate of the MDQs of the Shipper and all other shippers for all Services for the Shared Delivery Point for the relevant Day

### 3. Allocation of quantities injected into the VTS under the DWGM Rules

#### 3.1. Total Confirmed Delivery Nominations at a Shared Delivery Point is greater than Zero

Notwithstanding any provision to the contrary contained in the OTSA, if for a Scheduling Interval on a Day the Total Confirmed Delivery Nominations at a Shared Delivery Point at the VTS Interconnect is greater than zero, for the sole purpose of the Service Provider (in its capacity as the DWGM Allocation Agent) determining the quantity of Gas to be treated as injected by the Shipper into the VTS under rule 229 of the DWGM Rules, the Actual Delivered Quantity of the Shipper at that Shared Delivery Point for each hour of that Scheduling Interval will be deemed to be the quantity determined in accordance with the following formula:

$$\text{TDDQ} \times \text{PQShipper} / \text{PQAll}$$

Where:

**TDDQ** means the Total DWGM Delivered Quantity at the Shared Delivery Point for the relevant hour

**PQShipper** means the Permitted Quantity of the Shipper for all relevant Services at the Shared Delivery Point for the relevant Scheduling Interval

**PQAll** means the Total Permitted Quantity for the Shared Delivery Point for the relevant Scheduling Interval

#### 3.2. Total Confirmed Delivery Nominations Equals Zero

Notwithstanding any provision to the contrary contained in the OTSA, if for a Scheduling Interval on a Day the Total Confirmed Delivery Nomination at a Shared Delivery Point at the VTS Interconnect equals zero, for the sole purpose of the Service Provider (in its capacity as the DWGM Allocation Agent) determining the quantity of Gas to be treated as injected by the Shipper into the VTS under rule 229 of the DWGM Rules, the Shipper's Actual Delivered Quantity at that Shared Delivery Point for each hour of that Scheduling Interval will be deemed to be the quantity determined in accordance with the following formula:

$$\text{TDDQ} \times \text{MDQShipper} / \text{MDQAll}$$

Where:

**TDDQ** means the Total DWGM Delivered Quantity at the Shared Delivery Point for the relevant hour

**MDQShipper** means the aggregate of the MDQs of the Shipper for all relevant Services for that Shared Delivery Point for the relevant Day

**MDQAll** means the aggregate of the MDQs of the Shipper and all other shippers for all Services for the Shared Delivery Point for the relevant Day

#### 3.3. Total DWGM Delivered Quantity versus Total Actual Delivered Quantity

The parties acknowledge that, in respect of a particular period, the Total DWGM Delivered Quantity may differ from the Total Actual Delivered Quantity and agree that, for the purpose of determining allocations in respect of injections and withdrawals into the VTS under the DWGM Rules, allocations will be determined based on the Total DWGM Delivered Quantity in accordance with this clause 3 of Part A of Section 2 of

this Schedule (whereas allocations for the purpose of determining the Shipper's entitlements and obligations under this document at the VTS Interconnect will be determined based on the Total Actual Delivered Quantity in accordance with clause 2 of Part A of Section 2 of this Schedule).

#### **4. Acknowledgement**

If at any time during the period of supply a party (acting reasonably) notifies the other party that it has formed the view that the allocation method in clause 2 or 3 of Part A of Section 2 of this Schedule no longer constitutes a fair and equitable basis for determining the quantity of Gas delivered by the Service Provider to the Shipper at the relevant Shared Delivery Point under the document, the parties shall negotiate with one another and all other shippers who share that Shared Delivery Point in good faith and, without limiting clause 15 of these Facility Specific Terms, shall use reasonable endeavours to agree an alternative fair and equitable basis for determining that delivered quantity.

#### **5. Audit of Natural Gas allocated at a Shared Delivery Point**

- (a) The Shipper may, by giving at least ten (10) Business Days' notice to the Service Provider, engage an independent auditor, at the Shipper's own cost, to review the Service Provider's records and documents for the sole purpose of verifying if the quantity of Gas allocated as delivered on the Shipper's account and invoiced by the Service Provider has been undertaken in accordance with Part A of Section 2 of this Schedule.
- (b) The Service Provider must give reasonable assistance to the auditor, including answering any reasonable questions or requests of explanation or further information, provided however, that nothing in this clause 5 of Part A of Section 2 of this Schedule obliges the Service Provider to assist the auditor if:
  - (i) doing so would cause the Service Provider to breach its confidentiality obligations under any document to which the Service Provider is a party;  
or
  - (ii) the auditor refuses to execute a confidentiality agreement on terms satisfactory to the Service Provider.
- (c) The Shipper must give reasonable assistance to the auditor and the Service Provider, including providing confidential information relating to a Shared Delivery Point at the auditor or Service Provider's request (subject to any confidentiality restrictions).
- (d) The auditor will be engaged on the basis that the auditor is not permitted to disclose to the Shipper any information disclosed to the auditor by the Service Provider other than the Shipper's correct allocation and invoice of delivered Gas at the Delivery Point.

## **Part B – Allocation at Shared Receipt Points**

### **1. Definitions**

The following definitions apply in Part B of Section 2 of this Schedule unless the context requires otherwise.

**DWGM Allocation Agent** has the meaning given to the term “Allocation Agent” in the DWGM Rules.

**DWGM Rules** means the “Declared Wholesale Gas Market Rules” set out in Part 19 of the National Gas Rules.

**Scheduling Interval** has the meaning given in the DWGM Rules.

### **2. VTS Interconnect allocations**

#### **2.1 Determination of Actual Received Quantity**

Notwithstanding any provision to the contrary contained in the OTSA, the Actual Received Quantity for each Service or all Services (as applicable) of the Shipper at a Shared Receipt Point at the VTS Interconnect will be deemed to be:

- (a) for a Scheduling Interval, the Shipper’s Confirmed Receipt Nomination for that Service or those Services for that Scheduling Interval; or
- (b) for an hour, the Shipper’s Confirmed Receipt Nomination for that Service or those Services for the relevant Scheduling Interval divided by the number of hours occurring in that Scheduling Interval.

#### **2.2 Application of Actual Received Quantity**

The rules for determining the Actual Received Quantity set out at clause 2.1 of Part B of Section 2 of this Schedule above will apply for both of the following purposes:

- (a) calculating charges or any other entitlements or obligations of the Shipper under this document at a Shared Receipt Point at the VTS Interconnect (on a Scheduling Interval by Scheduling Interval basis on accordance with clause 2.1(a) of Part B of Section 2 of this Schedule); and
- (b) the determination by the Service Provider (in its capacity as the DWGM Allocation Agent) of the quantity of Gas to be treated as withdrawn by the Shipper from the VTS under rule 230 of the DWGM Rules (on an hour by hour basis in accordance with clause 2.1(b) of Part B of Section 2 of this Schedule).