

**Third Party Access Code
for Natural Gas Distribution Networks in
New South Wales
Access Undertaking by
the Albury Gas Company Limited
for the Distribution System**

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& P A G E

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ACCESS UNDERTAKING BY THE ALBURY GAS COMPANY LIMITED FOR THE DISTRIBUTION SYSTEM

1. Introduction

1.1 Purpose of this document

This proposed Access Undertaking ("Access Undertaking") is submitted on 11 June 1998 by the Albury Gas Company Limited (ACN 000 001 249) ("AGC"), to the Independent Pricing and Regulatory Tribunal (the "Regulator") in accordance with section 2 of the Third Party Access Code for Natural Gas Distribution Networks in New South Wales (the "NSW Access Code") and section 20 of the Gas Supply Act 1996 (New South Wales) (the "Act").

AGC is the owner of a natural gas distribution system located in New South Wales which currently services the city of Albury and the towns of Moama and Jindera. The natural gas which supplies the towns comes from Longford in Victoria. Additionally, AGC will be the reticulator to the towns of Howlong, Berrigan, Corowa, Deniliquin, Jerilderie, Mulwala, Barooga, Tocumwal, Finley and Mathoura as those towns become connected through a project being carried out by AGC in the Murray Valley. This Access Undertaking relates only to those parts of the distribution system used by AGC to reticulate gas in Albury, Moama and Jindera, and includes growth of that system up to one kilometre from the distribution mains in place as at 6 April 1998.

The Distribution System comprises the Pipelines described in schedule 6 to this Access Undertaking and associated assets such as Connections, Metering Installations and city gates. This Access Undertaking describes the terms and conditions on which AGC, as owner of the Distribution System and as offeror of the Services described in this Access Undertaking will make access to the Distribution System available to third parties.

1.2 Composition of Access Undertaking

This Access Undertaking is comprised of two parts, namely:

Part 1:

This document together with the description of the Distribution System which is attached to it as schedule 6.

Part 2:

The access undertaking information ("Access Undertaking Information"), which is submitted by AGC to the Regulator in accordance with section 20 of the Act and section 2 of the NSW Access Code.

1.3 The National Access Code

There are developments at a national level which will lead to the adoption of a National Third Party Access Code for National Gas Pipeline Systems ("National Access Code") and for the National Access Code to be given effect in each State and Territory by application of laws legislation. Accordingly, the NSW Access Code will apply as an interim measure until the National Access Code is adopted in New South Wales. Processes commenced under the NSW Access Code will be preserved by the Gas Pipeline Access (NSW) Bill 1998.

1.4 Effective date

This Access Undertaking will come into effect on the date on which the Regulator approves this Access Undertaking.

This Access Undertaking will lapse unless it is approved by the Regulator prior to 31 December 1998.

Prior to this date, AGC will offer Gas transportation services on terms and conditions, and at prices, to be negotiated. AGC currently provides services as a Gas Retailer to the Customers who are supplied gas from the Distribution System. However, AGC has applied to the Department of Energy of New South Wales for its supplier's authorisation to be transferred to Energy 21 Pty Ltd.

2. Interpretation

In this Access Undertaking:

Access Dispute means an access dispute notified to the Regulator under section 6 of the NSW Access Code.

Act means the Gas Supply Act 1986 (New South Wales).

AGA means the Australian Gas Association.

Annual GJ Volume Limit means 10,000 GJ of Gas withdrawn at a Distribution Supply Point in a 12 month period.

Annual MHQ means the highest quantity of Gas (in GJ) withdrawn at a Distribution Supply Point in any hour in the calendar year.

AQ means the quantity of Gas (in GJ) which a User estimates it will require to be delivered to a Distribution Supply Point in the calendar year.

Bare Transfer has the same meaning as in the NSW Access Code.

Business Day means a day other than a Saturday or a Sunday or a day which is proclaimed as a public holiday in New South Wales.

Capacity means the capability of the Distribution System or a particular part of the Distribution System to transport Gas conforming with the Gas Quality Specifications between defined points, taking into account the configuration of the Distribution System and its operational requirements, as determined by AGC.

Capacity Entitlement means, in relation to a Distribution Supply Point:

- (a) the MHQ of the User in relation to that Distribution Supply Point; and
- (b) the amount, if any, of any Contracted Capacity of any other Users that has been transferred or assigned to that User

less the amount, if any, of any Contracted Capacity of that User, in relation to that Distribution Supply Point, that has been transferred or assigned to another User.

Common Service means a Service where, in AGC's opinion, the characteristics of that Service (including the Distribution Supply Point,) are sought by more than one Prospective User.

Conditional Offer means an offer made by AGC to a Prospective User for that Prospective User to access the Distribution System, on the condition that the Prospective User contribute to the upgrading or expansion of the Distribution System.

Confidential Information means information concerning a User or Prospective User which is or has been provided to AGC under or in accordance with this Access Undertaking and which is

- (a) provided to AGC on the basis that it is confidential; and
- (b) commercially sensitive or by its nature confidential.

Connection means a service pipe which connects a Distribution Main to a Gas Installation .

Contracted Capacity means in respect of a User, that part of the Capacity which has been reserved by the User under a contract with AGC.

Corrector means a device which adjusts uncorrected volume from actual to standard conditions for billing and other purposes.

CPI means, in relation to a particular year:

- (a) where the All Groups Consumer Price Index for Sydney for the September quarter before the start of that year and the September quarter before the September quarter previously referred to are published, is:
- (1) the All Groups Consumer Price Index for Sydney published by the Australian Bureau of Statistics for the September quarter before the start of that year;
- divided by:
- (2) the All Groups Consumer Price Index for Sydney published by the Australian Bureau of Statistics for the September quarter before the September quarter referred to in paragraph (a)(1); and
- (b) where the All Groups Consumer Price Index for Sydney for either of the September quarters referred to in paragraph (a) has not been published, CPI is calculated using an index officially substituted for the All Groups Consumer Price Index for Sydney, which reflects changes in the cost of living in Sydney.

Customer means a person who consumes or proposes to consume Gas at a Distribution Supply Point.

Customer Service Code means the Natural Gas Customer Service Code (AG 755 1998) of the AGA which sets minimum conditions under which a Gas supplier may supply and sell Gas to a Tariff Customer.

Day means a period of twenty-four hours beginning at 12am Eastern Standard Time.

Director-General means the Director-General of the Department of Energy of New South Wales.

Disputing Prospective User means a Prospective user which has notified an access dispute in accordance with clause 5.6.3(c).

Distribution Demand Tariff Component means a Tariff Component of Distribution Tariff D, in \$/GJ for Annual MHQ.

Distribution Fixed Tariff Component means a Tariff Component of Distribution Tariff V, in \$ per day.

Distribution Main means a pipeline forming part of the Distribution System, not on the Customer's premises.

Distribution Injection Point means a point at which Gas is injected into the Distribution System.

Distribution Supply Point means a point at which Gas is withdrawn from the Distribution System for supply to a Customer, whether or not it passes through facilities owned or operated by another person after that point before being so supplied.

Distribution System comprises the Pipelines described in schedule 6 to this Access Undertaking, and associated assets including Connections, Metering Installations and city gates.

Distribution Tariffs are the Reference Tariffs for Tariffed Distribution Services.

Distribution Tariff D means the Distribution Tariff that applies to the Tariff D Services and comprises Distribution Demand Tariff Components.

Distribution Tariff V means the Distribution Tariff that applies to the Tariff V Services and comprises a Distribution Fixed Tariff Component and Distribution Volume Tariff Components.

Distribution Volume Tariff Component means a Tariff Component of Distribution Tariff V, in \$/GJ for GJs of Gas withdrawn during a specified period in the Peak Period or in the Off-peak Period.

Emergency means:

- (a) an event which, in the reasonable opinion of AGC endangers or threatens to endanger the safety or health of any person or which destroys or damages or threatens to destroy or damage any property; or
- (b) an event which is stated to be an emergency in AGC's Safety and Operating Plan.

Error limits means the limits within which the components of Metering Installations affecting metering must be calibrated to be accurate, as set out in schedule 3, and any such limits specified in the Regulations.

First Access Review has the same meaning as in the NSW Access Code.

Fixed Principle has the same meaning as in the NSW Access Code.

Gas has the same meaning as "natural gas" in the NSW Access Code.

Gas Installation means any Gas equipment located at a Customer's premises that is not part of the Distribution System.

Gas Quality Specification means the specification as to Gas quality referred to in clause 5.1.15.

GJ means gigajoule, and is equal to one thousand million Joules (1,000,000,000J).

Initial Reference Tariff Period means the period from the start date of this Access Undertaking until 31 December 2002.

Initial Tariff Components means the Distribution Tariff Components that apply from the start of the Initial Reference Tariff Period until the date the Distribution Tariffs are altered in accordance with this Access Undertaking.

Inspector has the same meaning as in the Act.

Installation database means the database of calibration data including the information specified in clause (c) of schedule 2.

J means joule, and is a unit of energy as defined in AS1000-1979 "The International System of Units (SI)" and its Applications.

Load Shedding means a controlled interruption or reduction in Gas supply to Customers, that may be required by conditions causing shortfalls in the supply of Gas.

Meter means a device which measures and records the volume of Gas passing through it, and includes associated equipment attached to the instrument to filter, regulate or control the flow of Gas.

Metering Data means data obtained from a Metering Installation.

Metering Installation means the Meter, Corrector (where applicable), and associated equipment and installations, including regulators to filter, control or regulate the flow of Gas, and which may

include telemetry and data logging installed or to be installed for the collection of Metering Data relating to a Distribution Injection Point or a Distribution Supply Point.

Metering Services means the services provided by AGC pursuant to this Access Undertaking, that are set out in schedule 2.

Minister means the New South Wales Minister for Energy.

MHQ means maximum hourly quantity of Gas (in GJ).

MHQ Demand Limit means 10GJ of Gas withdrawn at a Distribution Supply Point in any one hour period in the immediately preceding 12 month period.

Negotiated Service means a Service provided by AGC in relation to the Distribution System, provided under a Negotiated Service Agreement.

Negotiated Service Agreement means an agreement between AGC and a User for AGC to provide Services in relation to the Distribution System, on terms and conditions different to those of Tariffed Distribution Services and Metering Services.

Negotiating User means a Prospective User which has commenced bona fide negotiations with AGC in accordance with clause 5.6.3(b).

Off-peak Period means the period of the calendar year except the Peak Period.

Open Offer means an offer of access to the Distribution System made by AGC to a Prospective User, which is not a Conditional Offer.

Overrun means that a User's withdrawals of Gas at a Distribution Supply Point on a Day exceed the Capacity Entitlement for the Distribution Supply Point for the Day.

Peak Period means the period of 1 June to 30 September each year.

Pipeline has the same meaning as in the NSW Access Code.

Prospective User has the same meaning as in the NSW Access Code.

Queue means the order in which Prospective Users will be entitled to receive access to Services, where there is insufficient capacity on the Distribution System to satisfy the Capacity Entitlement of all Users and Prospective Users.

Reference Tariffs has the same meaning as in the NSW Access Code.

Reference Tariff Period has the same meaning as in the NSW Access Code.

Reference Tariff Policy has the same meaning as in the NSW Access Code.

Regulations means the subordinate instruments made under the Act.

Related body corporate means, in relation to a body corporate, a body corporate that is related to the first mentioned body by virtue of section 50 of the Corporations Law of New South Wales.

Request for Service means a request by a Prospective User for a Tariffed Distribution Service.

Retailer means a person authorised to supply Gas under a supplier's authorisation granted by the Minister under Part 2 of the Act.

Reticulator has the same meaning as in the Act.

Safety and Operating Plan means the safety and operating plan in relation to the Distribution System submitted by AGC to the Director-General, and approved by the Director-General, under the Gas Supply (Safety and Operating Plans) Regulation 1997.

Security Deposit means an amount payable by a Prospective User to AGC in accordance with clause 5.1.16(c).

Services has the same meaning as in the NSW Access Code.

Service Agreement means an agreement entered into between AGC and a User, under which the AGC agrees to provide the Tariffed Distribution Services on terms and conditions including those set out in this Access Undertaking.

Service Provider has the same meaning as in the NSW Access Code.

Standard Meter means the least overall cost, technically acceptable Meter with no by-pass leg required to measure and record the quantity of Gas reasonably expected to be consumed by a Customer at a Distribution Supply Point in a 12 month period at a metering pressure of 1.1 kilopascals and at an hourly load factor of at least 5%.

Standard Service Pipe means high pressure gas pipe with a diameter of up to 18mm.

Subsequent Reference Tariff Period means the period of not more than 5 years commencing on 1 January 2003, in which a revised Access Undertaking will apply to AGC in respect of the Distribution System.

Tariff Component means an individual price element comprising part of a Reference Tariff.

Tariff Customer has the same meaning as in the Act.

Tariff D Services are the Tariffed Distribution Services:

- (a) provided to Distribution Supply Points as described in clause 5.1.6(a), (b) and (d); and
- (b) more particularly described in clauses 5.1.8, and 5.1.10 to 5.1.17.

Tariffed Distribution Services are the Tariff V Services and Tariff D Services.

Tariff V Services are the Tariffed Distribution Services:

- (a) provided to Distribution Supply Points as described in clause 5.1.6(c); and
- (b) more particularly described in clauses 5.1.7, and 5.1.10 to 5.1.17.

UAFG means unaccounted for Gas.

Unique Service means a Service sought by a Prospective User which is not a Common Service.

User has the same meaning as in the NSW Access Code.

3. Contact details

The contact officer for further details on this Access Undertaking is:

Manager, Regulatory and Legal
 1 Wood Street
 THOMASTOWN VIC 3074
 Ph: 03 9463 8390
 Fax: 03 9463 8315

4. Prior contractual rights

No provision in this Access Undertaking would, if approved, deprive any person of a contractual right which was in existence prior to the date on which this Access Undertaking is submitted to the Regulator.

5. Elements set out Section 3 of the NSW Access Code

This section 5 describes the services covered by this Undertaking and, in compliance with section 2.4 of the NSW Access Code, includes the elements set out in sections 3.1 to 3.9 of the NSW Access Code which are applicable to AGC.

The wording of each element is reproduced in italics and then followed by a statement explaining where the particular element is satisfied in this Access Undertaking.

5.1 Service Policy

Section 3.1 The Service Provider must include in the proposed Access Undertaking a policy on the Service or Services to be offered (a Service Policy).

Section 3.2 The Service Policy must comply with the following:

- (i) The Access Undertaking must include a description of one or more Services that the Service Provider will make available to Users or Prospective Users and at least one of these Services must correspond to the type of service that is likely to be sought by a significant part of the market.*
- (ii) To the extent practicable and reasonable, a User or Prospective User must be able to obtain a Service which includes only those elements that the User or Prospective User wishes to be included in the Service.*
- (iii) A User or Prospective User must be able to obtain a Service which excludes an element which is obtainable, or is likely to be obtainable, only from a person other than the Service Provider.*
- (iv) Where an element of service is obtainable, or is reasonably likely to be obtainable, only from a person other than the Service Provider, then the Service Provider must provide a separate Tariff for that element of the Service if this is requested by a User or Prospective User.*
- (v) To the extent practicable and reasonable, a Service Provider shall provide a separate Tariff in regard to an element of a Service if this is requested by a User or Prospective User.*

5.1.1 Services to be offered

- (a) AGC as owner of the Distribution System will make the following Services available:
- (1) the Tariffed Distribution Services; and
 - (2) the Metering Services
- described in this Access Undertaking.
- (b) The Tariffed Distribution Services and Metering Services made available by AGC pursuant to this Undertaking correspond to the type of services to be sought by a significant part of the market.

5.1.2 Description of Services

- (a) The Tariffed Distribution Services are as described in clauses 5.1.4 to 5.1.17 below.
- (b) The Metering Services are as described in schedule 2.
- (c) AGC will also make available Negotiated Services on the terms and conditions described in a Negotiated Service Agreement, and if a dispute arises between the parties to such a Negotiated Service Agreement, it will be resolved in accordance with the dispute resolution procedures in the NSW Access Code.

5.1.3 Service Agreement

Any User of a Tariffed Distribution Service or Metering Service described in this Undertaking will be required to enter into a Service Agreement specific to that User.

5.1.4 Request for Service

- (a) A Prospective User must complete and lodge a Request for Service with AGC where the Prospective User wishes to be provided with Tariffed Distribution Services by AGC. A Request for Service must specify:
- (1) the proposed Distribution Supply Points for the Tariffed Distribution Service;
 - (2) the characteristics of the proposed load (including the proposed AQ, MHQ in relation to Tariff D Services, and the likely pattern of usage);
 - (3) the period over which the Tariffed Distribution Services are required and the proposed commencement date of the Tariffed Distribution Service; and
 - (4) details of the User's supplier's authorisation under Part 2 of the Act, if applicable.
- (b) Where AGC receives a completed Request for Service, it will acknowledge receipt of the Request for Service within 5 Business Days and, unless the request is incomplete or insufficient, will:
- (1) where there is sufficient Capacity available to satisfy the Request for Service, advise within 30 Days of receiving the Request for Service at what price it is available; or
 - (2) where there is insufficient Capacity available to satisfy the Request for Service, provide the Prospective User within 30 Days of receiving the Request for Service, with advice in relation to its place in the Queue in accordance with clause 5.6.
- (c) AGC will charge the User \$50 for processing the Request for Service.

5.1.5 Tariffed Distribution Services

- (a) AGC will provide two types of Tariffed Distribution Service:
 - (1) Tariff V Services; and
 - (2) Tariff D Services.
- (b) The class of Tariffed Distribution Service applicable to a User is determined by reference to the characteristics of the Distribution Supply Point at which the User is supplied the Tariffed Distribution Service, as outlined in clause 5.1.6.

5.1.6 Type of Distribution Supply Point

The following principles apply to determine whether Services supplied by AGC to a particular Distribution Supply Point will be Tariff D Services or Tariff V Services.

- (a) Tariff D Services are services provided to a Distribution Supply Point at which:
 - (1) the quantity of Gas withdrawn exceeds the Annual GJ Volume Limit; or
 - (2) the quantity of Gas withdrawn exceeds the MHQ Demand Limit,
 and in relation to which Distribution Supply Point
 - (3) the User makes a contribution to the capital cost of the Connection and Distribution Mains extension to that Distribution Supply Point, recoverable by AGC over a period of no greater than 3 years unless otherwise agreed; and
 - (4) AGC supplies Metering Services.
- (b) Tariff D Services are services provided to a Distribution Supply Point at which a Pipeline owned by a party other than AGC is connected to the Distribution System.
- (c) Tariff V Services are services provided to a Distribution Supply Point,
 - (1) where the consumption characteristics at that Distribution Supply Point do not meet the requirements of clause 5.1.6(a)(1) or 5.1.6(a)(2); and
 - (2) where the Distribution Supply Point is not a Distribution Supply Point at which a Pipeline owned by a party other than AGC is connected.
- (d) A User may elect that Tariff D Services be supplied to a Distribution Supply Point, although the Distribution Supply Point does not meet the consumption characteristics specified in clause 5.1.6(a), if:
 - (1) AGC supplies Metering Services in relation to that Distribution Supply Point;
 - (2) the User agrees to pay for a minimum MHQ of 1.15GJ in respect of that Distribution Supply Point; and
 - (3) the User agrees to pay the contribution to the capital cost of the Connection and Distribution Mains extension to that Distribution Supply Point referred to in clause 5.1.6(a)(3).

5.1.7 Tariff V Services

The Tariff V Service comprises the following:

- (a) Receiving Gas at a Distribution Injection Point;
- (b) transporting Gas through the Distribution System;
- (c) delivering Gas at a Distribution Supply Point;

- (d) providing up to 20 metres of a Distribution Main extension;
- (e) providing up to 20 metres of a Connection comprising Standard Service Pipe;
- (f) providing further extensions to the Connection comprising Standard Service Pipe, at the charges outlined in Part 3 of schedule 1; and
- (e) providing a Standard Meter.

5.1.8 Tariff D Services

The Tariff D Service comprises the following:

- (a) Receiving Gas at a Distribution Injection Point;
- (b) transporting Gas through the Distribution System; and
- (c) delivering Gas at a Distribution Supply Point.

5.1.9 Information provided in relation to Tariff D Services and Tariff V Services

Prospective Users must nominate to AGC:

- (a) in relation to each Distribution Supply Point subject to Distribution Tariff D, a proposed MHQ to apply in respect of a particular year, and on that basis AGC will calculate any Capacity Trading and other charges; and
- (b) in relation to each Distribution Supply Point subject to Distribution Tariff V, the maximum hourly flow rate of the Meter which services that Distribution Supply Point.

5.1.10 Terms of Tariffed Distribution Services

The following terms and conditions of service apply both to Tariff V Services and Tariff D Services:

- (a) the connection requirements outlined in clause 5.1.11;
- (b) the disconnection conditions outlined in clause 5.1.12;
- (c) the reconnection conditions outlined in clause 5.1.13;
- (d) the principles relating to curtailment of supply set out in clause 5.1.14;
- (e) the Gas Quality Specification conditions set out in clause 5.1.15; and
- (f) AGC's credit policy requirements set out in clause 5.1.16; and
- (g) other terms and conditions outlined in clause 5.1.17.

5.1.11 Connection requirements

- (a) The requirements that a User or Prospective User who is a Retailer must satisfy to have the right for a Customer who is a Tariff Customer to be connected to the Distribution System are determined in accordance with Customer Service Code and the Act.
- (b) AGC must connect a Customer who is a Tariff Customer of a User or Prospective User who is a Retailer to its Distribution System within the time set out in the Customer Service Code, subject to being given reasonable notice by the Retailer or the Customer.

5.1.12 Disconnection

- (a) AGC will disconnect a Customer from the Distribution System forthwith:
 - (1) at the direction in writing of a User who is a Retailer made consistent with the exercise of the rights of the Retailer as a "supplier" under the Customer Service Code or under a contract with the Customer;

- (2) where the Customer requests to be disconnected;
- (3) pursuant to regulation 23 of the Gas Supply (General) Regulation 1997 (NSW); or
- (4) where AGC is otherwise required by law to disconnect a Customer,

provided that where the User who is a Retailer is seeking disconnection under clause 5.1.12(a)(1), the Retailer first certifies to AGC that the Retailer:

- (5) has complied with each of the requirements of the Customer Service Code, or its contract with the Customer, which entitles the Retailer to disconnect the Customer; and
 - (6) is entitled to disconnect the Customer under the Customer Service Code, the applicable contract with the Customer, or the Act or Regulations.
- (b) Before making a disconnection of a Customer, AGC may require a User who is the Retailer, for that Customer, in consideration of AGC disconnecting the Customer, to indemnify and keep indemnified AGC from and against any loss, liability, damage, claim, action, proceeding, cost and expense suffered or incurred by or made or brought against AGC in consequence of any wrongful disconnection of the Customer from the Distribution System.
 - (c) AGC will charge a User for disconnections in accordance with the charges set out in part 3 of schedule 1.

5.1.13 Reconnection

Upon the reason for a disconnection ceasing or expiring, AGC must, if requested by a Retailer, reconnect a Customer who satisfies the requirements for connection to its Distribution System on payment of any applicable reconnection charge.

5.1.14 Curtailment of supply

- (a) In the event of a Gas supply failure in a part of the Distribution System, AGC will initiate a Load Shedding procedure to preserve the integrity of the Distribution System and minimise the disruption to operations at the User's sites.
- (b) Load Shedding is done on a priority ranking basis with the aim of achieving the maximum load reduction in the shortest time possible with minimal effect to any plant and/or production processes. This means that the Load Shedding begins with large Customers where the process is controllable and provides the required level of responsiveness. The specific rules and principles on which the Load Shedding tables of AGC have been prepared are outlined in schedule 5.
- (c) When the supply failure is declared over, the reconnect phase begins. Reconnection will be in reverse order to disconnection, that is, last off first on.

5.1.15 Gas Quality Specification

- (a) A User must warrant to AGC that the Gas injected by that User into the Distribution System conforms with the Gas Quality Specification.
- (b) A national standard specification for distribution quality Gas is currently being developed by the AGA. AGC expects to adopt that standard when it becomes available. In the meantime, AGC's Gas Quality Specification is set out in schedule 4.

5.1.16 Credit policy

- (a) AGC may seek evidence of the creditworthiness of a Prospective User by:

- (1) seeking information in relation to the Prospective User from the Credit Reference Association of Australia;
 - (2) obtaining trade references in relation to the Prospective User;
 - (3) obtaining bank opinions in relation to the Prospective User; and/or
 - (4) requiring the Prospective User to provide a Security Deposit in accordance with clause 5.1.16(c).
- (b) The Prospective User must provide AGC any information or authorisation required by AGC to obtain the information referred to in clauses 5.1.16(a)(1) to 5.1.16(a)(3).
- (c) The terms upon which AGC will require a Security Deposit are as follows:
- (1) A Security Deposit will initially comprise an amount paid by a Prospective User to AGC, which amount is, in the reasonable option of AGC, equal to an estimate of two month's charges for the Tariffed Distribution services requested by the Prospective User.
 - (2) If, in the reasonable opinion of AGC, a User's MHQ varies significantly during the term of a Service Agreement, AGC reserves the right to require that User to pay AGC an additional amount so that the Security Deposit is, in the reasonable opinion of AGC, equal to an estimate of two month's charges for the Tariffed Distribution Services provided to the User.
 - (3) In the event that the AGC ceases to provide Tariffed Distribution Services to a User, AGC will apply the Security Deposit to any outstanding amounts payable by the User in respect of Tariffed Distribution Services, and repay the balance of the Security Deposit to the User.

5.1.17 Other terms and conditions

Other terms and conditions upon which AGC will provide Tariffed Distribution Services to Users include the following:

- (a) custody and control of Gas injected into the Distribution System at a Distribution Injection Point by a User passes to AGC at that Distribution Injection Point;
- (b) a User accepts risk of loss of all Gas injected by it into the Distribution System at the Distribution Injection Point other than UAFG in excess of the benchmark quantity set out in the Access Undertaking Information;
- (c) AGC accepts risk of loss of UAFG in excess of the benchmark quantity set out in the Access Undertaking Information;
- (d) all Gas injected by a User into the Distribution System at a Distribution Injection Point will (at that Distribution Injection Point) be free of any lien, charge, encumbrance or adverse claim (as to title or otherwise), including any claim for any tax, royalty or other charge in respect of the production, gathering, processing and tendering of Gas arising on or before injection into the Distribution System, and the User indemnifies AGC and holds it harmless against any loss, liability, damage, claim, action, proceeding, cost and expense suffered or incurred by or made or brought against AGC in consequence of any breach by that User of this condition;
- (e) AGC has the right to co-mingle a User's Gas with other Gas in the Distribution System;
- (f) a User must acknowledge and accept that the Gas delivered to a Customer at a Distribution Supply Point may not match the quality of the Gas injected into the Distribution System by the User;

- (g) custody and control of Gas withdrawn from the Distribution System at a Distribution Supply Point passes from AGC at that Distribution Supply Point;
- (h) AGC will deliver Gas at a Distribution Supply Point free of any lien, charge, encumbrance or adverse claim (as to title or otherwise) arising on Gas in the Distribution System;
- (i) AGC gives or makes no warranty regarding the merchantability or suitability for any purpose of Gas delivered at a Distribution Supply Point and all implied warranties are excluded to the maximum extent permitted by law;
- (j) AGC will be provided with access to all Metering Data in respect of Distribution Supply Points on its Distribution System;
- (k) any User may at its own cost provide additional or enhanced Meters or similar equipment at or near a Distribution Supply Point in addition to the Metering Installation provided by AGC at that Distribution Supply Point for the purposes of checking or enhancing the Metering Data obtained from that Metering Installation, provided that such equipment does not interfere with the Metering Installation already installed by AGC;
- (l) AGC is not liable to any User, Customer or other Reticulator for any penalty for loss or damage, except any such loss or damage arising from a negligent act or omission by AGC.
- (m) a User or Customer may require AGC to test the accuracy of a Standard Meter, and AGC will charge for such test in accordance with the Gas Supply (Gas Meter) Regulations 1997 (NSW).

5.2 Reference Tariffs

Section 3.3 The Service Provider must include in the proposed Access Undertaking one or more Reference Tariffs. At least one Reference tariff must relate to a Service that is likely to be sought by a significant part of the market.

Section 3.4 Subject to the Transitional Provisions in section 9, any Reference Tariff included in the proposed Access Undertaking must comply with the Reference Tariff Principles described in section 8.

5.2.1 Tariffs for Tariffed Distribution Services

AGC will make the Tariffed Distribution Services available at the Reference Tariffs described in this clause 5.2.

5.2.2 Reference Tariffs during Reference Tariff Period

The Reference Tariffs for the Tariffed Distribution Services are contained in schedule 1 to this Access Undertaking. The Reference Tariffs comprise:

- (a) the Initial Tariff Components; and
- (b) an incentive mechanism in the form of a CPI-X price capping mechanism by which the Tariff Components will vary within the Reference Tariff Period.

5.2.3 Reference Tariffs during next Reference Tariff Period

Clause 7.1.3 of this Access Undertaking sets out Fixed Principles in relation to Reference Tariffs which Fixed Principles are not subject to change during or prior to the First Access Review.

5.2.4 Variation of Reference Tariffs

- (a) AGC will not vary the Reference Tariffs set out in schedule 1, other than:
- (1) in accordance with schedule 1;
 - (2) as specifically provided for in a Service Agreement; or
 - (3) as a result of the variation in taxes, charges, levies, imposts and fees, as described below.
- (b) AGC has established the Reference Tariffs
- (1) on the basis of the following authorisation fees:

Year	1998	1999	2000	2001	2002
Fee (\$m)	0.1	0.1	0.1	0.1	0.1

- (2) and otherwise on the basis of government taxes, charges, levies, imposts and fees existing at 20 April 1998.
- (c) In the event of the imposition of new taxes, charges, levies, imposts or fees, or an increase in the level of existing taxes, charges, levies, imposts or fees, including authorisation fees, AGC may seek to recover the amount from Users under Service Agreements, and to vary this Undertaking so as to increase the Reference Tariff. If an existing charge ceases to apply or the level of existing charges is substantially decreased, AGC will pass on to Users the benefit of that reduction in its costs.

5.3 Gas balancing

5.3.1 No Gas balancing

AGC will not impose obligations on Users in relation to the balancing of receipts from Users at the Distribution Injection Point and/or delivery of Gas to Users at the Distribution Supply Point.

5.3.2 Injections and withdrawals of Gas deemed equal

- (a) As the Distribution System is small, the quantity of Gas capable of storage in the Distribution System is negligible, and therefore on a daily basis (after allowance for UAFG), injections of Gas into the Distribution System at the Distribution Injection Point and withdrawals of Gas from the Distribution System at Distribution Supply Points are always in physical balance.
- (b) AGC will thus deem that a User's daily withdrawal of Gas at its Distribution Supply Points plus an allowance for UAFG equals its injection of Gas at the Distribution Injection Point.

5.3.3 Review of no Gas balancing policy

The policy in relation to Gas balancing will be reviewed in accordance with clause 2.26 of the NSW Access Code if:

- (a) a new Distribution Injection Point is proposed; or
- (b) the operator of any pipeline to which the Distribution System is connected requires AGC to impose Gas balancing procedures on Users of the Distribution System.

5.4 Overruns Policy

- (a) An Overrun for a Day will be deemed not to have occurred if it is not possible to determine the quantity of Gas withdrawn at the Distribution Supply Point on that Day because of a failure or unavailability of a Metering Installation, even if it is subsequently established that an Overrun would have occurred on the basis of the quantities subsequently estimated to have been withdrawn on that Day.
- (b) Charging to a User who overruns will be in accordance with the Billing Parameters in schedule 1.

5.5 Trading Policy

Section 3.5 The Access Undertaking must include a policy that explains the rights of a User to trade its right to obtain a Service to another person (a "Trading Policy").

Section 3.6 The Trading Policy should, where technically relevant, include the following principles:

- (a) *A User shall be permitted to make Bare Transfer of part or all of its Contracted Capacity to another person or to make a Substituted Transfer of part or all of its Contracted Capacity if it has first obtained the written approval of the Service Provider. The Service Provider may withhold its approval on reasonable commercial or technical grounds, or the Service Provider may make its approval subject to conditions being adhered to that are reasonable on commercial and technical grounds, but the Service Provider must not otherwise withhold its approval or place conditions on its approval. The Trading Policy may specify conditions in advance under which approval will or will not be given and conditions that must be adhered to as a condition of approval being given.*
- (b) *A User shall be permitted to change the Delivery Point or Receipt Point from any which may be specified in the contract for the relevant Service if it has first obtained the written approval of the Service Provider. The Service Provider may withhold its approval on reasonable commercial or technical grounds, or the Service Provider may make its approval subject to conditions being adhered to that are reasonable on commercial and technical grounds, but the Service Provider must not otherwise withhold its approval or place conditions on its approval.*
- (c) *The Trading Policy may specify conditions in advance under which approval will or will not be given and conditions that must be adhered to as a condition of approval being given.*
- (d) *The Service Provider may offer a Service which does not include the provisions of clauses 3.6(i) and (ii), if the Service Provider also offers a Service which incorporates those provisions as an alternate Service which the User may at its option purchase.*

5.5.1 Transfer of MHQ

A User will be entitled to make a Bare Transfer of all or part of its MHQ in relation to a Distribution Supply Point without AGC's consent so long as the transferee notifies AGC of:

- (a) the User which made the transfer or assignment;
- (b) the amount of the MHQ which was transferred or assigned; and
- (c) the location of the Distribution Supply Point which is the subject of the transfer,

prior to utilising any MHQ so transferred or assigned.

5.5.2 Transfer of Capacity Entitlement upstream on same transportation route

(a) Subject to clause 5.5.2(b), a User may without AGC's consent, make a Bare Transfer of all or part of its Capacity Entitlement where the Distribution Supply Point to which the relevant amount of the Capacity Entitlement is to be transferred or assigned is:

- (1) upstream of; and
- (2) on the same transportation route as,

the Distribution Supply Point from which the relevant amount of the Capacity Entitlement is to be transferred or assigned.

(b) A User may only make a bare transfer in accordance with clause 5.5.2(a) where the transferor and the transferee notify AGC of:

- (1) the User which proposes to make the transfer or assignment;
- (2) the amount of the Capacity Entitlement which is to be transferred or assigned;
- (3) the location of the Distribution Supply Points from which the relevant amount of the Capacity Entitlement is to be transferred or assigned;
- (4) the location of the Distribution Supply Point to which the relevant amount of the Capacity Entitlement is to be transferred or assigned; and
- (5) the dates and number of Days to which the transfer or assignment is to relate,

as soon as it is practicable to do so before the transfer or assignment takes place (and in any event not later than 1 Business Day prior to the date of the proposed transfer or assignment).

5.5.3 Transfer of Capacity Entitlement downstream or on a different transportation route

(a) A User may make a Bare Transfer of all or part of its Capacity Entitlement where the Distribution Supply Point to which the relevant amount of the Capacity Entitlement is to be transferred or assigned is:

- (1) downstream of, and on the same transportation route as; or
- (2) on a different transportation route as,

the Distribution Supply Point from which the relevant amount of the Capacity Entitlement is to be transferred or assigned, with AGC's prior written consent.

(b) Where a request to transfer capacity in accordance with clause 5.5.3(a) is made, AGC will only withhold its consent, or make its consent subject to conditions, on reasonable commercial or technical grounds, including where:

- (1) there is not sufficient Capacity either before or as a result of the transfer or assignment to enable the amount of the Capacity Entitlement transferred or assigned to be delivered to the proposed Distribution Supply Points; or
- (2) the effect of the transfer or assignment would be that AGC would not receive the same amount of revenue it would have otherwise received.

5.5.4 Transferor remains liable to AGC

- (a) Subject to clause 5.5.4(b), a User which transfers or assigns any of its MHQ or Capacity Entitlement in accordance with AGC's Trading Policy remains liable to AGC for all charges or other amounts payable to AGC in respect of the part of the MHQ or Capacity Entitlement transferred or assigned.
- (b) AGC may agree in writing that a person other than a User which transfers or assigns any of its MHQ or Capacity Entitlement in accordance with AGC's Trading Policy will be liable for some or all of the charges or other amounts otherwise payable to AGC by that User in respect of the part of the MHQ or Capacity entitlement transferred or assigned, where AGC is satisfied that the other person concerned has agreed to be liable to AGC in respect of those amounts.

5.5.5 Change of Distribution Supply Point

- (a) A User may change a Distribution Supply Point to which AGC must deliver its Gas with AGC's prior written consent.
- (b) AGC will only refuse its consent, or make the granting of consent subject to conditions, on reasonable technical or commercial grounds, including where:
 - (1) a reduction in the User's Capacity Entitlement at the original Distribution Supply Point will not result in a corresponding increase in AGC's ability to provide that Tariffed Distribution Service to the alternative Distribution Supply Point; or
 - (2) AGC would not, after the change, receive the same amount of revenue it would have otherwise received.

5.6 Queuing Policy

Section 3.7 The Access Undertaking must include a policy for allocating Spare Capacity and Developable Capacity between Prospective Users (a Queuing Policy).

Section 3.8 The Queuing Policy should where practicable, comply with the following:

- (a) *To be allocated a place in the Queue, persons must comply with the conditions set out in the Queuing Policy. Persons must be admitted to the Queue in order of their compliance with those conditions. The Queuing Policy may include a requirement that Prospective Users satisfy reasonable prudential requirements. The Service Provider must promptly notify Prospective Users of their acceptance onto the Queue.*
- (b) *The Queuing Policy must specify the conditions necessary to maintain a place in the Queue. The position of any person in the Queue shall not be affected by that person declining to pay a surcharge for Developable Capacity but may be affected by the person declining to accept an offer for the Service requested at the Reference Tariff.*
- (c) *Prospective Users on a Queue must not transfer their positions in the Queue to another person, except where a business that has a position in the Queue is sold in good faith, in which case the position in the Queue may be transferred together with that business.*
- (d) *To the extent that it is commercially and technically reasonable, there must be separate Queues for each Service. If there is more than one Queue, then the Queuing Policy must describe the priority relationships between the different Queues.*

- (e) *On being granted a position on a Queue, a Prospective User must be promptly informed of:*
 - (1) *its position in the Queue;*
 - (2) *the aggregate Capacity that is sought by Prospective Users who are ahead in the Queue;*
 - (3) *an indication of when tranches of Developable Capacity may become available; and*
 - (4) *the size of any surcharge that may apply to that Developable Capacity.*
- (f) *A Prospective User must be promptly provided with updated information when there is a change in:*
 - (1) *the Prospective User's place in the Queue;*
 - (2) *the Capacity sought by the Prospective Users ahead in the Queue; and*
 - (3) *the timing of when a new tranche of Developable Capacity may become available.*
- (g) *A User seeking to extend its right to obtain a Service after the expiration of a contract must be treated as a Prospective User seeking to obtain the same Service unless the User has an option to renew its right to obtain the Service, in which case the option may validly extend only to the right to obtain the original Service or such other Service which does not utilise greater Capacity than the Contracted Capacity for the original Service. Notwithstanding this, the Queuing Policy may give such rights to Users who market Natural Gas to tariff consumers as are reasonably necessary to ensure the reasonable security of supply.*

Section 3.9 For Services provided by means of a Pipeline or a part, or parts, of a Pipeline which comprises a complex integrated network:

- (a) *the Regulator may waive or modify one or more of the requirements in section 3.8(e) and/or 3.8(f) if such requirements are not technically or commercially reasonable; and*
- (b) *where capacity is location dependant, the Regulator may approve a Queuing Policy that provides for the allocation of Spare Capacity or Developable Capacity to a Prospective User regardless of the order of acceptance into a Queue if such an allocation would not prejudice the prospects of a Prospective User with Priority on the Queue.*

5.6.1 Sufficient Capacity Available

Where there is sufficient Capacity available (taking into account all Users' existing Capacity Entitlements) to meet all Requests for Service from Prospective Users there will be no Queue for access to that Capacity.

5.6.2 Insufficient Capacity Available

Where there is not sufficient Capacity available (taking into account all Users' existing Capacity Entitlements) to meet all Requests for Service of Prospective Users there will be a Queue for access to that Capacity in accordance with clause 5.6.4.

5.6.3 Lapse of a Request for Service

Where AGC has advised the Prospective User under clause 5.1.4(b) that Capacity is available, then unless:

- (a) the Prospective User has entered into a Service Agreement within 20 Business Days of that advice;
- (b) bona fide negotiations between AGC and the Prospective User have commenced within 20 Business Days of that advice and are in progress; or
- (c) the Prospective User has notified an Access Dispute,

AGC will deem that the Request for Service has lapsed.

5.6.4 Basis of Queue

- (a) Queue positions will be allocated to Prospective Users in accordance with section 5.6.5.
- (b) The Queue will include all Prospective Users with Requests for Service relating to the transportation route, including any Prospective User :
 - (1) which is a Disputing Prospective User; or
 - (2) which is a Negotiating User,
 but will not include:
 - (3) any Prospective User whose Request for Service has lapsed or been deemed to have lapsed under clauses 5.6.3, 5.6.6, 5.6.8(d) and 5.6.14; or
 - (4) any Prospective User which has withdrawn its Request for Service under clause 5.6.8(b).

5.6.5 Advice to Prospective Users

At the time a Queue is formed, or when a new Prospective User joins a Queue, AGC will promptly notify each Prospective User in the Queue of:

- (a) the existence of the Queue and the Prospective User's position on the Queue;
- (b) the consequences of not replying to the notification in accordance with section 5.6.6;
- (c) the average Capacity sought by other Prospective Users, if any, which are ahead of that Prospective User in the Queue;
- (d) the estimated cost of the Capacity; and
- (e) an estimate of when Capacity (as an extension or expansion of the Distribution System) may become available; or
- (f) the requirement that an engineering investigation establish how the requested services can be provided, (with the cost to the Prospective User of, and timing for, any such investigation to be agreed between AGC and the Prospective User),

and will provide a new Prospective User with a copy of this Queuing Policy.

5.6.6 Prospective User must notify AGC

- (a) Within 15 Business Days of AGC's notification under clause 5.6.5, a Prospective User on the Queue, other than a Negotiating User, must advise AGC that it will proceed with its Request for Service.
- (b) If a Prospective User fails to provide confirmation under clause 5.6.6(a), AGC will deem that the Prospective User's Request for Service has lapsed, and its position on the Queue will be lost.
- (c) Where a Queue includes a Negotiating User, then unless the Negotiating User enters into a Service Agreement or becomes a Disputing Prospective User within 30 Business Days from the date of formation of the Queue, its Request for Service shall be deemed to have lapsed and its position on the Queue will be lost.

5.6.7 Dissolution of Queue

Whenever adequate Capacity becomes available to meet the requirements of all Prospective Users on a Queue, that Queue shall be dissolved and the Request for Service of those Prospective Users will be dealt with under clause 5.1.4.

5.6.8 Conditions applicable to a Queue

The following conditions apply to each Prospective User on a Queue:

- (a) once allocated a position on a Queue a Prospective User may reduce, but cannot increase, the requested MHQ and Capacity requirements specified in its Request for Service;
- (b) if, at any time, a Prospective User on a Queue decides that it does not wish to proceed with its Request for Service, it must withdraw its Request for Service as soon as possible by written notice to AGC and the Prospective User's position will be vacated;
- (c) AGC may seek confirmation at any time from a Prospective User on a Queue that the Prospective User wishes to continue with its Request For Service, and the Prospective User must respond to AGC within 10 Business Days;
- (d) if a Prospective User fails to provide confirmation in accordance with clause 5.6.8(c), when requested by AGC its Request for Service will be deemed to have lapsed and its position on the Queue will be lost; and
- (e) the Prospective User may only assign its position on a Queue to a person who is bona fide purchaser of the business of, or a substantial part of the assets of, the Prospective User.

5.6.9 Priority dates in relation to a Unique Service

Where a Prospective User in a Queue seeks a Unique Service, AGC will, subject to clauses 5.6.10 to 5.6.11, offer that Prospective User Capacity in accordance with its position in the Queue.

5.6.10 Priority dates for Common Services

- (a) All Prospective Users in a Queue seeking a Common Service will be treated by AGC as a single Prospective User in terms of their priority and will take priority based on the date of the earliest Request for Service of a Prospective User which seeks that Common Service.
- (b) The priority date referred to in clause 5.6.10(a) will be the date for all members of the group, even if the particular Prospective User whose request determined the date later withdraws its request.

5.6.11 Priority within Queues

- (a) If the Queue relates to a transportation route where Capacity is available to serve the needs of one or more of the Prospective Users on the Queue, then:
 - (1) those Prospective Users on the Queue seeking a Tariffed Distribution Service will rank in priority ahead of those seeking a Negotiated Service which have declined to accept an offer from AGC of a Tariffed Distribution Service; and
 - (2) if Prospective Users on the Queue are seeking a Common Service, the offer of a Tariffed Distribution Service will be made to all of those Prospective Users, and those which accept the offer will form one group of Prospective Users seeking a Common Service, and those which reject the offer will form a separate group seeking a Common Service.
- (b) Priority in relation to the category specified in clause 5.6.11(a)(1) will be assigned to Prospective Users in the order of the dates of their Request for Service. The Request for Service which has the earliest date has the first right to enter into a Service Agreement.
- (c) In relation to the category specified in clause 5.6.11(a)(2):
 - (1) AGC may negotiate concurrently with all Prospective Users in a group seeking a Common Service;
 - (2) only one Prospective User from the group referred to in clause 5.6.11(c)(1) will be entitled to enter into a Service Agreement for the requested Service;
 - (3) prior to entering into the Service Agreement, the Prospective User referred to in clause 5.6.11(c)(2) will be required to provide AGC with sufficient evidence that it is the appropriate person within the group to enter into the Service Agreement; and
 - (4) once the Prospective User referred to in clause 5.6.11(c)(3) has entered into the Service Agreement, the Requests for Service of all other Prospective Users in that Common Service group will be deemed by AGC to have lapsed.

5.6.12 Advice from AGC

Whenever:

- (a) a Prospective User's position on a Queue changes;
- (b) the requested MHQ of Gas or capacity requirements sought by those ahead of the Prospective User on the Queue changes; or
- (c) there is a change to the timing of when Capacity may become available,

AGC will promptly advise the Prospective User of the changes and of their effect upon the Prospective User.

5.6.13 Offer from AGC

As soon as practicable after making a decision that Capacity will be made available on a transportation route which is the subject of a Queue, AGC will advise each Prospective User on the Queue of:

- (a) its decision;
- (b) how Capacity will become available;
- (c) the terms and conditions under which a Service is offered; and
- (d) whether the offer is an Open Offer or a Conditional Offer,

and will make an appropriate offer to the Prospective User with the highest priority on the Queue or, where the offer is contingent on more than one Prospective User accepting the offer, to those Prospective Users.

5.6.14 Open Offers

If an Open Offer is made to a Prospective User, then unless the Prospective User has, within 20 Business Days of AGC making the Open Offer either:

- (a) entered into a Service Agreement (which may be subject to AGC entering into a Service Agreement with other Prospective Users on the Queue); or
- (b) become a Disputing Prospective User,

the Prospective User's Request for Service will be deemed to have lapsed and its position in the Queue will be lost.

5.6.15 Conditional Offer

If a Conditional Offer to make Capacity available to a Prospective User is made, then unless the Prospective User has, within 20 Business Days of the Conditional Offer, either:

- (a) entered into a Service Agreement (which may be subject to AGC entering into Service Agreements with other Prospective Users on the Queue); or
- (b) become a Disputing Prospective User,

then:

- (c) the priority of that Prospective User's Request for Service will be altered only insofar as the Request for Service of any Prospective User who accepts a Conditional Offer and whose Service Agreement in respect of that Conditional Offer becomes unconditional shall be deemed to take priority over the Request for Service of that Prospective User; and
- (d) the Prospective User's Request for Service will not be deemed to have lapsed.

5.6.16 Compensation for holding Capacity

If the period between the date on which a Service Agreement is executed and the date on which the Prospective User requests the Service to commence is longer than 20 Business Days, AGC may request that the Prospective User compensate it, and the Prospective User must compensate AGC, for holding the Contracted Capacity for that User.

6. Connections of third party distribution systems

6.1 Prospective User may connect a distribution system

A Prospective User may:

- (a) provided it has the necessary authorisations or licences under the Act; and
- (b) subject to the conditions set out in this clause 6,

construct and operate its own Pipeline from any Distribution Supply Point.

6.2 Conditions of Connection to the Distribution System

6.2.1 Distribution Supply Point

- (a) The Distribution Supply Point at which a Pipeline installed by the Prospective User is connected to the Distribution System must comply with the following requirements in order to ensure the integrity, safety and operability of the Distribution System:
- (1) the location of the Distribution Supply Point on the Distribution System must be agreed to by AGC, and AGC will only withhold its consent to such a location where AGC reasonably considers that such a location is inappropriate on account of technical, safety or operational considerations; and
 - (2) the hot tap connection to connect the Prospective User's facilities to the Distribution System must be performed in accordance with AS2885-1987 at the expense of the Prospective User. The work to install the connection must be performed either by AGC or by a contractor approved by AGC, and if the connection installation is performed by a person other than AGC, AGC may supervise the work.
- (b) The Distribution Supply Point at which a Pipeline installed by a Prospective User is connected to the Distribution System is deemed to be a Distribution Supply Point to which Tariff D Services are supplied.

6.2.2 Equipment upstream of Distribution Supply Point

- (a) Isolation valves and Metering Installations will be installed by AGC upstream of the Distribution Supply Point at which a Pipeline installed by a Prospective User is connected to the Distribution System, and will comply with all applicable laws, regulatory instruments and the Metering Conditions set out in schedule 2.
- (b) At a Distribution Supply Point at which a Pipeline installed by a Prospective User is connected to the Distribution System, AGC:
- (1) may require installation of a remotely controlled isolation valve;
 - (2) will remotely operate any remotely controlled isolation valve; and
 - (3) will apply a monthly charge to recover the specific costs of providing, maintaining and operating any remotely controlled isolation valve, designed to recover the capital cost of the asset over a period not exceeding 5 years, including an allowance for a reasonable return on investment and recovery of operating and maintenance costs consistent with the methodology used for derivation of required revenue as defined in section 2 of the Access Undertaking Information.

6.2.3 Location of Distribution Supply Point

- (a) The Distribution Supply Point at which a Pipeline installed by a Prospective User is connected to the Distribution System will be the flange immediately downstream of the facilities referred to in clause 6.2.2.
- (b) All facilities upstream of the Distribution Supply Point at which a Pipeline installed by a Prospective User is connected to the Distribution System will be installed, owned and operated by AGC.
- (c) All facilities downstream of the Distribution Supply Point at which a Pipeline installed by a Prospective User is connected to the Distribution System will be the responsibility of the Prospective User.

6.2.4 Cathodic protection of facilities

A User who installs facilities which are connected to AGC's Distribution System will design, install and operate any cathodic protection system installed to protect its facilities in such a manner as to avoid any interference which may be detrimental to AGC's facilities.

6.2.5 Installation and operation

A Prospective User who plans to install Gas transportation facilities in the vicinity of those owned by AGC must co-operate with AGC forthwith, to establish appropriate arrangements and procedures for:

- (a) the safe installation and operation of the Prospective User's facilities; and
- (b) the management of emergency situations involving the facilities of either party.

6.2.6 Abandonment or disconnection

If the Pipeline connected to the Distribution System ceases to be used to take Gas at the Distribution Supply Point, the User who is responsible for connection of the Pipeline must (at its expense), ensure that the facilities are disconnected and isolated from AGC's facilities.

6.2.7 Approvals and indemnity

- (a) The User who connects a Pipeline to the Distribution System must provide AGC with evidence that:
 - (1) it has fulfilled all applicable statutory requirements; and
 - (2) it holds all necessary permits, authorisations and licences in relation to the facilities downstream of the Distribution Supply Point at which the Pipeline is connected to the Distribution System.
- (b) The evidence referred to in clause 6.2.7(a) must be provided to AGC before AGC commences to provide Tariff D Services to the Distribution Supply Point.
- (c) The User who connects a Pipeline to the Distribution System must indemnify AGC against any claim of liability in relation to or arising out of those facilities.

7. Review and Expiry of Access Undertaking under Section 2 of the New South Wales Access Code

This section, in compliance with sections 2.18 to 2.26 of the NSW Access Code, outlines the procedures for review and expiry of this Access Undertaking, and changes to the Access Undertaking between reviews.

The wording of the NSW Access Code is reproduced in italics and then followed by a statement explaining where the particular element is satisfied in this Undertaking.

7.1 Review and expiry of Access Undertaking

Review of an Access Undertaking

Section 2.18 The proposed Access Undertaking must include a date at which time the Access Undertaking will be reviewed and a proposed new Access Undertaking is submitted. The period from the date a proposed new Access Undertaking is approved to the date the Service Provider is required to submit a proposed new Access Undertaking must not be more than five years but must be of sufficient duration to enable any applicable

incentive mechanisms to work effectively. The Access Undertaking may include:

- (a) a shorter review period to account for transitional issues; and/or*
- (b) definitions of specific major events that may trigger a review prior to a planned date.*

Section 2.19 Certain principles may be fixed (Fixed Principles) for a certain period and not subject to change during a review of the Access Undertaking without the agreement of the Service Provider.

Section 2.20 A Fixed Principle may include any Structural Element, but in assessing whether any Structural Element may be a Fixed Principle regard must be had to the interests of the Service Provider and the interests of Users and Prospective Users. A Market Variable Element cannot be a Fixed Principle. The Fixed Period may be for part or all of the duration of an Access Undertaking, but in determining a Fixed Principle regard must be had to the interests of the Service Provider and the interests of Users and Prospective Users.

Section 2.21 The approved Access Undertaking is current until the date of its expiry or until such time as a new Access Undertaking is established, whichever is earlier.

Section 2.22 At the date provided for in the Access Undertaking, the Service Provider must submit to the Regulator a new Access undertaking together with the applicable Access Undertaking Information.

Section 2.23 At any time after the receipt of applicable Access Undertaking Information and before a Determination to approve or not approve the new Access Undertaking, the Regulator may require the Service Provider to make changes to the Access Undertaking Information. The Regulator must include the reasons for its decision and must specify a reasonable time by which the proposed Access Undertaking Information that rectifies the matter identified by the Regulator must be resubmitted.

Section 2.24 The process, procedures and timelines for notification, submission and recommendation for review of a proposed new Access Undertaking are as outlined in sections 2.6 to 2.12 above, with wording substitution where appropriate.

Section 2.25 A new Access Undertaking becomes binding upon the Service Provider when the Determination by the Regulator to approve the new Access Undertaking comes into effect.

7.1.1 Review date

This Access Undertaking will be reviewed and a proposed new access undertaking will be submitted on 31 December 2002. The Reference Tariffs in the new access undertaking will be calculated in accordance with the Fixed Principles set out in clause 7.1.3.

7.1.2 Review of Access Undertaking Prior to Planned Date

- (a) The following major events may trigger a review of this Access Undertaking prior to the date specified in clause 7.1.1:
 - (1) the connection to the Distribution system of any facilities, other than the Distribution Injection Point, for the injection of Gas into the Distribution System;

- (2) the operator of any Pipeline which is connected to the Distribution system requires AGC to impose Gas balancing procedures on the Distribution system;
 - (3) the shares in AGC are transferred to, or vest in, a party other than Stratus Networks Pty Ltd; or
 - (4) there is a variation in taxes, charges, levies, imports or fees as described in clause 5.2.4.
- (b) If any of the events specified in clause 7.1.2(a) occur, AGC may apply to the Regulator for the Access Undertaking to be reviewed in accordance with clause 2.26 of the NSW Access Code.

7.1.3 Fixed Principles

The following Fixed Principles apply in the Subsequent Reference Tariff Period:

- (a) AGC will utilise incentive-based regulation adopting a CPI-X approach and not rate of return regulation;
- (b) AGC will set the X factor in the CPI-X formula so that only one X factor applies without revision for the entire Subsequent Reference Tariff Period;
- (c) where a rate of return is to be taken into account to determine the value of the X factor to be set in accordance with clause 7.1.3(b), AGC will apply a weighted average return which is commensurate with prevailing conditions in the market for investments having a similar nature and degree of business risks as those faced by AGC;
- (d) where the value of AGC's fixed asset base is to be taken into account to determine the value of the X factor to be set in accordance with clause 7.1.3(b), AGC will use the fixed asset base for AGC at the start of the Initial Reference Tariff Period, being the value specified in the Access Undertaking Information, adjusted to take account of inflation since 1 July 1997, depreciation, additions and disposals in the ordinary course of business since 1 July 1997, other than a disposal of:
 - (1) all of the assets and liabilities of AGC;
 - (2) assets interdependent with a transaction pursuant to which all of the issued shares in or the assets and business of AGC cease to be held by or on behalf of the State of Victoria or a statutory authority; or
 - (3) assets pursuant to which the assets of AGC are sold and leased back to AGC;
- (e) in using the fixed asset base in accordance with clause 7.1.3(d), AGC will have regard to the public policy adjustments to AGC's fixed asset base which are identified in the Access Undertaking Information and which are designed to protect the interests of Customers;
- (f) AGC will ensure a fair sharing between AGC and its Customers, of the benefits achieved through efficiency gains if, in the Initial Reference Tariff Period, AGC has achieved efficiencies greater than the value implied by the value of X;
- (g) in ensuring a fair sharing of the benefits under clause 7.1.3(f), AGC may have regard to the matters including:
 - (1) the need to offer AGC a continuous incentive to improve efficiencies both in operational matters and in capital investment; and
 - (2) the desirability of rewarding AGC for efficiency gains, especially where those gains arise from management initiatives to increase the efficiency of the relevant business;
- (h) AGC will have regard to:

- (1) the cost of making, producing or supplying the goods or services which AGC makes, produces or supplies;
 - (2) any relevant interstate or international benchmarks for prices, costs and returns on assets in private sector industries comparable to those in which AGC operates; and
 - (3) the level of executive remuneration that is allocated to AGC by AGC's parent, Stratus Networks Pty Ltd by reference to any relevant interstate and international private sector benchmarks for that remuneration;
- (i) to the extent that a tariff is not cost reflective at the end of the Initial Reference Tariff Period, AGC will set the Reference Tariffs to facilitate a smooth transition of the tariff to cost reflectivity over time;
 - (j) in deciding the transitional arrangements in clause 7.1.3(i), decide whether metering services and Connection services associated with Distribution Tariff V, or equivalent Reference Tariff applying to small Customers receiving Tariffed Distribution Services, should remain Tariffed Distribution Services for the period in which the transitional arrangements in clause 7.1.3(i) apply; and
 - (k) AGC may, in ensuring a fair sharing of the benefits of efficiency gains under clause 7.1.3(f), choose to share the benefits referred to in that clause in the Subsequent Reference Tariff Period, both in the Subsequent Reference Tariff Period and in Reference Tariff Periods after the Subsequent Reference Tariff Period, subject to this not being inconsistent with any other applicable laws.

8. Miscellaneous

8.1 Response to Requests for Information

8.1.1 Information about a Customer

AGC will supply information in respect of the load and pattern of usage, over a specified period, of a Customer, on the following conditions:

- (a) AGC will supply the information only with the prior written consent of the Customer, and AGC may verify that Customer's consent;
- (b) AGC will respond to requests for information within 30 days of receipt of that request; and
- (c) AGC will charge a fee set out in clause 8.1.3 for each Metered site of a Customer, to recover the cost of responding to requests for information.

8.1.2 General information about the Distribution System

A person may request general information from AGC about the Distribution System. Where the information requested is contained in this Undertaking, or in the Access Undertaking Information, or comprises any other information that AGC is required to include in its information package under clause 5.1 of the NSW Access Code, the information will be provided without charge. AGC will provide any such information within 14 Days of receiving the request for information. Charges set out in clause 8.1.3 will apply for the provision of other information.

8.1.3 Charges for information

AGC will charge the following charges for requests for information under clause 8.1.1 and 8.1.2: \$50 plus \$50 per hour after the first hour.

8.2 Use of Confidential Information

8.2.1 Confidentiality

- (a) AGC will keep confidential and use reasonable endeavours to protect and preserve any Confidential Information.
- (b) AGC will:
 - (1) not disclose Confidential Information to any person except as contemplated by this Access Undertaking;
 - (2) only use or reproduce Confidential Information for the purpose for which it was collected in relation to this Access Undertaking, or another purpose contemplated by this Access Undertaking; and
 - (3) not permit unauthorised persons to have access to the Confidential Information.

8.2.2 Permitted disclosure

- (a) AGC's confidentiality obligation does not prevent:
 - (1) the disclosure, use or reproduction of Confidential Information if the Confidential Information is at the time generally and publicly available otherwise than as a result of breach of confidence by AGC;
 - (2) the disclosure of information by AGC to:
 - (A) its employees or the employees of its Related Bodies Corporate; or
 - (B) its legal or other professional adviser, auditor or other consultant,
 requiring the Confidential Information for the purposes of this Access Undertaking or for the purpose of advising AGC in relation to those purposes.
 - (3) the disclosure, use or reproduction of Confidential Information with the explicit informed consent of the relevant User or Prospective User;
 - (4) the disclosure, use or reproduction of Confidential Information to the extent required by law or by lawful requirement of:
 - (A) any government or governmental body, authority or agency having jurisdiction over AGC or its Related Bodies Corporate; or
 - (B) any stock exchange having jurisdiction over AGC or its Related Bodies Corporate;
 - (5) the disclosure, use or reproduction of Confidential Information required in connection with legal proceedings, arbitration, expert determination or other dispute resolution mechanism under the NSW Access Code; or
 - (6) the disclosure of information to the Regulator, or any other regulatory authority having jurisdiction over AGC pursuant to the NSW Access Code or otherwise under statutory requirement.
- (b) In the case of a permitted disclosure under this clause, AGC must inform the person receiving the disclosure of the confidentiality of the Confidential Information and use reasonable endeavours to ensure that that person keeps the Confidential Information confidential.

Schedule 1 Reference Tariffs and other charges

1. Initial Reference Tariffs

(a) Reference Tariffs

(1) **Distribution Tariff V**

Distribution fixed tariff component- \$0.07/day

1	2	3
Consumption range (GJ/day)	Distribution volume tariff component - peak period (\$/GJ)	Distribution volume tariff component - off-peak period (\$/GJ)
0-1.4	4.10	4.10
>1.4	2.04	1.54

(2) **Distribution Tariff D**

1	2
annual MHQ (GJ)	Distribution demand tariff component (\$/GJ MHQ)
0-10	1,138
>10-50	563
>50	50

(b) Billing parameters

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

- (1) Except where otherwise agreed between AGC and the User, the User will be charged:
 - (A) two monthly, in the case of Distribution Tariff V; and
 - (B) monthly, in the case of Distribution Tariff D.
- (2) The Distribution Fixed Tariff Components and consumption ranges shown in paragraph (1)(a) are daily amounts. The Distribution Fixed Tariff Component or consumption range applied to calculate a charge for a billing period shall be the Tariff Component or consumption range shown in paragraph (1)(a) multiplied by the number of days in the billing period.
- (3) Distribution Volume Tariff Components
 - (A) Distribution Volume Tariff Components are charged according to the actual GJs of Gas withdrawn in the billing period, or an estimate of the GJs of Gas withdrawn in the billing period which is acceptable to AGC.
 - (B) Where some of the days in the billing period are in the Peak Period:

- (i) if the total number of days in the billing period is less than 100, the GJs of Gas withdrawn in the Peak Period are:

$$GPP = TAG \times \frac{PPBP}{TBP}$$

where:

GPP is the GJs of Gas withdrawn in the Peak Period;

TAG is the total actual GJs of Gas withdrawn in the billing period, or an estimate of the total GJs of Gas withdrawn in the billing period which is acceptable to AGC;

PPBP is the number of days in the billing period which are in the peak period; and

TBP is the total number of days in the billing period.

- (ii) if the total number of days in the billing period is greater than or equal to 100, the GJs of Gas withdrawn in the Peak Period are:

$$GPP = TAG \times \frac{2 \times PPBP}{(2 \times PPBP) + (TBP - PPBP)}$$

where:

GPP is as defined in paragraph (1)(b)(3)(B)(i) of this schedule;

TAG is as defined in paragraph (1)(b)(3)(B)(i) of this schedule;

PPBP is as defined in paragraph (1)(b)(3)(B)(i) of this schedule; and

TBP is as defined in paragraph (1)(b)(3)(B)(i) of this schedule.

- (iii) the GJs of Gas withdrawn in the Off-peak Period are:

$$GOPP = TAG - GPP$$

where:

GOPP is the GJs of gas withdrawn in the Off-peak Period;

TAG is as defined in paragraph (1)(b)(3)(B)(i) of this schedule; and

GPP is:

- (I) where the total number of days in the billing period is less than 100, calculated in accordance with paragraph (1)(b)(3)(B)(i) of this schedule; and
- (II) where the total number of days in the billing period is greater than or equal to 100, calculated in accordance with paragraph (1)(b)(3)(B)(ii) of this schedule.

- (iv) If the total number of days in the billing periods is greater than or equal to 100, then a 5% surcharge is added to each Tariff Component to be paid by a User under paragraph (1)(a) of this schedule.

(4) Distribution Demand Tariff Components

- (A) Except where otherwise agreed between AGC and the User, the User will be charged monthly.
- (B) Distribution Demand Tariff Components are charged according to the following formula:

$$MC = \frac{EAC - CBTD}{RBP}$$

where:

MC is the charge for a particular month in year “t”.

EAC is the estimated annual charge calculated by applying the relevant Tariff Components to EAD;

CBTD is the sum of the charges for all prior billing periods of year “t”;

RBP is the remaining billing periods in year “t”, as set out below:

Month	RBP
January	12
February	11
March	10
April	9
May	8
June	7
July	6
August	5
September	4
October	3
November	2
December	1

EAD is:

- (i) for billing periods between January and September, the higher of:
- (I) the forecast Annual MHQ for year “t”; and
 - (II) the Annual MHQ, as measured to date during year “t”,
- where the forecast Annual MHQ for year “t” is either:
- (III) the actual Annual MHQ for year “t-1”; or
 - (IV) a quantity agreed between AGC and the User.

- (ii) for billing periods between October and December, the actual Annual MHQ for year “t”.

(C) Where a Customer is connected at a Distribution Supply Point during a year:

- (i) the first month’s charge after the Customer is connected is calculated as:

$$\text{initial monthly charge} = \frac{\frac{RDM}{30} \times \frac{RDY}{365} \times \text{EAC}}{\text{RBP}}$$

where:

RDM is the remaining days in that month on the day that the Customer first withdrew Gas at that Distribution Supply Point.

RDY is the remaining days in the calendar year on the day that the Customer first withdrew Gas at that Distribution Supply Point.

EAC is the estimated annual charge as defined in paragraph (1)(b)(4)(B) of this schedule.

RBP is the remaining billing periods, as set out in paragraph (1)(b)(4)(B) of this schedule.

- (ii) the monthly charge for subsequent months in that year is calculated in accordance with the following formula:

$$\text{monthly charge} = \frac{\left(\frac{RDY}{365} \times \text{EAC}\right) - \text{CBTD}}{\text{RBP}}$$

where:

RDY is the remaining days in the calendar year as defined in paragraph (1)(b)(4)(C)(i) of this schedule.

EAC is the estimated annual charge as defined in paragraph (1)(b)(4)(B) of this schedule;

CBTD is the charges billed to date is as defined in paragraph (1)(b)(4)(B) of this schedule; and

RBP is the remaining billing periods is as defined in paragraph (1)(b)(4)(B) of this schedule.

(D) Where a Customer who withdraws Gas at a Distribution Supply Point ceases to withdraw Gas at that Distribution Supply Point in a month:

- (i) AGC will charge the User in respect of that Distribution Supply Point, for the whole of the month in which the Customer ceased withdrawal of Gas;
- (ii) AGC must not charge the User in respect of that distribution supply point, for any month after the month in which the Customer ceased withdrawal of gas;
- (iii) where another Customer starts to withdraw Gas at that Distribution Supply Point, the quantity of forecast highest MHQ for the year for

that Distribution Supply Point must be agreed between AGC and the User in respect of that Distribution Supply Point.

- (E) Where a Customer who withdraws Gas at a Distribution Supply Point ceases to be a customer of a particular Retailer during a month and becomes:
- (i) a customer of another Retailer; or
 - (ii) a customer of AGC,
- AGC must charge:
- (iii) the Retailer of whom the Customer became a customer in that month; or
 - (iv) the Customer who became a customer of AGC in that month,
- for that month.

2. Change to Tariff Components during Reference Tariff Period

- (a) The Tariff Components will be varied each calendar year in accordance with the price control formula set out in paragraph 2(b) of this schedule 1, which is to be applied subject to the rules and principles set out in paragraph 2(c) of this schedule 1.

- (b) Price control formula

The maximum price for each Tariff Component of a Reference Tariff for a calendar year is:

$$P_t = P_{t-1} * (CPI_t - X)$$

where:

P_t is the maximum price for the relevant Tariff Component calendar for year "t";

P_{t-1} is determined as follows:

- (1) if calendar year "t" is the calendar year ending 31 December 1999, then P_{t-1} is the price for the relevant Initial Tariff Component as set out in paragraph 1(a) of this schedule 1; and
- (2) if calendar year "t" is after the calendar year ending 31 December 1999, then P_{t-1} is the figure used for P_t for the relevant Tariff Component for the calendar year "t-1";

CPI_t is the CPI for calendar year "t"; and

X is 0.009

- (c) Interpretation Principles

- (1) All Tariff Components calculated under this Undertaking must be rounded to the accuracy, in terms of the number of decimal places, required by AGC's charging and billing systems.
- (2) A Tariff Component which has been calculated and rounded under the principles in paragraph 2(c)(1) of this schedule 1 must not be rounded to a different level of accuracy when utilised in calculations made under this Undertaking.
- (3) All values used in calculations made under this schedule 1, except those values to which paragraphs 2(c)(1) and 2(c)(2) of this schedule 1 apply, must not be rounded.
- (4) When a calculation is required under this Undertaking:

- (A) calendar year “t” is the calendar year in respect of which the calculation is being made; and
 - (B) calendar year “t-1” is the calendar year immediately preceding calendar year “t”.
- (5) Relevant Tariff Components do not include the effect of:
- (A) A Service Agreement between AGC and a User which specifies that the User pays a different charge from the Reference Tariff;
 - (B) changes in taxes, charges, levies, imposts or fees, including any increase in AGC’s reticulator’s authorisation fee; or
 - (C) any other costs, charges or imposts approved by the Regulator as amounts that may be recovered as part of the Reference Tariffs.

3. Other charges

AGC will charge the following charges in respect of the services specified:

- (a) AGC will charge the following charges for disconnection from and reconnection to the Distribution System:
 - (1) disconnection at the Meter by AGC’s field officer: \$15.00;
 - (2) reconnection at the Meter by AGC’s field officer: \$15.00;
 - (3) Meter removal for debt, performed by a licensed gasfitter: \$30.00;
 - (4) Meter replacement for debt, performed by a licensed gasfitter: \$30.00;
 - (5) disconnection of supply in the street (generally due to no access to Meter): \$80.00; and
 - (6) disconnection for illegal Gas use: \$80.00.
- (b) AGC will charge the following charge for providing and installing a connection which comprises more than 20 metres of Standard Service Pipe extension to a Distribution Supply Point subject to Distribution Tariff V: \$20.55 for each lineal metre over 20 metres and up to 50 metres.

Schedule 2

Tariff D Metering Services

- (a) AGC will provide Metering Services or any combination of the elements of the Metering Services such as design, construction, installation and maintenance. Metering Services will be provided by AGC at Distribution Supply Points to which Tariff D services are supplied on the following terms and conditions:
- (1) AGC will provide Metering Services of a type specified in paragraphs (a) and (b) of this schedule 2;
 - (2) AGC will charge for those Metering Services in accordance with paragraph (f) of this schedule 2;
 - (3) AGC will ensure that the accuracy of the Metering Installation at each Distribution Supply Point complies with the standards prescribed in schedule 3;
 - (4) AGC will ensure that a Metering Installation:
 - (A) is secure;
 - (B) is identified and registered with AGC;
 - (C) contains an Installation Database including information provided to AGC in accordance with paragraph (c) of this schedule 2; and
 - (D) is installed, connected, commissioned, operated, checked and maintained in accordance with all applicable standards and laws;
 - (5) AGC , and will ensure that the data on the Installations Database maintained and administered by AGC in accordance with paragraph (c) of this schedule 2 is maintained in accessible format for 16 months, and in archive for 7 years or the life of the relevant Meter, whichever is longer;
 - (6) AGC will comply with its obligations in relation to Metering Data specified in paragraph (d) of this schedule 2; and
 - (7) AGC will install daily meter reading facilities (datalogger as a minimum) including communications equipment as necessary, and will charge for these facilities, including the ongoing operating and maintenance costs, in accordance with paragraph (f) of this schedule 2.
- (b) AGC will ensure that a Metering Installation:
- (1) is located as close as practicable to the Distribution Injection Point or the Distribution Supply Point in relation to which the Metering Installation is being provided (taking into account, amongst other things, the cost of installation and security);
 - (2) contains an index register which has a visible and accessible display of Metering Data on or which allows the Metering Data to be accessed and read at the same time by portable computer or other equipment of a type or specification reasonably acceptable to AGC;
 - (3) the components of which affect metering, must be accurate within the Error Limits prescribed in schedule 3;
 - (4) is secure including concrete base, enclosure and damage protection; and
 - (5) contains either a flow Corrector, or a pressure regulator, or both.

- (c) the Installation Database will include the following information:
 - (1) the location of each installed Meter or Corrector;
 - (2) for each Meter and Corrector which is installed, the address of the Distribution Supply Point and the date of installation;
 - (3) calibration records of all devices used to measure the volume of Gas, if appropriate in the reasonable opinion of AGC;
 - (4) testing records, if appropriate in the reasonable opinion of AGC;
 - (5) all seals and labels applied, if appropriate in the reasonable opinion of AGC;
 - (6) electronic flow computer calibration data (where relevant);
 - (7) the date of, and details of, the latest maintenance, if appropriate in the reasonable opinion of AGC;
 - (8) the next scheduled date for maintenance, if appropriate in the reasonable opinion of AGC; and
 - (9) the next scheduled date for replacement.
- (d) The Metering Data recorded by the Metering Installation:
 - (1) will be the Metering Data used by AGC for billing purposes, notwithstanding that a User installs an additional or enhanced Metering Installation in respect of a Distribution Supply Point;
 - (2) will be protected from local or remote electronic access by a suitable password and security controls; and
 - (3) will hold “read-only” and “write” passwords.
- (e) AGC will:
 - (1) allocate “read-only” passwords for each Metering Installation to a User who has an interest in the Metering Installation; and
 - (2) keep secure records of electronic access passwords.
- (f) Tariff D customers will be charged as follows in respect of Metering Services:
 - (1) Metering Charges will be specific to the Metering Services at the Distribution Supply Point, and a quote for the provision of such Metering Services, or any elements of the Metering Services, will be provided by AGC upon request.
 - (2) A monthly charge will apply to recover the specific costs of providing, maintaining and operating the facilities associated with the Metering Services at the Distribution Supply Point;
 - (3) The monthly charge referred to in paragraph (f)(2) of this schedule 2 is designed to recover the capital cost of the facilities over a 5 year period, including an allowance for a reasonable return on investment and recovery of operating and maintenance costs consistent with the methodology used for derivation of required revenue as defined in section 2 of the Access Undertaking Information; and
 - (4) Daily Meter reading facilities (datalogger as a minimum), including communications equipment as necessary, will be charged in a similar manner to that described in paragraph (f)(3) of this schedule 2.

Schedule 3

Maximum Allowable Error Limits

The maximum allowable variance (error limits) in values from the agreed true values for the following devices or factors established and traceable to National Standards are:

Device Factor		Maximum Allowable Error Limits
Meters:	\leq 100 scm/h	+2% to -3%
	$>$ 100 scm/h	\pm 1.0%
Regulators		\pm 1.0%
Correctors		\pm 1.0%
Temperature		\pm 0.5%
Pressure		\pm 0.5%

scm/h = standard cubic metres per hour

Schedule 4
Gas Specification

	Parameter	Specification Limit
1	Heating Value	Minimum Daily Average 36.5 MJ/m ³
2	Wobbe Index	Min 46.0 Max 51.1
3	Water Content	Max. 112mg/m ³
4	Hydrocarbon Dewpoint	Max 2.2°C at 7,000kPaG
6	Oxygen	Max 0.2 mole %
8	Total Sulphur	Max 4.6 mg/m ³
9	Mercaptan Sulphur	Max 4.6 mg/m ³
10	Hydrogen Sulphide	Max 5.7 mg/m ³
11	Solid Matter and Liquids	Nil Permitted
12	Temperature at Receipt Point	Min 2°C Max 50°C
13	Odorant	Odorant to be of a type approved by AGC. Level of odorant to be 6 milligrams per cubic meter or such other level as AGC may require.

Schedule 5

Load Shedding Rules

The Load Shedding rules and principles are set out below:

Group A: Retailers Curtail

- Table 1: Customers with MDQ equal to or above 5000 GJ/D: 50% of MDQ
- Table 2: Customers with MDQ between 1000 and 5000 GJ/D: 50% of MDQ
- Table 3: Customers with MDQ equal to or above 5000 GJ/D: Balance of MDQ
- Table 4: Customers with MDQ between 1000 and 5000 GJ/D: Balance of MDQ

Group B: Reticulators Curtail

- Table 5: Customers with MDQ between 500 and 1000 GJ/D.
- Table 6: Customers with MDQ between 250 and 500 GJ/D
- Table 7: Customers with MDQ less than 250 GJ/D
- Table 9: Exempt customers including: Hospitals, Rest Homes, Aged and Infirm Residential Institutions, Baby Health Centres and Day Nurseries, Doctors and Dentists Surgeries, Opticians Testing and Work Rooms, Registered pharmacists for preparation of prescriptions, Public Utilities - Essential Services, Incubators & Brooders, Bread Baking, Glassmaking.

Schedule 6

Description of Distribution System

AGC's Distribution System is described by reference to:

- (a) the summary maps attached; (see separate PDF file – agcmaps.pdf) and
- (b) the series of maps held by the Regulator which show every pipeline in AGC's distribution network.