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Access arrangement

**BALLERA TO WALLUMBILLA
NATURAL GAS PIPELINE
(South West Queensland Pipeline)**

**Drafted and approved by the
Australian Competition and Consumer Commission
under section 2.20(a) of the
National Third Party Access Code for Natural Gas Pipeline Systems**

SWQP ACCESS ARRANGEMENT

1. INTRODUCTION

- 1.1 This Access Arrangement was prepared by the Australian Competition and Consumer Commission for the Ballera to Wallumbilla Pipeline System (also known as the South-west Queensland Pipeline ("SWQP")) pursuant to section 2.20(a) of the National Third Party Access Code for Natural Gas Pipeline Systems ("the Code").
- 1.2 This access arrangement sets out the policies and basic terms and conditions applying to third party access to services provided by Epic Energy in relation to the SWQP.
- 1.3 The terms and conditions upon which Epic Energy will grant parties access to Full Forward Haul Service in the SWQP are those terms and conditions contained in the Gas Transportation Agreement Terms and Conditions.
- 1.4 The Gas Transportation Agreement Terms and Conditions are made up of the Access Principles (Annexure A) read with the Additional Terms and Conditions (Annexure B) and the Definitions (Annexure C).
- 1.5 The Definitions at Annexure C contain the definitions of all terms defined in this Access Arrangement and the Additional Terms and Conditions.

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2. BACKGROUND

- 2.1 Tenneco Gas Australia (now Epic Energy Queensland Pty Ltd) and Tenneco Energy Australia (now Epic Energy Australia Pty Ltd) entered into a competitive tender process for the construction of the SWQP in 1994. Their tender offer was successful.
- 2.2 The SWQP was constructed between Ballera and Wallumbilla in South-West Queensland in 1996 by Epic Energy Queensland Pty Ltd (ABN 67 066 656 219).
- 2.3 From 1996 to 19 May 2000 the SWQP operated under third party access rules as set out in the Petroleum Act 1923 (Qld). The Petroleum Act continues to govern the SWQP until the date the Access Arrangement is approved by the Regulator. The Petroleum Act sets out an access regime including reference tariffs to apply to facilitate competition and access to gas pipelines. The regime was flexible in nature and allowed Shippers and pipeline owners to negotiate terms and conditions of service.
- 2.4 The Law came into force on 19 May 2000. Section 58 of the Law allowed the Queensland Minister for Mines and Energy to approve, by gazettal notice, the Access Principles containing the Reference Tariff and Reference Tariff Policy within 30 days of the Law coming into effect.
- 2.5 The Minister made the derogations from the Code pursuant to Section 58 of the Law for the SWQP on 9 June 2000. The derogations were gazetted on 16 June 2000. The Reference Tariff and Reference Tariff Policy are set out in the Access Principles and attached to this Access Arrangement as Annexure A.
- 2.6 Part 8 of the Petroleum Act will cease to be of force and effect to the SWQP when the Access Arrangement for the SWQP is approved by the Regulator. The Law will be the governing regime for the SWQP from this date (in respect of the matters contained in the Law), but will not affect Gas Transportation Agreements entered into before this date.

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3. THE SWQP (DESCRIPTION OF PIPELINE SYSTEM)

- 3.1 The SWQP is as described in the pipeline licence PL24 (as it was at the time of lodgement of this access arrangement), contained within the Petroleum Act 1923 (Qld), together with any extensions or modifications to the SWQP which are included pursuant to Paragraph 12.
- 3.2 A detailed description of the SWQP is contained in the Access Arrangement Information.

4. COMMENCEMENT

The Access Arrangement commences on 18 June 2002.

5. APPLICATIONS FOR ACCESS

5.1 The Application Form

- (a) Prospective Shippers must apply for access in the form specified by Epic Energy from time to time in the Gas Transportation Guide (as amended) (“**Gas Transportation Guide**”) the current version of which forms part of the Information Package required by Section 5.1 of the Code.
- (b) The procedures applying to applications are detailed in the Gas Transportation Guide.
- (c) A Gas Transportation Request must be accompanied by the Prescribed Fee.

5.2 Criteria for Assessment of Applications

- (a) Epic Energy will assess a Gas Transportation Request as a reasonable and prudent pipeline operator based on the information provided to Epic Energy with the Gas Transportation Request in the form specified in the Gas Transportation Guide.
- (b) In addition to the matters set out in the Gas Transportation Guide, Epic Energy may request such further detail and information from a Prospective Shipper as Epic Energy reasonably considers necessary to assess the Prospective Shipper's Gas Transportation Request.
- (c) If a Prospective Shipper fails to comply with a reasonable request by Epic Energy for further information within 20 Days of receipt of such request, then the Prospective Shipper's Gas Transportation Request is (subject to any extension of time granted by Epic Energy) rejected. A new Gas Transportation Request by that Prospective Shipper will rank behind all other current Gas Transportation Requests.
- (d) If a Prospective Shipper has submitted a Gas Transportation Request and that Gas Transportation Request is accepted by Epic Energy in the manner set out in the Gas Transportation Guide, then a Gas Transportation Agreement between Epic Energy and the Prospective Shipper is formed which is binding on both parties.

5.3 Queuing Policy

- (a) Gas Transportation Requests are to have priority determined by the order in which they are received by Epic Energy. However, Epic Energy may deal with Gas Transportation Requests out of order provided that the Gas Transportation Requests which were first in time are not ultimately disadvantaged.
- (b) If a Gas Transportation Request is rejected, that Gas Transportation Request's priority is lost.
- (c) A Gas Transportation Request may be rejected at any stage prior to its acceptance by Epic Energy.

6. SERVICES POLICY

6.1 Services

- (a) Epic Energy's services policy consists of the following reference services, in accordance with the Tariff Arrangement approved by the Minister pursuant to section 58 of the *Gas Pipelines Access (Queensland) Act 1998*:
- (i) Forward Haul Service (Class FH1)
 - (ii) Back Haul Service (Class BH1)
 - (iii) Interruptible Transportation Service (Class IT1)
 - (iv) Forward Part Haul Service (Zonal) (Class FZ1)
 - (v) Back Part Haul Service (Zonal) (Class BZ1)
 - (vi) Interruptible Part Haul Service (Zonal) (Class IZ1)
- (b) These services are described in detail in section 3 of Annexure A "Access Principles" of this access arrangement.
- (c) Epic Energy is prepared to negotiate to provide a Prospective Shipper with any other (Non Reference) Service (for example Park and Loan Service).

6.2 Full Forward Haul Service

- (a) Full Forward Haul Service means the service described in paragraph 3.1 of the Access Principles and described therein as "Forward Haul Service".
- (b) The minimum period for a Gas Transportation Agreement for Full Forward Haul Service is two years. Prospective shippers must nominate the Gas Transportation Agreement Period when lodging a Gas Transportation Request for Full Forward Haul Service.

6.3 Limitation on Upstream Delivery Points

If the Shipper's Delivery Point is upstream of the Shipper's Receipt Point ("**Upstream Deliveries**") and on a Day, the total quantity of gas transported for all shippers with a Delivery Point downstream of their Receipt Point is insufficient to maintain Upstream Deliveries without the need to change the normal direction of gas flow in the SWQP, Epic Energy may restrict Upstream Deliveries in its absolute discretion without liability to the Shipper provided that Epic Energy provides the Shipper with prior notice at a time and in a manner that is reasonable under the existing conditions, and should that notice be verbal, it will be confirmed in writing as soon as is reasonably practicable.

7. REFERENCE TARIFF POLICY

The Access Principles set out the Reference Tariff Policy.

8. REFERENCE TARIFF STRUCTURE AND CHARGES

The Access Principles set out the reference tariff structure and charges.

9. SHARED REVENUE

The Access Principles make provision for Shared Revenue.

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10. TERMS AND CONDITIONS

- 10.1 The terms and conditions upon which Epic Energy will grant parties access to the SWQP are those terms and conditions contained in the Gas Transportation Agreement Terms and Conditions.
- 10.2 The Gas Transportation Agreement Terms and Conditions are set out in the Access Principles at Annexure A read with the Additional Terms and Conditions in Annexure B and the Definitions in Annexure C.

11. TRADING POLICY

11.1 Transfer

Epic Energy will permit:

- (a) a Bare Transfer of a Gas Transportation Agreement in accordance with Section 3.10(a) of the Code; and
- (b) an assignment of a Gas Transportation Agreement in accordance with clause 22 of the Additional Terms and Conditions.

11.2 Conditional Transfer

Epic Energy will permit the Shipper to transfer or assign its Contracted Capacity under a Gas Transportation Agreement in accordance with Section 3.10(b) of the Code.

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12. EXTENSIONS/EXPANSIONS POLICY

- 12.1 Epic Energy will enhance or expand the Capacity of the SWQP to meet the gas transportation needs of Prospective Shippers where Epic Energy believes the tests in Sections 6.22(b) and (c) of the Code have been met. However, nothing in this Access Arrangement compels Epic Energy to:
- (i) fund all or part of the expansion of or extension to the SWQP;
 - (ii) extend the geographical range of the SWQP; or
 - (iii) make a Prospective Shipper become the owner of the SWQP or a part of the SWQP, or any extension to or expansion of it.
- 12.2 If Epic Energy proposes to extend or enhance the SWQP the extension or expansion is to become part of the Covered Pipeline unless Epic Energy elects otherwise.
- 12.3 If an extension or expansion of the SWQP becomes part of the Covered Pipeline, the extension or expansion will not affect the Reference Tariff before the next Revisions Commencement Date.
- 12.4 Epic Energy may from time to time seek Surcharges or Capital Contributions from Prospective Shippers in respect of New Facilities Investment.
- 12.5 Except where Epic Energy imposes a Surcharge or seeks a Capital Contribution, Shipper's using incremental capacity will pay the Reference Tariff.

13. REVIEW DATES

- (a) The revisions submissions date is:
- (i) 11 June 2004 for revisions relating to AFT Services; and
 - (ii) 30 June 2016 for all other revisions to the Access Arrangement.
- (b) The Revisions Commencement Date is:
- (i) 11 December 2004 for revisions relating to AFT services; and
 - (i) 30 December 2016 for all other revisions to the Access Arrangement.
- (c) Epic Energy is required to submit revisions to this access arrangement within one month of receiving written notification by the Commission that one of the following major events has occurred:
- (i) the interconnection of another pipeline with the SWQP; or
 - (ii) the introduction of a significant new source of gas supply to one of the SWQP's markets;
- that substantially changes the types of Services that are likely to be sought by the market or has a substantial effect on the direction of the flow of natural gas through all or part of the pipeline.¹

¹ Pursuant to section 58 of the Gas Pipelines Access (Queensland) Act 1998, and for so long as that section remains in effect, a review of this access arrangement as a result of one of these major events occurring cannot result in revisions to those parts of the access arrangement that are taken to be approved under that section.

14. CAPACITY MANAGEMENT POLICY

The SWQP is a Contract Carriage Pipeline.

**ACCESS ARRANGEMENT FOR THE
BALLERA TO WALLUMBILLA NATURAL GAS
PIPELINE**

ANNEXURE A

ACCESS PRINCIPLES

REFERENCE TARIFFS AND REFERENCE TARIFF POLICY

1. DEFINITIONS

"**Access Arrangement**" means an arrangement for access to the Pipeline that has been approved by the Relevant Regulator.

"**Actual System Load Factor**" means the figure calculated for any relevant calendar year by dividing the aggregate firm Gas Transportation Agreement MDQs for the previous calendar year by the quantity of gas which is equal to the aggregate actual daily utilisation of the Pipeline by Users under firm Gas Transportation Agreements during the corresponding period in the previous calendar year.

"**AFT Service**" means an alternative form of Transportation Service to a Full Forward Haul Service.

"**Authorised Overrun Rate**" means for Class FH1 Service, \$0.7160/GJ (in 1 January 1995 dollars) and as at 1 July 1997 for each Class of Transportation Service means the rate specified for that Class of Transportation Service in Schedule 2.

"**Authorised Overrun Service**" means an Overrun Service authorised by the Service Provider in advance (refer to paragraph 6).

"**Back Haul**" means the contractual obligation to transport gas in the direction opposite to the physical flow of the gas in the Pipeline;

"**Class BH1 Service**" means the Transportation Service described in paragraph 3.2;

"**Class BZ1 Service**" means the Transportation Service described in paragraph 3.5;

"**Class FH1 Service**" means the Transportation Service described in paragraph 3.1;

"**Class FZ1 Service**" means the Transportation Service described in paragraph 3.4;

"**Class IT1 Service**" means the Transportation Service described in paragraph 3.3;

"**Class IZ1 Service**" means the Transportation Service described in paragraph 3.6;

"**Code**" means the National Third Party Access Code for Natural Gas Pipeline Systems as changed from time to time.

"**CPI**" means the Consumer Price Index All Groups (Weighted Average Capital Cities).

"**Daily Variance Rate**" means for Class FH1 Service, the Throughput Rate of \$0.142/GJ (in 1 January 1995 dollars) multiplied by 2 (refer to paragraph 7) and as at 1 July 1997 for each Class of Transportation Service means the rate specified for that Class of Transportation Service in Schedule 2.

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"**Delivery Point**" means the point at which the Service Provider delivers gas to or for the account of a User.

"**Delivery Point MDQ**" means the maximum quantity of gas which the Service Provider is obligated to deliver on any day at each Delivery Point to or for the account of a User under the Gas Transportation Agreement between the Service Provider and the User.

"**Forecast Throughput**" means the Service Provider's best estimate of a User's average daily utilisation of the Pipeline for a particular period.

"**Forward Haul**" means the provision of a Transportation Service through the Pipeline in the direction from South West Queensland to Wallumbilla.

"**Foundation Contracts**" means Gas Transportation Agreements with a primary term of not less than 5 years executed on or before 11 September 1995.

"**Foundation Users**" means those Users who are parties to Foundation Contracts.

"**Full Forward Haul Service**" means the Forward Haul Transportation Service described in paragraph 3.1.

"**Gas Pipelines Access Law**" means the Gas Pipelines Access Law applying in Queensland other than the Code.

"**Gas Transportation Agreement**" means an agreement entered into between the Service Provider and a User for the supply of Transportation Services using the Pipeline.

"**GJ**" means gigajoule of gas.

"**Imbalance**" means the difference between the quantities of gas received by the Service Provider at Receipt Points for a User's account (net of System Use Gas) and the quantities of gas taken by or on account of the User at the Delivery Points.

"**Imbalance Rate**" means for Class FH1 Service, the Authorised Overrun Rate multiplied by 2 and as at 1 July 1997 for each Class of Transportation Service means the rate specified for that Class of Transportation Service in Schedule 2.

"**Interruptible Transportation Service**" includes Class IT1 Service and Class IZ1 Service.

"**Licence**" means Pipeline Licence No 24 granted under the Petroleum Act 1923 (Qld).

"**Licence Period**" means the period of the Licence, being a period of 40 years commencing on 7 December 1995, or such longer period mutually agreed to by the Minister and the Service Provider.

"**Line Pack**" means, for the purpose of paragraph 7.2, the gas in the Pipeline from time to time.

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"Load Factor" of a User means the User's MDQ under its Gas Transportation Agreement divided by the Forecast Throughput for the period for which the Load Factor is to be calculated.

"MAOP" means maximum allowable operating pressure of the Pipeline as determined in accordance with Australian Standard 2885 "SAA Pipelines - Gas and Liquid Petroleum". The MAOP for the Pipeline shall be at all times a minimum of 14.92 MPa(g) with the maximum operating temperature not exceeding the Pipeline material or coating specifications.

"MDQ" means the maximum quantity of gas (in GJ) which the Service Provider is obligated to receive from a User on any day under the Gas Transportation Agreement between the Service Provider and the User.

"Minister" means the Minister for Mines and Energy for the State of Queensland and includes where the context permits or allows a nominee or nominees of the Minister and a person or persons authorised by the Minister for a particular purpose.

"Monthly Reservation Rate" means for Class FH1 Service, \$0.478/GJ (in 1 January 1995 dollars) and as at 1 July 1997 for each Class of Service, means the rate specified for that Class of Service in Schedule 2.

"Nominal Capacity" of the Pipeline means the fully compressed capacity of the Pipeline, being 110 PJ per annum with 8 compressor stations operating.

"Overrun Quantity" means the greater of:

- (a) the portion of the total quantity of gas (in GJ) (excluding any System Use Gas) received by the Service Provider from a User during any day under a Gas Transportation Agreement that is greater than the MDQ under the Gas Transportation Agreement;
- (b) the portion of the quantity of gas (in GJ) (excluding any System Use Gas) received by the Service Provider from the relevant User at any Receipt Point during any day under a Gas Transportation Agreement that is greater than the relevant Receipt Point MDQ; and
- (c) the portion of the quantity of gas (in GJ) delivered by the Service Provider to or for the account of the relevant User at any Delivery Point during any day under a Gas Transportation Agreement that is greater than the relevant Delivery Point MDQ.

An **"Overrun Service"** is described in paragraph 6.1.

"Pipeline" means the pipeline with minimum outside diameter of 406.4mm and otherwise in accordance with the specified configuration in Schedule 5 together with all ancillary equipment and works connected therewith and extending between the terminal points referred to in that Schedule.

"PJ" means one petajoule and is equal to one million (10^6) GJ.

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"Receipt Point" means the point at which the Service Provider receives gas from or on account of a User.

"Receipt Point MDQ" means the maximum quantity of gas which the Service Provider is obligated to receive on any day at each Receipt Point under the Gas Transportation Agreement between the Service Provider and the User.

"Reference Tariffs" mean the reference tariffs described in this Reference Tariff Policy.

"Reference Tariff Policy" means this reference tariff policy.

"Relevant Regulator" means the Relevant Regulator as defined in the Gas Pipelines Access Law.

"Revisions Commencement Date" means a date 6 months after the relevant Revisions Submission Date.

"Revisions Submission Date" means:

- (a) for revisions relating to AFT Services:
 - (i) 11 June 2004; or
 - (ii) such earlier date as is agreed to by the Service Provider and the Relevant Regulator;
- (b) for all other revisions to the Access Arrangement:
 - (i) 30 June 2016; or
 - (ii) such earlier date as is agreed to by the Service Provider and the Relevant Regulator.

"Roma to Brisbane Pipeline" means the gas pipeline from Wallumbilla to Brisbane licensed under Pipeline Licence No 2 issued under the Petroleum Act 1923 (Qld).

"Service" means a service provided by means of the Pipeline.

"Service Provider" means Epic Energy Queensland Pty Ltd.

"State Gas Pipeline" means the gas pipeline from Wallumbilla to Gladstone and Rockhampton licensed under Pipeline Licence No 30 issued under the Petroleum Act 1923 (Qld).

"Swing Gas" has the meaning given to that term in paragraph 7.2.

"System Use Gas" means the quantities of gas provided by the User to the Service Provider for use as compressor fuel and other purposes necessary for the operation of the Pipeline and quantities otherwise lost and unaccounted for in connection with the

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operation of the Pipeline except for any gas lost due to the Service Provider's negligence or wilful default.

"Transportation Service" means a service of transporting gas provided by Service Provider to a User pursuant to a Gas Transportation Agreement.

"Throughput Rate" means for Class FH1 Service, \$0.142/GJ (in 1 January 1995 dollars) and as at 1 July 1997 for each Class of Transportation Service means the rate specified for that Class of Transportation Service in Schedule 2.

"Unauthorised Overrun Rate" means for Class FH1 Service, the Authorised Overrun Rate multiplied by 2 and as at 1 July 1997 for each Class of Transportation Service means the rate specified for that Class of Transportation Service in Schedule 2.

"Unauthorised Overrun Service" means any Overrun Service not authorised by the Service Provider in advance.

"User" means a person who has a current contract for a Service or an entitlement to a Service as a result of arbitration.

"Zone" means the whole or any part of:

- (a) the distance between Ballera and the nearest scraper station;
- (b) the distance between any 2 adjacent scraper stations; and
- (c) the distance between Wallumbilla and the nearest scraper station,

as illustrated in Schedule 3.

2. REFERENCE TARIFF POLICY

2.1 Method of deriving Tariffs

Reference Tariffs for Full Forward Haul Service have been set through a competitive tender process, conducted by the Queensland Government in 1994. Reference Tariffs for AFT Services have been derived from the Reference Tariffs for Full Forward Haul Service as described in more detail in paragraphs 2.4, 2.5, 2.6, 2.7 and 2.8. For the purposes of part haul Service Tariffs, the Pipeline has been divided into eight (8) Zones (refer to Schedule 3).

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2.2 **Maximum Tariff**

The Reference Tariffs are the maximum tariffs that may be charged in respect of the transportation of gas through the Pipeline up to the Nominal Capacity of the Pipeline and shall encompass all charges of any nature to be made to customers for transportation of gas through the Pipeline. Subject to the maximum permissible tariffs, the tariffs which are to be levied will be a matter for negotiation between the relevant parties. The Service Provider shall use its best endeavours to develop the gas markets in south east Queensland and central Queensland and to increase the use of the Pipeline provided that the Service Provider shall have no obligation to enter into Gas Transportation Agreements for the Services referred to in these Reference Tariffs with tariffs that are less than the maximum tariffs.

2.3 **Class FH1 Reference Tariffs**

The Reference Tariffs for Class FH1 Service are the tariffs approved through the competitive tender process, adjusted for expression in 1 July 1997 dollars.

2.4 **Class BH1 Reference Tariffs**

The Reference Tariffs for Class BH1 Service were derived as follows:

- (a) Monthly Reservation Rate was derived by adding the Class FH1 Monthly Reservation Rate and Throughput Rate (the latter being adjusted for a Load Factor of 1.2 by dividing the Throughput Rate by 1.2) and multiplying the sum by 50%.
- (b) Authorised Overrun, Unauthorised Overrun Imbalance and Daily Variance Rates were derived from the Reference Tariffs for Class FH1 Service multiplying the latter by 50%.

2.5 **Class IT1 Reference Tariffs**

The Reference Tariffs for Class IT1 Service were derived as follows:

- (a) Throughput Rate was derived by adding the Monthly Reservation Rate for Class FH1 Service to the Throughput Rate for Class FH1 Service.
- (b) Authorised Overrun Rate is the same as the IT1 Throughput Rate for Class IT1 Service derived in paragraph 2.5(a).
- (c) Unauthorised Overrun, Imbalance Rate and Daily Variance Rates are the same as the Reference Tariffs for Class FH1 Service.

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2.6 **Class FZ1 Reference Tariffs**

The Reference Tariffs for Class FZ1 Service were derived from the Reference Tariffs for Class FH1 Service by dividing the latter by eight (8) and multiplying by 110%.

2.7 **Class BZ1 Reference Tariffs**

The Reference Tariffs for Class BZ1 Service were derived as follows:

- (a) Monthly Reservation Rate was derived from the Monthly Reservation Rate for Class BH1 Service derived under paragraph 2.5(a), by dividing the latter by eight (8) and multiplying by 110%.
- (b) Authorised Overrun, Unauthorised Overrun, Imbalance and Daily Variance Rates were derived from the Reference Tariffs for Class BH1 Service derived under paragraph 2.5(b), by dividing the latter by eight (8) and multiplying by 110%.

2.8 **Class IZ1 Reference Tariffs**

The Reference Tariffs for Class IZ1 Service were derived as follows:

- (a) Throughput Rate was derived by adding the Monthly Reservation Rate to the Throughput Rate for Class FH1 Service dividing the result by eight (8) and multiplying by 110%.
- (b) Authorised Overrun, Unauthorised Overrun, Imbalance Rate and Daily Variance Rates were derived from the Reference Tariffs for Class FH1 Service tariffs by dividing the latter by eight (8) and multiplying by 110%.

3. **DESCRIPTION OF SERVICES**

The Service Provider shall offer the following services:

3.1 **Class FH1 - Forward Haul Service**

Class FH1 Service shall consist of the following Forward Haul Transportation Services which shall be provided by the Service Provider to the User on each day:

- (a) the receipt by Service Provider at the Receipt Point(s) at Ballera of quantities of gas nominated by the User in an amount not exceeding the aggregate of the Receipt Point MDQs plus any System Use Gas;
- (b) the transportation of the gas referred to in paragraph (a) on a firm basis and without interruption except as is expressly excused under any Access

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Arrangement; and

- (c) the delivery by Service Provider to the User or to another person for User's account at the Delivery Point(s) at Wallumbilla of the quantities of gas (in GJs) in aggregate equivalent to the quantity of gas (in GJs) that Service Provider received for User's account at the Receipt Point(s), less any System Use Gas in an amount not exceeding the aggregate of the Delivery Point MDQs.

3.2 **Class BH1 - Back Haul Service**

Class BH1 Service shall consist of the following Back Haul Transportation Services which shall be provided by the Service Provider to the User on each day:

- (a) the receipt by Service Provider at the Receipt Point(s) of quantities of gas nominated by the User in an amount not exceeding the aggregate of the Receipt Point MDQs;
- (b) the transportation of a quantity of gas (in GJs) equivalent to the quantity of gas referred to in paragraph (a) on a firm basis and without interruption except as expressly excused under any Access Arrangement; and
- (c) the delivery by Service Provider to the User or to another person for User's account at the Delivery Point(s) of a quantity of gas (in GJs) equivalent to the quantity of gas (in GJs) that Service Provider received for User's account at the Receipt Point(s) in an amount not exceeding the aggregate of the Delivery Point MDQs.

Provided that Class BH1 Service will only be available on a firm basis to the extent that sufficient Forward Haul Transportation Services are being performed on that day to permit such a Back Haul Transportation Service.

3.3 **Class IT1 - Interruptible Transportation Service**

Class IT1 Service shall consist of the following Transportation Services which shall be provided by the Service Provider to the User on each day:

- (a) the receipt by Service Provider at the Receipt Point(s) of quantities of gas nominated by the User in an amount not exceeding the aggregate Receipt Point MDQs, plus any System Use Gas;
- (b) the transportation of a quantity of gas (in GJs) equivalent to the quantity of gas referred to in paragraph (a) on a firm basis and without interruption except as is expressly excused under any Access Arrangement; and
- (c) the delivery by Service Provider to the User or to another person for User's account at the Delivery Point(s) of a quantity of gas (in GJs) equivalent to the quantity of gas (in GJs) that Service Provider received for User's account at the Receipt Point(s), not to exceed the aggregate

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Delivery Point MDQs, less any System Use Gas,

Provided that Class IT1 Service will only be available to the extent that Service Provider determines that it can receive, transport and deliver gas for the User without causing any interruption of service to Users under firm Gas Transportation Agreements.

3.4 **Class FZ1 - Forward Part Haul Service (Zonal)**

Class FZ1 Service shall consist of the following Transportation Services which shall be provided by the Service Provider to the User on each day:

- (a) the receipt by Service Provider at the Receipt Point(s) of quantities of gas nominated by the User in an amount not exceeding the aggregate of the Receipt Point MDQs plus any System Use Gas;
- (b) the transportation of the gas referred to in paragraph (a) on a firm basis and without interruption except as is expressly excused under any Access Arrangement; and
- (c) the delivery by Service Provider to the User or to another person for User's account at the Delivery Point(s) of the quantities of gas (in GJs) in aggregate equivalent to the quantity of gas (in GJs) that Service Provider received for User's account at the Receipt Point(s), less any System Use Gas in an amount not exceeding the aggregate of the Delivery Point MDQs,

where the gas is transported through fewer than 8 Zones.

3.5 **Class BZ1 - Back Part Haul Service (Zonal)**

Class BZ1 Service shall consist of the following Back Haul Transportation Services which shall be provided by the Service Provider to the User on each day:

- (a) the receipt by Service Provider at the Receipt Point(s) of quantities of gas nominated by the User in an amount not exceeding the aggregate of the Receipt Point MDQs;
- (b) the transportation of a quantity of gas (in GJs) equivalent to the quantity of gas referred to in paragraph (a) on a firm basis and without interruption except as expressly excused under any Access Arrangement; and
- (c) the delivery by Service Provider to the User or to another person for User's account at the Delivery Point(s) of a quantity of gas (in GJs) equivalent to the quantity of gas (in GJs) that Service Provider received for User's account at the Receipt Point(s) in an amount not exceeding the aggregate of the Delivery Point MDQs,

where the gas is transported through fewer than 8 Zones.

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Provided that Class BZ1 Service will only be available on a firm basis to the extent that sufficient Forward Haul Transportation Services are being performed on that day to permit such a Back Haul Transportation Service.

3.6 **Class IZ1 - Interruptible Part Haul Service (Zonal)**

Class IZ1 Service shall consist of the following Transportation Services which shall be provided by the Service Provider to the User on each day:

- (a) the receipt by Service Provider at the Receipt Point(s) of quantities of gas nominated by the User in an amount not exceeding the aggregate Receipt Point MDQs, plus any System Use Gas;
- (b) the transportation of a quantity of gas (in GJs) equivalent to the quantity of gas referred to in paragraph (a) on a firm basis and without interruption except as is expressly excused under any Access Arrangement; and
- (c) the delivery by Service Provider to the User or to another person for User's account at the Delivery Point(s) of a quantity of gas (in GJs) equivalent to the quantity of gas (in GJs) that Service Provider received for User's account at the Receipt Point(s), not to exceed the aggregate Delivery Point MDQs, less any System Use Gas,

where the gas is transported through fewer than 8 Zones.

Provided that Class IZ1 Service will only be available to the extent that Service Provider determines that it can receive, transport and deliver gas for the User without causing any interruption of service to Users under firm Gas Transportation Agreements.

4. **RESERVATION AND THROUGHPUT CHARGES**

4.1 Subject to adjustment in accordance with the following paragraphs, the posted maximum tariff structure for Class FH1 Service consists of:

- (a) a Monthly Reservation Charge equal to the Monthly Reservation Rate multiplied by the relevant User's MDQ multiplied by 30.42; and
- (b) a Throughput Charge equal to the Throughput Rate multiplied by each GJ transported to or for the account of a User.

The Throughput Rate for an individual User will be adjusted based on the individual User's Load Factor, and shall equal the Throughput Rate set forth above multiplied by the User's Load Factor divided by 1.2.

4.2 To illustrate the application of the basic tariff structure for Class FH1 Service and to calculate a unit charge, the tariff (for reservation and throughput) in \$/GJ of throughput for a Load Factor of 1.1 is calculated as follows:

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$$\$0.478 \times 1.1 + \$0.142 \times \frac{1.1}{1.2} = \$0.656 / \text{GJ}$$

This formula accommodates variations in Load Factor and determines the maximum tariff that can be charged up to the Nominal Capacity of the Pipeline.

For illustrations of the application of the basic tariff structure for other Classes of Transportation Service refer to Schedule 4.

- 4.3 By mutual consent, the Service Provider and a User may:
- (a) negotiate lower tariffs, or
 - (b) agree to increases in the Monthly Reservation Rate or the Throughput Rate in return for reductions in the Throughput Rate or the Monthly Reservation Rate, respectively, such that the revised rates will not generate revenue which exceeds the revenue determined under the posted maximum tariff structure.
- 4.4 Subject to adjustment in accordance with the following paragraphs, the posted maximum tariff structure for each Class of Service other than Class FH1 Service consists of the tariffs set out in Schedule 1 and Schedule 2.

5. **LOAD FACTOR**

- 5.1 A User's initial Load Factor shall be established in the User's Gas Transportation Agreement. The User's Load Factor will be recalculated by the Service Provider, if necessary, at six monthly intervals at the beginning of January and July or other periods reasonably established by the Service Provider to more accurately track the User's actual Load Factor. The projected Load Factor for the period for which it is to be calculated will take into account the User's Load Factor during the same period during the previous year, as adjusted for any known or expected changes in the Load Factor from that which applied during the same period during the previous year. If a User disputes the Service Provider's estimate of the User's projected Load Factor, then the User may seek to have the dispute resolved in accordance with the procedures for resolving disputes between the Service Provider and the User under their Gas Transportation Agreement.
- 5.2 In circumstances where the forecast Load Factor exceeds 2.0, the Service Provider may require the User to enter into "ship or pay" arrangements for a percentage of the Forecast Throughput or enter into an arrangement which increases the Monthly Reservation Rate component of the tariff in order to be assured of an appropriate level of tariff revenue regardless of throughput. Any such arrangements will not generate revenue which exceeds revenue determined under the posted maximum tariff structure.

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6. **OVERRUN CHARGES**

- 6.1 The Service Provider may transport gas nominated by a User in excess of the MDQ under the User's Gas Transportation Agreement, receive gas at any Receipt Point in excess of the Receipt Point MDQ, or deliver gas at any Delivery Point in excess of the Delivery Point MDQ on any day to the extent that capacity is available for such Overrun Service.
- 6.2 The Service Provider shall provide an Authorised Overrun Service where the Service Provider has available capacity to provide such service, provided that the Service Provider shall not have any obligation to provide an Authorised Overrun Service where (a) providing such a service would cause it to curtail service for another User that is transporting within its MDQ or (b) the User has requested the Service Provider to provide Authorised Overrun Service for quantities in excess of five percent of a User's MDQ for more than twelve days in any rolling twelve month period or for more than four days in any month.
- 6.3 For any Authorised Overrun Service, the relevant User shall pay an authorised overrun charge equal to the Overrun Quantity multiplied by the Authorised Overrun Rate. For any Unauthorised Overrun Service, the relevant User shall pay an unauthorised overrun charge equal to the Overrun Quantity multiplied by the Unauthorised Overrun Rate. Deliveries of gas into the Pipeline by a User prior to the submission of a nomination by that User shall be deemed to be an Unauthorised Overrun Service.
- 6.4 The Service Provider shall not charge a User either an authorised overrun charge or an unauthorised overrun charge to the extent that the Service Provider solely caused the receipt or delivery of gas in excess of the User's MDQ, the Receipt Point MDQ or the Delivery Point MDQ, without the prior approval of the User.

7. **DAILY VARIANCE CHARGE**

- 7.1 A User will use reasonable efforts to ensure that receipts and deliveries of gas are equal to the quantities scheduled with the Service Provider.
- 7.2 The Service Provider will change the deliveries of gas at a specified Delivery Point from that scheduled for delivery if requested by a User to do so up to an amount equal to the least of:
- (a) the MDQ;
 - (b) the Delivery Point MDQ applicable to that Delivery Point; and
 - (c) the quantities of gas that any pipeline downstream of that Delivery Point accepts from the Service Provider.

The difference in the quantity scheduled and the quantity of gas so delivered is referred to as "**Swing Gas**".

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The Service Provider will make Swing Gas available at a specified Delivery Point for so long as the relevant User's proportionate share of the Service Provider's deliverability from the Line Pack at the specified Delivery Point is available. A User's proportionate share of deliverability shall equal its MDQ divided by the total of the MDQ's of all Users.

- 7.3 If the actual quantities of gas received at any Receipt Point or delivered at any Delivery Point on any day vary by more than ten percent from the quantities scheduled at the relevant point plus any Swing Gas, for more than four days in any month or more than twenty-four days in any year, then (unless and to the extent that those variations have been caused or contributed to by the Service Provider) the Service Provider shall have the right to charge the User the Daily Variance Rate multiplied by the difference between the GJs scheduled plus any Swing Gas, and the actual GJs of gas delivered at the applicable Receipt or Delivery Point for any days in excess of the applicable threshold level of days set out in this paragraph, provided that such a charge will apply to the variances at either the Receipt Points or the Delivery Points on any day (but not both).
- 7.4 The Service Provider will not be entitled to make any charge in respect of any minor shortfalls or overruns which occur as a result of the inability of a User to supply the precise quantities of gas nominated and scheduled despite the User having exercised the skill, diligence, prudence and foresight which would be expected to be exercised by a skilled, competent and experienced person complying with all recognised standards and applicable laws in the same type of undertaking as the User under the circumstances.

8. **IMBALANCE CHARGE**

- 8.1 Each User will be responsible to control and, if necessary, adjust nominations, receipts and deliveries of gas to maintain a balance between such receipts (net of System Use Gas) and deliveries. Any adjustment to receipts and deliveries by a User shall be co-ordinated with the Service Provider.
- 8.2 A User and the Service Provider will co-operate in good faith to minimise any Imbalances and to eliminate any Imbalances that do occur as soon as possible, taking into consideration the time period allowed for cure on any upstream or downstream entities delivering gas to, or receiving gas from, the Service Provider. Based on the best information available, a User and the Service Provider shall take action to correct any Imbalances occurring during the month.
- 8.3 If an Imbalance exists at the end of a month, then (subject to the obligation of the Service Provider and the User under paragraph 8.2 to co-operate in good faith to minimise or eliminate any such Imbalance) the User will correct a continuing Imbalance during the subsequent month by making adjustments in nominations, receipts and / or deliveries. If a User fails to take such corrective action, then the Service Provider may adjust the User's scheduled receipts and deliveries over that subsequent month to correct the continuing Imbalance.

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- 8.4 If an Imbalance still remains at the end of the subsequent month, the Service Provider may charge the User an amount equal to the Imbalance Rate multiplied by the Imbalance existing at the end of that month. In the case of an Imbalance shortfall, the Service Provider may require the User to correct any such Imbalance through cash payments based upon the then existing market price of gas, plus any transportation tariffs that would have been applicable if the Imbalance had been corrected by the User providing additional gas at the Receipt Point(s).
- 8.5 The Service Provider will not be entitled to charge a User any amount under paragraph 8.4 or to require correction of Imbalances through cash payments under paragraph 8.4 in respect of any Imbalance that has been corrected during a month notwithstanding that a further Imbalance has subsequently arisen by the end of that month.

9. **TARIEF ESCALATION**

- 9.1 For Class FH1 Service the Monthly Reservation Rate and Throughput Rate and the rates derived therefrom (other than the Daily Variance Rate), as each is adjusted in accordance with these Reference Tariffs and this Reference Tariff Policy, are expressed in 1 January 1995 terms and will vary quarterly in accordance with the CPI on the following basis:
- (a) from 1 January 1995 until the earlier of completion of the Pipeline and 1 January 1997, 100% of the relevant rate varies with the movement in the CPI ; and
 - (b) from the date applicable under (a) until the earlier of the expiration of the Licence or the Revisions Commencement Date, 75% of the relevant rate determined by (a) varies with the movement in the CPI.
- 9.2 For Class FH1 Service the Authorised Overrun Rate, and the rates derived therefrom and the Daily Variance Rate, as each is adjusted in accordance with these Reference Tariffs and this Reference Tariff Policy, are expressed in 1 January 1995 terms and will vary quarterly in accordance with the CPI on the following basis:
- (a) from 1 January 1995 until 1 January 1997, 100% of the relevant rate varies with the movement in the CPI; and
 - (b) from 1 January 1997 until the earlier of the expiration of the Licence or the Revisions Commencement Date, 75% of the relevant rate determined by (a) varies with the movement in the CPI.
- 9.3 The Authorised Overrun Rate, Daily Variance Rate, Imbalance Rate, Monthly Reservation Rate, Throughput Rate and the Unauthorised Overrun Rate for AFT Services are expressed in 1 July 1997 dollar terms.

From 1 July 1997 until the earlier of the expiration of the Licence and the Revisions Commencement Date the rates for AFT Services shall be varied each quarter in accordance with the following formula:

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$$R_n = R_{n-1} \times \left(1 + 75\% \left[\frac{CPI_n}{CPI_{n-1}} - 1 \right] \right)$$

Where:

R_n = rate for the current quarter

R_{n-1} = rate for the previous quarter

CPI_n = CPI for quarter ending immediately before the current quarter

CPI_{n-1} = CPI for quarter ending immediately before previous quarter.

10. **APPLICATION OF TARIFFS AND CHARGES**

10.1 The tariffs set out or deemed included in these Reference Tariffs and this Reference Tariff Policy are maximum tariffs to apply to Transportation Services on the Pipeline and any compression facilities installed on the Pipeline up to the Nominal Capacity of the Pipeline, and do not include separate tariffs associated with the construction of any other facilities. The tariffs set forth above are based on Users delivering gas at the Receipt Points at pressures sufficient to allow the gas to enter the Pipeline (and not greater than the MAOP) and the Service Provider shall have no obligation to deliver gas at the Delivery Points at pressures in excess of 8000 kPa at the Roma to Brisbane Pipeline and 10,200kPa at the State Gas Pipeline.

10.2 The Overrun, Daily Variance and Imbalance charges referred to in this Schedule may be negotiated subject to the Service Provider providing sufficient and timely information to Users and providing Users adequate time to install control measures at their disposal which will allow Users to take practical measures to avoid incurring such charges.

11. **REVENUE SHARING**

11.1 Subject to paragraph 11.3(d), Users with Gas Transportation Agreements with primary terms in excess of 5 years will, in accordance with paragraph 11.3, receive a revenue credit of not less than 40% of the revenue received in any year in excess of the Threshold revenue.

Threshold revenue = Posted maximum tariff for Class FH1 Service x threshold annual reservation level (set out below).

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Year	Threshold annual reservation level (PJ) at a load factor of 1.2 beyond which revenue sharing applies
1997	34.8
1998	38.3
1999	40.2
2000	40.5
2001	45.5
2002	52.8
2003	55.3
2004	57.8
2005	59.4
2006	64.7
2007	57.5
2008	59.7
2009	62.2
2010	64.5
2011	66.7
2012	75.0
2013	76.3
2014	77.8
2015	79.3
2016 - Until Expiration of Licence	80.9

The amount of revenue credit for participating Users will not be less than the Total Revenue Credit determined as follows:

Total Revenue Credit = (Actual Revenue from the Pipeline for the year - Threshold Revenue for the year) x (a proportion determined by negotiation between the Service Provider and the Foundation Users, being not less than 0.4)

Actual Revenue excludes payments received by the Service Provider for specific services (or additional facilities to provide such services) which are additional to services (or facilities) for transportation through the Pipeline referred to in paragraph 10.1.

11.2 Revenue sharing Users will be provided with adequate financial and other information in order to verify their revenue sharing entitlements under this condition.

11.3 Users will be entitled to a revenue credit as follows:

(a) While the primary term of all Foundation Contracts are still in force:

Until the expiration of the shortest primary term of the Foundation Contracts, each Foundation User shall be entitled to a share of the Total

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Revenue Credit based upon the following formula:

TOTAL REVENUE CREDIT for year x Foundation User Percentage Entitlement

Where Foundation User Percentage Entitlement = $\frac{A}{B}$

A = Present value of the applicable Foundation User's Monthly Reservation Charges (discounted at 10%) associated with the MDQ in effect during the primary term of such User's Foundation Contract on the date of execution of such contract.

B = Present value of all the Foundation User's Monthly Reservation Charges (discounted at 10%) associated with the MDQs in effect during the primary terms of such User's Foundation Contracts on the date of execution of such contracts.

- (b) During the period where the primary terms of all Foundation Contracts have expired:

Following the expiration of the longest primary term of the Foundation Contracts, all Users with Gas Transportation Agreements with primary terms in excess of five years shall be entitled to a share of the Total Revenue Credit based upon the following formula:

TOTAL REVENUE CREDIT for year x $\frac{C}{D}$

Where

C = The relevant User's Monthly Reservation Charges and Throughput Charges for the applicable year.

D = The Monthly Reservation Charges and Throughput Charges for the applicable year for all Users with Gas Transportation Agreement terms in excess of five years.

- (c) During the period when some but not all of the primary terms of the Foundation Contracts have expired:

Following the expiration of the shortest primary term but prior to the expiration of the longest primary term, of the Foundation Contracts, all Users with Gas Transportation Agreements with terms in excess of five years shall be entitled to their share of the Total Revenue Credit based on the following:

- (i) The Foundation Users whose primary term has not expired shall

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be entitled to:

TOTAL REVENUE CREDIT for year x Foundation User Percentage Entitlement set forth in accordance with (a) above.

- (ii) Each remaining User with Gas Transportation Agreements with terms in excess of five years, including the Foundation Users whose primary term of their Foundation Contract has expired ("Remaining Users"), shall be entitled to:

TOTAL REVENUE CREDIT for year
(less amount calculated in (c) (i) above x $\frac{E}{F}$)

Where:

E = The Remaining User's Monthly Reservation Charges and Throughput Charges for the applicable year.

F = The Monthly Reservation Charges and Throughput Charges for the applicable year for all Remaining Users.

- (d) A User may mutually agree with the Service Provider to waive or release its entitlement to such part of the Total Revenue Credit for one or more years in return for other considerations including, without limitation, discounted rates. In that event, the Service Provider shall be entitled to that User's share of the revenue Total Revenue Credit, provided that if such a waiver or release was obtained through an agreement to reduce the User's tariff that results in less revenue being available for revenue crediting, then the Service Provider shall only be entitled to 60% of the revenue credit that would otherwise be provided to that User and the remaining 40% of such revenue credit will be provided to the other Users in accordance with the allocations set forth above.
- (e) A User's share of the Total Revenue Credit will be applied against the User's Monthly Reservation Charge over the next 12 months in equal amounts over the period.

12. **GOVERNMENT TAXES, DUTIES AND CHARGES**

- 12.1 If during the Licence Period a new tax, duty or charge is imposed on or applied to the Pipeline (or any of its components), the operation of the Pipeline or the provision of services by the Service Provider to the Users, the Service Provider is entitled to recover from the Users the amount of that tax, duty or charge.
- 12.2 If during the Licence Period a tax, duty or charge imposed on or applied to the Pipeline (or any of its components), the operation of the Pipeline or the provision

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of services by the Service Provider to the Users is varied, the Service Provider is entitled to recover from the Users any increase payable by the Service Provider as a result of any such variation and is obliged to refund to the User any reduction in the amount of such tax, duty or charge. "Tax" does not include income tax within the meaning of the Income Tax Assessment Act 1936.

13. **GENERAL CONDITIONS**

- 13.1 The Reference Tariffs apply to throughput up to the Nominal Capacity of the Pipeline.
- 13.2 For Foundation Users who commence normal deliveries of gas under Foundation Contracts within the first year after completion of the Pipeline, tariffs that are above and below the posted maximum tariff, notwithstanding anything to the contrary, may be charged so long as the revenue generated (discounted at 10%) by the tariffs for all Foundation Users does not exceed the revenue (discounted at 10%) that would be obtained on the basis of posted maximum tariffs for the duration of the Foundation Contracts.
- 13.3 The Service Provider may require Users to provide their proportionate share of System Use Gas and Line Pack. The Service Provider will be responsible for any gas lost from the Pipeline due to its negligence or wilful default.
- 13.4 The Licensee shall have the right to commingle the gas received from a Shipper with gas transported for other Shippers and to redeliver different molecules.
- 13.5 Subject to paragraph 10.1, the tariffs may be adjusted to reflect differences in the cost of providing service to each class of User based on contract term and Load Factor.
- 13.6 Subject to any applicable law, the Service Provider may offer discounted tariffs below the maximum tariffs on a fair and reasonable basis to reflect differences in services and time provided, contract terms, User classes, Load Factors and market or competitive forces from alternate gas supplies or energy sources. It shall be presumed that any tariffs charged to the Users that are between 75% and 100% of the maximum tariffs shall be considered fair and reasonable.
- 13.7 The Licensee may negotiate with a Shipper to include in their Gas Transportation Agreement:
- (a) fair and reasonable provisions that require a Shipper to pay all amounts owed under the Gas Transportation Agreement to continue to receive service and to demonstrate its ability to meet all financial obligations under the Gas Transportation Agreement; and
 - (b) a provision that the gas delivered by a Shipper to the Licensee at the Receipt Point(s) shall comply with the following specifications as may be varied from time to time by agreement between the Minister and the Licensee:

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- (i) shall be free from substances, including liquid hydrocarbons, which interfere with the safe and reliable operation of the Pipeline or is injurious to the Pipeline;
- (ii) shall not exceed a hydrocarbon dewpoint in excess of 10 degrees Celsius between 1000 kPa and 10,000kPa;
- (iii) shall contain not more than (i) 0.2 volume % of oxygen, (ii) 3.0 volume % of carbon dioxide, (iii) a combined total of 6.0 volume % of inerts, including carbon dioxide, nitrogen, oxygen and any other inert compound, (iv) seven milligrams of hydrogen sulfide per Cubic Metre of gas, (v) 15 milligrams of mercaptan sulfur per Cubic Metre of gas, (vi) 65 milligrams of water per cubic metre or (vii) 50 milligrams of total sulfur per Cubic Metre of gas;
- (iv) shall be reasonably free of entrained hydrogen sulfide treatment chemical (solvent) or its by-products;
- (v) shall have a WOBBE Index between 47 and 52;
- (vi) if the gas contains more than 4.0 volume percent of inerts, then the gas shall have a gross heating value of not less than 37.9 megajoules per cubic metre of gas and not more than 42.3 megajoules per cubic metre of gas on a dry basis and if the gas contains less than or equal to 4.0 volume percent of inerts, then the gas shall have a gross heating value of not less than 35 megajoules per cubic metre of gas and not more than 43 megajoules per cubic metre of gas; and
- (vii) shall have a temperature of not less than 0 degrees celsius, and not more than the greater of (i) 48.89 degrees celsius (ii) the ambient temperature plus 12 degrees celsius, not to exceed 60 degrees celsius.

14. **INVALIDITY**

If any term, paragraph or provision of these Reference Tariffs and this Reference Tariff Policy shall be or be deemed or judged to be invalid for any reason, such invalidity shall not affect the validity or operation of any other term, paragraph or provision of these Reference Tariffs and this Reference Tariff Policy except to the extent necessary to give effect to such invalidity.

Error! Bookmark not defined.15. REVIEW AND EXPIRY OF ACCESS ARRANGEMENT

15.1 The Service Provider must submit revisions to the Access Arrangement to the Relevant Regulator on the Revisions Submissions Date.

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- 15.2 Revisions to the Access Arrangement shall commence on the Revisions Commencement Date.

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**SCHEDULE 1
Reservation and Throughput Charges**

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FH1	Forward Haul Service	Monthly Reservation Rate x MDQ x 30.42	Throughput Rate x GJ transported	The Throughput Rate for an individual User will be adjusted based on the individual User's Load Factor and shall equal the Throughput Rate x the User's Load Factor divided by 1.2
BH1	Back Haul Service	Monthly Reservation Rate x MDQ x 30.42	Not applicable	The Monthly Reservation Rate for an individual User will be adjusted based on the Actual System Load Factor, and shall equal the Monthly Reservation Rate x the Actual System Load Factor divided by 1.2
IT1	Interruptible Transportation Service	Not applicable	Throughput Rate x GJ transported	The Throughput Rate for an individual User will be adjusted based on the Actual System Load Factor and shall equal the Throughput Rate x the Actual System Load Factor divided by 1.2
FZ1	Forward Part Haul Service (Zonal)	Monthly Reservation Rate x MDQ x 30.42 x number of Zones	Throughput Rate x GJ transported x number of Zones	The Throughput Rate for an individual User will be adjusted based on the individual User's Load Factor and shall equal the Throughput Rate x the User's Load Factor divided by 1.2
BZ1	Back Part Haul Service (Zonal)	Monthly Reservation Rate x MDQ x 30.42 x number of Zones	Not applicable	The Monthly Reservation Rate for an individual User will be adjusted based upon the Actual System Load Factor and shall equal the Monthly Reservation Rate x the Actual System Load Factor divided by 1.2
IZ1	Interruptible Part Haul Service (Zonal)	Not applicable	Throughput Rate x GJ transported x number of Zones	The Throughput Rate for an Individual User will be adjusted based on the Actual System Load Factor and shall equal the Throughput Rate x the Actual System Load Factor divided by 1.2

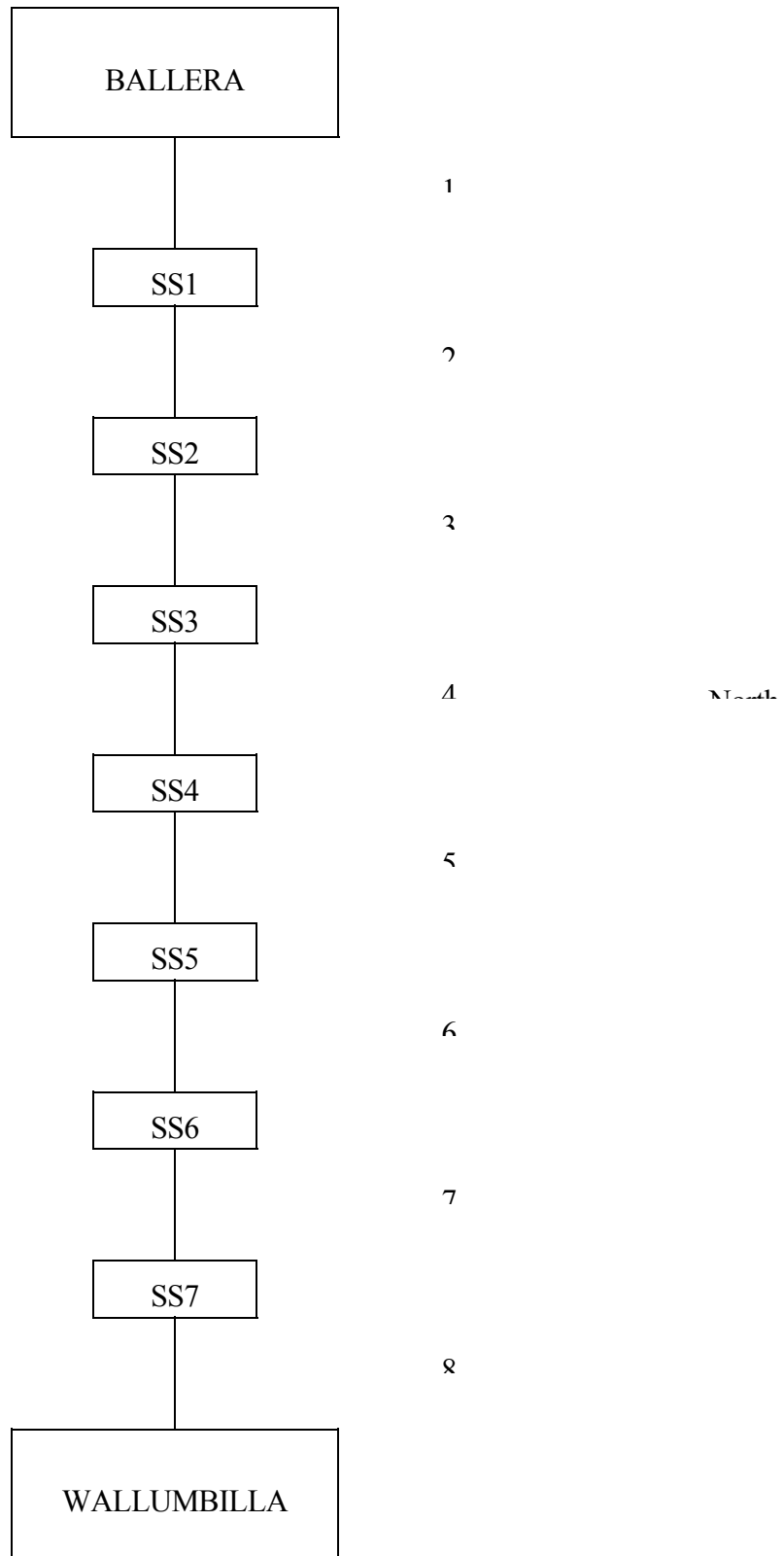
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**SCHEDULE 2
RATES FOR AFT SERVICES
(\$ 1 July 1997)**

	Forward	Back	Interruptible
Class:	FH1	BH1	IT1
Full Haul Services	\$/GJ	\$/GJ	\$/GJ
Monthly Reservation Rate	0.5092	0.3176	not applicable
Throughput Rate	0.1513	not applicable	0.6605
Authorised Overrun Rate	0.7628	0.3814 5	0.6605
Unauthorised Overrun Rate	1.5260	0.7630	1.5260
Imbalance Rate	1.5260	0.7630	1.5260
Daily Variance Rate	0.3026	0.1513	0.3026
	Forward	Back	Interruptible
Class:	FZ 1	BZ 1	IZ 1
Part Haul Services (Zonal)	\$/GJ/Zone	\$/GJ/Zone	\$/GJ/Zone
Monthly Reservation Rate	0.0700	0.0437	not applicable
Throughput Rate	0.0208	not applicable	0.0908
Authorised Overrun Rate	0.1049	0.0525	0.0908
Unauthorised Overrun Rate	0.2098	0.1049	0.2098
Imbalance Rate	0.2098	0.1049	0.2098
Daily Variance Rate	0.0416	0.0208	0.0416

**SCHEDULE 3
ZONES ON THE BALLERA-WALLUMBILLA TRUNK LINE**



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S1

= Scraper Station 1

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1 = Zone 1

SCHEDULE 4

ILLUSTRATIVE TARIFF CALCULATIONS (\$ 1 July 1997)

To illustrate the application of the basic tariff structures for Class FH1, BH1, IT1, FZ1, BZ1 and IZ1 Services and to calculate a unit charge, the tariffs (for reservation and throughput where applicable) in \$/GJ of throughput are calculated as follows:

Class FH1

$$(\$0.5092 \times 1.1) + \left(\$0.1513 \times \frac{1.1}{1.2} \right) = \$0.6988/\text{GJ}$$

Class BH1

$$\left(\$0.3176 \times \frac{\text{ASLF}}{1.2} \right) \times 1.1 = \left(\$0.3176 \times \frac{1.2}{1.2} \right) \times 1.1 = \$0.3494/\text{GJ}$$

Class IT1

$$\$0.6605 \times \frac{\text{ASLF}}{1.2} = \$0.6605 \times \frac{1.2}{1.2} = \$0.6605/\text{GJ}$$

Class FZ1

$$(\$0.0700 \times 1.1) + \left(\$0.0208 \times \frac{1.1}{1.2} \right) = \$0.0961/\text{GJ/Zone or part thereof}$$

Class BZ1

$$\left(0.0437 \times \frac{\text{ASLF}}{1.2} \right) \times 1.1 = \left(\$0.0437 \times \frac{1.2}{1.2} \right) \times 1.1 = \$0.0481/\text{GJ/Zone or part thereof}$$

Class IZ1

$$\$0.0908 \times \frac{\text{ASLF}}{1.2} = \$0.0908 \times \frac{1.2}{1.2} = \$0.0908/\text{GJ/Zone or part thereof}$$

Where:

User's Load Factor = 1.1

Actual System Load Factor (ASLF) = 1.2

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SCHEDULE 5

SPECIFIED CONFIGURATION

Pipeline

A single high pressure natural gas pipeline constructed from high strength pipe of 406.4mm outside diameter, between the terminal points nominated below.

The MAOP for the whole of the Pipeline 14.92 MPa(g).

The pipe specification to comply with API5LX70, X65 or X60 and to be externally coated with a fusion bonded epoxy for corrosion protection. The Pipeline is to be designed in accordance with AS 2885 Pipelines - Gas and Liquid and testing is to comply with AS 1978 Pipelines - Gas and Liquid Petroleum - Field Pressure Testing.

Terminal Points

Inlet Ballera Gas Centre in South West Queensland with approximate coordinates of longitude 141°48'22"E latitude 27°23'25"S.

Outlet/s The inlets to the State Gas Pipeline and the Roma to Brisbane Pipeline with approximate coordinates of longitude 149°11'E latitude 26°41'30"S.

Scraper Stations

Seven (7) scraper stations with approximate spacings of 100 kilometres. Mainline isolation by way of valving at each scraper station.

Compressor Stations

A maximum of eight (8) compressor stations each consisting of one or more compressor units may be installed along the Pipeline or at the terminal points.

Capacity

The minimum capacity for the Pipeline under free flow conditions is to be 47 PJ per annum.

The Nominal Capacity for the Pipeline is to be 110 PJ per annum with all compressor stations operating.

Mainline Valves

Mainline valves complying with API 6D will be located at approximately 55 kilometre intervals between scraper stations.

Inlet Station

One (1) gas inlet and metering station with a design pressure of 14.92MPa(g) is to be provided at the inlet terminal point. Metering to comply with the requirements of ANSI Standards (American National Standards Institute).

Outlet Station

Up to two (2) gas outlet and metering stations with maximum design pressures of 10.2MPa(g) will be provided at the outlet terminal points. Metering to comply with the requirements of ANSI Standards.

Communications System

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A communications system to support the operation of the Pipeline is installed.

Supervisory Control and Data Acquisition System (SCADA)

A SCADA system to support the operation of the Pipeline system is installed.

**ACCESS ARRANGEMENT FOR THE
BALLERA TO WALLUMBILLA NATURAL GAS
PIPELINE**

ANNEXURE B

ADDITIONAL TERMS AND CONDITIONS

**ANNEXURE B -
ADDITIONAL TERMS AND CONDITIONS: SWQP**

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ADDITIONAL TERMS AND CONDITIONS: SWQP**

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1 INTERPRETATION

1.1 CONSTRUCTION

- (a) the singular includes the plural and vice versa;
- (b) a reference to an individual or to a person includes a corporation, firm, association, authority, trust, state or government and vice versa;
- (c) a reference to any gender includes a reference to each other gender;
- (d) where any expression is defined in the Gas Transportation Agreement Terms and Conditions, another part of speech or grammatical form of that expression has a corresponding meaning;
- (e) clause headings are inserted for convenience only and shall not affect the interpretation of the Gas Transportation Agreement Terms and Conditions;
- (f) references to dollars and \$ are references to Australian dollars;
- (g) references to time are references to Brisbane time;
- (h) a reference to any legislation or to any section or provision of any legislation includes any statutory modification or re-enactment of that legislation or any statutory provision substituted for it; and includes any subordinate legislation or statutory instruments issued pursuant to that legislation or as it may be modified, re-enacted or substituted;
- (i) reference to a governmental authority includes any successor authority;
- (j) a reference to paragraphs, subclauses, clauses and Schedules is a reference to paragraphs, subclauses, clauses and Schedules of the Additional Terms and Conditions; and
- (k) a reference to any agreement (including the Gas Transportation Agreement) or instrument includes that agreement or instrument as amended, novated, supplemented, varied or replaced from time to time.

1.2 UNIT MEASUREMENT

Terminology used to describe units shall, unless otherwise agreed, be in accordance with Australian Standard AS1000 "The International System of Units (SI System) and Its Application", the Commonwealth "National Measurement Act 1960" and regulations thereunder, Australian Standard AS1376 "Conversion Factors 1973" and the Australian Gas Association publication "Metric Units and Conversion Factors for Use in the Australian Gas Industry."

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1.3 APPLICATION OF ACCESS PRINCIPLES

- (a) These Additional Terms and Conditions apply to Gas Transportation Agreements in addition to the Access Principles and the Definitions.
- (b) Together the Access Principles, the Definitions, and these Additional Terms and Conditions make up the Gas Transportation Agreement Terms and Conditions.
- (c) Where there is an inconsistency between these Additional Terms and Conditions or the Definitions and the Access Principles, the Access Principles are to apply to the extent of such inconsistency in the absence of any expressed contrary intent.

1.4 DEFINITIONS

Terms defined in these additional Terms and Conditions have the meaning in the Definitions, which is at Annexure C to the Access Arrangement.

2 COMMISSIONING GAS

The Shipper shall provide, at no cost to Epic Energy, all Gas required for the commissioning of New Facilities.

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3 IMPOSTS AND GOODS AND SERVICES TAX

3.1 IMPOSTS

(a) Supply Tax

The Shipper shall pay Epic Energy a monthly amount equal to the cost of:

- (i) changes to, or to the method of imposition of, any Supply Tax which was applicable and in effect at the date of this contract; and
- (ii) any new Supply Tax, which is imposed on Epic Energy during the relevant month. If a Supply Tax is a GST then the provisions set out in Clauses 3.1(b) to 3.1(f) shall apply.

In this clause, "**Supply Tax**" means any tax, charge, levy, duty, fee or impost imposed by any level of government relating to the construction, operation and maintenance of the SWQP and the provision of the Service to the Shipper.

(b) Definitions

In this Clause 3.1, the following terms will have the following meanings:

"**GST**" means any goods and services tax, value added tax, retail turnover tax, consumption tax, or any similar tax, impost or duty introduced or charged by the Commonwealth of Australia or any state or territory of Australia whether before, on or after the Commencement Date, which pursuant to the GST Act or any other statute, is or may be levied or become payable in connection with the supply of any goods, services or other things under this contract.

"**GST Act**" means *A New Tax System (Goods and Services Tax) Act 1999* and any legislation substituted for, replacing or amending that Act.

"**GST rate**" means the rate of tax imposed on the introduction of GST into Australia.

"**GST adjustment rate**" means the amount of any increase in the rate of tax imposed under a GST which is above the GST rate.

"**basic consideration**" means the consideration (whether in money or otherwise) to be paid or provided to the Provider for any supply or use of any goods, services or other things under this contract (other than tax payable pursuant to this clause).

"**cost savings**" shall mean in respect of the supply of any goods or services under this contract, the cost savings made by the Provider as a result of New Tax System changes other than the imposition of GST on any such supply, in so far as they are properly allocated to those supplies, or any amount of any input credits available to the Provider in respect of such costs.

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“**New Tax System changes**” has the meaning which it bears in the TPA.

“**Provider**” means any party who provides goods or renders services under this contract.

“**Recipient**” means any party who receives a supply of goods or services under this contract.

“**tax invoice**” has the meaning which it bears in section 195-1 of the GST Act.

“**TPA**” means *New Tax System (Trade Practices Amendment) Act 1999* and any legislation substituted for, replacing or amending that Act.

(c) Registration

Epic Energy and the Shipper agree that each of them, or their duly appointed agent, will register under the GST Act.

(d) Recipient Must Pay

(i) If GST is payable on the basic consideration or any part thereof or if the Provider is liable to pay GST in connection with any goods, services or other things supplied under this agreement then, as from the date of any such introduction or application:

A) The provider may increase the basic consideration or the relevant part thereof by an amount which is equal to the GST rate, and

B) The Recipient shall pay the increased basic consideration on the due date for payment by the Recipient of the basic consideration.

(ii) If, at any time, the GST rate is increased, the Provider may, in addition to the GST rate, increase the basic consideration by the GST adjustment rate and such amount shall be payable in accordance with Clause 3.1(d)(i)(A)

(e) GST Invoice

Where the basic consideration is to be increased to account for GST pursuant to Clause 3.1(d), the Provider shall issue a tax invoice to the Recipient at the time the payment is made.

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(f) Variation to Basic Consideration

If, as a result of the New Tax System changes, there is an abolition (in whole or part) of, or a reduction in the level of, wholesale sales taxes or other indirect taxes (“**the relevant taxes**”) which apply to goods which are sold or supplied by the Provider, then, as from the date of any such abolition or reduction (and upon any subsequent abolition or reduction) of the relevant taxes the provisions of the agreement dealing with the calculation of the basic consideration shall be amended as necessary to ensure that, as far as reasonably practicable, the cost savings are passed on to the Recipient.

4 SYSTEM USE GAS

4.1 SYSTEM USE GAS

The Shipper shall provide at no cost to Epic Energy any System Use Gas necessary for Epic Energy to provide Services under the Shipper’s Gas Transportation Agreement.

4.2 CALCULATION AND ADJUSTMENT

Epic Energy shall estimate the total System Use Gas requirements of the SWQP twice in each Year, once in February and once in August, and more frequently to the extent required to project the operational requirements of the SWQP more accurately.

- (a) Epic Energy shall calculate the System Use Gas Percentage which shall be equal to the projected System Use Gas requirements of the SWQP for the following 6 Month period (or such lesser period as Epic Energy reasonably determines in order to project the operational requirements of the SWQP more accurately) divided by the total projected throughput of the SWQP for the same period. Epic Energy shall, upon request of the Shipper, provide the Shipper with adequate data and information necessary to verify Epic Energy's calculation of the System Use Gas Percentage and any adjustment made pursuant to paragraph (d) of this clause.
- (b) The Shipper shall furnish its share of System Use Gas on each Day, which shall equal the quantities nominated by the Shipper at the Receipt Points (exclusive of any System Use Gas) multiplied by the System Use Gas Percentage.
- (c) The System Use Gas Percentage in the next 6 Month period (or such lesser period determined by Epic Energy pursuant to Clause 4.2(a) above) shall be adjusted to reflect any over or under supply of System Use Gas during the preceding 6 Month period.

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- (d) If the Shipper fails to nominate sufficient quantities of Gas to allow for System Use Gas, then Epic Energy may adjust the nomination to account for such requirements and the Shipper's nomination shall be deemed adjusted accordingly.

5 MAINTENANCE AND OPERATION OF FACILITIES

5.1 EMERGENCY REPAIRS

If Epic Energy determines that it is necessary to protect the operational integrity and safe operation of the SWQP, or to comply with any applicable laws and regulations, Epic Energy shall, after giving as much notice to the Shipper as is reasonably practicable in the circumstances, be permitted to curtail deliveries of Gas without incurring liability to the Shipper to the extent necessary to carry out the required repairs and maintenance.

5.2 ESTIMATED QUANTITIES

Upon request, the Shipper shall from time to time provide to Epic Energy estimates (on a non-binding basis) of the daily, monthly and annual quantities of Gas to be transported under the Gas Transportation Agreement, and such other operating data as may reasonably be requested by Epic Energy in order to schedule and plan Epic Energy's operations.

5.3 CO-ORDINATION OF OPERATIONS

- (a) The Shipper will use its best endeavours to:
 - (i) coordinate any dispatching or operational matters with Epic Energy and with any Interconnect Party. Where appropriate, this will include providing Epic Energy with access to appropriate data and records, electronic or otherwise, and in particular to measurement information necessary or desirable to coordinate activities; and
 - (ii) to ensure that arrangements for the supply of Gas to the Receipt Point and acceptance of Gas at the Delivery Point are compatible with the Shipper's system operations.
- (b) The Shipper will:
 - (i) take all appropriate actions to cooperate with Epic Energy and any Interconnect Party, including the alteration of receipts and deliveries to alleviate conditions which threaten the operational integrity of the SWQP, and any facilities upstream or downstream of the SWQP; and
 - (ii) cooperate with Epic Energy to the fullest extent practicable in the operation of its facilities and will provide information and

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data so as to facilitate the receipt, transportation and delivery of Gas in accordance with the Gas Transportation Agreement.

6 MEASUREMENT EQUIPMENT

6.1 INSTALLATION AND OPERATION

- (a) Epic Energy shall install at the Shipper's expense, or agree to permit the Shipper to install (subject to any conditions Epic Energy deems necessary) at the Shipper's expense, at or near each Receipt Point or Delivery Point, a metering station properly equipped with meters, gas chromatograph, flow computer and other necessary measurement equipment ("**Metering Station**") and Interconnection Facilities. Such equipment shall remain (where installed by Epic Energy) or become (where installed by the Shipper) the property of Epic Energy. The Shipper shall also bear the expense of furnishing and installing such equipment in any instance in which the Shipper requests a new or additional Receipt Point or Delivery Point.
- (b) The standards and requirements for the equipment described in clause 6.1(a) shall be as set out in the Schedule to these Additional Terms and Conditions.
- (c) The Shipper must ensure that pulsation in the Gas stream delivered at the Receipt Point does not interfere with the operation or accuracy of the Metering Equipment.

6.2 CHECK METERING STATION

- (a) The Shipper may install, maintain and operate, at its own expense checking metering equipment, provided that such equipment shall not be installed on property containing Epic Energy's metering equipment at or near the Receipt or Delivery Points without Epic Energy's prior written consent
- (b) Notwithstanding clause 6.2(a), measurement of Gas for purposes of the Gas Transportation Agreement shall be done by means of the Metering Equipment installed pursuant to Clause 6.1, except in cases specifically provided to the contrary in this Clause 6.4.

6.3 NOTICE OF EQUIPMENT TESTS

- (a) The shipper may install, maintain and operate, at its own expense, check measuring equipment, provided that such equipment shall not be installed on property containing Epic Energy's Metering Equipment at or near the Receipt or Delivery Points without Epic Energy's prior written consent.

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- (b) Notwithstanding clause 6.2(a), measurement of Gas for purposes of the Gas Transportation Agreement shall be done by means of the Metering Equipment installed pursuant to Clause 6.1, except in cases specifically provided to the contrary in this Clause 6.

6.4 FAILURE OF METERS

If a Metering Station (or part thereof) is out of service or registering inaccurately, then the quantity of Gas delivered shall be determined:

- (a) by correcting the error if the percentage of error is ascertainable by calibration, tests or mathematical calculation; or, in the absence of (a), then
- (b) by estimating the quantity of delivery by deliveries during the periods under similar conditions when the meter was registering accurately; or, in the absence of both (a) and (b), then
- (c) by using the registration of any check meter or meters if installed and accurately registering.

6.5 BOOKS AND RECORDS

- (a) Epic Energy and the Shipper must prepare and maintain proper books and records, including meter readings and calibrations, of all matters pertaining to the transportation of Gas under the Gas Transportation Agreement. The Parties will keep those records for a minimum of 7 years.
- (b) A Party may, upon reasonable notice and its cost examine such books and records of the other Party that are directly related to the provision of the Transportation Service to verify any statement, invoice or claim under a Gas Transportation Agreement.

7 QUALITY

7.1 GAS QUALITY AT RECEIPT POINTS

Subject to clause 7.4 the Gas delivered by, or on behalf of, the Shipper to Epic Energy at a Receipt Point shall, at all times, be in accordance with the Gas Specifications.

7.2 GAS QUALITY AT DELIVERY POINTS

The Gas delivered by Epic Energy to the Shipper or to another person for the Shipper's account at a Delivery Point shall (provided that Gas delivered by or on behalf of the Shipper complies with clause 7.1) meet the Gas Specifications.

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7.3 QUALITY TESTS

(a) The Shipper to undertake Tests

The Shipper shall undertake and pay for all testing and testing equipment necessary to ensure that the quality and properties of Gas at the Receipt Point meets the Gas Specifications. These tests shall include, but not be limited to, tests to determine the gas composition, total sulphur, hydrogen sulphide, mercaptans, carbon dioxide, nitrogen and oxygen content of the Gas, and the hydrocarbon dew point and water vapour content of such Gas, and any other substances which may be injurious to the SWQP or which do not meet the Gas Specifications, by approved standard methods in general use in the gas industry. Tests shall be made frequently enough to ensure that the Gas conforms to the Gas Specifications.

(b) Costs of Tests

Epic Energy shall have the right to collect from all shippers delivering Gas to Epic Energy at a common Receipt Point their pro rata share of the cost of any additional gas analysis and quality control equipment which Epic Energy, at its reasonable discretion, determines is required to be installed at such Receipt Point to monitor the quality of the Gas delivered.

7.4 EPIC ENERGY MAY ACCEPT OUT-OF-SPECIFICATION GAS

Epic Energy may at any time agree with a Shipper to accept gas into the SWQP which does not comply (in one or more respects) with the Gas Specifications (“**Out-of-Specification Gas**”).

7.5 THE SHIPPER’S LIABILITY FOR OUT-OF-SPECIFICATION GAS

If any Out-of-Specification Gas supplied by the Shipper enters the SWQP without Epic Energy’s prior written consent (which consent is in Epic Energy’s sole discretion), then despite any other provision of the Gas Transportation Agreement Terms and Conditions —

- (a) the Shipper shall be liable to Epic Energy for any and all loss and damage arising from that delivery, including indirect loss and damage; and
- (b) Epic Energy is, to the extent necessary to allow it to deal with that entry of Gas:
 - (i) entitled to vent the Gas and the Shipper shall be deemed not to have supplied a quantity of Gas at a Receipt Point equivalent to the quantity of all Gas necessarily vented by Epic Energy; and

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- (ii) is relieved of any obligation to deliver gas to the Shipper by an amount no greater than the quantity of gas necessarily vented by Epic Energy pursuant to Clause 7.5(b)(i);

and

- (c) The Shipper shall pay Epic Energy a surcharge calculated by multiplying each GJ of that Out-of-Specification Gas delivered at a Receipt Point by the Out-of-Specification Gas Rate.

7.6 PROCESSING RIGHTS

All oil and liquid hydrocarbons separated from the Gas prior to receipt by Epic Energy shall remain the property of the Shipper. All liquids and liquefiable hydrocarbons recovered by Epic Energy after receipt of Gas by Epic Energy and prior to delivery of Gas by Epic Energy to the Shipper shall be and remain the exclusive property of Epic Energy.

7.7 ODORISATION

Epic Energy shall have no obligation to odorise Gas delivered to the Shipper nor to maintain any odorant level. If Epic Energy is required by law to odorise the Gas, the Shipper shall reimburse Epic Energy for all costs incurred in odorising that Gas.

8 RECEIPT AND DELIVERY PRESSURES

8.1 RECEIPT PRESSURE

- (a) Gas shall be supplied to Epic Energy at the Receipt Point at pressures sufficient to allow the Gas to enter the SWQP; provided that it shall not be delivered at pressures greater than the lesser of:
 - (i) the maximum allowable operating pressure of the SWQP or any portion of the SWQP that is utilised to transport the Shipper's Gas; or
 - (ii) 15,000 kPa,unless the Parties otherwise agree.
- (b) Epic Energy is under no obligation to modify its line pressures or to install compression or other facilities to:
 - (i) permit the entry of the Shipper's Gas in the SWQP; or
 - (ii) provide any Services.

8.2 DELIVERY PRESSURES

Epic Energy shall deliver Gas to the Shipper at the Delivery Point at the pressure existing in the SWQP from time to time provided that the delivery pressure shall not exceed the MAOP.

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9 MAXIMUM HOURLY QUANTITY

- (a) The shipper must not in any hour on a Day:
 - (i) deliver to Epic Energy at a Receipt Point; or
 - (ii) take delivery from Epic Energy at a Delivery Point,quantities of Gas in excess of the Shipper's MHQ at the applicable Receipt Point or Delivery Point.

- (b) If the Shipper exceeds its MHQ at the Receipt Point or a Delivery Point in any hour of a Day, then the Shipper shall, upon request by Epic energy, pay to Epic Energy a charge calculated by multiplying each GJ of Gas by which the Shipper has exceeded its MHQ at a Receipt Point or Delivery Point, by the Excess MHQ Rate.

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10 POSSESSION OF GAS AND RESPONSIBILITY

10.1 CONTROL AND POSSESSION

As between Epic Energy and the Shipper:

- (a) The Shipper shall be deemed to be in control and possession of Gas prior to its supply to Epic Energy at a Receipt Point and after the delivery of the Gas by Epic Energy for the Shipper's account at a Delivery Point; and
- (b) Epic Energy shall be in control and possession of the Gas following receipt of the Gas from the Shipper at a Receipt Point and prior to delivery of the Gas, less any System Use Gas, to the Shipper at a Delivery Point.

10.2 RESPONSIBILITY

- (a) The Shipper shall have no responsibility or liability with respect to any Gas after it has been supplied to Epic Energy at the Receipt Points on account of anything which may be done, happen or arise with respect to that Gas, prior to the delivery of the Gas, less System Use Gas, to the Shipper at the Delivery Points;
- (b) Epic Energy shall have no responsibility or liability with respect to any Gas prior to its supply to Epic Energy at the Receipt Points or after its delivery to the Shipper at the Delivery Points on account of anything which may be done, happen or arise with respect to that Gas prior to receipt at the Receipt Points or after delivery at the Delivery Points

10.3 CO-MINGLING OF GAS

Gas received by Epic Energy from the Shipper at a Receipt Point may be co-mingled with other Gas in the SWQP. Subject to Epic Energy's obligation to deliver at a Delivery Point an equivalent quantity of Gas (in GJs) received at a Receipt Point (less System Use Gas) in accordance with clause 7.2, Epic Energy shall be entitled to co-mingle Gas received and to deliver different molecules to the Shipper.

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11 WARRANTY OF TITLE TO GAS

11.1 WARRANTY

The Shipper warrants that:

- (a) at the time of supply of Gas to Epic Energy at a Receipt Point the Gas is free of any liens,
- (b) it has good title to, and the right to supply that Gas at the Receipt Point for transportation by Epic Energy under the Gas Transportation Agreement,
- (c) it has full power and authority to enter into the Gas Transportation Agreement.

11.2 INDEMNITY

The Shipper shall indemnify Epic Energy and save it harmless from any loss, damage or expense arising from or out of any adverse claim of title to the Gas referred to in clause 11.1.

11.3 TITLE

Except for System Use Gas and as provided in clause 10.1 (b), title to the Gas received by Epic Energy at Receipt Points shall not pass to Epic Energy.

12 NOMINATIONS

12.1 CUSTOMER REPORTING SYSTEM

- (a) Epic Energy may establish a Customer Reporting System (“**CRS**”) for purposes which include nominations and scheduling of receipts and deliveries.
- (b) The Shipper is responsible for and shall bear its own costs of installing, maintaining and operating any equipment or software required to enable the Shipper to access and interface with the CRS.
- (c) When the CRS is installed:
 - (i) The pro forma agreement set out in the Gas Transportation Guide shall govern the shipper’s use of and access to the CRS (including provisions relating to nominations procedures which may supersede the nominations procedures set out in clause 11.2); and

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- (ii) The CRS shall become the medium through which to provide nominations, scheduling and other operational communications.

12.2 PRIOR TO CRS

Until a CRS of the nature referred to in Clause 12.1 is installed, the Shipper will comply with the following nomination procedures:

(a) Beginning of the Month Nominations by Shipper

- (i) Unless otherwise agreed, the Shipper shall provide Epic Energy with a completed Nomination Form no later than three (3) Business Days prior to the beginning of each Month in which Gas will be supplied by the Shipper.
- (ii) The Shipper may provide Epic Energy with a nomination for more than one Month in advance, which shall remain in effect until the Shipper provides Epic Energy with a revised nomination.
- (iii) In the absence of the receipt by Epic Energy of a completed Nomination Form for the beginning of each Month or a nomination for any extended period in accordance with paragraph (ii) above, the nomination that was previously in effect shall remain in full force and effect.

(b) Change in Nomination

- (i) If the Shipper wishes to change its nomination, made under clause 12.2(a) for any Day in the applicable Month, then the Shipper shall provide Epic Energy with a completed Nomination Form for all quantities to be transported on that Day at least 24 hours prior to the commencement of any subsequent Day (unless a lesser period of time is agreed). Provided that the Nomination Form is received at least 24 hours prior to the commencement of the relevant Day (and is within the Shipper's MDQ), the Shipper's nomination for that Day shall be adjusted accordingly.
- (ii) If, for any reason receipts or deliveries vary from the nominated and scheduled quantities, then the Shipper shall provide, or direct persons nominated by the Shipper to provide, notice of any changes to Epic Energy

(c) Manner of Submitting Nominations

The Nomination Form shall be provided to Epic Energy by facsimile or electronic communication to the location, or such other location as Epic Energy may advise in the Gas Transportation Guide or otherwise.

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12.3 NOTIFICATION BY TRANSPORTER

If any of the quantities of Gas nominated by the Shipper are not scheduled for transport by Epic Energy pursuant to Clause 13, Epic Energy shall advise the Shipper by telephone (to be confirmed in writing), facsimile or electronic means as soon as possible (and in any event no later than 12 hours after the last time specified in Clause 12.2 for lodging nominations by the Shipper) of the quantities of Gas not scheduled for transport and the reason that those quantities were not scheduled.

12.4 UNAUTHORISED DELIVERIES

If the Shipper supplies Gas at a Receipt Point prior to the submission of a Nomination Form, Epic Energy, at its election, may charge the Shipper at the Unauthorised Overrun Rate for each GJ of Gas received by Epic Energy at the Receipt Point prior to the submission of a Nomination Form.

12.5 ARRANGEMENTS PRIOR TO RECEIPT AND AFTER DELIVERY

The Shipper shall, where reasonably necessary to fulfil its obligations under the Gas Transportation Agreement, make arrangements with other persons for the supply of Gas to the Receipt Point and for the acceptance of Gas at the Delivery Point. Those arrangements shall include entering into all necessary gas transportation agreements or other arrangements and submitting any necessary nominations to upstream or downstream facilities that are compatible with the nominations provided to Epic Energy.

12.6 FLEXIBILITY OF RECEIPT AND DELIVERY POINTS

- (a) Subject to clause 6.3 of the Access Arrangement, the Shipper may nominate an additional Receipt Point or Delivery Point (in which case it must also nominate a corresponding Receipt Point MDQ or Delivery Point MDQ and a varied Receipt Point MDQ or Delivery Point MDQ for any existing Receipt Point or Delivery Point) where the following conditions are satisfied, in which case Epic Energy will be obliged to provide access for the Service at that additional Receipt Point or Delivery Point and any existing Receipt Point or Delivery Point for a quantity up to the varied Receipt Point MDQ or Delivery Point MDQ for each Receipt Point or Delivery Point:
- (i) The aggregate of the Receipt Point MDQ or Delivery Point MDQ (as the case may be) for each Receipt Point or Delivery Point for the Service does not exceed the aggregate of the Shipper's Receipt Point MDQ or Delivery Point MDQ prior to the inclusion of the additional Receipt Point or Delivery Point.
 - (ii) It is technically feasible within the constraints of Epic Energy's obligations to receive or deliver the varied Receipt Point MDQ or Delivery Point MDQ at the specified Receipt Point or Delivery Point.

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- (iii) The Shipper makes all appropriate arrangements with its customers as a result of the nominated variation.
- (iv) As a result of the variation, and where the transportation distance is equal to or less than previously provided under the Shipper's Gas Transportation Agreement, the Shipper will pay the same amount of revenue to Epic Energy. Where the transportation distance is increased, the Shipper will provide additional revenue in accordance with the Access Arrangement to satisfy the incremental transportation costs.
- (b) Nothing in this clause obliges Epic Energy to create a new Receipt Point or Delivery Point and this clause only applies to those Receipt Points in existence from time to time.

13 SCHEDULING

13.1 GENERAL SCHEDULING OF RECEIPTS AND DELIVERIES

Epic Energy and the Shipper agree that the following procedures shall apply regarding general scheduling of receipts and deliveries:

- (a) Following the receipt of a nomination by the Shipper in accordance with Clause 12, Epic Energy shall schedule the receipts and deliveries of Gas nominated by the Shipper in accordance with this clause 13;
- (b) Where the Shipper is unsure of the ability of the Interconnect Party to receive or deliver Gas, the Shipper shall notify Epic Energy and shall confirm with the Interconnect Party at the Receipt Point the receipt of the quantities nominated by the Shipper for receipt at the Receipt Point and shall confirm with the Interconnect Party at the Delivery Point the acceptance of the quantities nominated by the Shipper for delivery at the Delivery Point;
- (c) Epic Energy shall schedule for receipt at the Receipt Point the lesser of:
 - (i) the quantity of Gas nominated by the Shipper at a Receipt Point,
 - (ii) the quantity of Gas nominated by the Shipper at a Delivery Point,
 - (iii) the quantity of Gas confirmed for delivery at a Receipt Point by the Interconnect Party at a Receipt Point, and
 - (v) the quantity of Gas confirmed for receipt at a Delivery Point by the Interconnect Party at a Delivery Point,less System Use Gas and any Gas required to correct a Shipper's Imbalance.
- (d) In no event will Epic Energy be obligated to schedule for delivery at a Delivery Point more Gas than is scheduled to be received at the Receipt Point (which shall not in any event exceed the Shipper's MDQ less any System Use Gas);

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13.2 SCHEDULING PRIORITIES

- (a) If there is not sufficient capacity to transport all the quantities of Gas nominated by all shippers on the SWQP on a Day that those quantities are to be transported by Epic Energy, then Epic Energy shall schedule the quantities nominated by the shippers (including the Shipper) in the priority and sequence described below:
- (i) First - Quantities nominated by shippers with agreements for Full Forward Haul Service (or agreements for services substantially the same as Full Forward Haul Service including part haul and back haul services for which the shipper pays a monthly charge to reserve capacity in the SWQP) and Existing Firm Service shippers, not to exceed their respective MDQs or Receipt and Delivery Point MDQs. If the capacity available is not sufficient to serve all those shippers' nominated quantities, then the available capacity shall be allocated among those shippers (of equal priority) pro rata on the basis of MDQ or Receipt and Delivery Point MDQs. Such scheduling limitations shall be applied only to the portion or portions of the SWQP that is capacity constrained.
 - (ii) Second - Quantities nominated by shippers with agreements for Full Forward Haul Service (or agreements for services substantially same as Full Forward Haul Service including part haul and back haul services for which the shipper pays a monthly charge to reserve capacity in the SWQP) and Existing Firm Service shippers in excess of their respective MDQs or in excess of their respective Receipt and Delivery Point MDQs pursuant to Authorised Overrun Services. If the capacity available is not sufficient to serve all those shippers' nominated and Authorised Overrun Quantities (of equal priority), then the available capacity shall be allocated among those shippers pro rata based on nominated Authorised Overrun Quantities.
 - (iii) Third - Quantities nominated by shippers with agreements for Services other than Full Forward Haul Service (or agreements for services substantially the same as Full Forward Haul Service including part haul and back haul services for which the shipper pays a monthly charge to reserve capacity in the SWQP) and Existing Firm Service. If the capacity available is not sufficient to serve all shippers requesting such Services, then Epic Energy shall allocate the available capacity on a pro rata basis among those shippers on the basis of nominated quantities.
- (b) If there is not sufficient capacity to transport all the quantities of Gas any Back Haul will be scheduled in accordance with the priorities set out in paragraph (a) to the extent that sufficient Forward Haul is scheduled on such Day.
- (c) The scheduling priorities and capacity allocation methodologies set out in this clause 13.2 shall control and govern the provision of service on the SWQP notwithstanding anything to the contrary which may be expressed or implied in a Gas Transportation Agreement or any other

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agreement setting forth the operational protocol between Epic Energy and a shipper.

14 CURTAILMENT OF RECEIPTS AND DELIVERIES

14.1 INSUFFICIENT CAPACITY

- (a) If on any Day after scheduling the Gas for Transportation Service for all shippers in accordance with Clause 13, the capacity of the SWQP or any portion of it, or any Receipt Point or Delivery Point, is, for any reason, insufficient to serve all the quantities of Gas scheduled for all shippers in accordance with Clause 13, then Epic Energy shall be permitted to curtail or interrupt the receipt, transportation or delivery of Gas (as the case may be) in accordance with the sequence and priorities set out below to the extent necessary to maintain priority of service:
- (i) First - Quantities scheduled for transportation pursuant to agreements for Services other than Full Forward Haul Service (or agreements for services substantially the same as Full Forward Haul Service including part haul and back haul services for which the shipper pays a monthly charge to reserve capacity in the SWQP) and Existing Firm Service. If the capacity available is not sufficient to serve all shippers requesting such services, then Epic Energy shall allocate the available capacity on a pro rata basis among shippers on the basis of nominated quantities,
 - (ii) Second - Quantities scheduled for transportation to shippers with agreements for Full Forward Haul Service (or agreements for services substantially the same as Full Forward Haul Service including part haul and back haul services for which the shipper pays a monthly charge to reserve capacity in the SWQP) and Existing Firm Service shippers in excess of their respective MDQs or in excess of their respective Receipt and Delivery Point MDQs pursuant to Authorised Overrun Services. If the capacity available is not sufficient to serve all those shippers' scheduled Overrun Quantities, then the available capacity shall be allocated among those shippers pro rata based on scheduled Overrun Quantities
 - (iii) Third - Quantities scheduled for transportation to shippers with agreements for Full Forward Haul Service (or agreements for services substantially the same as Full Forward Haul Service including part haul and back haul services for which the shipper pays a monthly charge to reserve capacity in the SWQP) and Existing Firm Service, not to exceed their respective MDQs or their respective Receipt and Delivery Point MDQs. If the capacity available is not sufficient to serve all those shippers' scheduled quantities at their respective Receipt Points and/or Delivery Points, then the available

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capacity shall be allocated among those shippers pro rata on the basis of their MDQs or Receipt and/or Delivery Point MDQs. Such scheduling limitations shall be applied only to the portion or portions of the SWQP that are capacity constrained

- (b) The scheduling priorities and capacity allocation methodology set out in this Clause 14.1 shall control and govern service on the SWQP notwithstanding anything to the contrary which may be expressed or implied in a Gas Transportation Agreement or any other agreement between Epic Energy and a shipper regarding operational matters at the Receipt Point.

14.2 OPERATIONAL FLOW ORDERS

- (a) Epic Energy shall have the right at any time to issue orders to the Shipper or the Shipper's Receipt Point or Delivery Point operators to alter gas receipts and deliveries:
 - (i) to alleviate conditions which threaten the integrity of the SWQP; and
 - (ii) to maintain pipeline operations that are necessary to provide efficient and reliable firm haulage services.
- (b) Epic Energy may provide notice of such orders to the Shipper either in writing (including by fax) or by electronic means.
- (c) The Shipper shall take, or cause its respective operators of its Receipt Point and/or Delivery Point to take the actions requested by Epic Energy.
- (d) Without limiting Epic Energy's available remedies, if the Shipper fails to comply, or fails to cause its operator to comply, with such operational flow orders, then Epic Energy may charge the Shipper the Unauthorised Overrun Rate for each GJ of Gas by which the Shipper or its operator deviates from the operational flow order. Notwithstanding the above, Epic Energy shall be entitled to take any reasonable actions to maintain the operational integrity of its system. Epic Energy shall not be liable for its failure to deliver gas to the Shipper that is caused by the failure of shippers to take actions in accordance with operational flow orders issued by Epic Energy.

14.3 PROVISION OF NOTICE AND RESPONSIBILITY

- (a) Epic Energy will provide the Shipper with notification of any curtailment, interruption or discontinuance to be invoked by Epic Energy in accordance with Clause 14 at a time and in a manner that is reasonable under then existing conditions, and will in any event confirm in writing any such notification or curtailment notice that was issued verbally.

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- (b) The Shipper will be solely responsible for informing all affected Interconnect Parties and downstream entities of all notifications made under this clause 14.

14.4 CURTAILMENT COMPLIANCE

- (a) Shipper will be allowed 1 hour (or such greater time as is stipulated by Epic Energy) as being required to protect the integrity of the SWQP system or to protect Epic Energy's ability to accept and deliver properly scheduled quantities of Gas for all shippers on the Day (or subsequent Days), to comply with the requirements of any Curtailment Notice and in any event must not exceed its MHQ.
- (b) If the Shipper does not comply with the requirements of a Curtailment Notice within the time period stipulated by Epic Energy, Epic Energy may take action to give effect to those requirements.

14.5 EMERGENCIES, PIPELINE INTEGRITY, ETC

In addition to Epic Energy's rights set out elsewhere in the Gas Transportation Agreement, and despite anything to the contrary contained in the Gas Transportation Agreement, Epic Energy will be entitled to curtail, interrupt or discontinue the Transportation Services either totally or partially for any period of time which Epic Energy considers to be necessary because of any condition, situation or circumstance that Epic Energy considers will or may:

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- (a) present a threat of danger to the life, health or property of any person;
or
- (b) jeopardise the operational efficiency or integrity of the SWQP system;
or
- (c) in order to comply with the requirement of the Licence, any government agency or any law.

In the event of any such curtailment, interruption or discontinuation, the other provisions of this Clause 14 will apply **except** that the 1 hour period referred to in Clause 14.4 may be reduced by Epic Energy (to zero if necessary).

15 ALLOCATION OF DELIVERIES AND CORRECTION OF IMBALANCES

15.1 ALLOCATION OF RECEIPTS AND DELIVERIES

If on a Day the quantities of Gas actually received at a Receipt Point or delivered at a Delivery Point do not equal the quantities scheduled by Epic Energy in accordance with clauses 13.1 and 13.2, then those quantities actually received or delivered by Epic Energy (as the case may be) shall be allocated among shippers and Services as follows:

(a) Predetermined Allocation Methodology

The Shipper shall cause the Interconnect Party at the applicable Receipt or Delivery Point to advise Epic Energy in advance of Gas flow of the methodology to be used in allocating receipts and deliveries at the applicable Receipt or Delivery Point, provided that those methodologies must allocate receipts and deliveries based upon nominations which have been confirmed with the Interconnect Party. Epic Energy shall not accept an allocation from an Interconnect Party if the Shipper or any person authorised by the Shipper notifies Epic Energy that the Interconnect Party is not authorised to provide such an allocation; or

(b) Pro Rata Allocation Methodology

If the Interconnect Party does not provide predetermined allocations in accordance with paragraph (a) then Epic Energy may allocate quantities to the Shipper in proportion to the Shipper's pro rata share of scheduled quantities in accordance with clauses 13.1 and 13.2 at the applicable Receipt or Delivery Point.

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15.2 CHANGE IN ALLOCATION PROCEDURES

Upon the provision of not less than 14 Days notice to Epic Energy, the Shipper may change its allocations and allocation methodologies prospectively at the beginning of any Month. Allocations and methodologies may not be changed during a Month and may never be changed retrospectively.

15.3 RECORDS OF SCHEDULED QUANTITIES

Epic Energy shall keep accurate records of the quantities of Gas scheduled for transportation in accordance with clauses 13.1 and 13.2, any scheduling variances and any imbalances. These records shall be available for the Shipper to review at its request, and at its cost.

15.4 CORRECTION OF IMBALANCES ON OTHER SYSTEMS

Except as provided by the Gas Transportation Agreement or as required by good engineering practice, Epic Energy shall not be responsible for eliminating any imbalances between the Shipper and any other person operating connecting facilities, and shall not be obliged to adjust or deviate from its standard operating and accounting procedures in order to alleviate those imbalances. If Epic Energy takes any action pursuant to this clause, that shall not relieve the Shipper of any liability the Shipper may otherwise have to Epic Energy.

16 DISPUTE RESOLUTION

16.1 RESOLUTION OF TECHNICAL AND FINANCIAL MATTERS

(a) Technical and Financial Matters

For the purposes of this clause

- (i) A “**technical matter**” means a matter involving issues relating to the transportation of Gas under the Gas Transportation Agreement which is only capable of determination by reference to engineering or scientific knowledge and practice and
- (iii) A “**financial matter**” means a matter involving financial calculations which is only capable of determination by audit or reference to accounting knowledge or practice.

(b) Reference to Independent Expert

If any claim, dispute or question (**Dispute**) arises between the Shipper and Epic Energy confined to a technical matter or a financial matter, then the Parties shall refer the Dispute to the determination of an independent expert (**Independent Expert**).

(c) Appointment of Independent Expert

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The Party wishing to have the issue determined by the Independent Expert shall give written notice to that effect to the other Party specifying the nature of the Dispute. The Parties shall meet and use all reasonable endeavours to agree upon the identity of the Independent Expert, but if they are unable to agree within 30 Days of the notice, then either Party may refer the matter:

- (i) if it is a technical matter, to the President for the time being of the Institute of Engineers of Australia; or
- (ii) If it is a financial matter, to the President for the time being of the Institute of Chartered Accountants in Australia; or
- (iii) In either case, if the relevant body referred to in subparagraphs (i) or (ii) no longer exists then to the President for the time being of such successor body or association as is then performing the function formerly carried out by the relevant body;

who shall nominate a suitably qualified person to act as the Independent Expert to determine the Dispute.

(d) Expert not an Arbitrator

The Independent Expert appointed under paragraph (c) shall act as an expert and not as an arbitrator and shall have no interest or duty which conflicts, or which may conflict, with his function as the Independent Expert and shall not be a former or current employee or representative of the Shipper or Epic Energy or of a Related Company of either of them. The person nominated as the Independent Expert shall be required by the Parties to disclose fully any interest or duty which may conflict with his position before his appointment as Independent Expert.

(e) Evidence and Representation

Each Party may be legally represented at any hearing before the Independent Expert and shall be entitled to produce to the Independent Expert any materials or evidence which that Party believes is relevant to the Dispute. The Parties shall make available to the Independent Expert all materials requested by him and all other materials which are relevant to his determination. The Independent Expert shall not be bound by the rules of evidence. Subject to any privileges under law, unless otherwise agreed by the Parties, all material and evidence made available for the purposes of the determination shall be kept confidential.

(f) Powers

The Independent Expert shall have the power to inform himself independently as to the facts to which the Dispute relates and to take such measures as he thinks fit to expedite the determination of the Dispute.

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(g) Determination

The Independent Expert shall make a determination on the Dispute and shall determine what, if any, adjustments may be necessary between the Parties. The determination of the Independent Expert shall be final and binding upon the Parties.

(h) Costs

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

- (i) unless the Parties otherwise agree, the amount of the costs of determination of the issue by the Independent Expert shall be borne equally by the Shipper and Epic Energy.
- (ii) The remuneration of the Independent Expert shall, unless the Parties otherwise agree before the submission of the issue to the Independent Expert, or if there is a disagreement over the amount of that remuneration, be finally determined by the President for the time being of the appropriate professional Institute referred to in paragraph (c) of this clause.

In the absence of agreement between the Parties under sub-paragraph (i) the Independent Expert shall determine which Party shall bear the costs referred to in sub-paragraph (i) and in what proportion, having regard to the degree to which he considers that Party was at fault or unreasonable in failing to agree to the matter under reference to him; and that Party shall bear those costs accordingly; and

Epic Energy and the Shipper shall bear their own costs incurred in the preparation and presentation of any submissions or evidence to the Independent Expert.

17 INVOICING AND PAYMENT

17.1 INVOICING

- (a) On or before the 10th day of each Month, Epic Energy shall render an invoice to the Shipper for services rendered during the preceding Month and shall furnish to the Shipper a reconciliation and measurement statement in respect of that Month showing:
 - (i) the quantity of Gas received at each Receipt Point;
 - (ii) the quantity of Gas delivered at each Delivery Point;
 - (iii) the Shipper's share of System Use Gas used; and
 - (iv) the calculation of the Monthly Reservation Charge for the following Month, any reductions thereof and other charges provided for under the Gas Transportation Agreement.

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- (b) When information necessary for invoicing purposes is in the control of the Shipper, the Shipper shall furnish such information to Epic Energy on or before the fifth day after the end of the Month.

17.2 PAYMENT

The Shipper will pay each invoice by direct payment to a bank account nominated by Epic Energy within 15 days of receipt of the invoice from Epic Energy.

17.3 SHIPPER'S DISPUTE

If the Shipper in good faith dispute part of all of an amount invoiced:

- (a) the Shipper shall, within 7 Days after receipt of the invoice, notify Epic Energy in writing specifying the amount in dispute and the reasons for the dispute; and
- (b) the Shipper shall pay in accordance with Clause 17.2 that part of the amount invoiced not in dispute; and
- (c) the shipper may, subject to Clause 17.4, withhold that part of the amount invoiced in dispute; and
- (d) each Party will appoint an officer to meet with the other Party's officer to try to resolve the dispute and if the officers are unable to resolve the dispute within 7 Days then either Party may refer the matter to an Independent Expert for determination as a financial matter in accordance with Clause 16.

17.4 INTEREST ON DISPUTED OR INCORRECT AMOUNT

If, as a result of the resolution of:

- (a) A dispute of the nature described in Clause 17.3; or
- (b) An incorrect invoice as described in Clause 17.5,

either party has an obligation to pay an amount to the other Party, then the amount shall be paid within 14 Days after the day of resolution together with Interest on that amount calculated on a daily basis at the Interest Rate from:

- (c) In the case of the Shipper, the date the amount should have been paid in accordance with this Clause 17; or
- (d) In the case of Epic Energy, the date Epic energy received the payment from the Shipper.

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17.5 INCORRECT INVOICES

- (a) If the Shipper:
- (i) Has been overcharged or undercharged; and
 - (ii) Has paid the invoice(s) to which the overcharge(s) or undercharge(s) relate(s),
- Then, within 14 Days after the error has been discovered and the amount has either been agreed by the Parties or determined pursuant to Clause 17.3, either:
- (iii) Epic Energy will repay the Shipper the amount of the overcharge (together with Interest in accordance with Clause 17.4); or, as the case may be;
 - (iv) The Shipper will pay to Epic Energy the amount of the undercharge (together with Interest in accordance with Clause 17.4).
- (b) A Party may not claim from the other any amount overcharged or undercharged if more than 18 months have elapsed since the date of the Invoice in question.

17.6 DEFAULT INTEREST

If either Party fails without lawful excuse to pay any amount due then that Party will pay interest on the overdue amount, calculated on a daily basis at the Interest rate plus 2% per annum, from the due date for payment until actual payment.

17.7 FAILURE TO PAY INVOICE

- (a) If the Shipper fails to pay an invoice in the time required by this clause 16 (other than amounts which the Shipper in good faith disputes and which have not been the subject of a final determination by the Independent Expert), then Epic Energy may suspend the provision of Services to the Shipper from the 14th Day following the Day on which payment was due.
- (b) If Epic Energy has suspended Services to the Shipper for a period of not less than 21 Days, then without limiting Epic Energy's other rights and remedies against the Shipper, Epic Energy may terminate the Gas Transportation Agreement.

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18 FORCE MAJEURE

18.1 DEFINITION

For the purposes of the Gas Transportation Agreement, Force Majeure means any event or circumstance not within the control of a Party and which by the exercise of due diligence, that Party is not reasonably able to prevent or overcome, including without limiting the generality of the nature of those events or circumstances:

- (a) acts of God, including without limitation, earthquakes, floods, washouts, landslides, lightning, storms and the elements;
- (b) strikes, lockouts, bans, slowdowns or other industrial disturbances;
- (c) acts of enemy, wars, blockades or insurrections, riots and civil disturbances, arrest and restraint of rulers and peoples;
- (d) fire or explosion;
- (e) epidemic or quarantine;
- (f) order of any court or the order, act, or omission or failure to act of any government or governmental authority having jurisdiction, failure to obtain any necessary governmental consent or approval;
- (g) accident, breakages or accident to machinery or pipelines, the necessity for making repairs and/or alterations in machinery or pipelines (other than routine maintenance for which notice has not been given), freezing of wells or pipelines;
- (h) In the case of the Shipper, declaration of an event of force majeure (defined in terms substantially similar to those set out in this clause) by another person under the provisions of any transportation agreement, or gas supply agreement, or other agreement which has been entered into by the Shipper with that person, which affects the ability of the Shipper to perform its obligations under the Gas Transportation Agreement.

It is acknowledged that lack of finances, lack of funds, changes in market conditions for transportation and the purchase and sale of gas, the lack of necessary gas reserves, or inability to borrow funds shall not in any circumstances be events of Force Majeure under the Gas Transportation Agreement.

18.2 CONSEQUENCES OF FORCE MAJEURE

- (a) Subject to clause 18.3, non-performance as a result of Force Majeure by any of the Parties of any obligation or condition required by the Gas Transportation Agreement to be performed:

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- (i) shall be excused during the time and to the extent that such performance is prevented, wholly or in part, by Force Majeure; and
- (ii) shall not to that extent give rise to any liability to any other Party for any direct, indirect, consequential or special losses or damages of any kind arising out of, or in any way connected with that non-performance.
- (iii) In respect of any Month in which an event of Force Majeure occurs or is continuing the Monthly Reservation Charge shall not be reduced and is payable by the Shipper in accordance with the Gas Transportation Agreement.

18.3 NOTIFICATION AND DILIGENCE

A Party which is, by reason of Force Majeure, unable to perform any obligation or condition required by the Gas Transportation Agreement to be performed shall:

- (a) notify the other Party as soon as possible giving
 - (i) reasonably full particulars of the event or circumstances of Force Majeure,
 - (ii) the date of commencement of the event or circumstance and an estimate of the period of time required to enable it to resume full performance of its obligations, and
 - (iii) where possible, the means proposed to be adopted to remedy or abate the Force Majeure;
- (b) use all reasonable diligence and employ all reasonable means to remedy or abate the Force Majeure as expeditiously as possible, but nothing in this clause 18 shall require a Party to settle a strike, lockout, ban, slowdown or other industrial disturbance against its judgment, and it is acknowledged that settlement of any such disturbance shall be entirely within the discretion of the Party affected;
- (c) resume performance as expeditiously as possible after termination of the Force Majeure or after the Force Majeure has abated to an extent which permits resumption of performance;
- (d) notify the other Party when the Force Majeure has terminated or abated to an extent which permits resumption of performance to occur; and
- (e) notify the other Party when resumption of performance has occurred.

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18.4 LIABILITY NOT RELIEVED

Such events or circumstances affecting the performance under the Gas Transportation Agreement by either Epic Energy or the Shipper, however, shall not relieve that Party of liability in the event, and to the extent that, its negligence caused or contributed to its failure to perform under the Gas Transportation Agreement or in the event of its failure to use all reasonable endeavours to remedy the situation and to remove the event or circumstances giving rise to the Force Majeure in an adequate manner with all reasonable dispatch; nor shall such events or circumstances affecting such performance relieve either Party from its obligations to make payments of amounts then due in respect of Gas previously delivered.

18.5 PROLONGED FORCE MAJEURE

If a Party has invoked the provisions of this clause 18 and the same event of Force Majeure prevents or inhibits the performance of any obligation or condition required to be performed under the Gas Transportation Agreement for a period of 12 Months, then Epic Energy and the Shipper shall consult in good faith to decide what action should be taken to carry out the intentions of the Gas Transportation Agreement. If the Parties are unable to agree that the Force Majeure can reasonably be resolved, then either Party may terminate the Gas Transportation Agreement by giving to the other not less than 2 Months prior written notice to that effect; and thereafter neither Party shall be under any further obligation to the other, but each Party shall remain responsible for the performance of their respective obligations under the Gas Transportation Agreement arising prior to the date of termination.

19 COMPLIANCE WITH LAW, REGULATION AND AGREEMENT

The Parties will co-operate on a reasonable basis to ensure compliance with all laws, regulations, and governmental authorisations, including maintaining and obtaining all necessary governmental authorisations to perform their respective obligations under the Gas Transportation Agreement.

20 TERMINATION

- (a) If a Party ("**Defaulting Party**") fails to perform any of its material obligations under the Gas Transportation Agreement, then the other Party ("**Non-Defaulting Party**") may give written notice to the Defaulting Party specifying the nature of the default and the actions that must be taken to remedy such default.
- (b) If the Defaulting Party has not, within thirty Days after receipt of that notice, remedied, or commenced the appropriate action to remedy the failure, or the Non-Defaulting Party has not waived its rights in respect of that failure, then the Non-Defaulting Party may give a written notice to the Defaulting Party expressing its intent to terminate the Gas Transportation Agreement (for any

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default affecting all Services under the Gas Transportation Agreement), or to terminate the Services under the Gas Transportation Agreement that are affected by the default (for any default affecting only a portion of the Services under the Gas Transportation Agreement).

- (c) Within thirty Days of receipt of such notice, the Defaulting Party must show what actions it has or is taking to remedy such default. If at that time, the Defaulting Party has not taken the appropriate action to remedy, or has not commenced the appropriate action to remedy and pursued such remedy with due diligence, then the Non-Defaulting Party may, subject to paragraph (d), terminate the Gas Transportation Agreement or the portion of the Services to which the default relates.
- (d) The exercise of any termination rights in accordance with this clause will be without prejudice and will not affect any right of action or remedy which has accrued or may accrue in favour of either Party.

21 NOTICES

21.1 NOTICES

- (a) Any notice under the Gas Transportation Agreement, shall be given in writing (unless otherwise specified) and shall be considered as having been given if delivered:
 - (i) personally,
 - (ii) by facsimile,
 - (iii) by mail with all postage and charges prepaid to either the Shipper or Epic Energy at the place designated, or
 - (iv) by CRS.
- (b) Any communications sent by facsimile shall be deemed to have been received on the date of dispatch if a transmission report from the sending facsimile machine indicates that the facsimile was sent in its entirety to the facsimile number of the addressee. If a notice is sent by facsimile after 5pm in the place to which the notice is sent, then the notice will be deemed to be received on the next Business Day.
- (c) Any communication sent by CRS shall be deemed delivered on the Day the communication is sent, as evidenced by the date imprinted on the CRS communication.
- (d) Routine communications shall be considered as duly delivered when mailed by ordinary mail.
- (e) Normal operating instructions may be made by telephone, electronic media or facsimile.

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22 ASSIGNMENT

22.1 INUREMENT

The Gas Transportation Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assignees.

22.2 ASSIGNMENT

- (a) Except as set out in the Access Arrangement (in respect of a Bare Transfer or conditional transfer) and this clause 22, no assignment or transfer of the Gas Transportation Agreement by either Party shall be made without the written consent of the other Party, which shall not be unreasonably withheld.
- (b) No such consent of Epic Energy or the Shipper shall be required when an assignment by the Shipper or Epic Energy is the result of, and part of, a corporate acquisition, or a merger or reorganisation relating to Epic Energy or the Shipper or to a Related Company, or by one Shipper to another Shipper, provided that the assignor shall not be relieved of or released from any rights, duties, liabilities and obligations so assigned without the written consent of the other Party, which shall not be unreasonably withheld.
- (c) Subject to paragraphs (a) and (b) and to the right of the non-assigning Party to require execution of a deed of assignment on terms agreed upon by Epic Energy and the Shipper, the assignor under an assignment consented to by the non-assigning Party in accordance with this clause shall be relieved and released of all rights, duties, liabilities and obligations so assigned, except to any and all such rights, duties, liabilities and obligations that have arisen prior to the permitted assignment.
- (d) Nothing contained in this clause shall prevent either Party from pledging, mortgaging or assigning its rights under the Gas Transportation Agreement as security for its indebtedness and either Party may assign to the pledgee or mortgagee (or to a trustee for the holder of such indebtedness) any money due or to become due under the Gas Transportation Agreement; provided that the pledgee, mortgagee or assignee enters into a deed with the non-assigning Party which is reasonably satisfactory to the non-assigning Party to observe and be bound by the provisions of the Gas Transportation Agreement as if it were a Party to the Gas Transportation Agreement.
- (e) Any assignment under this clause shall become effective on the first day of the Month following the execution by the assignee of a deed under which the assignee shall undertake in favour of the non-Assigning Party to observe and perform, and to be bound by the Gas Transportation Agreement in every way as if the assignee were a Party to the Gas Transportation Agreement instead of the assignor.

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- (f) Upon the reasonable request of either Party, the other Party shall acknowledge in writing any permitted assignment described in this clause and, subject to the provisions of this clause 22.2, the right of any permitted assignee (and any assignee upon enforcement of any assignment made as security for indebtedness) to enforce the Gas Transportation Agreement against the other Party, and shall also deliver such certificates and copies of corporate documents as may be reasonably requested by the permitted assignee relating to that Party, the Gas Transportation Agreement or other relevant matter.

23 CONFIDENTIALITY

23.1 DISCLOSURE WITH CONSENT

- (a) Except as provided in clause 23.2, the terms of the Gas Transportation Agreement, and all data and information acquired or received by a Party pursuant to the Gas Transportation Agreement shall remain confidential and shall not be disclosed to any other person for any purpose without the prior written consent of the other Party.
- (b) Where a Party seeks consent to make a disclosure, it shall notify the other Party of the content of the proposed disclosure and the identity of all persons to whom the disclosure is intended to be made.
- (c) A disclosure proposed to be made in accordance with the consent of the other Party shall only be made if any person to whom the disclosure is intended to be made agrees in writing on terms acceptable to the consenting Party to keep the information confidential.

23.2 DISCLOSURE ON CONDITIONS

Subject to the provisions of this clause 23, a Party may, without obtaining consent under clause 23.1 disclose data and information which would otherwise require consent under that clause in any of the following circumstances and upon the following conditions:

- (a) to the extent required by applicable laws or by regulations of any government or governmental agency having jurisdiction over that Party;
- (b) to the extent required by any securities commission having jurisdiction over that Party, or by the rules of any stock exchange on which are listed the shares in the capital of that Party or a Related Company of that Party;

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- (c) to the extent that the information is at that time lawfully generally available to the public, other than as a result of a breach of the Gas Transportation Agreement;
- (d) to the extent required by an order of a court of competent jurisdiction for the purposes of any litigation or arbitration arising from the Gas Transportation Agreement; or as required for a determination by the Independent Expert under clause 16;
- (e) to any Related Company of a Party;
- (f) to a bank or other financial institution in connection with the organisation of the Party's financial affairs;
- (g) to a third person which has entered into a contract with a Party for the sale of substantially all of a Party's assets or a contract for the sale of shares of a Party or a Related Company of a Party; and
- (h) to the employees, directors, consultants, contractors, lawyers, auditors and other persons for the purposes of the Gas Transportation Agreement and the transactions contemplated by the Gas Transportation Agreement.

23.3 ADVANCE NOTICE OF DISCLOSURE

A Party shall, whenever practicable and permitted by law, prior to making any disclosure permitted by paragraphs (a), (b), (c) or (d) of clause 23.2, advise the other Party of the form and content of the proposed disclosure and will provide the other Party with a reasonable opportunity to comment on the proposed disclosure.

23.4 CONFIDENTIALITY UNDERTAKING

A Party shall, prior to making any disclosure to a person as permitted by paragraphs (e), (f) and (g), and to any contractor or consultant permitted by paragraph (h) of clause 23.2, require any person to whom it intends to make the disclosure to enter into a written undertaking in favour of, and in a form acceptable to, the Parties to keep the information to be disclosed confidential in accordance with clause 23.1.

23.5 CONTINUING OBLIGATION

The obligations of confidentiality under this clause 23 shall survive the termination of the Gas Transportation Agreement, and notwithstanding that a corporation has ceased to be a Related Company of a Party shall be observed for a period of 2 Years from the date of termination of the Gas Transportation Agreement or cessation as the case may be.

**ANNEXURE B -
ADDITIONAL TERMS AND CONDITIONS: SWQP**

24 INSURANCES

- (a) Subject to Clause 24(d), the Shipper shall procure and maintain at its own expense throughout the duration of the Gas Transportation Agreement the following insurances with insurers having a reputation satisfactory to a reasonable and prudent person —
 - (i) worker's compensation insurance in accordance with the *Workcover Queensland Act 1996*, and for the Shipper's common law liability to workers;
 - (ii) property damage insurance against damage, loss or destruction of the Shipper's plant and equipment at the Receipt Point or Delivery Point; and
 - (iii) liability insurance for such amount as Epic Energy may reasonably require (not exceeding \$100 million indexed for CPI) against risk of loss, damage, death or injury to property or personnel (however caused) of Epic Energy, the Shipper or the public in connection with, related to or arising out of the Gas Transportation Agreement.
- (b) The Shipper shall arrange for Epic Energy's interest to be noted on those policies to the satisfaction of Epic Energy so that Epic Energy is covered under those policies and for the insurers to waive rights of subrogation against Epic Energy.
- (c) The Shipper shall, prior to the commencement of the Gas Transportation Agreement and prior to the commencement of each Year thereafter, provide Epic Energy with certificates of currency of the insurances and endorsements required by this Clause.
- (d) Epic Energy may waive compliance by the Shipper with any or all of the requirements of paragraphs (a), (b) and (c) of Clause 24 if Epic Energy;
 - (ii) is satisfied that the Shipper has adequate alternative arrangements;
 - (iv) accepts the Shipper as a self-insurer; or
 - (v) determines that there is other sufficient reason to do so.

25 MISCELLANEOUS PROVISIONS

25.1 WAIVER OF DEFAULT

No waiver by any Party of any of its rights in respect of any default by the other Party in the performance of any provisions of the Gas Transportation Agreement shall operate or be construed as a waiver of any other right in respect of any other default, including a future default or defaults, whether of a like or of a different character.

**ANNEXURE B -
ADDITIONAL TERMS AND CONDITIONS: SWQP**

25.2 LIMITATION OF LIABILITY

Subject to clause 7.5, any damages resulting from a breach of the Gas Transportation Agreement by either Epic Energy or the Shipper shall be limited to the actual damages incurred by the Party claiming damages, PROVIDED THAT neither Party shall be liable for any claims or causes of action arising under the Gas Transportation Agreement for consequential or incidental damages including, but not limited to, any claims of indirect losses, loss of business opportunity or of lost profits, liability to a third party, or for punitive or exemplary damages.

25.3 GOVERNING LAW

The Gas Transportation Agreement shall be construed in accordance with the laws of the State of Queensland and the Parties submit to the jurisdiction of the courts of that State and agree to be bound by any decisions of those courts and any courts having jurisdiction to hear appeals from those courts.

25.4 ENTIRE AGREEMENT

These Additional Terms and Conditions, read with the Access Principles, the Definitions and an accepted Gas Transportation Request, constitute the entire agreement between Epic Energy and the Shipper pertaining to the Transportation Service and supersede all prior agreements, representations, warranties, promises and understandings, correspondence or negotiations, oral or written, which the Parties may have in connection with the Transportation Service. Trade usage or custom shall not override any term of the Gas Transportation Agreement.

25.5 SEVERABILITY

If any provision of the Gas Transportation Agreement is construed as illegal or void, then the legality or validity or enforceability of any other provision of the Gas Transportation Agreement shall not be affected, and the illegal or invalid or void provisions shall be deemed to be deleted from the Gas Transportation Agreement to the same extent and effect as if they were never incorporated in the Gas Transportation Agreement, but all other provisions of the Gas Transportation Agreement shall continue in force unless the deletion of the provisions has substantially altered the commercial efficacy of the Gas Transportation Agreement.

25.6 NO BENEFIT TO OTHER PERSONS

Neither Epic Energy nor the Shipper intend that the provisions of the Gas Transportation Agreement are to benefit, or affect contractually in any way, any other person. No person, other than valid assignees, shall have any right to enforce the terms of the Gas Transportation Agreement against the Shipper or Epic Energy.

**ANNEXURE B -
ADDITIONAL TERMS AND CONDITIONS: SWQP**

25.7 INTERPRETATION OF AGREEMENT

In the interpretation and construction of the Gas Transportation Agreement, no presumption shall be made against any Party on the grounds that that Party drafted the Gas Transportation Agreement or any provision of the Gas Transportation Agreement.

25.8 ENFORCEABILITY

Each Party represents that it has all necessary power and authority to enter into and perform its obligations under the Gas Transportation Agreement and that the Gas Transportation Agreement is binding on that Party and enforceable against it in accordance with its terms.

25.9 No PARTNERSHIP

Nothing in or arising out of the Gas Transportation Agreement shall constitute a partnership between the Shipper or any of them, or between the Shippers or any of them and Epic Energy for any purpose.

25.10 STAMP DUTY

The Shipper is responsible for and must pay any stamp duty assessed or payable in respect of the Gas Transportation Agreement.

25.11 CHANGE IN REGULATORY ENVIRONMENT

If there is a change in the regulatory environment which causes Epic Energy to incur additional costs:

- (a) Epic Energy may apply to the Regulator for an adjustment of the charges payable by the Shipper pursuant to a Gas Transportation Agreement.
- (b) any adjustment to the charges approved by the Regulator pursuant to Clause 25.11 will apply from the date determined by the Regulator.

SCHEDULE

MEASURING EQUIPMENT

PART 1 – METERING EQUIPMENT (CLAUSE 6)

1. METERING EQUIPMENT

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

2. CERTIFICATION

- (a) Where the Metering Equipment is owned and operated by Epic Energy, Epic Energy will furnish certification of the accuracy and the initial calibration for the metering equipment to the Shipper at or before the commencement of deliveries of Gas under the Gas Transportation Agreement.
- (b) Where the Metering Equipment is owned and operated by the Shipper or a third party, the Shipper will furnish certification of the accuracy and the initial calibration for the metering equipment to Epic Energy at or before the commencement of deliveries of Gas under the Gas Transportation Agreement.

3. METER DESIGN

- (a) Epic Energy will:
 - (i) determine the nature, design and specifications of;
 - (ii) determine the configuration of and communication protocols for;
 - (iii) review all plans for; and
 - (iv) inspect the installation of,all Metering Equipment to be installed at a Delivery Point or a Receipt Point.
- (b) No Receipt Point or Delivery Point will be connected to the Pipeline System unless it complies in all respects with Epic Energy's specifications.

**ANNEXURE B -
ADDITIONAL TERMS AND CONDITIONS: SWQP**

4. FLOW DEVICES

- (a) Orifice metering systems will be constructed and installed in accordance with the provisions of American Gas Association ('AGA') Report No. 3, such that a maximum uncertainty of $\pm 0.5\%$ of flow co-efficient is achieved.
- (b) Turbine metering systems will be constructed and installed in accordance with the provisions of AGA Report No. 7, such that a maximum uncertainty of $\pm 1\%$ of flow co-efficient is achieved.
- (c) Positive displacement metering systems will be constructed and installed in accordance with the provisions of ANSI B109-3 (1986), such that a maximum uncertainty of $\pm 1\%$ of flow co-efficient is achieved.
- (d) Ultrasonic metering systems will be constructed and installed in accordance with the provisions of AGA Report No. 9 such that the maximum uncertainty in velocity, is $\pm 0.7\%$.
- (e) Other metering systems will be constructed and installed in accordance with established industry standards as adopted by Epic Energy.

5. DIFFERENTIAL PRESSURE FOR ORIFICE METERING

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

6. PRESSURE

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

7. TEMPERATURE

The temperature transmitter uncertainty will be a maximum of $\pm 0.1\%$ for instruments at Metering Stations $\pm 0.25\%$ elsewhere, of the calibrated range and the calibration range will be selected to minimise the uncertainty of readings.

**ANNEXURE B -
ADDITIONAL TERMS AND CONDITIONS: SWQP**

8. FLOW COMPUTER

- (a) For each Metering Station, a self-contained proprietary type flow computer will be installed. Instantaneous values for at least the following inputs and outputs will be recorded and available for display from the flow computer or from SCADA trend data:

Inputs	Outputs
Differential pressure (high (orifice meter)	Differential pressure (orifice meter)
Differential pressure (low) (orifice meter)	Pressure
Pressure	Temperature
Temperature	Density
Relative density (ideal)	Instantaneous volumetric flow (corrected and Uncorrected)
Relative density (real)	Cumulative volumetric flow
Carbon dioxide	Instantaneous energy flow
Nitrogen	Cumulative energy flow
Dry Gross Heating Value (real)	Instantaneous mass flow (ultrasonic meter)
Frequency (turbine meter)	Cumulative mass flow (ultrasonic meter)
	Control valve position
	Gas quality

- (c) The flow computer will be manually configured with input data for calculation factors, constants and Standard Conditions as well as fall back values for out of limit input signals and alarm outputs. Configuration data will be available on a local display. The flow computer input and output circuits and central processing unit will not increase the uncertainty of any measurement or calculation by more than $\pm 0.1\%$ of the range of that measurement or calculation.
- (d) At least 31 Days of hourly information will be backed up and stored on the flow computer.
- (e) Communication connections and protocol must be acceptable to Epic Energy and must be compatible with, and connected to, Epic Energy's SCADA system.

**ANNEXURE B -
ADDITIONAL TERMS AND CONDITIONS: SWQP**

9. ENERGY AND RELATIVE DENSITY

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

PART 2 - METERING AT RECEIPT AND DELIVERY POINTS (CLAUSE 6)

1. VOLUMETRIC MEASUREMENT

- (a) Volumetric measurement in cubic meters per hour (m³/hr) will be calculated by a flow computer from flow meter signals, associated instruments and density and composition signals from an on-line gas chromatograph. The volumetric flow rate will be continuously recorded and integrated.
- (b) All measurements, calculations and procedures used in determining volume, except for the correction for the deviation from the Ideal Gas Law, will be made in accordance with the instructions contained in:
 - (i) AGA 3 for the Orifice Plate Metering Systems;
 - (ii) AGA 7 for Turbine Metering;
 - (iii) ANSI B109-3 for Positive Displacement (PD) Metering;
 - (iv) AGA 9 for Ultra Sonic Metering; and
 - (v) relevant industry standards and such other standards as may be specified by Epic Energy for any other metering system,together with all presently existing supplements and appendices to those reports or any revisions of them acceptable to the Parties.

**ANNEXURE B -
ADDITIONAL TERMS AND CONDITIONS: SWQP**

- (c) Those instructions will be converted where necessary for compliance with Australian Standard AS1000 'The International System of Units (SI) and its Application', the Commonwealth *National Measurement Act 1960* and regulations under that Act and the Australian Gas Association publication 'Metric Units and Conversion Factors for use in the Australian Gas Industry' or any revision of those publications acceptable to the Parties.
- (d) The correction for deviation from the Ideal Gas Law will be determined from the data contained in AGA 8, or any revision of that report acceptable to the Parties. The compositional data used in these calculations will be primarily derived from the on-line gas chromatograph.

2. ENERGY MANAGEMENT

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

3. OTHER MEASUREMENT

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

4. PRESSURE

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

5. CALIBRATION INSPECTION AND TESTING

(a) Scheduled Tests

Epic Energy will carry out at Monthly intervals (or such longer period as may be agreed by the Parties) Validation Tests of the metering equipment in accordance with the procedures set out in this clause 5. Epic Energy will give at least 14 Days notice of the time and date of such tests and will supply a list of items to be tested to the Shipper. If the Shipper fails to witness such tests after the required notification is given, the test results will nevertheless be deemed to be acceptable. Upon request, the representatives of the Shipper at such tests will be supplied with copies of the field data and calculations following such tests, and the Shipper will be supplied with a full set of test results.

(b) Unscheduled Tests

**ANNEXURE B -
ADDITIONAL TERMS AND CONDITIONS: SWQP**

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

(c) Test Results

The results of such tests will be deemed to be correct if corroborated by the next scheduled monthly test. If such test results are not corroborated by the routine monthly test, those test results will be ignored and the correction procedures set out below will be implemented.

(d) Permissible Limits

The permissible limits of tolerance for accuracy is plus or minus one (1) percent.

(e) Correction Procedure

If at any time, any of the Metering Equipment is found to be unserviceable or registering inaccurately, it will be adjusted immediately to its specification. The previous reading of such Metering Equipment will be corrected for any period of inaccuracy which is definitely known or agreed upon, provided that the period for such correction will not extend beyond one half of the time elapsed since the date of the last previous validation test. Measurement during the correction period will be determined by Epic Energy on the basis of the best data available, using the first of the following methods which, when considered in the following order, is feasible:

- (i) recordings by any other metering equipment acceptable to Epic Energy and the Shipper; or
- (ii) trend data recorded by Epic Energy or the Shipper, where this data can be proven to represent an accurate estimate of the actual measurement; or
- (iii) by making the appropriate correction if the deviation from the accurate reading is ascertainable by calibration test or mathematical calculation;
- (iv) by estimation acceptable to Epic Energy and the Shipper based upon receipts or deliveries under similar conditions during a period when the Metering Equipment was registering accurately; or
- (v) by using the registration of any check meter if installed and accurately registering.

6. CALIBRATION EQUIPMENT AND PROCEDURES

Calibration equipment will have measurement accuracy at least 4 times better than the metering equipment which it will be used to calibrate. Calibration equipment will be provided with NATA endorsed certification of its accuracy, traceable to national standards. The appropriate certificates will be available for inspection during business hours at the offices of Epic Energy.

**ANNEXURE B -
ADDITIONAL TERMS AND CONDITIONS: SWQP**

7. ADDITIONAL TESTS

The Shipper will have the right at any time in its discretion to require Epic Energy to carry out tests in addition to the scheduled and unscheduled tests referred to in clauses 5(a) and 5(b) of the schedule. The Shipper will reimburse Epic Energy for the cost of the additional tests unless it is shown from the results of those tests that the equipment being tested is not operating within the permissible limits of tolerance (1%).

8. INSPECTION OF EQUIPMENT RECORDS

The Shipper will be permitted to:

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

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

**ACCESS ARRANGEMENT FOR THE
BALLERA TO WALLUMBILLA NATURAL GAS
PIPELINE**

ANNEXURE C

DEFINITIONS

In the Access Arrangement and the Additional Terms and Conditions except where the context expressly provides for another meaning definitions are as follows:

Access Arrangement has the meaning given in the Access Principles;

Access Arrangement Information means the material submitted by Epic Energy in compliance with sections 2.6, 2.7, 2.8 and Attachment A of the Code;

Access Arrangement Period means the date the Regulator approves the Access Arrangement until the Revisions Commencement Date;

Access Principles means the Reference Tariff and Reference Tariff Policy derogated by the Queensland Government pursuant to Section 58 of the Law and contained in Annexure A to the Access Arrangement. When read with the Additional Terms and Conditions and the Definitions the document constitutes the Gas Transportation Agreement Terms and Conditions;

Additional Terms and Conditions means the document contained at Annexure B to the Access Arrangement. When read with the Access Principles and the Definitions the document constitutes the Gas Transportation Agreement Terms and Conditions;

Annexure means an annexure to the Access Arrangement;

Authorised Overrun Service has the meaning given in the Access Principles;

Back Haul means the transport of Gas in the SWQP from the direction of Wallumbilla towards Ballera;

Back Haul Service means the Class BF1 Service as defined in the Access Principles;

Back Part Haul Service (Zonal) means the Class BZ1 Service as defined in the Access Principles;

Bare Transfer has the meaning given in the Code;

Business Day means any Day except Saturdays, Sundays and gazetted public holidays in Brisbane;

Capacity means the capacity in the SWQP to transport quantities of Gas from a Receipt Point to a Delivery Point;

Capital Contribution has the meaning given in the Code;

Code means the National Third Party Access Code for Natural Gas Pipeline Systems as in force in Queensland from time to time;

Commencement Date means the date on which a Shipper's Gas Transportation Agreement commences or is deemed to commence pursuant to a Gas Transportation Request;

Contract Carriage Pipeline has the meaning given in the Code;

Contracted Capacity has the meaning given in the Code;

Covered Pipeline means the SWQP and any extension or expansion of the SWQP which becomes covered under the Access Arrangement;

CPI has the meaning given in the Access Principles. If that Index is discontinued or modified, an alternative equivalent index provided by the Australian Bureau of Statistics. If no equivalent alternative index is available, then either the Shipper or Epic Energy may request the Institute of Actuaries of Australia to provide an alternative index which is equivalent to the CPI, and that alternative index shall be deemed to be the CPI for the purposes of the Gas Transportation Agreement;

Curtailment Notice has the meaning given in clause 14 of the Additional Terms and Conditions;

Customer Reporting System or **CRS** has the meaning given in clause 12.1 of the Additional Terms and Conditions;

Day means a period of 24 consecutive hours beginning at 8:00am;

Defaulting Party has the meaning given in clause 20.3(a) of the Additional Terms and Conditions;

Definitions means this document which is Annexure C to the Access Arrangement;

Delivery Point has the meaning given in the Access Principles;

Delivery Point MDQ has the meaning given in the Access Principles;

Epic Energy means Epic Energy Queensland Pty Limited (ABN 67 066 656 219) or its successors;

Excess MHQ Rate means the same rate as the Unauthorised Overrun Rate in the Access Principles;

Existing Firm Service means those Shipper's with Gas Transportation Agreements for the transportation of Gas in the SWQP on a firm basis prior to the commencement of the Access Arrangement;

Force Majeure has the meaning given in clause 18 of the Additional Terms and Conditions;

Forward Haul means the transport of Gas in the SWQP from the direction of Ballera towards Wallumbilla;

Forward Part Haul Service (Zonal) means the Class FZ1 Service as defined in the Access Principles;

Full Forward Haul Service means the Reference Service as defined in Paragraph 6.2 of the Access Arrangement and in the Access Principles is the service described as “ Class FH1 Service”;

Gas means any mixture of hydrocarbons or of hydrocarbons and non-combustible gases in a gaseous state which meets the Gas Specifications, and any Out-of-Specification Gas accepted by Epic Energy under clause 7.4 of the Additional Terms and Conditions;

Gas Specifications means the gas specifications given in clause 13.7 (b) of the Access Principles;

Gas Transportation Agreement means the contract entered into between Epic Energy and a Shipper for a Transportation Service;

Gas Transportation Agreement Period means the term of the Gas Transportation Agreement specified in the Gas Transportation Request accepted by Epic Energy;

Gas Transportation Agreement Terms and Conditions is as described in clause 10.2 of the Access Arrangement;

Gas Transportation Guide has the meaning given in Paragraph 5.1 of the Access Arrangement.

Gas Transportation Request means the request for access to Services by a Shipper as set out in the Gas Transportation Guide;

GJ has the meaning given in the Access Principles;

Gross Heating Value means energy produced by the complete combustion of one Cubic Metre of Gas with air, at an absolute pressure of 101.325 kPa and temperature of 15° Celsius, with the Gas free of all water vapour, the products of combustion cooled to a temperature of 15° Celsius and the water vapour formed by combustion condensed to the liquid state;

GST has the meaning given in clause 3.1(b) of the Additional Terms and Conditions;

Imbalance has the meaning given in the Access Principles;

Independent Expert has the meaning given in clause 16 of the Additional Terms and Conditions;

Information Package has the meaning given in the Code;

Interconnect Party means a person who operates Interconnection Facilities;

Interconnection Facilities means those pipeline facilities that are required to connect the SWQP to the facilities of the Shipper or of another person who

receives or delivers Gas for the Shipper's account, to enable Epic Energy to receive or deliver Gas under the Gas Transportation Agreement;

Interest means a rate of interest equal to the "Reference Rate" as published by the National Australia Bank in the financial press from time to time and if at any time the "Reference Rate" ceases to be published, then such other rate per annum as the Parties may agree is a reasonable substitute, or failing agreement, as may be determined as a financial matter in accordance with clause 16.

Interruptible Part Haul Service (Zonal) means the Class IZ1 Service as defined in the Access Principles;

Interruptible Transportation Service means the Class IT1 Service as defined in the Access Principles;

Joule or **J** is the amount of work done when the point of application of a force of one newton is displaced a distance of one metre in the direction of the force;

KPa is one kilopascal and is equal to one thousand pascals absolute;

Law means the Gas Pipelines Access (Queensland) Act, 1998 as amended and in force from time to time;

Licence has the meaning given in the Access Principles;

Linepack has the meaning given in the Access Principles;

MAOP has the meaning given in the Access Principles;

MDQ has the meaning given in the Access Principles;

Metering Equipment has the meaning given in the Schedule to the Additional Terms and Conditions;

Metering Station has the meaning given in clause 6.1(a) of the Additional Terms and Conditions;

MHQ or **Maximum Hourly Quantity** means $1/24^{\text{th}}$ of the Receipt Point MDQ or $1/24^{\text{th}}$ of the Delivery Point MDQ respectively;

Month means a period beginning at 8:00 a.m. on the first Day of the calendar Month and ending at 8:00 a.m. on the first Day of the succeeding calendar Month;

Monthly Reservation Charge means the reservation charge paid by the Shipper each Month in accordance with clause 4.1 of the Access Principles;

New Facilities means facilities constructed for or on behalf of the Shipper by Epic Energy, including but not limited to meter stations, receipt points and delivery points;

New Facilities Investment has the meaning given in the Code;

Nomination Form means the nomination form contained in the Gas Transportation Guide;

Non-Defaulting Party has the meaning given in clause 20.3(a) of the Additional Terms and Conditions;

Out-of-Specification Gas has the meaning given in clause 7.4 of the Additional Terms and Conditions;

Out-of-Specification Gas Rate means the same rate as the Unauthorised Overrun Rate in the Access Principles;

Overrun Quantity or **Overrun Quantities** has the meaning given in the Access Principles;

Paragraph means a paragraph of the Access Arrangement;

Park and Loan Service is a service where Epic Energy agrees that a Shipper may deliver a quantity of Gas into the SWQP at a Receipt Point on a Day, without the Shipper taking delivery of that Gas at a Delivery Point on the same Day ("**Park Service**") OR where Epic Energy agrees that a Shipper may take a quantity of Gas at a Delivery Point without supplying an equivalent quantity of Gas at a Receipt Point on the same Day and consequently that Gas is delivered to Shipper out of Linepack ("**Loan Service**");

Party means Epic Energy or the Shipper, as the context requires;

Pipeline Licence means a pipeline licence issued under the Petroleum Act, 1923 (Queensland);

PJ has the meaning given in the Access Principles;

Prescribed Fee means an amount of \$5,000, plus any applicable GST or other Supply Tax as may be levied from time to time, both of which are refundable at the sole discretion of Epic Energy;

Prospective Shipper means a person who seeks or is reasonably likely to seek to enter into a contract for Services and includes a Shipper who seeks or may seek to enter into a contract for an additional Service;

Reasonable and Prudent Efforts means, in relation to an undertaking, the exercise of skill, diligence, prudence and foresight which would be expected to be exercised by a skilled, competent and experienced person complying with all recognised standards and applicable laws in the same type of undertaking under the circumstances;

Receipt Point has the meaning given in the Access Principles;

Receipt Point MDQ has the meaning given in the Access Principles;

Reference Service means a Service which is specified in the Access Principles for which a Reference Tariff has been specified in the Access Principles;

Reference Tariff has the meaning given in the Access Principles;

Reference Tariff Policy has the meaning given in the Access Principles;

Regulator means the Regulator appointed under the Law;

Related Company means a related body corporate defined under Section 50 of the Corporations Law;

Revisions Commencement Date has the meaning given in the Code;

Revisions Submission Date has the meaning given in the Code;

Roma to Brisbane Pipeline or **RBP** means the pipeline and pipeline facilities owned by Australian Pipeline Trust and IOL Petroleum Ltd or their successors as tenants in common that commences near Wallumbilla and terminates in Brisbane and is fully described in Pipeline Licence 2;

Roma to Brisbane Pipeline Delivery Point means the point of interconnection of the SWQP with the RBP;

Service has the meaning given in the Access Principles;

Shared Revenue has the meaning given in the Access Principles, therein described as "Revenue Sharing";

Shared Revenue Agreement means a Gas Transportation Agreement receiving Shared Revenue;

Shared Revenue Service has the meaning given in the Access Principles;

Shared Revenue Shipper means a Shipper whose Gas Transportation Agreement is a Shared Revenue Agreement;

Shipper means the shipper specified in the Gas Transportation Request and is described in the Access Principles as "User".

Standard Conditions for Gas measurement shall be:

- (a) standard pressure of 101.325 kPa,
- (b) standard temperature of 15.0 degrees Celsius and
- (c) density of air at standard temperature and pressure of 1.2255 kg/m³;

State means the State of Queensland;

State Gas Pipeline or **SGP** has the meaning given in the Access Principles;

State Gas Pipeline Delivery Point means the point of interconnection of the SWQP with the SGP;

Supply Tax has the meaning given in clause 3.1(a) of the Additional Terms and Conditions;

Surcharge has the meaning given in the Code;

SWQP means the pipeline from Ballera to Wallumbilla in South-West Queensland, as fully described in Pipeline Licence 24 and also described in the Access Arrangement Information;

System Use Gas has the meaning given in the Access Principles;

System Use Gas Percentage means the System Use Gas Percentage determined according to clause 4.2 of the Additional Terms and Conditions;

Trading Policy means the policy set out in Paragraph 11 of the Access Arrangement;

Transportation Service has the meaning given in the Access Principles;

Unauthorised Overrun Rate has the meaning given in the Access Principles;

Unauthorised Overrun Service has the meaning given in the Access Principles;

Upstream Deliveries has the meaning given in Paragraph 6.3 of the Access Arrangement;

Year means a period of 365 consecutive Days, provided however, that any Year which contains a date of 29 February shall consist of 366 consecutive Days; and

Zone has the meaning given in the Access Principles.