

# CENTRAL RANGES PIPELINE GAS NETWORK

Central Ranges Pipeline Pty Ltd  
ACN 108 218 355

Access Arrangement for the  
CRP Gas Network  
November 2005

## **CENTRAL RANGES PIPELINE PTY LIMITED ACCESS ARRANGEMENT FOR CRP GAS NETWORK**

### **1 INTRODUCTION**

#### **Access Arrangement**

This Access Arrangement is established pursuant to the Gas Pipelines Access (New South Wales) Act 1998 and the National Third Party Access Code for Natural Gas Pipeline Systems. The tender process (**Tender Process**) which has been documented in the Independent Pricing and Regulatory Tribunal of NSW (**IPART**) decision GAS 04-01 dated 19 May 2004 approved a number of issues relevant to the Access Arrangement. The Network is a Covered Pipeline under the Code and the items approved under the Tender will be referred to as “Tender outcome”.

The Network covered by the Tender Process comprises the Networks in each of the Central Ranges Towns namely:

- Tamworth
- Gunnedah
- Mudgee
- Dunnedoo
- Coolah
- Gulgong
- Qurindi
- Werris Creek
- Coonabarabran
- Gilgandra

The Network is to be constructed incrementally with the first stage being the construction of the Network Section for Tamworth. The remainder of the Network Sections will be constructed as they prove to be economically viable.

Under the IPART approval a proposed Access Arrangement was to be lodged within 90 days, however due to the licence not being owned by the winning tenderer, Europacific Consortium which has been subsequently incorporated as Central Ranges Pipeline Pty Ltd (CRP), a number of extensions for the lodgment date were sought and approved pending the completion of the purchase of Licence No 27. The purchase of the licence was completed on 6 May 2005.

The Revision Commencement Date is 1 July 2019.

The following terms were determined by the Tender Process:

- Revisions Commencement Date
- Reference Tariffs
- Relevant parts of the Reference Tariff Policy; and
- Additional Revenue Policy

## Structure of this Access Arrangement

This Access Arrangement is set out as follows:

- |             |   |
|-------------|---|
| Section 1   | <b>Introduction</b> sets out an overview of this Access Arrangement including its structure, commencement date and revisions date.  |
| Section 2   | <b>Services Policy</b> describes the Services offered under this Access Arrangement and the procedure to obtain access to the Services.   |
| Section 3   | <b>Reference Tariffs</b> describes the Reference Tariffs applicable to the Reference Services, variations Reference Tariffs and other Charges.  |
| Section 4   | <b>Reference Tariff Policy</b> describes the principles used to determine the Reference Tariffs and additional matters regarding Capital Base, New Facilities Investment, Capital Redundancy and Additional Revenue Policy. |
| Section 5   | <b>Trading Policy</b> which allows for Bare Transfer, assignment with consent and change of Receipt and Delivery Points.  |
| Section 6   | <b>Queuing Policy</b> describes the order in which capacity will be allocated to Prospective Users where there is insufficient capacity on a transportation route to satisfy all Requests for Service on that route         |
| Section 7   | <b>Extensions/Expansions Policy</b> describes the manner in which extensions or expansions to the Network and New Facilities Investment will be dealt with under this Access Arrangement.                                   |
| Section 8   | <b>Capacity Management Policy</b> specifies that the Network is a contract carriage pipeline rather than a market carriage pipeline for the purposes of the Code.   |
| Schedule 1  | Definitions and Interpretation.   |
| Schedule 2A | General Terms and Conditions applicable to All Reference Services.  |
| Schedule 2B | General Terms and Conditions applicable to Reference Services except Tariff Reference Services.   |
| Schedule 3  | Gas Balancing.  |
| Schedule 4  | Operational Principles.   |
| Schedule 5  | Gas Quality Specification.  |
| Schedule 6A | Request for Service.  |
| Schedule 6B | Request for Service Form.   |

## **Commencement of this Access Arrangement**

This Access Arrangement will commence on the date on which the Network is capable of providing a Reference Service to at least one Customer.

## **Revisions Commencement Date**

The Revisions Commencement Date was a Tender outcome and is 1 July 2019.  
The Revisions Submission date is 30 June 2018. (Tender outcome)

## **2 SERVICES POLICY**

### **Introduction**

CRP offers the following Services:

- i. Four Reference Services; and
- ii. Negotiated Services.

### **Reference Services**

The four Reference Services are:

- i. Special Contract Transportation Service – Section 2.1
- ii. Contract Transportation Service – Section 2.2
- iii. I&C Transportation Service– Section 2.3
- iv. Domestic Transportation Service– Section 2.4

### **Non Reference Services**

- i. Negotiated Services – Section 2.5

### **Availability of Reference Services**

The Reference Services are available to Users to transport gas if the following criteria are satisfied:

- Contract Transportation Service and Special Contract Service - to Delivery Points served from facilities where the maximum allowable operating pressure is less than or equal to 1,050 kPa and where the MDQ is no less than ten times the MHQ;
- Domestic Transportation Service and I&C Transportation Service – to Delivery Points served from facilities where the maximum allowable operating pressure is less than or equal to 500kPa.

### **Requests for Services**

The procedures to be followed by a User seeking to obtain a Reference Service or Negotiated Service are set out in Schedule 6.

An offer made in response to a Request is subject to the Queuing Policy as set out in Section 6.

### **Service Agreements**

All Users of a Service will be required to enter into a Service Agreement specific to that User and that Service.

## **2.1 Special Contract Transportation Service**

### **General**

A Special Contract Transportation Service is, in respect of gas to be used by a Special Contract Customer, a service for the transportation of gas by CRP from a Receipt Point through the Network to a Special Contract Customer Delivery Point with Charges determined on the basis of throughput (\$ per GJ of throughput), no charges payable for Overruns and a minimum annual bill based on 80% of ACQ per annum.

Section 2.1 contains the terms and conditions applicable to a Special Contract Transportation Service and lists the applicable Reference Tariffs. The definitions in Schedule 1 will apply where appropriate. These terms and conditions are in addition to:

- (a) the general terms and conditions in Schedule 2A and Schedule 2B;
- (b) the gas balancing arrangements in Schedule 3; and
- (c) the operational principles in Schedule 4.

### **Terms and Conditions**

#### **Availability**

- The Special Contract Transportation Service is available to any single Delivery Point where a Customer is reasonably expected to withdraw a quantity of gas exceeding 1PJ per Contract Year.

#### **MDQ and MHQ**

- Users will be required to specify a level of MHQ and MDQ which fairly reflects the maximum Hourly and Daily requirements at the Delivery Point, based on prior consumption where that information is available.
- CRP's maximum obligation to deliver gas to the Delivery Point is MHQ in any Hour and MDQ on any Day (plus Authorised Overruns).

#### **ACQ**

- Users will be required to specify an ACQ which fairly reflects the annual requirements for each Special Contract Customer.

#### **Minimum Bill**

- Where the User withdraws less than 80% of ACQ specified for a Special Contract Customer at the Delivery Point in any Contract Year, the User will pay for delivery of 80% of the ACQ specified for that Special Contract Customer for delivery at that Delivery Point in that Contract Year.

## **Overruns**

- An Overrun will have occurred if withdrawals at a Delivery Point exceed the MHQ in any Hour or the MDQ on any Day for the Delivery Point. Overruns may be authorised or unauthorised.
- There will be no Overrun charges payable for an Overrun.

## **Metering**

- Delivery Stations will generally be owned by CRP except for some facilities which are not integral to the transportation of gas.
- Quantities of gas passing through the meter each Day will be recorded by CRP and the information in relation to such quantities will be accessible by CRP, the User and other persons as permitted by the User, at the User's cost, or in accordance with the requirements of the Code.
- Where technically and commercially feasible, CRP will provide a communication system at the Delivery Point to enable daily reading of the meter. Where there are no on-site data facilities and no communication facilities at a Delivery Point, CRP will read meters monthly in accordance with the meter reading cycle adopted for that locality and class of Delivery Station. Where there are on-site data facilities but no communication facilities at a Delivery Point, CRP will collect daily meter readings monthly in accordance with the meter reading cycle adopted for that locality and class of Delivery Station.
- If the User requires more immediate metering information than the daily information which CRP will make available under the above paragraph, the User may, at its expense, take information directly from the Measuring Equipment. Any connection made to the Measuring Equipment by the User must be made in accordance with the manufacturer's specification, and must be made in such a way as not to interfere with the proper operation of the Network Measuring Equipment.

## **Term**

- The term of the Service will be one year from the commencement of the Service to the Delivery Point or such longer period as the User elects up to the Revisions Commencement Date.

## **Charges**

- There are two categories of Charges under a Special Contract Transportation Service, all of which are specified in Section 3:
  - (a) Transportation Service Charge – Section 3.1
  - (b) Charges for Ancillary Services - Section 3.5

## 2.2 Contract Transportation Service

### General

A Contract Transportation Service is, in respect of gas to be used by a Contract Customer, a service for the transportation of gas by CRP from a Receipt Point through the Network to a Contract Customer Delivery Point with Charges determined on the basis of throughput (\$ per GJ of throughput), no charges payable for Overruns and a minimum annual bill based on 80% of ACQ per annum.

Section 2.2 contains the terms and conditions applicable to a Contract Transportation Service and lists the applicable Reference Tariffs. The definitions in Schedule 1 will apply where appropriate. These terms and conditions are in addition to:

- (a) the general terms and conditions in Schedule 2A and Schedule 2B;
- (b) the gas balancing arrangements in Schedule 3; and
- (c) the operational principles in Schedule 4.

### Terms and Conditions

#### Availability

- The Contract Transportation Service is available to any single Delivery Point where a Customer is reasonably expected to withdraw a quantity of gas exceeding 10 TJ per Contract Year.

#### MDQ and MHQ

- Users will be required to specify a level of MHQ and MDQ which fairly reflects the maximum Hourly and Daily requirements at the Delivery Point, based on prior consumption where that information is available.
- CRP's maximum obligation to deliver gas to the Delivery Point is MHQ in any Hour and MDQ on any Day (plus Authorised Overruns).

#### ACQ

- Users will be required to specify a level of ACQ which fairly reflects the annual requirements for each Contract Customer.

#### Minimum Bill

- Where the User withdraws less than 80% of ACQ specified for a Contract Customer at the Delivery Point in any Contract Year, the User will pay for delivery of 80% of the ACQ specified for that Contract Customer for delivery at that Delivery Point in that Contract Year.

#### Overruns

- An Overrun will have occurred if withdrawals at a Delivery Point exceed the



MHQ in any Hour or the MDQ on any Day for the Delivery Point. Overruns may be authorised or unauthorised.

- There will be no Overrun charges payable for an Overrun.

### **Metering**

- Delivery Stations will generally be owned by CRP except for some facilities which are not integral to the transportation of gas.
- Quantities of gas passing through the meter each Day will be recorded by CRP and the information in relation to such quantities will be accessible by CRP, the User and other persons as permitted by the User, at the User's cost, or in accordance with the requirements of the Code.
- Where technically and commercially feasible, CRP will provide a communication system at the Delivery Point to enable daily reading of the meter. Where there are no on-site data facilities and no communication facilities at a Delivery Point, CRP will read meters monthly in accordance with the meter reading cycle adopted for that locality and class of Delivery Station.
- Where there are on-site data facilities but no communication facilities at a Delivery Point, CRP will collect daily meter readings monthly in accordance with the meter reading cycle adopted for that locality and class of Delivery Station.
- If the User requires more immediate metering information than the daily information which CRP will make available under the above paragraph, the User may, at its expense, take information directly from the Measuring Equipment. Any connection made to the Measuring Equipment by the User must be made in accordance with the manufacturer's specification, and must be made in such a way as not to interfere with the proper operation of the Network Measuring Equipment.

### **Term**

- The term of the Service will be one year from the commencement of the Service to the Delivery Point or such longer period as the User elects up to the Revisions Commencement Date.

### **Charges**

- There are two categories of Charges under a Contract Transportation Service, all of which are specified in Section 3:
  - (a) Transportation Service Charge – Section 3.1
  - (b) Charges for Ancillary Services - Section 3.5

## 2.3 I&C Transportation Service

### General

An I&C Transportation Service is, in respect of gas to used by an I&C Customer, a service for the transportation of gas by CRP from a Receipt Point through the Network to an I&C Customer Delivery Point with Charges determined on the basis of throughput (\$ per GJ of throughput).

Section 2.3 contains the terms and conditions applicable to an I&C Transportation Service and lists the applicable Reference Tariffs. The definitions in Schedule 1 will apply where appropriate. These terms and conditions are in addition to:

- (a) the general terms and conditions in Schedule 2A;
- (b) the gas balancing arrangements in Schedule 3; and
- (c) the operational principles in Schedule 4.

### Terms and Conditions

#### Availability

- The I&C Transportation Service is available to any User which requires I&C Transportation Service to one or more I&C Customer Delivery Points.
- The I&C Transportation Service is available to an I&C Customer Delivery Point where the Customer is reasonably expected to withdraw a quantity of gas less than 10TJ per Contract Year.

#### MHQ

- For any new Delivery Point where the MHQ is expected to exceed 6m<sup>3</sup>/Hour, Users will be required to specify a level of MHQ which fairly reflects the maximum hourly requirement at the Delivery Point.
- CRP's maximum obligation to deliver gas to a Delivery Point is:
  - i. MHQ in any Hour (plus authorised overruns) specified for that Delivery Point; or
  - ii. for a Delivery Point where there is no requirement to specify MHQ, as required up to a maximum of 6m<sup>3</sup>/Hour.

#### Overruns

- An Overrun will have occurred if withdrawals at the Delivery Point exceed the MHQ in any Hour for the Delivery Point. Overruns may be authorised or unauthorised.
- There will be no Overrun charges payable for an Overrun.

## **Metering**

- Delivery Stations will generally be owned by CRP except for some facilities which are not integral to the transportation of gas.
- Where the quantity of gas delivered to an I&C Customer Delivery Point is expected to be greater than 1TJ per Year, CRP may read the meter(s) at the Delivery Point each 30 Days (plus or minus two Days).
- Where the quantity is expected to be less than 1TJ per Year, CRP will read the meter(s) at the Delivery Point each 91 Days (plus or minus four Days). For specific Delivery Points, CRP and the User may agree that the meter will be read at different frequencies.
- CRP will from time to time nominate a cycle in which meters at I&C Customer Delivery Points will be read. CRP will consult with the User prior to any change to the cycle and will not vary the reading cycle unreasonably or without giving reasonable notice.
- The User may request CRP to vary CRP's reading cycle for any Delivery Point, and CRP will advise whether it agrees to such request and at what cost.
- CRP will provide the User with details of the meters and meter readings in writing if so requested or otherwise in such format as CRP nominates, and will provide such details within seven Business Days of the date of reading the meter.

## **Receipt Points/ Delivery Points**

- The User will provide CRP with a list in an electronic or other agreed form nominating the I&C Customer Delivery Points to which the I&C Transportation Service is to be provided.
- The User may from time to time add I&C Customer Delivery Points to the list, in accordance with the access procedures set out Schedule 6.
- The User may at any time delete an I&C Customer Delivery Point from the Service Agreement by giving at least three Business Days notice to CRP.

## **Term**

- The term of the Service Agreement for I&C Transportation Services will be one year from the commencement of the Service to the Delivery Point or such longer period as the User elects up to the Revisions Commencement Date.

## **Charges**

- There are two categories of Charges under an I&C Transportation Service, all of which are specified in Section 3:
  - (a) Transportation Service Charge – Section 3.1
  - (b) Charges for Ancillary Services - Section 3.5

## 2.4 Domestic Transportation Service

### General

A Domestic Transportation Service is, in respect of gas to be used by a Domestic Customer, a service for the transportation of gas by CRP from a Receipt Point through the Network to a Domestic Customer Delivery Point with Charges determined on the basis of throughput (\$ per GJ of throughput).

Section 2.4 contains the terms and conditions applicable to a Domestic Transportation Service and lists the applicable Reference Tariffs. The definitions in Schedule 1 will apply where appropriate. These terms and conditions are in addition to:

- (a) the general terms and conditions in Schedule 2A;
- (b) the gas balancing arrangements in Schedule 3; and
- (c) the operational principles in Schedule 4.

### Terms and Conditions

#### Availability

- The Domestic Transportation Service is available to any User which requires Domestic Transportation Service to one or more Domestic Customer Delivery Points.
- The Domestic Transportation Service is available to any Delivery Point where a Customer is a Domestic Customer.

#### MHQ

- For any new Delivery Point where the MHQ is expected to exceed 6m<sup>3</sup>/Hour, Users will be required to specify a level of MHQ which fairly reflects the maximum hourly requirement at the Delivery Point.
- CRP's maximum obligation to deliver gas to a Delivery Point is:
  - (a) MHQ in any Hour (plus authorised overruns) specified for that Delivery Point; or
  - (b) for a Delivery Point where there is no requirement to specify MHQ, as required up to a maximum of 6m<sup>3</sup>/Hour.

#### Overruns

- An Overrun will have occurred if withdrawals at the Delivery Point exceed the MHQ in any Hour for the Delivery Point. Overruns may be authorised or unauthorised.
- There will be no Overrun charges payable for an Overrun.

## **Metering**

- Delivery Stations will generally be owned by CRP except for some facilities which are not integral to the transportation of gas.
- CRP will read the meter(s) at the Delivery Point each 91 Days (plus or minus four Days).
- CRP will from time to time nominate a cycle in which meters at Domestic Customer Delivery Points will be read. CRP will consult with the User prior to any change to the cycle and will not vary the reading cycle unreasonably or without giving reasonable notice.
- The User may request CRP to vary CRP's reading cycle for any Delivery Point, and CRP will advise whether it agrees to such request and at what cost.
- CRP will provide the User with details of the meters and meter readings in writing if so requested or otherwise in such format as CRP nominates, and will provide such details within seven Business Days of the date of reading the meter.

## **Receipt Points/ Delivery Points**

- The User will provide CRP with a list in an electronic or other agreed form nominating the Domestic Customer Delivery Points to which the Domestic Transportation Service is to be provided.
- The User may from time to time add Domestic Customer Delivery Points to the list, in accordance with the access procedures set out Schedule 6.
- The User may at any time delete a Domestic Customer Delivery Point from the Service Agreement by giving at least three Business Days notice to CRP.

## **Term**

- The term of the Service Agreement for Domestic Transportation Services will be one year from the commencement date of the Service to the Delivery Point or such longer period as the User elects up to the Revisions Commencement Date.

## **Charges**

- There are two categories of Charges under a Domestic Transportation Service, all of which are specified in Section 3:
  - (a) Transportation Service Charge – Section 3.1
  - (b) Charges for Ancillary Services - Section 3.5

## **2.5 Non Reference Services**

### **Negotiated Services**

- Where a Prospective User has specific needs which differ from those which would be satisfied by a Reference Service or other Services described in this Section 2, the Prospective User may seek to negotiate different terms and conditions as a Negotiated Service.
- Should a dispute arise, it will be resolved in accordance with the dispute resolution procedures in the Gas Pipelines Access Law and the Code, unless the parties agree otherwise.

### 3 REFERENCE TARIFFS

#### PART 3A – REFERENCE TARIFFS FOR SERVICES

The Reference Tariffs in Section 3 are expressed in 1 July 2003 dollars. The actual Reference Tariff applicable in a particular year is the real 1 July 2003 value escalated at CPI to that year in accordance with this Section. (Tender outcome)

The Reference Tariffs shown in this section are exclusive of GST. The schedule will be updated each year and published by CRP including GST at the applicable rate.

#### 3.1 Transportation Service Charges

<b>Transportation Reference Service</b>	<b>Charge in \$/GJ (1 July 2003 dollars) exclusive of GST</b>
Special Contract Transportation Service	0.05
Contract Transportation Service	1.20
I&C Transportation Service	1.50
Domestic Transportation Service	3.50

## PART 3B - VARIATIONS TO REFERENCE TARIFFS

### 3.2 General

CRP may vary the Reference Tariffs in accordance with the variation method set out in Section 3.3. CRP is required to comply with the notification requirements set out in Section 3.4. Variations may result in both increases or decreases in Reference Tariffs. (Tender outcome)

### 3.3 Variation Method

The Reference Tariffs for the Reference Services established in the Tender are expressed in 1 July 2003 dollars and are to remain constant in real terms. This means that they must be increased at the then current rate of inflation for each subsequent year. (Tender outcome)

Therefore during the Access Arrangement period, Reference Tariffs will only be adjusted on 1 July 2004 and on 1 July each year thereafter in accordance with the formula specified below and in accordance with Sections 8.3B to 8.3H of the Code.

$$RT_n = RT_{n-1} \times \left( \frac{CPI_{n-1}}{CPI_{n-2}} \right) \text{ where}$$

**CPI** means the Consumer Price Index (All Groups - Weighted Average Eight Capital Cities) published quarterly by the Australian Statistician. If the Australian Statistician ceases to publish the quarterly value of that Index, then CPI means the quarterly values of another Index which CRP reasonably determines most closely approximates that Index.

**CPI<sub>n-1</sub>** means the value of the average of the CPIs for the four quarters to December in Year<sub>n-1</sub>.

**CPI<sub>n-2</sub>** means the value of the average of the CPIs for the four quarters to December quarter in Year<sub>n-2</sub>.

**RT<sub>n</sub>** means the Reference Tariff in Year<sub>n</sub>

**RT<sub>n-1</sub>** means the Reference Tariff in Year<sub>n-1</sub>

### 3.4 Notification

The following conditions apply to variations to Reference Tariffs in accordance with the variation methods set out in Section 3.3:

CRP may only adjust Reference Tariffs pursuant to Clause 3.3, if it has provided the Regulator with a Notice pursuant to Section 8.3B of the Code at least 50 Business



Days before the end of the financial year and the Regulator has not disallowed the variation to the Reference Tariffs prior to the date they are due to come into effect.

The notice pursuant to Clause 8.3B of the Code must include:

- the proposed new tariffs, and
- the calculations supporting the proposed new tariffs.

CRP must submit one and only one notice pursuant to this Clause each financial year.

## **PART 3C – OTHER CHARGES**

### **3.5 Charges for Ancillary Services**

Charges for the following ancillary Services are set out in the table below in real 1 July 2004 dollars:

- Request For Services – for time spent collating the information and writing the letter of offer to a user (or Prospective User) when the User requests a new/additional/changed Service.
- Special Meter Read – for reads requested by a User rather than ordinary reads (for instance when the meter reader makes a special visit to read a particular meter out of the usual meter reading route). This service must be scheduled with a minimum 5 day notice period.
- Meter Testing Service – on request of a user, an off-site check to test the accuracy and soundness of Metering Facilities in order to determine whether the Metering Facilities are accurately measuring the quantity of natural gas delivered. The Meter Testing Service will be provided in accordance with the relevant provisions of the Network Code. No charge will apply for this service if the meter is not reading correctly. This Meter Testing Service is for Domestic and small I&C Customers who have gas delivered through a meter of less than 20 cubic metres per hour. Meter Testing Service for all other meters would be subject to a quotation and separate contract.
- Domestic Customer Disconnection Fee – this charge covers disconnection of meters to Domestic Customers. The specific method of disconnection will be at the discretion of CRP to ensure the site is able to be left in a safe state. The fee also covers the cost of subsequent reconnection, during normal business hours, for disconnections which are temporary in nature. Disconnection services will be provided in accordance with the current Network Code in place as at the effective date of this Access Arrangement.
- I&C, Contract and Special Contract Customer Disconnection Fee – this charge covers disconnection of meters to I&C, Contract and Special Contract Customers. The specific method of disconnection will be at the discretion of CRP to ensure the site is able to be left in a safe state. The fee also covers the cost of subsequent reconnection, during normal business hours, for disconnections which are temporary in nature. Disconnection services will be provided in accordance with the current Network Code in place as at the effective date of this Access Arrangement.
- After Hours Reconnection Fee – this charge covers the connection or reconnection of gas supply to a User by removing the lock from the meter isolating the valve or the removal of wadding from the basic meter assembly. This service does not include purging the User, installation or lighting of pilots. This service only applies to meters with a capacity of less than or equal to 6 cubic metres per hour outside normal business hours.

	<b>GST inclusive</b> (1 July 2004 dollars)
Request for Service	\$60 plus \$60 per hour after the first hour
Special Meter read	\$36
Meter Testing Service	\$208
Domestic Customer Disconnection fee	\$75
I&C, Contract and Special Contract Customer Disconnection fee	\$300
After Hours Reconnection Service	\$100

With effect from 1 July 2005 and each year thereafter, the escalation formula set out in clause 3.3 will apply mutatis mutandis to the Charges for Ancillary Services.

## **PART 3D – GENERAL PROVISIONS ON REFERENCE TARIFFS**

### **3.6 Date of Application of Reference Tariffs**

Reference Tariffs apply from the date on which the approval of the Relevant Regulator takes effect under Section 2 of the Code.

### **3.7 GST**

Unless expressly stated otherwise, all amounts payable or the value of other consideration provided in respect of supplies made in relation to this Access Arrangement are exclusive of GST (if any). Where GST is payable or imposed on any supply made (or deemed to have been made) under or in accordance with this Access Arrangement, the amounts payable or the value of the consideration provided for that supply (or deemed supply) ("**Payment**") shall be increased by such amount as is necessary to ensure that the amount of the Payment net of GST is the same as it would have been prior to the inclusion of GST.

Where, in relation to this Access Arrangement, a party makes a taxable supply, that party must provide a tax invoice in respect of that supply before the GST payable in respect of that supply becomes due.

Terms defined in A New Tax System (Goods and Service Tax) Act 1999 of Australia have the same meaning when used in this clause.

## **4 REFERENCE TARIFF POLICY**

### **4.1 Description of Principles**

Reference Tariffs in this Access Arrangement were established through a competitive Tender Process.

The principle selection criterion for the awarding of the tender was that:

- the tenderer can provide for the supply of natural gas to consumers at the lowest sustainable combined distribution and transmission tariffs.

In assessing which tenderer offered the 'lowest sustainable' tariffs regard would be had to:

- the average combined transmission and distribution Reference Tariff per GJ of gas proposed to be delivered over the initial Access Arrangement Period;
- the average combined transmission and distribution non-Reference Tariff per GJ of gas proposed to be delivered over the initial Access Arrangement Period; and
- the residual values of the proposed pipelines at the Revisions Commencement Date.

Secondary criteria included:

- the areas to which gas is to be made available;
- the number of customers which will have access to natural gas; and
- the proposed construction timetable.

In addition, it was expected that the townships of Mudgee, Gunnedah and Tamworth would be reticulated.

The Tender Process was to, and did, determine:

- the Revisions Commencement Date;
- Reference Tariffs;
- the Additional Revenue Policy; and
- the Reference Tariff Policy (to the extent that it determines the manner in which Reference Tariffs will change over the period).

Networks typically have high up-front construction costs. In addition, greenfield projects generally take many years for demand to grow sufficient for revenue to sustain the large capital investments and on-going operating costs. As a consequence there are under-recoveries of revenue in the earlier years of operation which must be offset by over-recoveries in later years.

In these circumstances commercial prudence suggests that tariffs for services be set high to limit the period of under-recovery. However, if tariffs are set too high customers will not convert to natural gas, and demand will never rise sufficient to underpin the investment in infrastructure.

Europacific (subsequently incorporated as Central Ranges Pipeline Pty Ltd) established Reference Tariffs for its successful tender by reference to the current delivered prices of competing fuels in the region (coal, LPG, light fuel oil and electricity) and the prices that different user classes may be able to bear. To set tariffs any higher would almost certainly result in market and economic failure, to set them any lower would increase the period of under-recovery and, as a consequence, the risk of the project.

These Reference Tariffs are in Section 3.1 and they will vary annually according to the Reference Tariff Variation Method in Section 3.3. (Tender outcome)

The Central Ranges Network is not expected to recover total costs during the initial Access Arrangement Period to 2019. To allow opportunity to recover total costs over the life of the assets, the Under-recoveries in the first Access Arrangement period are to be capitalized into the Capital Base to be taken into account in the determination of Reference Tariffs in future Access Arrangements.

For the purposes of this Access Arrangement the combined Network Sections for the ten Central Ranges Towns are to be treated as a single Covered Pipeline.

## **4.2 Capital Base**

As noted in the Introduction, the Network is to be constructed incrementally with the first stage of the construction being the Network Section for Tamworth. For the purpose of this Access Arrangement, the Capital Base is the actual (not forecast) capital costs of constructing the Network Sections for each of the Central Ranges Towns (Tender Outcome).

In the initial Access Arrangement Period, the Capital Base will include the actual capital cost of construction of such of the remaining sections of the Network for the Covered Pipeline in the Year in which those costs were incurred.

### **4.3 New Facility Investment**

The Tender dealt with the construction of the Networks for the Central Ranges Towns. Under the Tender, this also includes any “stay in business” capital expenditure associated with the Network. All this capital expenditure incurred in constructing the Networks for the Central Ranges Towns will not be subject to Section 8.16 of the Code as this construction forms part of and is not an extension to the Covered Pipeline.

However, capital expenditure incurred in extending the networks for other than the Central Ranges Towns will, subject to Section 7.2(c) of this Access Arrangement be subject to Section 8.16 of the Code as these will be extensions to Covered Pipeline and, therefore constitute New Facilities Investment. Capital expenditure in expansions to the network, to increase capacity to service locations other than the Central Ranges Towns, will similarly constitute New Facilities Investment.

### **4.4 New Facility Investment that does not satisfy Section 8.16 of the Code**

CRP retains the right to pursue New Facilities Investment that does not meet Section 8.16 of the Code (Speculative Investment).

If CRP constructs a Speculative Investment then:

- (a) the portion of the New Facilities Investment which does satisfy the requirements of Section 8.16 of the Code (Recoverable Portion) may be added to the Capital Base at the commencement of the next Access Arrangement Period; and
- (b) an amount in respect of the balance of the New Facilities Investment forms part of the Speculative Investment Fund (as contemplated by the Code) and, may subsequently be added to the Capital Base if, at any time, the type and volume of services provided using the increased Capacity attributable to the Speculative Investment change such that any part of the Speculative Investment Fund would then satisfy the requirements of Section 8.16 of the Code.

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

### **4.5 Depreciation**

Depreciation is implicit in the Capital Base variation discussed in Section 4.6 below.

## 4.6 Capital Base Annual Variation for Determining Under-recoveries (Tender outcome)

Under-recoveries are to be determined in relation to the Network excluding any New Facilities Investment. The figures to be applied in relation to the formula for Capital Base and Under-recovery below are consequently those which relate to the Network excluding any amounts pertaining to New Facilities Investment.

$$CB_n = CB_{n-1} \times \frac{CPI_n}{CPI_{n-1}} + Capex_n - Redundant Capital_n + Under - recovery_n - Capex_{nOR} - OR \text{ applied}$$

Where:

**CB<sub>n</sub>** is the Capital Base at the end of the Year to June in Year n.

**CPI<sub>n</sub>** is the CPI for the June quarter in Year n.

**CPI<sub>n-1</sub>** is the CPI for the June quarter in Year n-1.

**Capex<sub>n</sub>** is actual capital expenditure in Year n incurred in constructing the Network for any Central Ranges Towns and any “stay in business” capital expenditure in respect of the Network.

**Capex<sub>nOR</sub>** is that part of Capex<sub>n</sub> which is funded from withdrawals of Over-recoveries from the distribution Expansion Capital account established pursuant to section 4.9(a).

**OR applied** is the amount of Over-recoveries allocated to the current year’s Under-recovery from the Distribution Expansion Capital account under section 4.9(a).

**Redundant Capital<sub>n</sub>** is CRP’s best estimate of capital in the Network made redundant in year n, according to the Capital Redundancy Mechanism set out in section 4.8.

**Redundant Capital** is as defined in the Code.

**Under – recovery<sub>n</sub>** is the amount of Under-recovery for the Year n and is equal to:

$$(Operating Expenditure)_{Year n} + (CB_{n-1} \times 11.955\%) - (Revenue)_{Year n}$$

in each Year in which the result of the formula is positive.

In applying the formula for Capital Base Annual Variation, the initial Capital Base at the end of Year 2006 will be calculated as follows:

**CB<sub>2006</sub>** is the initial Capital Base and is equal to all Capex pre-1 July 2006 escalated using movements in CPI from the quarter in the Year of expenditure to 30



June 2006 (to convert expenditure to Year 2006 dollars); eg expenditure in the period 1 July 2005 to 30 September 2005 will be escalated according to the formula:

$$\frac{CPI_{Jun2006}}{CPI_{Sep2005}} \text{ where } CPI_{June 2006} \text{ is the CPI for the June quarter in Year 2006.}$$

#### **4.7 Model Detailing Amendments to the Capital Base**

CRP will submit to the Regulator within 120 days after Year End a model calculating the Year End Capital Base with supporting information including the:

- actual CPI outcomes; and
- the actual Under-recovery ;
- the details of the actual capital cost of construction any section of the Network that was incurred during the Year; and
- CRP's calculation of depreciation.

#### **4.8 Capital Redundancy Mechanism**

1. The Relevant Regulator may reduce the Capital Base with effect from the commencement of the Access Arrangement Period (immediately following the conclusion of the current Access Arrangement Period) if it is of the reasonable opinion that any of the following have occurred in relation to assets comprising some or all of the Capital Base:
  - (a) the assets have been sold or disposed of by CRP or CRP has entered into a binding agreement for their sale or disposal; or
  - (b) the assets have otherwise ceased to contribute in any way to the delivery of Services.
2. In determining whether to reduce the Capital Base under paragraph 1 and the amount by which the Capital Base should be reduced, the Relevant Regulator may take into account:
  - (a) the value at which the assets were first included in the Capital Base; and
  - (b) the depreciated value of the assets within the Capital Base at the time of their sale or disposal, or the time at which they ceased to contribute.

#### **4.9 Additional Revenue Policy**

The Tender Process established the following basis for the treatment of Additional Revenue:

- (a) In each Year in which there is an Over-recovery, the Over-recovery will be moved into an Equity Reserve account named - "Distribution Expansion Capital" and an equivalent provision will be made for "Distribution Capital"

Expenditure" with an amount equivalent to that provision being placed in a separate bank account. Any interest accruing in respect of this account will form part of the fund. These funds are to be used to meet one or more of the following:

- i. Under-recovery in subsequent Years (not for the prior Year Under-recoveries which have been added to the Capital Base); (Tender outcome)
- ii. to provide an income subsidy;
- iii. to meet capital expenditure required to fund the construction of the Networks for any of the Central Ranges Towns. (Tender outcome)

The election will be at the sole discretion of CRP. (Tender outcome)

Income Subsidy means applying an Over-recovery from providing Services in one Central Ranges Town to offset an Under-recovery from Services in any other Central Ranges Town or Towns. When the Network is considered in aggregate (as it is in the above definition of Over-recovery), then any Over-recovery associated with Services in one town will automatically be applied to any Under-recover from Services in other towns. That is, the above calculation will produce a net result. The remainder of this section 4.9 deals with the treatment of Over-recovery for the Network. Section 4.6 deals with Under-recovery for the Network.

Over-recoveries are to be determined in relation to the Network excluding any New Facilities Investment. The figures to be applied in relation to the formula below are those that relate to the Networks excluding any amounts pertinent to New Facilities Investment.

Over-recovery<sub>n</sub> is the amount of Over-recovery in Year n and is equal to:

$(Revenue)_{Year\ n} - (Operating\ Expenditure)_{Year\ n} - (CB_{n-1} \times 11.955\%^1)$   
in each Year in which the result of the formula is positive. The Capital Base used to calculate the Over-recovery is that defined in section 4.6.

- (b) If the funds in the Distribution Capital Expenditure account are not used in the ten years from the end of the Year the over-recovery was made, then this amount will be returned to the gas Users in the form of a rebate (Tender outcome). The rebate will be made in the first billing period 120 days after Year End in proportion to the total amount of gas revenue received in the prior Year.
- (c) Once the expansion of the Network to all Central Ranges Towns has been completed then any Over-recovery will be split 50/50 between the Users and CRP, in the form of a rebate and additional profit distributions, respectively. (Tender outcome)

The rebate will be made in the first billing period 120 days after Year End in proportion to the total amount of gas revenue received in the prior Year.

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<sup>1</sup> Pretax real

- (d) CRP will include in its annual report to the Regulator details of Over-recoveries, with supporting information, including the Over-recovery for the Year, how it was spent (if it was), the balance of the equity reserve account and provision, and the balance of the separate bank account (if any).
- (e) The Regulator may make public the amount of Over-recovery, Under-recovery, depreciation, balance of bank account holding funds from Over-recoveries, Year End Capital Base and amount and way in which Over-recovery funds have been spent.

## **5 TRADING POLICY**

### **5.1 Bare Transfer**

A User may make a Bare Transfer of Contracted Capacity (where the underlying contract terms and obligations do not change) without the consent of CRP provided the transferee notifies CRP of the portion of the Contracted Capacity subject to the Bare Transfer and of the nature of the Contracted Capacity to be transferred.

### **5.2 Substituted Transfer**

A User may make a Substituted Transfer of Contracted Capacity (where the underlying contract terms and obligations do change) with the prior written consent of CRP which shall only be withheld on reasonable commercial or technical grounds, and which may be given subject to reasonable commercial or technical conditions.

### **5.3 Change of Receipt Point or Delivery Point**

The User may only change the Receipt Point and/or the Delivery Point(s) specified in a Service Agreement with the prior written consent of CRP which will only be withheld on reasonable commercial or technical grounds, and which may be given subject to reasonable commercial or technical conditions.

Consent will generally be given if the proposed Delivery Point is upstream of the Delivery Point specified in the Service Agreement.

### **5.4 Response to Requests**

CRP will respond to requests to make substituted transfers and to change a receipt point or delivery point, within 14 Business Days of receiving the request and information reasonably required by CRP to consider the request and will endeavour to respond in 2 Business Days in cases of hardship.

### **5.5 User Remains Liable**

A User who transfers or assigns any of its contracted capacity remains liable to CRP for all charges or other amounts payable to CRP in respect of the part of the contracted capacity transferred or assigned unless CRP expressly agrees in writing that some other person will be liable for some or all of those charges or other amounts, and the other person concerned has agreed to be liable to CRP in respect of those amounts.

## **6 QUEUING POLICY**

### **6.1 Forming the Queue**

Where there is insufficient capacity to satisfy a Request and CRP receives a Request from a User, a queue will be formed.

A queue will include all relevant Requests which cannot be satisfied. Where an offer has been made in response to a Request received prior to formation of the queue, that Request will take first position in the queue.

At the time a Request is placed in a new or existing queue, CRP will advise the Prospective User of:

- (a) its position in the queue;
- (b) the aggregate capacity sought under Requests which are ahead in the queue;
- (c) its estimate of when capacity may become available; and
- (d) the size of any Surcharge that may apply to Developable Capacity.

When the position of a Request changes relative to other Requests which are ahead in the queue (such as where a Request ceases to be on the queue) or where the timing of availability of a new tranche of Developable Capacity changes, CRP will provide revised information to the Prospective User.

Where a Request is made for a Service to a Delivery Point and CRP is satisfied that the Request is for the same tranche of capacity which is already provided to another User, in respect of that Delivery Point, then CRP may make that tranche of capacity available in response to the Request before satisfying any other requests in a queue to the extent that the existing User is otherwise entitled to maintain or extend that tranche of capacity.

### **6.2 Conditions Applicable on Queue**

A Prospective User may reduce but not increase the capacity sought in a Request which is in a queue.

Once every three months, CRP may seek confirmation from a Prospective User that it wishes to continue with its Request. If a Prospective User fails to respond within 14 days the Request will lapse.

A Prospective User must advise CRP if it does not wish to proceed with a Request, which will then lapse.

Any lapsed Request must be removed from the queue and priority will be lost.

A Prospective User may only assign a Request in a queue to a bona fide purchaser of the Prospective User's business and/or assets, subject to CRP's prudential requirements.

A Request may lapse if, on assignment of a controlling interest in the shares of the Prospective User, the assignee fails to provide a guarantee as required by CRP or to meet CRP's prudential requirements.

### **6.3 Procedure When Capacity Can Be Made Available**

When capacity can be made available which meets the requirements of any Request in a queue:

- that capacity will be progressively offered to each Prospective User in the queue in order of priority (notwithstanding that such capacity is not sufficient to meet the needs of that Prospective User); and - CRP will advise each of those Prospective Users of its plans to make capacity available, and the terms and conditions on which the capacity will be available;
- a Prospective User will have 30 days after an offer is made to enter into a Service Agreement (conditional if necessary on CRP entering into Service Agreements with other Prospective Users), failing which the Request will lapse or lose priority to those entering into such a Service Agreement (upon that Agreement becoming unconditional).

Where a Prospective User is offered part of the capacity requested:

- but declines it because the Prospective User wants all the capacity requested or nothing; or
- accepts the capacity offered but the Prospective User wants to remain in the queue for the remainder of the desired capacity,

the Prospective User will not lose priority in respect of any capacity requested but not taken.

### **6.4 Priority of Prospective Users in Obtaining Services**

The priority date of a Request is the date a complete Request is received by CRP.

Where CRP determines that two or more Requests relate to the same tranche of capacity for the same Delivery Point, all those Requests will have the priority date of the earliest Request.

A Request for a Reference Service will have priority over a Request for a Negotiated Service.

## **6.5 General**

A Request will not lapse and will retain its priority in a queue in the event of a dispute being notified, until that dispute has been resolved in accordance with the Code.

Where a queue exists a Prospective User must on request demonstrate to CRP that the Prospective User will have access to a supply of gas at the time it is anticipated that the Prospective User will be offered access to the Service.

## **7 EXTENSIONS / EXPANSIONS POLICY**

### **7.1 Expansions to Central Ranges Towns (Tender outcome)**

Construction of the Network to supply any Central Ranges Town is not an extension or expansion pursuant to the Code as it will form part of the Covered Pipeline and accordingly is not subject to Section 8.16 of the Code.

### **7.2 New facilities investment**

- (a) Subject to Section 7.2(c) of this Access Arrangement an extension to, or an expansion of, the Network is covered by this Access Arrangement
- (b) Prior to an extension or expansion coming into service, CRP will give notice to the Regulator specifying:
  - (i) the location of the extension or expansion;
  - (ii) its costs (or, where these are not available its anticipated costs);
  - (iii) a description of the extension or expansion, including in the case of an extension, its length; and
  - (iv) any other information CRP considers relevant.
- (c) An extension will not be covered by the Access Arrangement if CRP gives written notice to the Regulator before the extension comes into service that the extension will not be covered under this Access Arrangement.
- (d) An extension to or an expansion of the Network will not affect the Reference Tariffs under this Access Arrangement.

### **7.3 Capital contributions and surcharges**

Where New Facilities Investment does not pass Section 8.16(a)(ii) of the Code then CRP may:

- seek to apply a Surcharge on Incremental Users in accordance with the Code; and/or
- negotiate a Capital Contribution with a specific User or Users.



## **8 CAPACITY MANAGEMENT POLICY**

The Network is a Contract Carriage Pipeline.

## SCHEDULE 1:

### Definitions and Interpretation

In this Access Arrangement:

**“Access Arrangement Information”** means the separate information provided to the Relevant Regulator with the submission for this Access Arrangement.

**“Access Arrangement Period”** has the meaning given to it in the Code.

**“Annual Quantity” or “ACQ”** means the quantity agreed between CRP and the User as the maximum quantity of gas which CRP agrees to receive, transport and deliver each Contract Year.

**“Association”** and **“CRNG & TAI”** means the Central Ranges Natural Gas and Telecommunications Association Incorporated.

**“Authorised Overrun”** means an Overrun approved before the Overrun occurs.

**“Bare Transfer”** means a transfer or assignment of any interest in the right to obtain a Service (including, but without limitation, a sub-licence) in which the contract between CRP and the User remains in effect in terms identical to those existing between CRP and the User immediately prior to that transfer or assignment.

**“Business Day”** means any day which is not a Saturday, Sunday or a public holiday in New South Wales.

**“Capacity”** has the meaning given to it in the Code.

**“Capital Base”** has the meaning given to it in the Code.

**“Capital Contribution”** has the meaning given to it in Section 8.23 of the Code.

**“Capital Cost”** means the costs of construction of the pipeline and associated facilities in providing the Reference Services. This will include the cost of the Service Provider meeting all statutory, environmental, safety and operating standards.

**“Central Ranges Towns” and “CRT”** means Tamworth, Gunnedah, Mudgee, Dunnedoo, Coolah, Guigong, Quinndi, Werris Creek, Coonabaraban and Gilgandra and their surrounding areas.

**“Central West Pipeline”** means the pipeline from Marsden to Dubbo described in Pipeline Licence 25 under the Pipelines Act 1967 New South Wales and includes the receipt stations and delivery stations which exist from time to time and any extension or expansion which forms part of that pipeline.

**“Charge”** for a Service means the amount that is payable by a User for that Service under this Access Arrangement.

**“Charge for Ancillary Services”** means a charge determined in accordance with Section 3.6.

“**Code**” means the National Third Party Access Code for Natural Gas Pipelines Systems referred to in the Gas Pipelines Access Law.

“**Contracted Capacity**” has the meaning given to it in the Code.

“**Contract Customer**” is a business with an annual usage of gas delivered through the Network of more than 10TJ and less than 1PJ at a single Delivery Point.

“**Contract Month**” means the period beginning at 6:30am on the first Day of a calendar month and ending at 6:30am on the first Day of the next succeeding calendar month. Where the commencement date for the provision of a Service to a Delivery Point is not the first Day of a calendar month, the first Contract Month in respect of that Delivery Point shall be the period beginning at 6:30am on the first Day on which the Service is to be provided and ending at 6:30am on the first Day of the next succeeding calendar month and conversely where the last Day for a Service is not the last Day of a calendar month.

“**Contract Year**” means a period of 12 months commencing on the first Day of the Term (or the anniversary of that Day) for the Delivery Point.

“**Covered**” has the meaning given to it in the Code.

“**Covered Pipeline**” has the meaning given to it in the Code.

“**CPI**” means the Consumer Price Index (All Groups - Weighted Average Eight Capital Cities) published quarterly by the Australian Statistician. If the Australian Statistician ceases to publish the quarterly value of that Index, then CPI means the quarterly values of another Index which CRP reasonably determines most closely approximates that Index.

“**CRP**” means Central Ranges Pipeline Pty Ltd.

“**Current Service Agreement**” has the meaning given to that term in Schedule 2B.

“**Customer**” means the end consumer of gas. A customer includes any consumer of hot water in a residential unit where hot water is supplied through a centralised gas fired hot water system.

“**Day**” means a period of 24 consecutive hours beginning at 6.30am Australian Eastern Standard Time and

“**Daily**” has a corresponding meaning. When referring to a particular Day, the date of the Day shall be the date on which that Day begins.

“**Delivery Point**” means the inlet to a Delivery Station.

“**Delivery Point MDQ**” means the MDQ established by the User for that Delivery Point. Where gas is to be delivered to only one Delivery Point under a Service Agreement, the User’s MDQ will be taken to be the Delivery Point MDQ.

“**Delivery Point MHQ**” means the MHQ established by the User for that Delivery Point.

**“Delivery Station”** means the facilities installed at a Delivery Point to enable delivery of gas from the Network including Measuring Equipment and which regulate the delivery and measure the quantity of gas withdrawn at that Delivery Point.

**“Domestic Customer”** is a residential customer, which is not a business.

**“End User”** means a Domestic, I&C, Contract or Special Contract Customer that uses gas distributed through the Network.

**“Force Majeure”** means any event or circumstance not within the control of a party to a Service Agreement and which by the exercise of due diligence, that party is not reasonably able to prevent or overcome.

**“gas”** means Natural Gas as defined in the Code.

**“Gas Pipelines Access Law”** means the Gas Pipelines Access (NSW) Act 1998.

**“Gas Retail Market Business Rules”** mean the Gas Retail Market Business Rules to support Retail Competition in Gas, as amended from time to time.

**“Gas Supply Act”** means the Gas Supply Act 1996 (NSW).

**“General Terms and Conditions”** means those terms and conditions set out in Schedules 2A and 2 B in respect of Reference Services.

**“GJ”** means gigajoule.

**“GST”** has the meaning given to it in Division 195 of the A New Tax System (Goods & Services Tax) Act 1999.”

**“Hour”** means any period of 60 consecutive minutes and **“Hourly”** has a corresponding meaning.

**“Incremental Capacity”** has the meaning given to it in the Code.

**“Incremental User”** has the meaning given to it in the Code.

**“Industrial and Commercial Customer” or “I&C Customer”** is a business which has an annual usage of gas delivered through the Network of less than 10TJ at a single Delivery Point.

**“Linepack”** means the total quantity of gas in a Network Section from time to time.

**“Maximum Daily Quantity” or “MDQ”** means the maximum quantity of gas (in GJ's) which CRP is obliged to transport and deliver to a particular Delivery Point on behalf of the User on any Day (excluding Overruns).

**“Maximum Hourly Quantity” or “MHQ”** means the maximum quantity of gas (in GJ's) which CRP is obliged to transport and deliver to a particular Delivery Point on behalf of the User in any Hour (excluding Overruns).

**“Measuring Equipment”** means all the equipment and facilities forming part of a Delivery Station or a Receipt Station required to measure and communicate the quantity of gas delivered to or at the Delivery Point or Receipt Point.

**“Metering Facilities”** means facilities to measure quantities and monitor quality of gas being received or delivered which facilities may include filters, metering system and associated instrumentation, shutoff valves, links to SCADA and other communication facilities and power supplies.

**“Month”** means calendar month.

**“Negotiated Service”** means a service for the transportation of gas on terms and conditions different to those of a Reference Service.

**“Network” or “Network System” or “CRP Gas Network”** means the Covered Pipeline being the Network Sections for each of the Central Ranges Towns, including Receipt Stations, Delivery Stations, Measuring Equipment and associated facilities which exist from time to time.

**“Network Code”** means the Gas Network Code for Full Retail Competition issued by the Ministry of Energy and Utilities, as amended from time to time.

**“Network Section”** means a sub-network served by a Network Receipt Point and distributing gas to a Central Ranges Town or other area.

**“New Facility”** has the meaning given to it in the Code.

**“New Facilities Investment”** has the meaning given to it in the Code.

**“Operating Expenditure”** means all Non Capital Costs relating to the provision of Services in respect of the Network.

**“Over-recovery”** equals Revenue less (Operating Expenditure plus Capital Base closing balance in Year n-1 times 11.955%) for each Year in which this produces a positive number and is calculated in accordance with Section 4.10 of this Access Arrangement.

**“Overrun”** means the withdrawal of a quantity of gas in excess of the MHQ in any Hour or in excess of the MDQ on any Day.

**“PJ”** means one petajoule of gas and is equal to one million GJ.

**“Prospective User”** has the meaning given to it in the Code.

**“Queuing Policy”** means the policy set out in Section 6 of this Access Arrangement.

**“Receipt Point”** means a Network Receipt Point.

**“Receipt Point MDQ”** means the MDQ for that Receipt Point.

**“Receipt Station”** means the facilities installed at a Receipt Point to enable receipt of gas from a User into the Network.

**“Recoverable Portion”** has meaning given in Section 8.18 of the Code.

**“Redundant Capital”** has the meaning given to it in the Code.

**“Reference Service”** means a Reference Service described in Section 2.

**“Reference Service Agreement”** means a Service Agreement in respect of a Reference Service or, where the context requires, any or all of those Services.

**“Reference Tariff”** means a tariff, which relates to a Reference Service.

**“Regulator”** means Relevant Regulator.

**“Relevant Regulator”** has the same meaning as in the Gas Pipelines Access Law and at the commencement of this Access Arrangement is the Independent Pricing and Regulatory Tribunal of New South Wales (IPART).

**“Request”** means a Request for Service as described in Schedule 6.

**“Revenue”** means all revenue relating to the provision of Services in respect of the Network.

**“Revision Commencement Date”** means the 1 July 2019.

**“Revisions Submission Date”** has the meaning given in Section 3.17 of the Code.

**“Service”** means a service provided by CRP in relation to the Network including but not limited to Reference Services.

**“Service Agreement”** means a Reference Service Agreement or a Negotiated Service Agreement, or where the context requires, both.

**“Special Contract Customer”** means a business with an annual usage of gas delivered through the Network of more than 1PJ at a single Delivery Point.

**“Specifications”** means the specifications for gas in Schedule 5.

**“Speculative Investment”** has meaning given in Section 8.19 of the Code.

**“Speculative Investment Fund”** has the meaning given in Section 8.19 of the Code.

**“Substituted Transfer”** means a transfer or assignment of any interest in the User’s right to obtain a Service (including, but without limitation, an assignment) in which the contract between CRP and the User either does not remain in effect or remains in effect with terms not identical to those existing between CRP and the User immediately prior to that transfer or assignment.

**“Surcharge”** has meaning given to it in the Code.

**“Tariff Customer”** means a person who is reasonably expected to take delivery of less than 10TJ of gas per year from a single Delivery Point.

**“Tender”** means the tender conducted by the Association and approved by the Relevant Regulator on the 19 May 2004.

**“Term”** means, unless otherwise agreed, the period specified in the Services Agreement for a Delivery Point.

**“TJ”** means terajoule.

**“Transmission Pipeline”** means the pipeline from Dubbo to the Central Ranges Towns and includes the Receipt Stations, Delivery Stations and Measuring Equipment and related facilities, which exist from time to time.

**“Unaccounted for Gas”** or **“UAG”** means gas necessary to make up for gas lost or unaccounted for in the Network or needed for the operation of the Network but not including Linepack.

**“Unauthorised Overrun”** means an Overrun which is not approved by CRP before it occurs.

**“Under-recovery”** is defined as Operating Expenditure plus (Capital Base closing balance in Year n-1 times 11.955%) less Revenue for each Year in which this produces a positive number and is calculated in accordance with Section 4.6 of this Access Arrangement.

**“User”** has the meaning given to it in the Code.

**“User’s Delivery Point”** means a Delivery Point to which CRP is obliged to transport and deliver gas to or on account of the User.

**“Users’ Linepack”** means the quantity of gas determined from time to time by CRP as the amount reasonably required for the good operation of the Pipeline.

**“Year”** means a period of 365 consecutive Days but, for any Year which contains a date of 29 February, means 366 consecutive Days ending on 30 June.

**“Year End”** means the 30 June in any year.

## Interpretation

In the construction of the Access Arrangement, unless the context otherwise requires:

- (a) a reference to a clause or a schedule is to a clause in, or schedule to, the Access Arrangement;
- (b) the singular includes the plural and vice versa;
- (c) references to any statute, regulations, or other statutory instrument, standard or by-laws shall be deemed to be references to the statute, regulation, statutory instrument, standard or by-law as from time to time amended, consolidated, re-enacted or replaced including substituted provisions that substantially correspond to those referred to;
- (d) references to any agreement, deed, instrument, or publication shall be deemed to be references to the agreement, deed, instrument or publication as from time to time amended, supplemented, novated or replaced;
- (e) clause or condition headings are inserted for convenience only and do not affect the interpretation of the Access Arrangement;
- (f) expressions referring to writing will be construed as including references to words printed, type-written, telexed, lithographed, facsimiled or otherwise traced, copied or reproduced;
- (g) references to 'dollars' and '\$' are references to Australian dollars expressed in 1 July 2003 values unless otherwise stated;
- (h) an agreement, representation or warranty on the part of two or more persons binds them jointly and severally or if given in favour of two or more persons may be enjoyed by them jointly or severally or jointly and severally;
- (i) when referring to a particular Day, the date of the Day shall be the date on which that Day begins; and
- (j) the words “include”, “including”, “for example” or “such as” are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.



## **SCHEDULE 2A:**

### **Terms and Conditions Applicable to all Reference Services**

#### **General**

1. The General Terms and Conditions in this Schedule 2A apply to all Reference Services. The General Terms and Conditions in Schedule 2B apply to all Reference Services except Tariff Reference Services.
2. Additional terms and conditions for each Reference Service are set out in Section 2.
3. The gas balancing arrangements set out in Schedule 3 apply to all Reference Services.
4. The operational principles set out in Schedule 4 apply to all Reference Services.
5. CRP will review the provisions relating to responsibility for gas and UAG and amend them where necessary if there is a change to the Gas Retail Market Business Rules during the Access Arrangement period.

#### **Reference Services Agreement**

6. A User is required to enter into a Reference Services Agreement with CRP for a Service, before being given access to the Reference Service.
7. CRP and a User must perform their obligations under a Reference Service Agreement, and conduct their relations with each other, in a commercially reasonable manner, and in accordance with reasonable operating and management practices.

#### **Right to access**

8. CRP will not discriminate between Prospective Users in the provision of Services on the basis of:
  - (a) past transactions or relationships with CRP;
  - (b) the identify of the Prospective User, except that CRP may require different amounts of security under Schedule 2A clauses 10 and 11, taking into account, amongst other things, the User's credit record and past transactions and relationships with CRP or other parties;
  - (c) the fact that the Prospective User is a related party of CRP; or
  - (d) the source of the gas proposed to be transported, subject only to the gas meeting the Specifications, and the User having suitable arrangements in place to monitor and control the quality of the gas

### **Obligation to Transport**

9. CRP's obligation to transport gas will consist of:
- (a) the receipt of gas at the Network Receipt Point ; and
  - (b) the delivery of a thermally equivalent quantity of gas at the Network Delivery Point up to a maximum of the MHQ in any Hour, subject to the aggregate deliveries from all Users on a Day being equal to the aggregate withdrawals by all Users on that Day.

### **Security for payment**

10. A User must, on request by CRP:
- (a) pay all amounts owing under a Service Agreement to continue to receive Services under that Service Agreement;
  - (b) demonstrate its ability to meet all financial obligations under a Service Agreement;
  - (c) provide all information reasonably required by CRP for the purpose of assessing the User's credit worthiness. The User will provide the information in a timely manner; and
  - (d) provide CRP with security for the performance of the User's obligations under a Service Agreement.
11. The amount and form of security requested by CRP must comply with the following:
- (a) the amount of any security will be determined by CRP with regard to the User's credit rating, payment history and any additional factors which, in CRP's reasonable opinion, may have a material effect on the User's ability to perform any of its obligations under the service agreement or upon CRP's ability to recover any amounts payable or to be payable by the User;
  - (b) the amount of security shall be proportionate to the charges under the Service Agreement; and
  - (c) the type of security shall be one or a combination of the following:
    - i) a refundable deposit, or bank guarantee;
    - ii) if CRP agrees (in its sole discretion), a parent company guarantee; or
    - iii) such other form of security as agreed between the User and CRP,which must be in a form satisfactory to CRP.

### **Gas Pressure**

12. The User must deliver gas at the Receipt Point at pressures nominated by CRP being no greater than 1050 kPa.
13. CRP will deliver Gas to Tariff and Contract Customers at the outlet flange of the Delivery Point at a pressure which will be not greater than 100 kPa and will deliver Gas to Special Contract Customers at pressures agreed between the User and CRP.

### **Responsibility for UAG and Linepack**

14. Users will supply gas for use as System Use Gas at their own cost in accordance with Schedule 3.

### **Overruns**

15. An Overrun will occur if withdrawals at a Delivery Point exceed the MDQ in any Day or MHQ in any Hour.
16. An Overrun approved before the event by CRP is an Authorised Overrun.
17. A User may request an Authorised Overrun on giving one Business Day's notice to CRP.
18. The User and CRP must agree the overrun quantity for MDQ and MHQ (such agreed Quantity is the "Authorised Overrun Quantity" in respect of each) and the Day or Days and/or Hour or Hours, on which the Authorised Overrun Quantity will be transported and/or delivered.
19. If the withdrawals at a Delivery Point:
  - (a) on a Day exceed the sum of the MDQ for the Delivery Point and any authorised Overrun Quantity for MDQ for the Day; or
  - (b) in any Hour exceed the MHQ and any Authorised Overrun Quantity for MHQ for the Hour,then an Unauthorised Overrun will have occurred and the excess will be an Unauthorised Overrun Quantity.
20. Users are not liable to pay charges in respect of Overruns.
21. Users will be liable for and indemnify CRP against any loss, liability or expense suffered or incurred by CRP as a result of any Unauthorised Overrun.
22. Where a Delivery Point is served under two or more Service Agreements, an Overrun is deemed to occur where withdrawals at that Delivery Point exceed the total for all Service Agreements of MDQ in any Day or MHQ in any Hour. Where an Overrun occurs:
  - (a) an Overrun will have occurred under each Service Agreement; and

- (b) the Overrun quantity will be apportioned between the Service Agreements proportionately according to MDQ.

### **Metering**

- 23. Withdrawals at Delivery Points will be metered.
- 24. The User will use reasonable endeavors to provide CRP with clear and safe access to each Delivery Point and Measuring Equipment. CRP may enter a Delivery Point to obtain access to Measuring Equipment.
- 25. If the User does not provide CRP with access to a Delivery Point or Measuring Equipment, CRP may estimate the quantity of gas withdrawn, cease providing the Service after 6 hours written notice, and/or relocate the Measuring Equipment at the User's expense.
- 26. If Measuring Equipment fails to operate, the quantity of gas withdrawn will be determined by agreement, or failing agreement by successively using a check meter, calculating the percentage error through calibration tests or mathematical calculation and varying the quantity by one half of the error, or by a deeming method.
- 27. The quantity of gas delivered at the Delivery Point will be a product of the volume and the average heating value or values declared by CRP for the Network which includes the Delivery Point or as otherwise agreed.

### **Metering and Records**

- 28. The User will be allowed to inspect and audit metering equipment owned by CRP used in determining amounts payable by the User at least once each Contract Year. Each party must bear its own costs of any such inspection or audit.
- 29. An independent auditor appointed by the User will be allowed to inspect and audit records used in determining amounts payable by the User:
  - (a) at least once each Contract Year; and
  - (b) at least once within 12 Months after termination of a Service Agreement.

Each party must bear its own costs of any such inspection or audit.

### **New Receipt Points and Receipt Stations**

- 30. The User must ensure that there is a Receipt Station at any Receipt Point immediately upstream of any connection to the Network.
- 31. CRP's requirements include that the design must conform with the technical requirements for such facilities as published from time to time by CRP, which requirements will be in accordance with good industry practice for this type of facility and conform to appropriate Australian and internationally recognized standards and codes (including AS2885). The Receipt Station will comprise a filtration and liquid separation system, gas quantity measurement facilities, a

flow and pressure control system and, if CRP reasonably requires, gas quality measurement facilities.

32. CRP will require Receipt Station specifications comprising design, operation and maintenance principles to be submitted to CRP for written approval prior to installation. A minimum of four (4) weeks must be allowed for the CRP approval process from the time of submission.
33. CRP may, upon reasonable notice to a User, operate the pressure and flow control facilities at any Receipt Station which is not owned by CRP. A User must have contractual arrangements in place with the owner of the Receipt Station to allow CRP to exercise this right.
34. CRP may require Users of a new Receipt Point to pay the costs reasonably incurred by CRP in modifying any part of its Network, and/or installing any systems required to enable the new Receipt Point to be established and integrated into the operation of the Network which CRP has not recovered from the party who established the Receipt Point.

#### **Alterations to Receipt Point and Receipt Stations**

35. CRP may require Users to make alterations to, or install additional equipment at, a Receipt Station for the purpose of achieving upgraded measurement performance, or accommodating changes in Gas demand characteristics, only to the extent that the alterations are in accordance with good industry practice and/or appropriate Australian and internationally recognised standards and codes.
36. CRP may require Users to pay for the costs reasonably incurred by CRP in altering, or adding equipment to any part of the Network for the purposes of measuring or improving the measuring of gas quality at a Receipt Point.

#### **Delivery Points and Delivery Stations**

37. It is the intention that each Delivery Point will contain only one Delivery Station. CRP may in its discretion agree to a request from a User for an additional Delivery Station.
38. Delivery Stations will generally be owned by CRP except for some facilities which are not integral to the transportation of gas.

#### **Accounts and Payments**

39. CRP will render invoices at regular intervals but not less frequently than monthly.
40. CRP may charge interest on amounts which are not paid within 14 days of the date of the account.

#### **Force Majeure**

41. Where an event of Force Majeure affects or prevents a party's performance under a Service Agreement, the non-performance will not be a breach of the Service Agreement but the party affected by the Force Majeure must use reasonable endeavours to put itself in a position to perform its obligations.

42. An event of Force Majeure will not relieve a party from its obligations under a Service Agreement after the expiry of a reasonable period of time within which the Force Majeure could have been remedied or overcome had reasonable endeavours been exercised by the party affected.
43. An event of Force Majeure will not relieve a party from any obligations under a Service Agreement unless, promptly after becoming aware of the Force Majeure the party affected gives written notice to the other party.
44. If an event of Force Majeure continues to prevent a party from performing its obligations under the Service Agreement for a year the parties shall consult in good faith to resolve the Force Majeure. If they are unable to agree, either party may terminate the Service Agreement. Both parties will be relieved of any future obligations but not relieved of obligations arising prior to termination.
45. Clauses 41 to 44 do not apply to:
  - (a) a party's failure to pay money; or
  - (b) a User failing to ensure that gas delivered to a Receipt Point meets the Specifications.

### **Suspension of supply**

46. The User may request CRP to stop or suspend the delivery of gas to a Delivery Point under a Service and CRP must, at the later of:
  - (a) the earliest reasonably practical date after receipt of written notice from the User; and
  - (b) the date requested by the User,
  - (c) stop or suspend the delivery of gas to a Delivery Point nominated in the notice. The suspension will not relieve the User from its obligations to pay for the Service.
47. If requested by CRP, a representative of the User must be present when CRP stops or suspends the delivery of gas to the Delivery Point.
48. CRP may suspend the delivery of gas to a Delivery Point if:
  - (a) the User does not or is unable to deliver sufficient gas to the Receipt Point to meet the User's withdrawal requirements (taking any gas balancing adjustments into account);
  - (b) the User has not ceased taking gas at a Delivery Point or the delivery of gas to a Receipt Point if notified to do so;
  - (c) the User is not a member of a scheme for the operation of the natural gas retail market in New South Wales approved by the Minister for Energy (approved scheme); or
  - (d) CRP is requested by the manager of an approved scheme to suspend the delivery of Gas to the Delivery Point.

49. CRP is entitled to charge the User for costs reasonably incurred by CRP for stopping or suspending the delivery of gas at the User's request.
50. If CRP, suspends the Services in accordance with this Access Arrangement, CRP will not be liable to the User or to the User's Customer's for any losses, liabilities and expenses incurred by the User arising out of or in connection to that suspension. The User will be liable for and indemnify CRP against any claims made by any third party (including against the User) arising out of CRP's actions to suspend supply of gas.

### **Interruptions of Supply**

51. CRP may, without being in breach of the Services Agreement, interrupt or reduce the delivery of gas to a Delivery Point for the purpose of undertaking repairs, tests, upgrades or maintenance of the Network, upon giving the User reasonable notice prior to the scheduled interruption or reduction of delivery of gas.
52. CRP may, without being in breach of the Services Agreement, interrupt or reduce the delivery of gas to a Delivery Point, without prior notice to the User, in cases of emergency or risk of injury to persons or damage to property for such period as CRP believes is necessary.

### **Liabilities and Indemnities**

53. Unless otherwise provided in this Access Arrangement, the following clauses 54 to 60 shall regulate all liability of CRP and the User arising in relation to any act, omission or event arising out of this Access Arrangement.
54. All express or implied warranties, representations or covenants which are not contained in this Access Arrangement are excluded to the maximum extent permitted by law. If a condition or warranty is implied into this Access Arrangement under the Trade Practices Act 1974 (Commonwealth) or any equivalent State or Territory legislation that cannot be excluded, then CRP's liability to the User for breach of the condition or warranty is limited to (at CRP's option):
  - (a) the re-supply of the relevant service under this Access Arrangement; or
  - (b) the payment of having the relevant service re-supplied.
55. A party (the 'First Party') shall not be liable to the other party (the 'Second Party') whether in contract, tort, statute or otherwise for or in respect of any consequential loss arising out of this Access Arrangement, including:
  - (a) loss of revenue;
  - (b) economic loss;
  - (c) loss of profits;
  - (d) loss of business opportunity or business interruption;
  - (e) claims of third parties;
  - (f) loss of reputation;

- (g) punitive or exemplary damages; or
  - (h) costs or expenses associated with or incidental to any of the above.
56. The liability of the First Party to the Second Party is limited to loss or damage suffered by the Second Party arising from:
- (a) personal injury to the Second Party's employees, agents or contractors arising from the First Party's acts or omissions under this Access Arrangement;
  - (b) damage to the Second Party's property arising from the First Party's acts or omissions under this Access Arrangement; or
  - (c) any breach of this Access Arrangement by the First Party which causes that loss or damage.
57. The User shall include in all its supply arrangements with persons who are provided with gas arising out of this Access Arrangement, a provision that limits or excludes the User's liability to those persons, to the extent reasonably practicable, and in particular in relation to transportation of gas.
58. The First Party will indemnify and keep indemnified the Second Party, its employees and agents against any loss which the Second Party suffers or incurs as a result of or in connection with any claim by a third party arising out of or in connection with:
- (a) any personal injury to the Second Party's employees, agents or contractors arising from the First Party's acts or omissions under this Access Arrangement;
  - (b) any damage to the Second Party's property arising from the First Party's acts or omissions under this Access Arrangement; or
  - (c) any breach of this Access Arrangement by the First Party which causes that loss or damage.
59. The limitations on claims, damages and liability referred to in clauses 55 and 56, do not apply in respect of loss resulting from or associated with:
- (a) delivery of non-Specification gas into the Network by or on behalf of a User;
  - (b) delivery of non-Specification gas to a Delivery Point by CRP, unless the delivery of non-Specification gas to a Delivery Point is due to a User or their agent delivering non-Specification gas into the Network;
  - (c) failure by the User to cease delivery or taking of gas as required under the Service Agreement;
  - (d) withdrawal at a Delivery Point or a Local Network Receipt Point of a quantity greater than MHQ in any Hour or a quantity greater than MDQ on any Day except as an Authorised Overrun; or



- (e) any action or omission of a User or their agent regarding the installation, operation, maintenance or removal of Measuring Equipment.
60. The liability of CRP and the User to one another under clauses 53 to 59 inclusive is reduced to the extent to which the liability is caused or contributed to by either CRP or the User.

### **Emergency Contact Information**

61. The User must ensure that at all times CRP has accurate emergency contact information for the User and for the Customer at each Delivery Point.

### **Title to Gas**

62. The User will warrant that it has title to gas delivered into the Network by it or on its behalf. From time to time, CRP may request the User provides satisfactory evidence that the User has title to gas at any Receipt Point and that the quantities of gas which the User is entitled to have delivered to the Receipt Point are consistent with the quantities of gas that the User is required to have delivered to the Receipt Point under gas balancing arrangements applying to that Receipt Point.
63. CRP is entitled to co-mingle the gas in the Network.

### **Gas Quality**

64. The User must deliver gas at the Receipt Point which meets the Specification and, subject to the User complying with this requirement, CRP will ensure that gas delivered at the User's Delivery Points meets the Specification.
65. CRP may direct the User to cease the delivery of gas which does not meet the Specification, or may refuse to accept such gas and give notice to the User accordingly.
66. From time to time, CRP may require the User to demonstrate that it has contractual arrangements in place to prevent gas which does not meet the Specification being delivered into the Network. From time to time, CRP may require the User to provide facilities to enable CRP to monitor the quality of gas at any point where gas is introduced into the system of pipes through which it is delivered into the Network.
67. Where gas quality is measured upstream of the Network the User must comply with gas testing provisions prescribed by any law applying during this Access Arrangement (including, but not limited to, provisions applying to CRP). Such a law may include, without limitation, any regulation made under the Gas Supply Act. For any period during this Access Arrangement where there is no such law in place, the User must satisfy or caused to be satisfied, the gas testing provisions as determined by CRP from time to time.
68. The User acknowledges that gas delivered by or on behalf of the User to a Receipt Point will enter into the Network in close proximity to and will be available for use by a large number of persons, and that its failure to ensure that gas delivered at any Receipt Point meets the Specification may result in those persons suffering damage.

## **SCHEDULE 2B:**

### **Additional Terms and Conditions Applicable to Reference Services**

#### **Except Tariff Reference Service**

##### **MDQ and MHQ**

1. At the commencement of a Service Agreement, the User will specify an MDQ for each Delivery Point that is to apply for the whole of the Term for that Delivery Point.
2. Except as an Authorised Overrun, CRP will not be obliged to deliver at any of the User's Delivery Points a quantity of gas greater than the MDQ for that Delivery Point, or MHQ in any Hour.

##### **Extension of Term**

3. A User is entitled to continue to receive the Services to the Delivery Point after the expiry of the Term if:
  - (a) the further term expires on or before the Revisions Commencement Date; and
  - (b) the User gives CRP at least four weeks notice prior to the expiry of the Term requesting an extension of the Term

An application by a User for Services contemplated under this clause 3 will not be subject to the Queuing Policy.

4. If the requirements of clause 3 are satisfied, the User shall be entitled to continue to receive the Services for a further term at a capacity not exceeding the MDQ and MHQ applying under the Service Agreement at the expiry of the Term at the Reference Tariffs payable under the Access Arrangement in force from time to time during such further term
5. Where the MHQ at a Delivery Point is more than one tenth of the MDQ, and CRP gives the User at least 12 weeks notice prior to expiry of the Term that a queue has been formed, or is likely to be formed during the following Term, the User is not entitled to continue to receive the Services to the Delivery Point. After expiry of the Term, CRP may agree to continue to provide the Services after the expiry of the Term, to the Delivery Point on reasonable commercial and/or technical grounds, including, the installation of demand management devices by the User which are acceptable to CRP. This Clause 5 does not apply to Domestic Transportation Services.

### **Deletion of Delivery Points**

6. If, prior to the expiry date of a Delivery Point in a Service Agreement (“Current Service Agreement”):
  - (a) CRP enters into another service agreement with a person other than the User for delivery of gas to the same Delivery Point; and
  - (b) CRP is satisfied that the service to that other person is for the same tranche of capacity as is provided to the User under the Current Service Agreement;

the User may request that the Delivery Point be deleted from the Schedule in the Current Service Agreement.
7. CRP must delete the Delivery Point with effect from the later of the date nominated by the User, and the commencement of the term of the Delivery Point under the service agreement with the other person.
8. Notwithstanding the deletion of the Delivery Point, the User remains liable to pay charges for that Delivery Point until the expiry date of the Delivery Point under the Current Service Agreement.
9. The User’s entitlement to information concerning the Delivery Point will cease from the date of deletion.
10. After the expiry date of the Delivery Point under the Current Service Agreement, the User is entitled to a refund of amounts paid to CRP with respect to the Delivery Point for the period following its deletion, until the expiry date of the Delivery Point, provided that the amount of any refund will not exceed the amount payable by the other person with respect to that Delivery Point over the same period.
11. Alternatively, at the time of deletion, the User may pay CRP an amount (as reasonably estimated by CRP) by which the charges payable by the other person are expected to fall short of the amounts payable by the User between the date of deletion and the expiry date under the Current Service Agreement.
12. If the User pays the amount estimated by CRP under clause 11:
  - (a) no further charges will be payable by the User in respect of that Delivery Point beyond the date of deletion; and
  - (b) the User will not be entitled to any refund after the expiry date of the Delivery Point under the Current Service Agreement.

## **SCHEDULE 3:**

### **Gas Balancing**

#### **A. General Qualifications**

In small network sections serving the Central Ranges towns, each User will be deemed to be in balance within the Network Section (ie. inputs will be deemed to be equal to withdrawals for each user.)

1. The provisions in Schedule 3 will apply to each User. These are structured on the understanding that:
  - (a) each Network Section will only have one Receipt Point. The Receipt Point will be pressure controlled;
  - (b) UAG and Linepack, when applicable, is supplied by Users.
2. If any of these circumstances change then the method for determining Input quantities and the arrangements for gas balancing will be reviewed and varied to the extent necessary to take account of the changed circumstances, subject to the approval of the Relevant Regulator.

#### **B. Daily Forecasts and Nominations**

3. CRP will agree with Users the methods to be used for transmittal of information and when agreement cannot be reached CRP will determine a method which is reasonable.
4. Each Day, and for each Receipt Point, the User will provide CRP with its forecast of Withdrawal Quantities from the Network for each of the next three Days.
5. Each Day, and for each Receipt Point at which the User receives gas, the User will inform CRP of its gas requirements (“Forecast Requirement”) for the next Day (“Nomination Day”) for each relevant Network Section. The Forecast Requirement for a Receipt Point is to include the following components:
  - (a) gas nomination in total for that Receipt Point calculated in accordance with clause 6;
  - (b) forecast non-daily metered Tariff Requirements (which will not include any Reconciliation Amount);
  - (c) User’s Reconciliation Adjustment Amount determined in accordance with the Gas Retail Market Business Rules provided that CRP is not required to accept the User’s Reconciliation Adjustment Amount as part of the Forecast Requirement unless the total of all User’s Reconciliation Adjustment Amounts for all Users on a Day in a Network Section equals zero;
  - (d) Participant Imbalance Amount determined in accordance with the Gas Retail Market Business Rules provided that CRP is not required to accept the Participant Imbalance Amount as part of the Forecast

Requirement unless the total of all Participant Imbalance Amounts for all Users of a Day in a Network Section equals zero; and

- (e) when required in advance by CRP, the forecast withdrawal at designated Delivery Points, and at times agreed between the User and CRP.
- 6. Nominations of the components of Forecast Requirements will be made in good faith so that the total quantity nominated under clause 5(a) for all Receipt Points serving the Network Section is the aggregate amount which the User intends to withdraw from the Network Section on the Nomination Day under all Service Agreements.
- 7. CRP will advise the User of the quantity of gas which the User should plan to deliver or have delivered into the Network at each Receipt Point on the Nomination Day in order to enable CRP to satisfy the User's withdrawal requirements and any other aggregate needs for the relevant Network Section (including adjustment for the User's change in share of Linepack and UAG) to ensure safe and reliable supply ("Proposed Nomination").
- 8. The User will advise CRP of the Quantity of Gas which the User intends to deliver or have delivered into the Network at each Receipt Point on the Nomination Day (the User's "Confirmed Nomination").
- 9. Should the User fail to provide CRP with a valid Confirmed Nomination, CRP shall determine the User's Proposed Nomination as the Confirmed Nomination.
- 10. Should the User fail to provide CRP with a valid Proposed Nomination, CRP shall take the User's Proposed Nomination from the same day as the preceding week as the User's Proposed Nomination.
- 11. Each of the obligations set out in clauses 4 to 10 must be completed in accordance with a timetable determined by CRP .

### **C. Input and Withdrawal Quantities**

#### **General**

- 12. Gas balancing is carried out between the Receipt Point at which gas intended for a Delivery Point first enters the Network, and that Delivery Point.

#### **Withdrawal Quantities**

- 13. In this Schedule 3, Withdrawal Quantities means the total of:
  - (a) **Non-Tariff Withdrawals**, being the total quantity of gas withdrawn by the User of a Non-Tariff Service at all Non-Tariff Delivery Points, as determined by measurement or as otherwise agreed under the Service Agreement;
  - (b) **Tariff Withdrawals**, determined as the Total Tariff Withdrawals for the User of a Tariff Service, allocated between the Receipt Points used by the User in supplying Tariff Delivery Points either:

- i. in proportion to the User's Forecast Requirement for non-daily metered Tariff Customers under clause B5(b) for each Receipt Point; or
  - ii. using a proportioning method agreed with the User
- (c) The User's allocated portion of UAG as determined by CRP; and
- (d) The User's allocated portion of change in Linepack as determined by CRP.

Total Tariff Withdrawals are:

- i. the quantity of gas withdrawn at non daily metered Tariff Delivery Points, calculated, and allocated to the User, in accordance with the Gas Retail Market Business Rules provided the Code allocates the total quantity of gas withdrawn by all users at non daily metered Tariff Delivery Points on the Day, and where it does not do so, the quantity withdrawn will be the quantity calculated and allocated by CRP for each Network Section in proportion to quantities nominated by all Users of that Network Section under clause B5(b); plus
- ii. the total quantity of gas withdrawn on the Day at all of the User's daily metered Tariff Delivery Points.

### **Input Quantities**

14. In this Schedule 3, the User's Input will be one of the following amounts:
- (a) Where there is only one User at the Receipt Point the User's Input will be the metered quantity at the Receipt Point.
  - (b) Where there are two or more Users at the Receipt Point each User's Input will be determined to be an allocation of the metered quantity at the Receipt Point allocated in proportion to each User's Withdrawal quantities.

### **D. Gas Balancing**

15. The User is required to act in good faith to ensure that the quantity of gas delivered to each Network Section for or on behalf of the User on each Day is equal to the Withdrawal Quantities for that User on the Day . If a User has more than one Service Agreement pertaining to a particular Network Section , gas balancing arrangements will apply to the aggregates of quantities input at the Receipt Point and withdrawn under those agreements.

### **E. Participant Balancing**

16. CRP will comply with the provisions contained in the Gas Retail Market Business Rules in relation to participant balancing.

**F. Provisions to facilitate Gas Balancing in the Central Ranges Pipeline**

17. When nominating the confirmed nomination to CRP, the User will nominate which pipeline shipper or pipeline shippers will provide the nomination, and for each shipper, the amount to be provided. The User will not nominate a shipper unless CRP is provided with evidence of title to gas from that Shipper for the relevant User prior to the nomination being lodged.
18. The Input Amount deemed by CRP to have been provided by a particular shipper in supplying a User on a day will be determined by:
  - i. an allocation agreement between the User and CRP; or
  - ii. the User's Input Quantity proportioned amongst the shippers nominated by that User for that day, in proportion to the amounts nominated for each shipper for that User.

CRP will supply the Input Amount deemed by CRP to have been provided by a particular shipper for a User on a day to the Pipeline Service Provider.

19. Users will authorise CRP to provide the information in Clause 18 to the owner of the Pipeline or its nominee.
20. Any revision to measurement data used in Gas Balancing will lead to the relevant daily calculation being corrected, or applied to a future day as soon as practicable after the revisions are made and in consideration of relevant obligations in the Gas Retail Market Business Rules.

## **SCHEDULE 4:**

### **Operational Principles**

#### **Interruptions and Curtailments**

If CRP proposes to carry out any planned work which may affect its ability to provide Services to Users, CRP will give Users reasonable notice of the planned work and after consultation with Users who may be affected will use reasonable endeavors to carry out that work:

- so as to avoid or minimise so far as is reasonably practicable any curtailment of Services to Users;
- during a period which CRP reasonably determines to have low aggregate demand for capacity; and
- with as little disruption to the provision of Services as is reasonably practicable

and may, if necessary, curtail or interrupt receipts or deliveries of gas to the extent necessary to carry out that work.

When necessary to protect the operational integrity or safe operation of the Pipeline, or to comply with any applicable laws and regulations, or during an emergency situation or the like when immediate repairs or maintenance are required, and after giving as much notice to the Users as is reasonably practicable, CRP will be entitled, without incurring liability, to curtail or interrupt receipts or deliveries of gas.

Where Services are to be curtailed due to an event of Force Majeure or under the preceding paragraphs, those Services will be curtailed or interrupted downstream of the location of the affected part of the Pipeline and will be curtailed or interrupted proportionately according to the User's Nominations for the first Day and MDQ thereafter, or as otherwise agreed with all Users.

CRP will not be liable for any losses, liabilities or expenses incurred by the User and/or the Users' Customers arising from interruptions and curtailments, where CRP acts in accordance with the principles of the Access Arrangement in good faith. The User will be liable for and indemnify CRP against any claims made by the User's customers (including against the User) arising out of CRP's implementation of load shedding procedures.

#### **Connection of Metering Facilities to the Network**

A Prospective User may, provided it has the relevant authorisations, and subject to the conditions set out below, construct and operate its own Metering Facilities downstream from a Delivery Station at any agreed location along the Network.



## **Delivery Station**

The following requirements apply in order to ensure that the integrity, safety and operability of CRP's system is not compromised:

- (a) the location of the Delivery Station and Metering Facilities will be agreed to by the Prospective User and CRP. CRP will only withhold its agreement to a location sought by a Prospective User based on technical, operational or safety considerations.
- (b) CRP will construct the Delivery Station at the User's expense. The construction of the Delivery Station will be performed to CRP's usual standards and requirements including AS2885-1997.

## **Metering Facilities**

In order to ensure that the integrity, safety and operability of CRP's system is not compromised, the Metering Facilities will be installed adjacent to and downstream of the Delivery Station in accordance with specifications reasonably approved by CRP.

## **Cathodic Protection of Metering Facilities**

The Prospective User will design, install, and operate, any cathodic protection system required to protect its facilities. Such cathodic protection system must be installed in such a manner as to avoid any interference, which may be detrimental to CRP's facilities and must be electrically isolated from CRP's facilities.

## **Curtailement and Interruptions**

The Prospective User will be subject to load reduction arrangements as set out in Schedule 4. The Prospective User must have facilities available to it to reduce or discontinue the withdrawal of gas if called upon to do so.

## **Installation and Operation**

In the interests of safety and ensuring the integrity of CRP's facilities, a person who plans to connect gas transportation facilities in the vicinity of those owned by CRP will cooperate with CRP to establish, in a timely manner, appropriate arrangements and procedures for the safe installation and operation of that person's facilities, and for the management of emergency situations involving CRP's or that person's facilities.

## **Approvals and Indemnity**

Any person responsible for facilities connected to the Pipeline will provide CRP with evidence that it has fulfilled all applicable statutory requirements and that it holds all necessary permits and licences in relation to its facilities downstream of the Delivery Point. That evidence must be provided before the commencement of any Service to the Delivery Point.

That person will also indemnify CRP against any claim of liability in relation to or arising out of those facilities.

## SCHEDULE 5:

### Gas Quality Specification

The User must ensure that gas delivered by it or on its behalf at each Receipt Point complies with:

- (a) the specifications prescribed by any New South Wales law, including but not limited to any regulation made under the Gas Supply Act 1996 (NSW), applying during the Agreement that extends to any such gas;
- (b) where the law referred to in paragraph (a) does not prescribe a particular matter, or for any period during the Service Agreement in which there is no such law, the specification set out below; and
- (c) any other specification notified by CRP to a User from time to time.

The specifications prescribed by any New South Wales law prevail over the specifications referred to in (b) and (c) of Schedule 5 to the extent of any inconsistency.

Where Gas quality is measured upstream of the Pipeline, permissible variations outside of the specifications will be determined by CRP from time to time, subject to the specifications prescribed by any New South Wales law.

	<b>PARAMETER<sup>2</sup></b>	<b>SPECIFICATION LIMIT</b>
1.	Wobbe Index	Min. 46.0 MJ/m <sup>3</sup> Max. 52.0 MJ/m <sup>3</sup>
2.	Oxygen	Max. 0.2 mol%
3.	Hydrogen Sulphide	Max. 5.7 mg/m <sup>3</sup>
4.	Total Sulphur <sup>3</sup>	Max. 50 mg/m <sup>3</sup>
5.	Water Content	Max. Dew Point 0°C at maximum transmission pressure upstream of receipt point, but in any case no more than 112.0 mg/m <sup>3</sup>
6.	Hydrocarbon Dewpoint	Max. 2° at 3,500 kPaG
7.	Total Inert Gases	Max. 7.0 mol %
8.	Solid Matter and Liquids	Nil Permitted
9.	Temperature at Receipt Point	-5°C to 50°C
10.	Odorant	Odorant to be of a type approved by CRP

<sup>2</sup> The standard testing conditions for all gas properties are: Temperature 15°C, Absolute Pressure 101.325 kPa with the natural gas dry (that is, completely free of water vapour).

<sup>3</sup> Including odorant, or an allowance for odorant in cases where odorant is injected downstream of test points.

## **SCHEDULE 6A:**

### **Request for Service**

#### **Access and Requests for Services**

##### **Reference Services and Negotiated Services**

In order to obtain access to a Negotiated Service or a Reference Service a User or Prospective User will observe the following procedures.

- A Prospective User must lodge a Request and meet CRP's prudential requirements. Where the MHQ is expected to exceed 6m<sup>3</sup>/Hour a Request must include as a minimum the level of detail envisaged by this Schedule 6. Where the MHQ is expected to be less than 6m<sup>3</sup>/Hour the Request must include such details as requested by CRP from time to time.
- A Prospective User may have only one active Request for the same tranche of capacity for a particular Delivery Point.
- CRP will advise the Prospective User where a Request is incomplete, and if so what is required to complete the Request. If the Prospective User corrects the deficiency within 7 days, the priority of the Request will depend on the date on which CRP first received the Request.

Otherwise, the priority will depend on the date on which CRP receives the complete Request.

- CRP will within the shortest reasonable time and in any event within 30 Days of receiving a complete Request advise whether capacity is available and at what price, and whether a queue exists for the capacity.
- A Request will lapse unless, within 30 days of CRP advising that capacity is available for the Request, the Prospective User has either entered into a Reference Service Agreement or commenced bona fide negotiations.
- Where there is sufficient capacity to meet a Request, there will be no queue.
- Where there is insufficient capacity to satisfy a Request, then a queue will be formed and the Queuing Policy will apply.

## SCHEDULE 6B:

### Form of Request for Service

Sections 1, 2, 3, 4, and 5 must be completed for all Requests.

Sections 6 and 7 must be completed for additional capacity at an existing site.

Sections 6, 7, 8, and 9 must be completed for new Delivery Points.

#### 1. PROSPECTIVE USER INFORMATION

##### Name of Prospective User:

A.B.N .....  
.....

Contact Officer .....  
.....

Position Title .....  
.....

Telephone .....  
.....

Fax .....  
.....

##### Customer Contact Details:

Name .....  
.....

Position Title .....  
.....

Telephone .....  
.....

Fax .....  
.....

#### 2. RECEIPT POINT INFORMATION

Receipt Point Location .....  
.....

Entity supplying inlet gas .....  
.....

#### 3. DELIVERY POINT INFORMATION

Delivery Point Business Name .....  
.....

A.B.N. ....  
.....

Delivery Point Street Address .....  
.....

Postcode .....  
.....

Delivery Point is \_\_\_\_\_ Metres (N, S, E or W) from (nearest cross Street)

Delivery Point is located on the (N, S, E or W) side of the Street.

**4. TRANSPORTATION INFORMATION**

Service Requested	Special Contract Transportation / Contract Transportation / I&C Transportation / Domestic Transportation
-------------------	--

Service Commencement Date.....

Duration of Service Agreement Sought .....

ANZIC code(s) .....

Gas Applications .....

ACQ (GJ/yr) Annual Quantity .....

MDQ (GJ/day) Maximum Daily Quantity .....

MHQ (GJ/hr) Maximum Hourly Quantity.....

**5. DELIVERY STATION PRESSURE**

Delivery Station Pressure (kPa) —  
 Metering pressure (2.75, 5.0, 35, 100, if other please specify)

**6. APPLIANCE & GAS LOAD INFORMATION**

Appliance Type	Hourly Rate (MJ/hr)	Operating Capacity (%)	Hour/Day	Days/Week	Weeks/year	Total Annual Quantity (TJ/yr_
<b>Total</b>						

Do any of these appliances have pilots or small flow rates? If so, which ones?

## 7. FUEL CONVERSION INFORMATION

(if applicable)

Current Fuel Type

Current Annual Consumption (GJ/yr)

## 8. DELIVERY STATION INFORMATION

If the customer requires other than a standard single run meter set, please specify:

Is the proposed meter set located indoors? Y / N

Is a security compound required? Y / N

## DELIVERY STATION LOCATION SKETCH

Please provide a sketch showing the proposed location of the meter set and the following:

1. length of customer service (path valve to meter set);
2. surface restoration from front boundary to meter set;
3. any walls to be pierced or other obstacle, eg. stairs, retaining walls etc. to be negotiated;
4. all buildings and any other permanent structures on the site;
5. side and front building lines, and kerb line;
6. bearing (north).

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