



**STANDARD TERMS AND CONDITIONS OF SERVICE**  
**QUEENSLAND GAS PIPELINE**

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**Revision 1.4.1**

# STANDARD TERMS AND CONDITIONS OF SERVICE

## QUEENSLAND GAS PIPELINE

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## STANDARD TERMS AND CONDITIONS OF SERVICE

### 1 DEFINITIONS AND INTERPRETATION

#### 1.1 Generally

In this Agreement, unless the contrary appears:

**Access Documents** means documents published by the Transporter on its Web Site from time to time which documents set out a process for Prospective Shippers to apply to gain access to the Pipeline;

**Actual Delivered Quantity** means the actual quantity of Gas, as determined by the Transporter, made available and delivered or deemed to be delivered by the Transporter to or on behalf of the Shipper in respect of a Service at a relevant Delivery Point for a Day;

**Actual Received Quantity** means the actual quantity of Gas, as determined by the Transporter, made available and received or deemed to be received by the Transporter from or on behalf of the Shipper in respect of a Service at a relevant Receipt Point for a Day;

**Adequate Assurance** has the meaning given to that term in clause 21.3(a);

**Agreement** means:

- (a) the GTA; and
- (b) Exhibit A to the GTA; and
- (c) these Standard Terms and Conditions of Service;

**As Available Charge** has the meaning given to that term in clause 4.1(a)(3);

**As Available Rate** means the amount charged per GJ per Day for an As Available Gas Transportation Service as specified in the GTA. An As Available Rate may be adjusted by the Transporter in accordance with clause 4.6;

**As Available Gas Transportation Service** means the provision of access in relation to a Gas transportation service in the Pipeline which is subject to:

- (a) interruption when the Transporter determines that Capacity is not available on the Pipeline due to the Transporter making a gas transportation agreement relating to Firm Gas Transportation Service or for any other reason whatsoever; and
- (b) Curtailment;

**Assigned Capacity** has the meaning given to that term in clause 12.1;

**Authorised Overrun Gas** has the meaning given to that term in clause 8.2;

**Authorised Overrun Charge** has the meaning given to that term in clause 4.2(b);

**Authorised Overrun Service** means a Service comprising the delivery of Authorised

Overrun Gas;

**Authorised Overrun Rate** for any Day means a rate equal to 130% times the Shipper's Capacity Reservation Rate;

**Authorised Person** means the person identified in Schedule 2 and as varied pursuant to clause 35.5;

**Available Capacity** means Shipper's Spare Contracted Capacity or Capacity that becomes available but that is not reserved through the renewal, or extension of the term of a gas transportation agreement;

**Backhaul Rate** means the rate in dollars per GJ specified in the GTA for a Backhaul Service. A Backhaul Rate may be adjusted by the Transporter in accordance with clause 4.6;

**Backhaul Reservation Charge** has the meaning given to that term in clause 4.1(a)(2);

**Backhaul Service** means the provision of access in the direction opposite to the physical flow of Gas in the Pipeline, accomplished through a reduction in the physical flow of Gas, which is subject to:

- (a) interruption when the Transporter determines that Capacity is not available on the Pipeline due to the Transporter making a gas transportation agreement relating to Firm Gas Transportation Service or for any other reason whatsoever; and
- (b) Curtailment;

**Bare Transfer** means an agreement entered into in accordance with clauses 12.1(a) and 12.3 in relation to Traded Capacity;

**Business Day** means a Day on which banks are open for business in Brisbane, Queensland, which is not a Saturday, Sunday or a public holiday in that city;

**Capacity** means the measure of the potential of the Pipeline from time to time to deliver a particular Service between a Receipt Point and a Delivery Point at a point in time;

**Capacity Reservation Charge** has the meaning given to that term in clause 4.1(a)(1);

**Capacity Reservation Rate** means the rate per GJ for a Firm Gas Transportation Service, which rate is specified in the GTA. A Capacity Reservation Rate may be adjusted by the Transporter in accordance with clause 4.6;

**Capital Surcharge** has the meaning given in clause 4.5;

**Carbon Charge** means any cost, loss, fee, expense, penalty, fine, royalty, tax, rate, duty, levy or charge imposed, levied or incurred whether directly or indirectly and including on an accrual basis in respect of any Greenhouse Gas emissions, or in respect of any existing or new trading mechanism or scheme, or any other existing or new mechanism, that has as one of its objectives a reduction in or modification of behaviour in respect of Greenhouse Gas emissions, including any direct or indirect cost of acquiring or failure to surrender any permit, credit or licence which is required to emit Greenhouse Gas or any unit (however called) which relates to the amounts of emissions of Greenhouse Gas, and any direct or indirect cost of any relevant activities undertaken for the purposes of reducing or offsetting such emissions;



**Charge** means an existing or new fee, impost, royalty (whether based on value, profit or otherwise), excise, levy or charge imposed or levied by any Government Body, whatever it is called, and whatever the reason for imposing or levying it, excluding a Carbon Charge;

**Commencement Time and Date** has the meaning given in the GTA;

**Consents** means all necessary consents, approvals, permits, licences and authorisations of, and declarations, filings and registrations with, any Government Body;

**Confidential Information** means the terms and conditions of this Agreement, and all information, documents or other material provided pursuant to or acquired in accordance with this Agreement or the negotiation of this Agreement, including information in respect of the business and operations of a party to this Agreement and, to the extent disclosed to the Shipper, any information in respect of the business and operations of an Other Shipper;

**Confirmed Delivery Nomination** means the amount of Gas that the Transporter confirms, in accordance with clause 5.4(b), will be scheduled for delivery to a Delivery Point in respect of a Service, taking into account and, if the Transporter considers appropriate, inclusive of the quantity of any Gas for correcting Imbalances;

**Confirmed Nomination** has the meaning given to that term in clause 5.4(b);

**Confirmed Receipt Nomination** means the amount of Gas that the Transporter confirms, in accordance with clause 5.4(b), will be scheduled for receipt at a Receipt Point in respect of a Service, taking into account and, if the Transporter considers appropriate, inclusive of the quantity of any Gas for correcting Imbalances and System Use Gas;

**Consequential Loss** means any consequential, indirect or special Loss which does not arise naturally according to the usual course of things, but does not include any Direct Loss;

**Contracted Capacity** means that part of the Capacity of the Pipeline which has been reserved by the Shipper as specified in the MDQ for Firm Gas Transportation Services in clause 5 of the GTA;

**Corporations Act** means the *Corporations Act 2001* (Cth);

**Cumulative Imbalance** has the meaning given to that term in clause 9.2;

**Curtailment** or **Curtail** means the right of the Transporter to interrupt a Service on the Pipeline for any event specified in clauses 20.1, 20.2 or 20.3 and on the priority basis set out in clause 3.1;

**Daily Nomination** has the meaning given to that term in clause 5.4(a);

**Daily Shipper Schedule** has the meaning given to that term in clause 6.2(a);

**Daily Variance** has the meaning given to that term in clause 4.4(b);

**Daily Variance Charge** means the charge calculated in accordance with clause 4.4;

**Daily Variance Rate** means 120% times the relevant Tariff;

**Day** means a period of 24 consecutive hours beginning at 0800 hours Australian Eastern Standard Time;

**Default Notice** has the meaning given to that term in clause 27.1;

**Delivery Point** means a point on the Pipeline at which Gas is delivered or deemed to be delivered from the Pipeline to or for the account of the Shipper which delivery point is specified in the GTA;

**Direct Loss** means the actual direct and foreseeable Losses incurred by a party which arise naturally according to the usual course of things;

**Electronic Advice** means either email or posting on the Web Site in each case to such address as approved by the Transporter from time to time;

**Expert** has the meaning given in clause 34.3(a);

**Expiration Time and Date** has the meaning given in the GTA and as may be amended under clause 19.2;

**Extension Notice** has the meaning given to that term in clause 19.2;

**Event of Default** means a Financial Default or a Non-Financial Default;

**Financial Default** means any of the following:

- (a) any default by a party in the payment of any sum due and payable to another party under this Agreement;
- (b) a party is insolvent, wound up, placed under official management or liquidation, suffers the appointment of a receiver, liquidator or receiver manager over any of its assets or an agent for a mortgagee in possession, the making of any order for the purpose of winding up of a party or the entry into a scheme of arrangement;
- (c) a party is presumed or deemed to be insolvent under any applicable legislation; or
- (d) failure by the Shipper to provide Adequate Assurance to the Transporter under clause 21.3 within 7 days of the Transporter's request;

**Firm Gas Transportation Service** means the provision of access in relation to a Gas transportation service in the Pipeline which is subject to Curtailment but not any other interruption by the Transporter (other than an adjustment under clause 5.4(b)(3) or 9.4) and which has the priority of service specified in clause 3.1;

**Force Majeure Event** means:

- (a) subject to paragraph (c) of this definition, a delay or failure of a party in the performance of its obligations under this Agreement to the extent that:
  - (1) that party's performance of its obligations under this Agreement is prevented, impeded, curtailed or delayed by an act, event or circumstance; and
  - (2) such act, event or circumstance is not within the reasonable control of that party and which could not be avoided or prevented by that party taking steps which might reasonably have been taken by a reasonable and prudent person;
- (b) to the extent that they satisfy the requirements set out in paragraph (a) of this definition, Force Majeure Events include the occurrence of the following acts, events or circumstances (either separately or together):

- (1) any acts of God, including landslides, lightning, earthquakes, cyclones, fires, storms, floods and washouts;
  - (2) strikes, boycotts, lockouts or other industrial disturbances;
  - (3) acts of war (declared and undeclared), blockades, insurrections, riots or other civil disturbances;
  - (4) restraints of government (either federal, state, civil or military);
  - (5) refusal or delay in obtaining any Consents;
  - (6) explosions or shutdowns or interruptions due to breakdowns of or damage or accident to plant, equipment, machinery or facilities including the measuring equipment or lines of pipe necessary for a party's operation or production;
  - (7) act of vandalism;
  - (8) nuclear accidents;
  - (9) shortages of equipment labour or essential materials;
  - (10) reasonable failure to secure contractors or delays of contractors;
  - (11) law, orders, rules, regulations or acts of any court or Government Body; and
  - (12) shutdowns or interruptions required to conform to design or regulatory limits in production and pipeline facilities, including environmental limits or restrictions; and
- (c) the occurrence of the following acts, events or circumstances will not constitute a Force Majeure Event:
- (1) loss of customers, loss of market share or reduction in demand for gas;
  - (2) changes in market structure, operations or conditions for the transportation, purchase or sale of gas;
  - (3) any breach of contract by, or an event of force majeure affecting a person contracting with, the affected party (**Third Party Contractor**), except that a breach of contract by, or an event of force majeure affecting a Third Party Contractor will be a Force Majeure Event if:
    - (i) the affected party has taken all necessary, reasonable and practical action as a matter of urgency to obtain performance of the Third Party Contractor's relevant obligation, whether by the Third Party Contractor or another person; and
    - (ii) such breach of contract by, or event of force majeure affecting the Third Party Contractor prevents, impedes, curtails or delays the affected party's performance of its obligations under this Agreement;
  - (4) where the Shipper is not the person consuming the Gas at the Delivery Point, the inability of the person consuming the Gas at the Delivery Point to take the Gas due to any event or circumstance;
  - (5) the inability of any party to borrow funds or to obtain a supply of Gas;

or

- (6) lack of funds or the inability to use funds;

**Gas** means a substance that is mostly methane, is in a natural gaseous state at standard temperate and pressure, consists of naturally occurring hydrocarbons, or a naturally occurring mixture of hydrocarbons and non-hydrocarbons, and is suitable for utilisation and transmission through pipelines and which meets the requirements set out in clause 13.1;

**Gas Specification** means the gas specifications as set out in Schedule 1;

**Good Engineering and Operating Practices** means the practices, methods and acts engaged in or approved by a firm or body corporate who, in the conduct of its undertaking, exercises that degree of diligence, prudence and foresight reasonably and ordinarily exercised by skilled and experienced recognised Australian operators engaged in the same type of undertaking under the same or similar circumstances and conditions;

**Government Body** means any government, governmental or semi-governmental or judicial entity, any ministry, inspectorate, official, public or statutory person or other statutory, administrative, supervisory or regulatory entity, federal, state or local;

**GJ** means gigajoule of Gas;

**Greenhouse Gas** means a greenhouse gas as defined by the *National Greenhouse and Energy Reporting Act 2007* (Cth), as in force from time to time;

**Gross Heating Value** means the energy produced by the complete combustion of one cubic metre of Gas with air, at a temperature of 15 degrees Celsius and at an absolute pressure of 101.325 kPa, with the Gas free of all water vapour, the products of combustion cooled to a temperature of 15 degrees Celsius and the water vapour formed by combustion condensed to the liquid state, expressed in MJ per cubic metre (M.J/m<sup>3</sup>);

**GST Act** has the meaning given to that term in clause 23.2;

**GST Amount** has the meaning given to that term in clause 23.2;

**GST Exclusive Amount** has the meaning given to that term in clause 23.2;

**GTA** means the gas transportation agreement between the Shipper and Transporter to which these Standard Terms and Conditions of Service are attached;

**Imbalance** has the meaning given to that term in clause 9.1(a);

**Imbalance Charge** has the meaning given to that term in clause 9.6;

**Imbalance Settlement Charge** means a charge that equals the costs incurred by the Transporter to purchase or acquire Gas required to correct the Shipper's Cumulative Imbalance;

**Intellectual Property Rights** means all intellectual and industrial property rights and interests throughout the world, whether registered or unregistered, including trade marks, designs, patents, inventions, semi-conductor, circuit and other eligible layouts, copyright and analogous rights, trade secrets, know-how, processes, concepts, confidential information and all other intellectual property rights as defined in Article 2 of the convention establishing the World Intellectual Property Organisation on 14 July 1967 as amended from time to time;

**kPag** means kilopascals gauge;

**Law** includes any provision, treaty, decree, convention, statute, act, regulation, rule, ordinance, proclamation, subordinated legislation, delegated legislation, by law, judgment, rule of common law or equity, rule, ruling or guideline by a competent entity exercising jurisdiction in the relevant matter;

**Licence** means Pipeline Licence No. 30 issued under the *Petroleum and Gas (Production and Safety) Act 2004* (Qld) which authorises the Transporter to operate the Pipeline as amended, renewed, replaced or substituted from time to time;

**Line Pack** means the quantity of Gas in the Pipeline which is necessary for physical operation of the Pipeline, excluding System Use Gas;

**Loss** means any liability, cost, expense, loss or damage (including any cost or expense reasonably incurred in connection with a claim);

**MDQ** means, in relation to a gas transportation agreement for Firm Gas Transportation Services and in respect of each Path, the fixed maximum quantity of Gas which:

- (a) the Shipper is entitled to deliver to a Receipt Point (inclusive of System Use Gas); and
- (b) the Transporter is obliged to deliver at a Delivery Point,

for the account of the Shipper on each Day under this Agreement, as specified in that GTA but at all times subject to the Transporter's rights to reduce the MDQ in accordance with this Agreement;

**Metering Manual** has the meaning given to that term in clause 24.6;

**MHQ** has the meaning given to that term in clause 6.2(b);

**Minimum Service Charge** has the meaning given to that term in clause 4.7;

**MJ** means megajoule of Gas;

**Month** means a period extending from the beginning of the first Day in a calendar month to the beginning of the first Day in the next calendar month;

**Monthly Nomination** has the meaning given to that term in clause 5.2(a);

**Monthly Nomination Form** means a written and signed form bearing that name on the Web Site, containing at least the following information:

- (a) the name of the Supplier;
- (b) the Month to which the Nomination relates;
- (c) a Nomination of Gas to be transported on the Pipeline in the relevant Month;
- (d) relevant Receipt Points and the percentage allocation of each Receipt Point;
- (e) relevant Delivery Points;
- (f) quantities (in GJ/Day) for each Day of the relevant Month;
- (g) any other information that may assist the Transporter in scheduling receipt amounts for the Supplier; and
- (h) any additional information which the Transporter considers from time to time

is reasonably required to ensure the parties can perform their obligations under this Agreement;

**New Materials** has the meaning given to that term in clause 33.2;

**Nomination** has the meaning given to that term in clause 5.1(a);

**Non-Financial Default** means a material default or material breach of this Agreement, other than a Financial Default;

**Notice** means a notice, advice, consent, approval or other communication under this Agreement;

**Notice of Change to Procedure** has the meaning given to that term in clause 5.8(a);

**Notice of Receipt of Monthly Nomination** has the meaning given to that term in clause 5.2(c);

**Notice of Receipt of Weekly Nomination** has the meaning given to that term in clause 5.3(c);

**Odourisation Charge** means the amount set out in the GTA;

**Operational Flow Order** has the meaning given to that term in clause 10.1;

**Other Shipper** means any person that is a party to a gas transportation agreement relating to the Pipeline, other than the Shipper or the Transporter;

**Out-of-Specification Gas** means gas which does not comply with the Gas Specifications;

**Out-of-Specification Notice** means the notice set out in clause 13.2(b);

**Overrun Charge** means the sum of the Authorised Overrun Charge, Unauthorised Overrun Charge and Unauthorised Overrun OFO Charge and is calculated in accordance with clause 4.2;

**Overrun Gas** has the meaning given to that term in clause 8.1;

**Path** means the sections of the Pipeline outlined in Exhibit A of the GTA through which Gas transported for the Shipper under this Agreement actually or nominally passes;

**Period of Supply** means the period between the Commencement Time and Date and Expiration Time and Date under this Agreement;

**Pipeline** means the Queensland Gas Pipeline operated by the Transporter in accordance with the Licence;

**PJ** means petajoule of Gas;

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

**Public Capacity Register** means a register maintained by the Transporter on its Web Site;

**Receipt Point** means a point specified in the GTA at which Gas is received or deemed to be received into the Pipeline from or on account of the Shipper under this

Agreement;

**Related Body Corporate** has the meaning given to that term in the Corporations Act;

**Service** means:

- (a) a service provided by means of the Pipeline including gas transportation services (such as Firm Gas Transportation Services, Backhaul Services and As Available Gas Transportation Services); and
- (b) services ancillary to the provision of the services described in paragraph (a) above,

including, but not limited to, the services described in clause 4.1(c), but does not include the production, sale or purchasing of Gas;

**Service Charge** means the charge the Shipper has to pay to the Transporter for the provision of a Service, set out in clause 4 and the GTA;

**Shipper** has the meaning given in the GTA;

**Shipper Materials** has the meaning given to that term in clause 33.1;

**Shipper's Spare Contracted Capacity** has the meaning given to that term in clause 12.5(a);

**Shipper's Spare Contracted Capacity Notice** has the meaning given to that term in clause 12.5(b);

**Software** includes all computer programs and programming, (in object code) middleware, sub-system software, operating systems, database management systems, system utilities and all software tools, methodology, associated documentation and media on which software is stored;

**Standard Terms and Conditions of Service** means this document;

**Supplier** means any entity supplying the Shipper with Gas at the Receipt Points;

**Suspension Period** has the meaning given to that term in clause 18.1(b);

**Systems** means any Software or computer hardware, or Software and computer hardware, including any other hardware, equipment, networks, communications systems of whatever nature that is used by the Transporter in providing the whole or any part of the Services or otherwise used in connection with the provision of the Services;

**System Use Gas** means the quantities of Gas necessarily used in the operation of the Pipeline, including Gas used as fuel for compressors or other equipment and quantities otherwise lost and unaccounted for in connection with the operation of the Pipeline, but excludes Line Pack and Gas lost through the negligence of the Transporter;

**Tariff** means:

- (a) in respect of a Firm Gas Transportation Service, Backhaul Service or As Available Gas Transportation Service, the Capacity Reservation Rate, Backhaul Rate or As Available Rate (as applicable); or
- (b) for any Service other than a Firm Gas Transportation Service, Backhaul Service or As Available Gas Transportation Service, the rate payable for the

provision of that Service as set out in the GTA;

**Tax** means an existing or new tax, levy, duty, tariff or surcharge, however imposed or levied and whatever it is called, but does not include tax payable on either party's income or a Carbon Charge;

**TJ** means terajoule of Gas;

**Traded Capacity** has the meaning given to that term in clause 12;

**Transporter** means JEMENA QUEENSLAND GAS PIPELINE (1) Pty Ltd ABN 97 083 050 284 and JEMENA QUEENSLAND GAS PIPELINE (2) Pty Ltd ABN 70 083 050 104;

**Transporter Materials** has the meaning given to that term in clause 33.3;

**Unauthorised Overrun Gas** has the meaning given to that term in clause 8.5(b);

**Unauthorised Overrun Charge** has the meaning given in clause 4.2(c);

**Unauthorised Overrun OFO Charge** has the meaning given in clause 4.2(d);

**Unauthorised Overrun OFO Rate** for any Day means a rate equal to 300% times the relevant Tariff;

**Unauthorised Overrun Rate** for any Day means a rate equal to 150% times the relevant Tariff;

**Web Site** means the Transporter's public or shipper site on the World Wide Web at <http://www.jemena.com.au>, or as otherwise advised by the Transporter from time to time;

**Week** means a period of seven (7) consecutive Days commencing on a Saturday; and

**Weekly Nomination Form** means a written and signed form bearing that name on the Web Site, containing at least the following information:

- (a) the name and contact details of the Supplier;
- (b) the Week to which the Nomination relates;
- (c) a Nomination of Gas to be transported on the Pipeline in the relevant Week;
- (d) relevant Receipt Points and the percentage allocation of each Receipt Point;
- (e) relevant Delivery Points;
- (f) quantities (in GJ/Day) for each Day of the relevant Week;
- (g) the amount of Gas for any Imbalance correction;
- (h) the total receipt amount scheduled;
- (i) any other information that may assist the Transporter in scheduling receipt amounts for the Supplier; and
- (j) any additional information which the Transporter from time to time considers is reasonably required to ensure the parties can perform their obligations under this Agreement.



## 1.2 Times and dates

For the purposes of this Agreement, something that has to be done by a particular time, or by a particular date, is to be done by that time, or by that date, in Brisbane, Queensland.

## 1.3 Quantities of Gas

In this Agreement, all quantities of Gas are expressed in GJ unless otherwise specified.

## 1.4 Deliveries and receipts of Gas

In this Agreement, a reference to Gas received at Receipt Points or delivered at Delivery Points is to Gas received from or delivered to the Shipper or for the Shipper's account.

## 1.5 General interpretation provisions

In this Agreement, unless the context otherwise requires:

- (a) [**legislation**] a reference at a particular time to a particular statute or subordinate legislation, or to particular provisions of a statute or subordinate legislation (a **written law**):
  - (1) is to the written law as in force at that time; and
  - (2) if the written law has been replaced by another written law — is to the written law that replaces it; and
  - (3) is also a reference to subordinate legislation, and the provisions of subordinate legislation, made or issued under or for the purposes of the written law;
- (b) [**other documents**] a reference at a particular time to a particular agreement, document or arrangement, or to any of its provisions:
  - (1) is a reference to it as in operation at that time; and
  - (2) if the agreement, document or arrangement has been amended or novated — is also a reference to it as amended or novated;
- (c) [**number**] the singular includes the plural and vice versa;
- (d) [**individuals**] a reference to an individual is also a reference to any kind of legally recognised body, entity or relationship (for example, a trust), whether incorporated or not, and vice versa;
- (e) [**gender**] a reference to one gender is also a reference to the other genders;
- (f) [**provisions**] a reference to a particular clause or other provision, or to a schedule or an exhibit, is to that clause or provision of, or that schedule or exhibit to, this Agreement;
- (g) [**parties**] a reference to a party to this or another agreement, document or arrangements is also a reference to its executors, administrators, substitutes, successors and permitted assigns;
- (h) [**replacement bodies**] a reference to a body, other than a party to this

Agreement (including an institute, association or authority), whether statutory or not:

- (1) which ceases to exist; or
- (2) whose powers or functions are transferred to another body,

is a reference to the body which replaces it or which substantially succeeds to its powers or functions;

- (i) [**parts of speech**] other parts of speech or grammatical forms of an expression defined in or for the purposes of this Agreement have corresponding meanings;
- (j) [**powers**] a power to do something includes a power, exercisable in the like circumstances, to revoke or undo it;
- (k) [**dollars**] a reference to currency is to Australian currency;
- (l) [**liquidation and insolvency**] a reference to liquidation or insolvency includes appointment of an administrator, compromise, arrangement, merger, amalgamation, reconstruction, winding-up, dissolution, deregistration, assignment for the benefit of creditors, scheme, composition or arrangement with creditors, insolvency, bankruptcy, or other similar procedure or, where applicable, changes in the constitution of any partnership or person, or death; and
- (m) [**knowledge**] a reference to a matter being "to the knowledge" of a person is a reference to the matter being to the best of the person's knowledge and belief after making reasonable enquiries.

## 1.6 Schedules etc

The schedules and annexures to these Standard Terms and Conditions of Service are all provisions of these Standard Terms and Conditions of Service.

## 1.7 Headings and bold type

Headings and bold type in these Standard Terms and Conditions of Service are for convenience only and do not affect interpretation.

## 1.8 Interpretation of inclusive expressions

Specifying anything in these Standard Terms and Conditions of Service after the words 'include' or 'for example' or similar expressions does not limit what else is included.

## 1.9 Accuracy and rounding

Unless otherwise expressly provided, all calculations in and to be made under this Agreement and the components of all Service Charges will be rounded to 4 decimal places.

## 2 STANDARD SERVICES

The standard Services the Transporter offers on the Pipeline are:

- (a) Firm Gas Transportation Services;

- (b) Backhaul Services; and
- (c) As Available Gas Transportation Services.

The Services the subject of this Agreement will be the Services specified in the GTA.

### **3 PRIORITY OF SERVICE**

#### **3.1 Priority number**

- (a) The priority number for each standard Service is:
  - (1) Firm Gas Transportation Service, 1.0;
  - (2) Backhaul Service, 2.0; and
  - (3) As Available Gas Transportation Service, 3.0.
- (b) An Authorised Overrun Service has a priority number of 4.0.
- (c) Services of different types are to be given priority according to their priority numbers.
- (d) The lower the priority number the higher the priority.
- (e) Priority number 1.0 has the highest priority.

#### **3.2 Curtailment**

- (a) The Transporter may deem it necessary to Curtail Services on the Pipeline on a particular Day if there is not enough Capacity on the Pipeline to transport the total quantity of Gas nominated by all Shippers under their gas transportation agreements. The circumstances under which the Transporter may Curtail Services are set out in clauses 20.1, 20.2 and 20.3.
- (b) If the Transporter deems it necessary to Curtail Services, the Transporter will do so according to the priority number of each Service as set out in clause 3.1.
- (c) Unauthorised Overrun Gas will be curtailed before Gas being delivered under any other Service. Unauthorised Overrun Gas on any Service other than a Firm Gas Transportation Service will be curtailed before Unauthorised Overrun Gas on a Firm Gas Transportation Service.

#### **3.3 Priorities between gas transportation agreements for same Service**

Gas transportation agreements for the same type of Service have the same priority. If, due to Curtailment or for whatever reason, there is not enough Capacity on the Pipeline on a particular Day to enable the Transporter to transport the total quantity of Gas nominated by all shippers under gas transportation agreements for the same type of Service, the Transporter will:

- (a) in the case of gas transportation agreements for Firm Gas Transportation Services – to the extent that a shipper has nominated in excess of that shipper's MDQ reduce that shipper's Confirmed Nomination to the shipper's MDQ;
- (b) in the case of gas transportation agreements for Firm Gas Transportation

Services — to the extent that clause 3.3(a) does not resolve the constraint in Capacity, reduce proportionately the quantities of Gas to be transported in the same ratio that the MDQs specified in each gas transportation agreement bears to the aggregate of the MDQ for the Services of these classes that are affected;

- (c) in the case of gas transportation agreements for Backhaul Services – reduce the Service on the basis of the Services that will provide the lowest economic value to the Transporter. For clarification, Services which provide the highest economic value to the Transporter will be reduced last; and
- (d) in the case of gas transportation agreements for As Available Gas Transportation Services — reduce the Service on the basis of the Services that will provide the lowest economic value to the Transporter. For clarification, Services which provide the highest economic value to the Transporter will be reduced last.

## 4 SERVICE CHARGES

### 4.1 Charges for Services

- (a) Subject to adjustment in accordance with this clause 4.1 and clause 4.6, the Service Charges consist of:
  - (1) in respect of Firm Gas Transportation Services, for each Day of the Period of Supply, a charge equal to the Capacity Reservation Rate multiplied by the relevant Shipper's MDQ (**'Capacity Reservation Charge'**);
  - (2) in respect of Backhaul Services, for each Day of the Period of Supply, a charge equal to the Backhaul Rate multiplied by the Actual Delivered Quantity for the relevant Day (**'Backhaul Reservation Charge'**);
  - (3) in respect of As Available Gas Transportation Services, for each Day of the Period of Supply, a charge equal to the As Available Rate multiplied by the Actual Delivered Quantity for the relevant Day (**'As Available Charge'**);
  - (4) Overrun Charges and Imbalance Charges calculated in accordance with clauses 4.2 and 4.3;
  - (5) Daily Variance Charges calculated in accordance with clause 4.4;
  - (6) Capital Surcharges calculated in accordance with clause 4.5;
  - (7) Odourisation Charges calculated in accordance with clause 4.8;
  - (8) charges for Taxes or Charges or both imposed by any Government Body in accordance with clause 23;
  - (9) charges for any Carbon Charge incurred by the Transporter or any Related Body Corporate in accordance with clause 23.2;
  - (10) a monthly Minimum Service Charge; and
  - (11) any other charge or tariff nominated in the GTA or this Agreement.

- (b) The Imbalance Charges which are part of the Service Charges may only be charged subject to the Transporter providing the Shipper with:
- (1) information relating to any Imbalances via publication on the Transporter's Web Site within a reasonable time after the Transporter becomes aware of the Imbalance; and
  - (2) adequate time to install control measures at the Shipper's option, which will allow the Shipper to take practical measures to avoid incurring such charges.
- (c) The Services include the following:
- (1) receipt of Gas at the Receipt Points;
  - (2) transportation of Gas to the Delivery Points, including use of compression facilities installed on the Pipeline;
  - (3) delivery of Gas at the Delivery Points;
  - (4) measurement of Gas quantity and quality for the purposes of metering, billing and the operational and safety requirements of the Pipeline;
  - (5) measurement and control of Gas pressures for the purposes of metering, billing and the operational and safety requirements of the Pipeline;
  - (6) establishment and management of transportation accounts, preparation of invoices and collection of revenue for tariff purposes;
  - (7) operation and maintenance of the Pipeline; and
  - (8) provision of all business and Shipper support services required for the provision of the Services listed above or required by this Agreement.

## 4.2 Overrun Charges

(a) **General**

The Shipper must pay to the Transporter an Overrun Charge for Overrun Gas calculated in accordance with this clause and the Transporter will invoice the Overrun Charge for each Path in accordance with clause 22.

(b) **Authorised Overrun Charge:**

The charge for Authorised Overrun Gas on a Firm Gas Transportation Service is calculated as the greater of the Authorised Overrun Gas at the Delivery Point and the Receipt Point for a Path for a Day multiplied by the Authorised Overrun Rate ('**Authorised Overrun Charge**').

Example Calculation:

A Shipper with a gas transportation agreement for Firm Gas Transportation Services with an MDQ of 1000 GJ/Day and a Confirmed Delivery Nomination of 1150 GJ and a Confirmed Receipt Nomination of 1200 GJ for a Path on a certain Day, will be charged an Authorised Overrun Charge for the Path as follows:

200 GJ x Authorised Overrun Rate

(c) **Unauthorised Overrun Charge:**

Except where the charge in respect of Unauthorised Overrun Gas for a Day is calculated in accordance with clause 4.2(d), the charge for Unauthorised Overrun Gas on a Firm Gas Transportation Service, a Backhaul Service or As Available Gas Transportation Service is calculated as the greater of the Unauthorised Overrun Gas at the Delivery Point and the Receipt Point for a Path for a Day multiplied by the Unauthorised Overrun Rate (**'Unauthorised Overrun Charge'**).

Example Calculation:

A Shipper with a Confirmed Delivery Nomination and Confirmed Receipt Nomination of 1200 GJ for a Path on a certain Day, takes delivery of 1400 GJ at that Delivery Point but injects 1500 GJ at that Receipt Point on that Day will be charged an Unauthorised Overrun Charge for the Path as follows:

300 GJ x Unauthorised Overrun Rate

(d) **Unauthorised Overrun OFO Charge:**

The charge for Unauthorised Overrun Gas which has resulted from the Shipper exceeding the limits imposed by the Transporter under an Operational Flow Order is calculated as the greater of the Unauthorised Overrun Gas at the Delivery Point and the Receipt Point for a Path for a Day multiplied by the Unauthorised Overrun OFO Rate (**'Unauthorised Overrun OFO Charge'**).

Example Calculation:

A Shipper issued with an Operational Flow Order limit of 800 GJ for a Delivery Point and a Receipt Point for a Path on a Day, takes delivery of 900 GJ at that Delivery Point but injects 950 GJ at that Receipt Point on that Day, will be charged an Unauthorised Overrun OFO Charge for the Path as follows:

150 GJ x Unauthorised Overrun OFO Rate

### 4.3 Imbalance Charge and Imbalance Settlement Charge

The Shipper must pay to the Transporter the Imbalance Charges and Imbalance Settlement Charges (if any) as calculated in accordance with clause 9.

### 4.4 Daily Variance Charge

(a) The Shipper shall ensure that the quantity of Gas on any Day received from or on behalf of the Shipper at a Receipt Point or delivered to or for the account of the Shipper at a Delivery Point in respect of a Service equals the quantity of Gas stated in a Confirmed Receipt Nomination and Confirmed Delivery Nomination for that Day for receipt at a Receipt Point or for delivery at a Delivery Point (as the case may be).

(b) A **'Daily Variance'** occurs when the quantity of Gas:

- (1) received from or on behalf of the Shipper at a Receipt Point in respect of a Service during a Day varies from the Confirmed Receipt Nomination for that Receipt Point; or
- (2) delivered to or for the account of the Shipper at a Delivery Point in respect of a Service during a Day varies from the Confirmed Delivery Nomination for that Delivery Point,

by more than 10% (either positive or negative) of the Confirmed Receipt Nomination or the Confirmed Delivery Nomination for the Receipt Point or the Delivery Point respectively.

- (c) If a Daily Variance occurs on a Day and prior to that Day a Daily Variance has already occurred on at least:
- (1) four (4) Days in the relevant Month; or
  - (2) twenty-four (24) Days in the relevant calendar year (pro-rated for any calendar year in which the Supply Period commences or ends),

the Transporter may charge the Shipper a Daily Variance Charge equal to the Daily Variance for that Day multiplied by the Daily Variance Rate.

#### 4.5 Capital Surcharge

Unless otherwise agreed by the parties, the Transporter is entitled to charge the Shipper an amount equal to the costs of:

- (a) constructing capital improvements for additional Receipt Points or Delivery Points, constructing capital improvements to increase or decrease Capacity at existing Receipt Points or Delivery Points, expanding the capacity of the Pipeline, extending the Pipeline or otherwise undertaking improvements to the Pipeline each as specifically required to deliver Gas to or receive Gas from the Shipper; and
- (b) operating and maintaining the capital improvements referred to in clause 4.5(a) above,

which costs are determined by the Transporter and set out in the relevant GTA ('**Capital Surcharge**').

#### 4.6 Service Charge adjustment

The Transporter may adjust any or all of the Capacity Reservation Rate, Backhaul Rate, As Available Rate, Minimum Service Charge and Odourisation Charge on 1 January each year during the Period of Supply in accordance with the following formula:

$$T_n = T_{n-1} \times \left[ 1 + \frac{CPI_{n-1} - CPI_{n-2}}{CPI_{n-2}} \right]$$

where:

- T<sub>n</sub>** means the Capacity Reservation Rate, Backhaul Rate, As Available Rate, Minimum Service Charge or Odourisation Charge (as the case may be) in year n;
- T<sub>n-1</sub>** means the Capacity Reservation Rate, Backhaul Rate, As Available Rate, Minimum Service Charge or Odourisation Charge (as the case may be) in year n - 1;
- CPI** means the Consumer Price Index (All Groups weighted Average of Eight Capital Cities) published quarterly by the Australian Bureau of Statistics. If the Australian Bureau of Statistics ceases to publish the quarterly value of that index, then CPI means the quarterly values of another Index which the Transporter, reasonably determines most

closely approximates that Index;

**CPI<sub>n-1</sub>** means the CPI published for the September quarter in year n - 1; and

**CPI<sub>n-2</sub>** means the CPI published for the September quarter in year n - 2.

#### 4.7 Minimum Service Charge

The Transporter may charge the Shipper (in respect of each Month of the Period of Supply) a charge ('**Minimum Service Charge**') in respect of a Backhaul Service or As Available Gas Transportation Service as may be specified in the GTA in consideration for providing the Shipper with the ability to request such Services in the relevant Month, even if those Services are not requested or used by the Shipper. This charge may be adjusted in accordance with clause 4.6.

#### 4.8 Odourisation Charge

If the GTA specifies that an Odourisation Charge is to be paid, the Shipper must pay to the Transporter the Odourisation Charge set out in that GTA. This charge may be adjusted in accordance with clause 4.6.

### 5 NOMINATIONS

#### 5.1 Nominations, confirmations and notices

- (a) Nominations are the Shipper's notifications to the Transporter made in accordance with clause 5.1(b) of the quantities of Gas the Shipper requests, in respect of a Service, to be delivered at each Delivery Point and received at each Receipt Point on the Shipper's account on each Day under this Agreement ('**Nominations**'). Nominations can cover a period of one Month, one Week, one Day or part of one Day.
- (b) Nominations, notices, consents and other communications under this clause 5 must be submitted to the Web Site. If the Shipper is unable to submit a Nomination or a notice, consent or other communication to the Web Site because of a fault with the Web Site, the Nomination, notice, consent or other communication may be submitted to the Transporter by email to [gtcontrol@jemen.com.au](mailto:gtcontrol@jemen.com.au).
- (c) The Transporter will provide confirmations, notices, consents and other communications under this clause 5 on the Web Site. If there is a fault with the Web Site, the Transporter will send confirmations, notices, consents and other communications under this clause 5 to the email address notified by the Shipper to the Transporter from time to time.
- (d) The Transporter's failure to provide to the Shipper a Notice of Receipt of Monthly Nomination, Notice of Receipt of Weekly Nomination or a notice of Confirmed Nomination in accordance with clauses 5.1(c), 5.2(c), 5.3(c) and 5.4(b) respectively, will not constitute a breach of this Agreement.

#### 5.2 Monthly Nominations

- (a) No later than 10 Days before the start of each Month during the Period of Supply the Shipper must, in respect of each Service, provide to the Transporter a notice setting out, for each Day in the following Month, the quantity of Gas that the Shipper requires the Transporter:
  - (1) to deliver to the Shipper at each Delivery Point; and



- (2) to receive at each Receipt Point,  
(‘**Monthly Nomination**’).
- (b) Where the Shipper is not the supplier of the Gas, the Shipper must supply the same information to its Supplier.
- (c) The Transporter will provide to the Shipper a notice, confirming receipt of the Shipper’s Monthly Nomination (‘**Notice of Receipt of Monthly Nomination**’) before the commencement of the relevant Month. The Notice of Receipt of Monthly Nomination must set out whether, in the Transporter’s opinion:
  - (1) in respect of a Firm Gas Transportation Service in which the Shipper has nominated a quantity of Gas in excess of its MDQ – there will not be enough Capacity available to meet a quantity of Overrun Gas the Shipper nominated or if the Service (to the extent the Shipper’s Nomination is in excess of its MDQ) is likely to be Curtailed; and
  - (2) in respect of a Backhaul Service or an As Available Gas Transportation Service – there will not be enough Capacity available to meet a quantity the Shipper nominated.
- (d) Where the Shipper fails to provide the Transporter with a Monthly Nomination:
  - (1) in the case of gas transportation agreements for Firm Gas Transportation Services, the Shipper will (subject to this Agreement) be deemed to have Nominated the MDQ for each Receipt Point and Delivery Point for each Day during the relevant Month; and
  - (2) in the case of gas transportation agreements for Backhaul Services or As Available Gas Transportation Services, the Transporter may, in its sole discretion, but is not obliged to, provide any Backhaul Services or As Available Gas Transportation Services to the Shipper for the relevant Month.

### 5.3 Weekly Nominations

- (a) No later than 1200 hours on each Friday during the Period of Supply, the Shipper must, in respect of each Service, provide to the Transporter, a notice setting out, for each Day in the following Week the quantity of Gas that the Shipper requires the Transporter:
  - (1) to deliver to the Shipper at each Delivery Point; and
  - (2) to receive at each Receipt Point,  
(‘**Weekly Nomination**’).
- (b) Where the Shipper is not the supplier of the Gas, the Shipper must supply similar information to its Supplier.
- (c) The Transporter will provide to the Shipper, a notice confirming receipt of the Shipper’s Weekly Nomination (‘**Notice of Receipt of Weekly Nomination**’) before the commencement of the relevant Week. The Notice of Receipt of Weekly Nomination must set out whether, in the Transporter’s opinion:
  - (1) in respect of a Firm Gas Transportation Service in which the Shipper has nominated a quantity of Gas in excess of its MDQ – there will not be enough Capacity available to meet a quantity of Overrun Gas the Shipper nominated or if the Service (to the extent the Shipper’s

Nomination is in excess of its MDQ) is likely be Curtailed; and

- (2) in respect of a Backhaul Service or an As Available Gas Transportation Service – there will not be enough Capacity available to meet a quantity the Shipper nominated.
- (d) Subject to this clause 5, the Transporter must allocate Available Capacity to any Service in accordance with clause 3.
- (e) In the event that the Shipper fails to provide a Weekly Nomination under clause 5.3(a), then the Shipper's Monthly Nomination under clause 5.2 or, if applicable, the Shipper's deemed nomination under clause 5.2(d)(1) will be deemed to apply.

#### 5.4 Daily Nominations

- (a) No later than 1500 hours on the Day before the Transporter is to provide the relevant Service to the Shipper, the Shipper may by notice to the Transporter change the Shipper's Weekly Nomination (**'Daily Nomination'**).
- (b) The Transporter must as soon as reasonably practicable after 1500 hours on the Day before the Transporter is required to provide the relevant Service to the Shipper (whether or not the Shipper provides a Daily Nomination), provide a notice to the Shipper containing the Shipper's:

- (1) Confirmed Receipt Nomination; and

- (2) Confirmed Delivery Nomination,

(together a **'Confirmed Nomination'**).

In calculating the Confirmed Receipt Nomination and Confirmed Delivery Nomination for a Firm Gas Transportation Service it is acknowledged that the Transporter will only be obliged to provide a Service for the lesser of:

- (3) the MDQ, less System Use Gas and adjusted for any Curtailment and Imbalances (including as provided for in clause 9.4); and
- (4) the Daily Nomination, Weekly Nomination or deemed Nomination under clause 5.3(e) (as the case may be).

The Shipper acknowledges that the Confirmed Receipt Nomination may be less than its Confirmed Delivery Nomination so as to correct an Imbalance.

- (c) If the Transporter fails to provide a Confirmed Nomination, in respect of a Daily Nomination validly given by the Shipper before 1500 hours on the Day before the Transporter is to provide the relevant Services, the Confirmed Nomination is deemed to be the lesser of the MDQ and the Daily Nomination.
- (d) The Transporter is not under any obligation to accept any change requested in a Daily Nomination submitted to the Web Site after 1500 hours on the Day before the Transporter is required to provide the relevant Service to the Shipper.
- (e) In making a decision regarding whether to accept Daily Nominations the Transporter will consider, in its reasonable opinion:
  - (1) operational matters; and

(2) whether the proposed change will detrimentally affect Other Shippers.

For the avoidance of doubt, the Transporter's decision regarding a Daily Nomination is final and is not subject to clause 34 or any other process to resolve a dispute.

- (f) At any time before the Shipper receives the Confirmed Nomination the Shipper may, by notice to the Transporter, withdraw the Daily Nomination.
- (g) Unless otherwise set out in the notice, the Confirmed Nomination is final and has immediate effect upon receipt of service.

## **5.5 Intra-Day Nominations**

Subject to clause 5.6, the Transporter may choose, in its sole discretion, whether to accept a Daily Nomination submitted by the Shipper on the day the Transporter is required to provide the Service.

## **5.6 Nomination changes are not retrospective**

Changes to Nominations cannot be made after the Transporter has commenced providing a Service to the Shipper. Nominations and changes to Nominations may only be made for a Service that the Transporter has not commenced providing to the Shipper.

## **5.7 Compatible Nominations**

The Shipper must ensure that all Nominations the Shipper provides to the Transporter are compatible with similar forecasts provided under service agreements with operators of facilities upstream of Receipt Points or downstream of Delivery Points.

## **5.8 Changes to Nominations procedure**

- (a) Subject to clause 5.8(b), the Transporter may by notice in writing to the Shipper change the procedures set out in this clause 5 ('**Notice of Change to Procedure**').
- (b) The Transporter may provide a Notice of Change to Procedure to the Shipper if the changes proposed in that notice, in the Transporter's reasonable opinion, do not have a materially detrimental effect on the Shipper.
- (c) The changes detailed in any Notice of Change to Procedure will take effect on the date specified in the Notice of Change of Procedure, such date not to be less than seven (7) Days from the date the Notice of Change of Procedure is given.

## **5.9 Obligation to supply Services**

For the avoidance of doubt, the parties agree that Transporter's obligations to supply the Services is:

- (a) in the case of Firm Gas Transportation Services, the lower of:
  - (1) the Shipper's MDQ for each Receipt Point and Delivery Point; and
  - (2) subject to this Agreement, the Confirmed Nomination; and
- (b) in the case of Backhaul Services or As Available Gas Transportation Services

and subject to this Agreement, the Confirmed Nomination.

## 6 SCHEDULING

### 6.1 Notices

For the purposes of this clause 6, a notice, consent or other communication must be submitted to the Web Site. If a party is unable to submit any such notice, consent or other communication to the Web Site because of a fault with the Web Site, notification may be given by email to [gtcontrol@jemenia.com.au](mailto:gtcontrol@jemenia.com.au).

### 6.2 Flow rates

- (a) The Transporter will, at the time the Confirmed Nomination is issued to the Shipper, determine the flow rates (in GJ/Day) required to flow from each Receipt Point to each Delivery Point to meet the Shipper's Confirmed Nomination ('**Daily Shipper Schedule**').
- (b) All quantities of Gas scheduled are to be received and delivered at as close to an even hourly rate as possible, and in any event the rate should not exceed the maximum hourly quantity ('**MHQ**'). The MHQ on a Day for each Receipt Point and each Delivery Point equals an amount calculated in accordance with the following formula:

$$MHQ = \frac{CN}{20}$$

where **CN** means the Confirmed Nomination for the relevant Receipt Point or Delivery Point.

- (c) The Transporter may, in its sole discretion, increase the MHQ if, in its sole opinion, the increase in MHQ:
  - (1) will not be detrimental to the operation of the Pipeline; and
  - (2) will not detrimentally affect the Shipper or Other Shippers.

### 6.3 Parties must give Notice of changes in operating conditions

If a party to this Agreement reasonably expects:

- (a) a change in the nominated or scheduled quantity of Gas; or
- (b) a change in the pressures or other operating conditions,

it must (without prejudice to each party's rights in respect of the cause of the change) promptly send the other party an Electronic Advice describing the change, and why it is expected.

### 6.4 Responsibility for scheduling at Receipt Points

- (a) The Shipper must ensure that its Supplier schedules to the Transporter appropriate amounts of Gas at the Receipt Points to meet the Confirmed Nominations.
- (b) The Transporter must ensure that appropriate information is supplied to the Shipper to facilitate scheduling.

- (c) The Shipper must ensure that the Transporter is provided with its Supplier's schedule by 1200 hours on the day before the one to which the schedule relates, and must provide the Transporter with any amendments to the schedule as soon as practicable.
- (d) The Transporter is entitled to rely on the Shipper's Supplier's schedule.
- (e) The Transporter may consider other scheduling options proposed by the Shipper but is under no obligation to adopt them.

## **6.5 Changes to scheduling procedure**

- (a) The Transporter may by notice to the Shipper change the scheduling procedure set out in this clause 6, and must use all reasonable endeavours to ensure that any such changes are not to the material detriment of the Shipper.
- (b) Any such changes take effect on the date specified in the notice given to the Shipper by the Transporter under this clause 6.5, such date not to be less than seven (7) Days from the date such notice is given.

## **7 MAXIMUM DAILY QUANTITY**

### **7.1 Receipts and deliveries to be within MDQ**

In respect of a Firm Gas Transportation Service, subject to any right of the Transporter to reduce (or not provide) the Service under this Agreement (including as provided for in clause 5), the Transporter is not obliged on any Day to:

- (a) receive at a Receipt Point a quantity of Gas; or
  - (b) deliver at a Delivery Point a quantity of Gas,
- greater than the MDQ for that Receipt Point or Delivery Point.

### **7.2 MDQ may be increased**

In respect of a Firm Gas Transportation Service, subject to any right of the Transporter to reduce (or not provide) the Service under this Agreement, the Transporter may agree to increase (but not decrease) the MDQ during the Period of Supply, subject to availability of Capacity on the Pipeline.

### **7.3 Backhaul Services and As Available Gas Transportation Service**

In respect of a Backhaul Service or As Available Gas Transportation Service, and subject to any right of the Transporter to reduce (or not provide) the Services under this Agreement, the Transporter is not obliged on any Day to:

- (a) receive at a Receipt Point a quantity of Gas; or
  - (b) deliver at a Delivery Point a quantity of Gas,
- greater than the Confirmed Nomination.

## **8 OVERRUNS**

### **8.1 Overrun Gas**

- (a) An overrun occurs when:

- (1) in the case of Firm Gas Transportation Services, the Actual Delivered Quantity or Actual Received Quantity is in excess of the lesser of the MDQ for that Path and the quantity specified in an Operational Flow Order for that Path (if any); or
- (2) in the case of Backhaul Services or As Available Gas Transportation Services, the Actual Delivered Quantity or Actual Received Quantity for a Path is in excess of the lesser of the Confirmed Delivery Nomination or Confirmed Receipt Nomination respectively for that Path and the quantity specified in an Operational Flow Order for that Path (if any),

(‘**Overrun Gas**’).

- (b) If both of the Actual Received Quantity and the Actual Delivered Quantity for a Service on a Path is less than the lesser of:
  - (1) the MDQ and the quantity specified in an Operational Flow Order for that Path (if any), in the case of Firm Gas Transportation Services; or
  - (2) the Confirmed Delivery Nomination or Confirmed Receipt Nomination (as the case may be) and the quantity specified in an Operational Flow Order for that Path (if any), in the case of Backhaul Services or As Available Gas Transportation Services,

the Overrun Gas for that Path will be 0 GJ and will not reduce the Overrun Gas for other Paths.

Example Calculation:

A Shipper has a gas transportation agreement for Firm Gas Transportation Services with an MDQ of 1000 GJ/Day on Path 1 and an MDQ of 2000 GJ/Day on Path 2. If the Shipper flows 1200 GJ on Path 1 and 1800 GJ on Path 2 on a certain Day, the Transporter will calculate the extent of the Shipper’s Overrun Gas as follows:

- 200 GJ Overrun for Path 1; plus
- 0 GJ Overrun for Path 2.

Therefore the total Overrun Gas, invoiced in accordance with clause 22 for the Shipper for that Day will be 200 GJ.

## 8.2 Transporter may authorise overruns

- (a) In the case of a Firm Gas Transportation Service, the Shipper may Nominate Overrun Gas for any Path on any Day under this Agreement in accordance with clause 5.
- (b) The Transporter may authorise the Shipper to overrun its MDQ where in the sole opinion of the Transporter it is technically and commercially acceptable to do so and shall show any overrun quantity it has authorised in a Confirmed Delivery Nomination or Confirmed Receipt Nomination for that Shipper for that Day (‘**Authorised Overrun Gas**’).
- (c) The Transporter is under no obligation to accept a nomination from the Shipper for Overrun Gas.

## 8.3 Delivery of overrun

Subject to clause 8.4, the Transporter must use its reasonable endeavours to deliver

Authorised Overrun Gas.

#### 8.4 Overrun is interruptible

- (a) Notwithstanding any other provision of this Agreement, the delivery of Overrun Gas on a Day is interruptible in the sole discretion of the Transporter.
- (b) The Shipper acknowledges and agrees that the Transporter will have no liability to the Shipper for any and all Losses suffered or incurred by the Shipper as a result of any interruption arising directly or indirectly out of the Shipper delivering or taking Overrun Gas.

#### 8.5 Unauthorised Overrun Gas

- (a) The Shipper must limit the actual quantity of Gas taken at its Delivery Point and injected at its Receipt Points on any Day in respect of a Service to the amount specified in a Confirmed Nomination.
- (b) Without limiting the Shipper's obligations under clause 8.5(a) or clause 4.4, any quantity of Gas delivered at a Delivery Point or injected at a Receipt Point for a Service on a Path in excess of the greater of the Confirmed Nomination and the MDQ will be treated by the Transporter as '**Unauthorised Overrun Gas**' and charged accordingly.

#### 8.6 Charges for Overrun Gas

Charges for Overrun Gas will be calculated by the Transporter in accordance with clause 4.2.

### 9 IMBALANCES

#### 9.1 Calculation of Imbalance

- (a) An Imbalance is calculated as follows:

$$Imbalance = ARQ - (ADQ + SUG)$$

where:

**ARQ** is the aggregate of the Actual Received Quantity for all Receipt Points for a Service;

**ADQ** is the aggregate of the Actual Delivered Quantity for all Delivery Points for that Service; and

**SUG** is the Shipper's System Use Gas allocation (as calculated under clause 16) for quantities of Gas transported on the Shipper's account under this Agreement for Firm Gas Transportation Services and As Available Gas Transportation Services,

and an Imbalance may be a positive or a negative amount.

- (b) The Transporter will calculate Imbalances for each Service daily.

## 9.2 Cumulative Imbalance

- (a) The Transporter will monitor and record a running total of the Shipper's daily Imbalances for each Service at the end of each Day (**'Cumulative Imbalance'**).
- (b) A positive Cumulative Imbalance occurs in respect of a Service if, during the relevant period, the aggregate quantity of Gas delivered at Delivery Points is less than the quantity of Gas received at the Receipt Points (net of System Use Gas) under that Service (i.e. the Shipper is owed Gas from the Pipeline).
- (c) A negative Cumulative Imbalance occurs in respect of a Service if, during the relevant period, the aggregate quantity of Gas delivered at Delivery Points is greater than the quantity of Gas received at the Receipt Point (net of System Use Gas) under that Service (i.e. the Shipper owes Gas to the Pipeline).

## 9.3 Shipper's obligation to balance

- (a) The Shipper must control and, if necessary adjust receipts and deliveries of Gas to ensure that its Cumulative Imbalance under this Agreement is minimised.
- (b) The Shipper must correct (through Nominations) a Cumulative Imbalance within three (3) Days unless the Transporter agrees in writing to allow the Shipper a longer period for correction of that Cumulative Imbalance.
- (c) The Transporter may offer (at a nominated fee) an ancillary service to adjust scheduled flows in order to manage Imbalances or potential Imbalances on the Shipper's behalf.

## 9.4 Transporter's rights to correct Shipper's Imbalance

The Transporter may correct the Shipper's Cumulative Imbalance at a Receipt Point by adjusting the Shipper's Nominations (including through Confirmed Nominations) if, in the Transporter's reasonable opinion:

- (a) the Shipper's Cumulative Imbalance is affecting the Transporter's ability to perform its obligations to Other Shippers;
- (b) the Shipper's Cumulative Imbalance is affecting the Transporter's ability to offer Services to Prospective Shippers; or
- (c) the Shipper is not taking reasonable steps to control its Cumulative Imbalance including by not correcting the Cumulative Imbalance within the timeframe set out in clause 9.3.

## 9.5 Elimination of Cumulative Imbalances at the end of Period of Supply

- (a) Within seven (7) Days of the end of the Period of Supply any Cumulative Imbalance the Shipper may have must be eliminated.
- (b) If the Shipper's Cumulative Imbalance is positive at the end of the time period specified in clause 9.5(a), the Transporter may, at its option either:
  - (1) deliver to the Shipper a quantity of Gas equal to the Shipper's Cumulative Imbalance, subject to the terms and conditions of a Backhaul Service or an As Available Gas Transportation Service; or
  - (2) pay the Shipper an amount that equals the costs incurred by the



Shipper to purchase or acquire a quantity of Gas equal to the Shipper's Cumulative Imbalance.

- (c) If the Shipper's Cumulative Imbalance is negative at the end of the time period specified in clause 9.5(a), the Transporter may, by written Notice to the Shipper, require the Shipper to either:
  - (1) deliver to the Transporter at the Receipt Point under this Agreement a quantity of Gas equal to the Shipper's Cumulative Imbalance; or
  - (2) pay to the Transporter an Imbalance Settlement Charge.
- (d) This clause 9 survives the end of this Agreement and the Transporter reserves the right at all times to apply the provisions of clauses 9.6 and 9.8.

## 9.6 Charges for Imbalances

- (a) The charges for Imbalances on any Day applicable for Firm Gas Transportation Services, Backhaul Services and As Available Gas Transportation Services are calculated in accordance with clauses 9.6(b) and 9.6(c) ('**Imbalance Charge**').
- (b) In respect of a Firm Gas Transportation Service, the Imbalance Charge will be the greater of:
  - (1) if at the end of any Day the Shipper's Cumulative Imbalance (whether a positive or a negative, but expressed as an absolute value) has for that Day and the immediately preceding two (2) consecutive Days exceeded 10% of the sum of the MDQs for each Path under that Service, the Shipper is required to pay to the Transporter an Imbalance Charge calculated as 30% of the then current Capacity Reservation Rate multiplied by the quantity (in GJs) by which the Cumulative Imbalance is greater than 10% of the sum of the MDQs for each Path under that Service for each Day until the Cumulative Imbalance is reduced to within 10% of the sum of the MDQs for each Path under that Service; and
  - (2) if at the end of any Day the Shipper's Cumulative Imbalance (whether a positive or a negative, but expressed as an absolute value) exceeds 15% of the sum of the MDQs for each Path under that Service, the Shipper will pay to the Transporter an Imbalance Charge calculated as 30% of the then current Capacity Reservation Rate multiplied by the quantity (in GJs) by which the Cumulative Imbalance is greater than 15% of the sum of the MDQs for each Path under that Service.
- (c) In respect of a Backhaul Service or an As Available Gas Transportation Service, if at the end of any Day the Shipper's Cumulative Imbalance (whether a positive or negative, but expressed as an absolute value) exceeds 15% of the sum of the most recent Confirmed Delivery Nominations for that Service, the Shipper is required to pay to the Transporter an Imbalance Charge calculated as 30% of the then current Tariff (as applicable), multiplied by the quantity (in GJs) by which the Cumulative Imbalance is greater than 15% of the sum of the most recent Confirmed Delivery Nominations for that Service.

## 9.7 Allocation and sharing arrangements

- (a) Where the Shipper shares a Receipt Point or a Delivery Point with Other Shippers, the Shipper must enter into formal arrangements, on terms

acceptable to the Transporter, with the Transporter, the Other Shippers and the operators of interconnecting facilities in relation to:

- (1) Nominations and allocation of quantities of Gas delivered or received; and
  - (2) the communication of those allocations, for each Shipper at that shared Receipt Point or Delivery Point.
- (b) If a formal arrangement is not reached between the Transporter, the Other Shippers and the operators of the interconnecting facilities pursuant to clause 9.7(a), then the Transporter will allocate the Shipper's and each Other Shipper's entitlement to quantities of Gas to be delivered or received. The Transporter's allocation of quantities of Gas to be delivered or received will be applied equitably among the Shipper and Other Shippers.
- (c) The quantities allocated under clause 9.7(a) or 9.7(b) as being received or delivered on the Shipper's behalf will be applied for the purposes of determining the Service Charges.

## 9.8 Settlement

- (a) Notwithstanding clauses 5, 7, 9.3, 9.4 and 9.5, the Transporter may issue an Operational Flow Order that requires the Shipper to:
- (1) cease or reduce deliveries or receipts of Gas under this Agreement; or
  - (2) receive or deliver quantities of Gas,
- to adjust the Shipper's Cumulative Imbalance.
- (b) The Shipper will incur an Overrun Charge in accordance with clause 4.2(d) for any quantities of Gas received into the Pipeline in excess of the limits imposed by the Transporter under an Operational Flow Order.

## 10 OPERATIONAL FLOW ORDERS

### 10.1 Transporter can issue an Operational Flow Order

Notwithstanding clauses 5, 7, 9.3, 9.4 and 9.5 (and without limiting or varying the Shipper's obligation to pay the Service Charges), the Transporter has the right to issue an order to the Shipper to alter Gas receipts and deliveries ('**Operational Flow Order**'):

- (a) when in the Transporter's reasonable opinion, expected receipts and deliveries:
- (1) will cause adverse operating conditions in the Pipeline;
  - (2) will not accommodate Capacity limitations resulting from events or circumstances which endanger the safety or integrity of the Pipeline including the need to perform unscheduled maintenance or repairs;
  - (3) will not maintain the Transporter's ability to meet Service commitments; or
  - (4) will adversely affect imbalances under shippers' gas transportation agreements; or
- (b) in accordance with clause 9.8(a).

## **10.2 Priority of Operational Flow Orders**

- (a) The Transporter must use its reasonable endeavours to first apply Operational Flow Orders to those Shippers, if any, whose actions or omissions have resulted in the need for Operational Flow Orders.
- (b) Subject to clause 10.2(a), the Transporter will apply Operational Flow Orders in a manner which is equitable to the Shipper and Other Shippers.

## **10.3 Timing for an Operational Flow Order**

At least two hours prior to the effective commencement of an Operational Flow Order, the Transporter shall provide a written copy of the order to the Shipper whereupon the Shipper must comply with the Operational Flow Order.

## **10.4 Contents of an Operational Flow Order**

Each Operational Flow Order must contain the following information:

- (a) time and date of issue;
- (b) adjustments to Confirmed Nominations;
- (c) the time that the Operational Flow Order is to become effective;
- (d) the duration of the Operational Flow Order (if none is specified, the Operational Flow Order will remain in effect until further Notice);
- (e) a description of the area of the Pipeline for which the Operational Flow Order is in effect;
- (f) the specific actions required of the Shipper at the Receipt Points and Delivery Points in order to comply with the Operational Flow Order;
- (g) the reasons for issuing the Operational Flow Order; and
- (h) any other information relevant to the Operational Flow Order.

## **10.5 Consequences of not complying with an Operational Flow Order**

Without limiting the Transporter's remedies under this Agreement or at law, if the Shipper delivers a quantity of Gas into the Pipeline in excess of the limits imposed by the Transporter under an Operational Flow Order, then the Transporter will charge the Shipper an Unauthorised Overrun OFO Charge in accordance with clause 4.2(d).

## **11 FLEXIBLE RECEIPT AND DELIVERY POINTS**

### **11.1 Shipper can propose a change in Receipt Points and Delivery Points**

- (a) The Shipper can propose to extend or shorten the Shipper's Path by sending an Electronic Advice to the Transporter with the proposal for the Shipper's variation of Receipt Points and Delivery Points.
- (b) The Shipper must provide the Transporter at least 30 Days' written Notice of the change. Where the Shipper provides less than 30 Days' Notice of the change to the Transporter, the Transporter may choose whether to implement the change or not in its sole discretion.
- (c) The Transporter does not have to consider a variation under this clause 11.1

more frequently than once every 3 Months.

- (d) The Transporter will assess the proposed variation to the Receipt Points or Delivery Points and may, in its sole discretion:
  - (1) refuse the Shipper's proposed variation (including having regard to commercial or technical reasons); or
  - (2) agree to the Shipper's proposed variation subject to conditions, (including having regard to commercial or technical reasons).
- (e) Without limitation, it is a reasonable technical reason to refuse the Shipper's proposed variation if the reduction in the amount of the Service provided to the original Delivery Point will not result in a corresponding increase in the Transporter's ability to provide the Service to the alternative Delivery Point.
- (f) Without limitation, it is a reasonable commercial reason to refuse the Shipper's proposed variation if the Transporter is not satisfied that it will receive at least the same amount of revenue as it would have received before the change to the Receipt Points or Delivery Points.

## **11.2 Change in Receipt Points or Delivery Points requiring the Transporter to make capital improvements**

The Transporter will be entitled to pass on any capital costs or other costs incurred by the Transporter in allowing the Shipper to change a Delivery Point or Receipt Point, or in providing the Service to the different Delivery Point or Receipt Point.

## **12 TRADING RIGHTS UNDER THIS AGREEMENT**

### **12.1 Right to trade or assign capacity**

A Shipper for Firm Gas Transportation Services can deal with third parties in relation to its rights under this Agreement for the Pipeline in two ways:

- (a) by *trading* some or all of its rights to its Contracted Capacity under this Agreement ('**Traded Capacity**') to another person, resulting in an agreement between the Shipper and that other person, but with the Shipper remaining wholly responsible to the Transporter for its entire Contracted Capacity. This is known as a '**Bare Transfer**'; or
- (b) by *assigning* some or all of its rights to its Contracted Capacity under this Agreement ('**Assigned Capacity**') to a Prospective Shipper, resulting in an amendment to this Agreement and a separate agreement being entered into between the Transporter and the Prospective Shipper acquiring the rights to the Assigned Capacity.

### **12.2 Trading Capacity**

- (a) Subject to clause 12.7, a Bare Transfer to another person effected by the Shipper is only effective if:
  - (1) the Shipper has issued a Notice to the Transporter that it intends to effect a Bare Transfer within a reasonable time of such Bare Transfer taking effect;
  - (2) the Shipper's obligations under this Agreement remain in full force and effect in accordance with the terms of this Agreement;
  - (3) notwithstanding the Bare Transfer, the Shipper remains responsible to

the Transporter for the performance and observance of all of its obligations under this Agreement; and

- (4) the Shipper acknowledges that any capacity transferred under a Bare Transfer can only be for a capacity which the Shipper actually has an entitlement to be transported. For example, where the Shipper's Confirmed Nomination is less than its MDQ, it will only be entitled to transfer the whole or a portion of its Confirmed Nomination.
- (b) Subject to clauses 11.1 and 12.7(a), the Shipper does not need to obtain the Transporter's prior consent to effect a Bare Transfer.

### 12.3 Effecting Bare Transfer

- (a) The Shipper may negotiate with another person the terms on which it will effect a Bare Transfer but pursuant to clause 12.2 the obligations of the Shipper (seeking to effect a Bare Transfer) to the Transporter shall remain unchanged by any Bare Transfer.
- (b) The Transporter will assist shippers to effect Bare Transfers by allowing them to post offers to buy or to sell Traded Capacity on the Web Site.

### 12.4 Assigning Capacity

Subject to clauses 12.6 and 12.7(b), the Shipper may assign its rights and obligations to all or part of its Contracted Capacity under this Agreement provided that the Shipper:

- (a) negotiates in good faith with any Prospective Shippers;
- (b) obtains the Transporter's prior written consent to the assignment;
- (c) obtains agreement from the Prospective Shipper that it will assume the rights and obligations of the Shipper in relation to the Assigned Capacity;
- (d) requires the Prospective Shipper who will assume the rights and obligations of the Shipper to enter into an agreement in relation to the Assigned Capacity on such terms and conditions as are reasonably agreed to by the Transporter;
- (e) obtains agreement from the Transporter to amend this Agreement to reflect any changes arising from the Assigned Capacity, which amendments will be on terms acceptable to the Transporter in its sole discretion; and
- (f) pays the legal and administrative costs incurred by the Transporter as a result of the assignment by the Shipper of its rights and obligations, including the costs of drafting any agreement (including a variation to this Agreement) required or provided for by this clause 12.4.

### 12.5 Assigning unutilised Capacity

- (a) From time to time the Transporter may try to reorganise Capacity by giving written Notice to the Shipper requesting that each shipper assign any unutilised Contracted Capacity that it no longer requires ('**Shipper's Spare Contracted Capacity**').
- (b) A Notice issued in accordance with clause 12.5(a) will require each shipper to:
  - (1) provide a written response to the Transporter within 30 Days of the

Notice ('**Shipper's Spare Contracted Capacity Notice**');

- (2) nominate the quantity, if any, of the Shipper's Spare Contracted Capacity; and
  - (3) nominate when the Shipper's Spare Contracted Capacity will be available and the relevant receipt points and delivery points that relate to the Shipper's Spare Contracted Capacity.
- (c) Upon receipt of a Shipper's Spare Contracted Capacity Notice, the Transporter will:
- (1) allow the relevant shipper to post offers to assign its Shipper's Spare Contracted Capacity on the Web Site; and
  - (2) provide to the relevant shipper the contact details of the Prospective Shippers registered on any queue formed for Capacity.
- (d) If the Shipper nominates any quantity of Shipper's Spare Contracted Capacity in a Shipper's Spare Contracted Capacity Notice, it must negotiate in good faith with Prospective Shippers with a view to assigning the Shipper's Spare Contracted Capacity to a Prospective Shipper on terms and conditions which are no less favourable to the Transporter than those that apply under this Agreement.

## **12.6 Giving Consent for Assigned Capacity**

- (a) Where clauses 12.4 or 12.5 applies, the Transporter may:
- (1) withhold consent (by refusing to enter into an agreement in relation to the Assigned Capacity or to amend this Agreement or both (as applicable)) in its sole discretion, including having regard to commercial or technical reasons; and
  - (2) make its consent, in its sole discretion, subject to conditions.
- (b) Without limitation, it is a reasonable commercial condition for the Transporter to ensure that it will receive from the assignee of the Assigned Capacity revenue of at least the same economic value as it would have received from the Shipper before the assignment of the Assigned Capacity and that the assignee will satisfy the credit requirements of clause 21.

## **12.7 Shipper's rights to change Delivery Points or Receipt Points**

Subject to clause 11, the Shipper may:

- (a) effect a Bare Transfer to another person who requires that the Traded Capacity be provided between different Paths to those of the first Shipper; or
- (b) assign its rights and obligations to all or part of its Contracted Capacity under this Agreement to a Prospective Shipper who requires that the Assigned Capacity be provided between different Paths to that of the first Shipper,

but a Bare Transfer on terms described in paragraph (a) above or assignment under this clause 12 is not effective unless the Transporter gives its prior consent to it in writing.

## 13 GAS QUALITY SPECIFICATIONS

### 13.1 Requirements for Gas

Unless agreed to otherwise between the parties, the Gas received at each Receipt Point, and the Gas that the Transporter transports for the Shipper, must comply with the Gas Specifications.

### 13.2 Notice of Out-of-Specification Gas

- (a) If any party becomes aware that, or has a reasonable belief that, any Out-of-Specification Gas is to enter or has entered the Pipeline, it must as soon as reasonably practical notify the other party by telephone.
- (b) After notifying the other party by telephone, the party who has become aware that, or has a reasonable belief that, Out-of-Specification Gas is to enter or has entered the Pipeline must, as soon as reasonably practical, issue a written notice identifying:
  - (1) the way in which the Out-of-Specification Gas differs from the Gas Specifications;
  - (2) the quantity of Out-of-Specification Gas that is to enter, or has entered, the Pipeline; and
  - (3) the expected duration of the receipt or delivery of the Out-of-Specification Gas,

(‘**Out-of-Specification Gas Notice**’).
- (c) If the Shipper issues or receives an Out-of-Specification Notice pursuant to clause 13.2(2), the Shipper must take immediate action to ensure that gas supplied by the Shipper again complies with clause 13.1.

### 13.3 Out-of-Specification Gas supplied at a Receipt Point

- (a) If the Transporter becomes aware that, or has a reasonable belief that, any Out-of-Specification Gas is to enter or has entered the Pipeline, the Transporter may, but is not obliged to, take any of the following actions:
  - (1) suspend (wholly or partially) receipt of gas at that Receipt Point;
  - (2) suspend (wholly or partially) delivery of an equivalent quantity of gas on the Shipper’s account to the Delivery Points on Paths supplied from that Receipt Point under this Agreement; or
  - (3) any combination of paragraphs (1) and (2) above,

with immediate effect or at such time as the Transporter considers reasonable taking into account the timing of gas flow in the Pipeline, until the Transporter is reasonably satisfied that gas supplied to any Receipt Point complies with the Gas Specifications.
- (b) In determining whether to take action under clause 13.3(a), the Transporter may take into account the following factors:
  - (1) the effect the Out-of-Specification Gas will have on Other Shippers;
  - (2) the obligations of the Transporter; and

- (3) the safety of the Pipeline.

### **13.4 Liability for of Out-of-Specification Gas**

- (a) The Transporter will not be responsible for, and the Shipper releases the Transporter from any liability in respect of, any Loss (including Consequential Loss) suffered or incurred by the Shipper arising out of the delivery or deemed delivery by the Transporter to the Shipper of the Out-of-Specification Gas.
- (b) If any Out-of-Specification Gas supplied by the Shipper enters the Pipeline, then the Shipper will be in breach of this Agreement and, despite any other provision of this Agreement and without prejudice to any other right or remedy which the Transporter may have in respect of that breach, the Shipper agrees to indemnify the Transporter against all Losses (including Direct Loss and Consequential Loss) suffered or incurred by the Transporter as a result of the delivery of Out-of-Specification Gas, including, without limitation, any Loss incurred by the Transporter:
  - (1) in respect of any claims made by third parties as a result of the delivery of Out-of-Specification Gas; or
  - (2) arising out of or connected to the cleaning or rectifying of the Pipeline and related infrastructure.

## **14 PRESSURE REQUIREMENTS**

### **14.1 Receipt pressure**

Gas received at the Receipt Points must be:

- (a) at the pressure the Transporter specifies; or
- (b) at a high enough pressure to allow the Gas to enter the Pipeline,

but the Transporter cannot require the Shipper to deliver Gas at a pressure higher than the maximum allowable operating pressure of the Pipeline at the Receipt Point.

### **14.2 Delivery pressure**

- (a) If the Transporter agrees in this Agreement to deliver Gas at a Delivery Point at a particular pressure, the Transporter must deliver Gas at that Delivery Point at that agreed pressure.
- (b) In all other circumstances, the Gas the Transporter delivers at a Delivery Point must be at a pressure of 1,700 kPag or a higher pressure that the Transporter determines is enough to ensure that Gas can be delivered to the Shipper at that Delivery Point.

## **15 OWNERSHIP OF THE NATURAL GAS AND RELATED PROVISIONS**

### **15.1 Gas ownership**

The parties acknowledge and agree that:

- (a) subject to clause 15.1(c) and 15.1(d), the Transporter has no title to, or interest in, Gas received at the Receipt Points;
- (b) the Transporter is not a bailee of the Gas in the Pipeline;



- (c) System Use Gas is the Transporter's property; and
- (d) the Line Pack is the Transporter's property.

## **15.2 Risk**

Risk in the Gas remains at all times with the Shipper (including for clarification after receipt at the Receipt Point).

## **15.3 The Transporter's obligation to deliver the Gas**

The Transporter does not have to deliver Gas to the Shipper anywhere else than to the Delivery Points.

## **15.4 The Transporter will deliver a thermally equivalent quantity of Gas to the Shipper**

Subject to clauses 9.4, 16 and 20, the Transporter will deliver at the Delivery Points a quantity of Gas thermally equivalent to the quantity of Gas received into the Pipeline at the Receipt Points.

## **15.5 The Transporter may co-mingle Gas in the Pipeline**

The Transporter may co-mingle Gas received at the Receipt Points with Gas received at other receipt points on the Pipeline.

## **16 SYSTEM USE GAS**

Each Day the Shipper (other than in respect of a Backhaul Service) is required to supply System Use Gas (in accordance with the proportion nominated below) at its cost unless the parties otherwise agree. The proportion is determined as the ratio of:

- (a) its Actual Delivered Quantity for each Delivery Point on a Day; bears to
- (b) the total actual delivered quantity under all Firm Gas Transportation Services and As Available Gas Transportation Service agreements to all delivery points on a Day.

## **17 LINE PACK**

The Transporter must acquire and maintain Line Pack needed for the safe and efficient operation of the Pipeline and the performance of this Agreement.

## **18 FORCE MAJEURE**

### **18.1 Nature of relief**

- (a) Subject to clause 18.2, a party is excused from performance of, and is not liable for any failure in carrying out any of its obligations under this Agreement, to the extent that it is prevented from doing so by a Force Majeure Event.
- (b) The affected obligation is suspended from the date notice is given under clause 18.3(a)(1) until that party is able, making reasonable efforts, to fully perform the affected obligation (**Suspension Period**).

## 18.2 Exclusions from relief for Force Majeure Event

The Shipper is not relieved of its obligation to pay the Service Charges or any other amount that becomes due and payable under this Agreement during the Suspension Period (whether the Force Majeure Event affects the Transporter or the Shipper).

## 18.3 Notice

- (a) If a party claims that it is prevented from performing any obligation under this Agreement because of a Force Majeure Event, it must:
  - (1) notify the other party as soon as reasonably practicable after becoming aware of the occurrence of the Force Majeure Event; and
  - (2) within seven (7) days of the notice referred to in clause 18.3(a)(1), provide to the other party (in writing) reasonable details regarding the nature and effects of the Force Majeure Event.
- (b) The party affected by the Force Majeure Event:
  - (1) shall keep the other party reasonably informed regarding the steps it is taking to overcome the effects of the Force Majeure Event and its current estimate as to when it will be able to resume performance of its affected obligations; and
  - (2) must promptly give notice to the other party that it is able to resume performance of its affected obligations once the Force Majeure Event ceases.

## 18.4 Remedy

The party affected by the Force Majeure Event must use its best endeavours to:

- (a) remedy the consequences of the Force Majeure Event without delay; and
- (b) resume full performance of its obligations under this Agreement as soon as reasonably practicable,

provided that the affected party will not be required to:

- (c) settle any labour disputes or industrial or public disturbance, except in such manner as it shall in its own judgement consider acceptable; and
- (d) incur any extraordinary costs or to act other than as a reasonable and prudent person for making investments, including investments in building additional pipelines or facilities.

## 18.5 Termination for prolonged Force Majeure

If the Suspension Period lasts for:

- (a) more than 12 consecutive Months; or
- (b) for an aggregate of 12 Months in any consecutive 24 Month period,

then:

- (c) either party, acting in good faith, may terminate the provision of the relevant Service in relation to any Path that is not able to be utilised as a result of the suspension; and

- (d) if that Path represents equal to or greater than 50% of the MDQ for that Service, either party acting in good faith, may, if the Suspension Period lasts for more than 12 consecutive Months or for an aggregate of 12 Months in any consecutive 24 Month period, terminate the provision of the whole of the relevant Service that is used to service that Path,

and if all or part of a Service is terminated under clauses 18.5(c) or 18.5(d), then the Shipper and the Transporter must:

- (e) implement the changes to the MDQs, Receipt Points and Delivery Points resulting from the termination of the provision of the relevant Service in relation to that Path;
- (f) implement the changes to the Service Charges applicable to Receipt Points and Delivery Points resulting from the termination of the provision of the relevant Service in relation to that Path; and
- (g) unless the relevant Service has been terminated, execute an amended GTA with respect to the remaining Services which reflects the changes described in clauses 18.5(e) and 18.5(f).

## 19 EXTENSIONS AND VARIATIONS OF AGREEMENTS DUE TO A FORCE MAJEURE EVENT

### 19.1 Special provisions for Firm Gas Transportation Services

Clauses 19.2 and 19.3 only apply to a Firm Gas Transportation Service, where:

- (a) the Force Majeure Event affects the physical operation of the Pipeline; and
- (b) as a result of the Force Majeure Event, the Transporter is not able to transport at least 50% of the Shipper's MDQ for that Firm Gas Transportation Service on a particular Day during the Suspension Period.

### 19.2 Extension of Period of Supply

- (a) The Shipper may issue the Transporter a Notice ('**Extension Notice**') to:
  - (1) extend the Period of Supply in respect of the Firm Gas Transportation Service for a period of time equal to the number of Days calculated using the following formula:

$$SP \times \left( 1 - \frac{DQ}{TMDQ} \right)$$

where:

- SP** means the number of Days in the Suspension Period;
- DQ** means the sum of the quantity of Gas transported by the Shipper during the Suspension Period under the Firm Gas Transportation Service and any additional quantity of Gas transported in accordance with clause 19.3; and
- TMDQ** means the MDQ multiplied by the number of Days in the Suspension Period; and

- (2) amend the Expiration Time and Date in respect of the Firm Gas Transportation Service to reflect the amended Period of Supply.

- (b) An Extension Notice is not effective unless given within 90 Days after the date that a Notice is issued in accordance with clause 18.3(b)(2).
- (c) If an Extension Notice is issued, and subject to clause 19.2(b), the Transporter agrees that the Shipper does not have to pay the Capacity Reservation Charge in respect of the extended period. For clarification, the Shipper remains liable to pay all other Service Charges.

### **19.3 Shipper can also increase deliveries to recoup MDQ**

- (a) In addition to the Shipper's rights under clause 19.2, for up to 30 Days after the Transporter recommences the performance of its affected obligation, the Shipper may nominate (provided the Shipper does so in accordance with clause 5.3), as well as the Shipper's MDQ, an additional quantity of Gas to be delivered under the Firm Gas Transportation Service equal to:
  - (1) the MDQ multiplied by the number of Days during the Suspension Period; less
  - (2) the quantity of Gas transported by the Shipper during the Suspension Period under the Firm Gas Transportation Service.
- (b) This additional quantity of Gas may be nominated at a daily quantity of up to 15% of the Shipper's MDQ, and is subject to the provisions of this Agreement, including the Transporter's right to suspend or Curtail Services under this Agreement.
- (c) The Shipper does not have to pay the Capacity Reservation Charge for the additional quantities of Gas transported (as calculated in accordance with clause 19.3(a)). For clarification, the Shipper remains liable to pay all other Service Charges.
- (d) Additional quantities the Shipper nominates will be given priority of Service:
  - (1) after all nominated amounts within MDQ under all gas transportation agreements with the Shipper and all Other Shippers for Firm Gas Transportation Services; and
  - (2) before any other kind of Service.
- (e) Any additional quantities of Gas nominated by the Shipper in accordance with clause 19.3(b) and confirmed by the Transporter in a Confirmed Nomination will not be taken into account when calculating any Overrun Gas under clause 8.

## **20 CURTAILMENT**

### **20.1 Curtailment for Force Majeure Event**

The Transporter may curtail provision of the Service to the Shipper if:

- (a) A Force Majeure Event occurs; and
- (b) as a result of the Force Majeure Event, the Capacity of the Pipeline is constrained so that the Transporter cannot transport the quantities of Gas scheduled to the Delivery Points.

## **20.2 Curtailment for operational or safety reasons**

The Transporter may curtail deliveries to the Shipper if it considers, in its sole discretion, it is necessary to do so:

- (a) for maintenance, replacement, installation or repair of the Pipeline or associated facilities, including Receipt Points and Delivery Points, interconnections, lateral Pipelines and compressors;
- (b) because there is not enough Capacity in the Pipeline or at a Receipt Point or Delivery Point for the quantities of Gas nominated by the Shipper; or
- (c) because of damage to, or an outage on, a Pipeline segment or associated facility used to provide Services to the Shipper,

irrespective of the cause giving rise to the need to curtail.

## **20.3 Priority of Services for Curtailment**

The Transporter may curtail the provision of the Service to the Shipper to meet its obligations to Other Shippers. Curtailment will be in accordance with the priority number of each Service.

## **20.4 Notice of planned alterations, maintenance and repairs**

- (a) The Transporter must give the Shipper as much notice as is reasonably possible of planned Curtailments for alterations, maintenance or repairs to the Pipeline.
- (b) By 31 January of each year during the Period of Supply the Transporter must publish on its Web Site:
  - (1) planned major alterations, maintenance and repairs that will affect Capacity; and
  - (2) its estimate of Capacity at each Delivery Point for the next 12 Months.

## **20.5 Service Charges during Curtailment**

In the case of a Firm Gas Transportation Service, so long as the Service is curtailed under clause 20.2 (but not clause 20.1), the Shipper's applicable Service Charge will be worked out on the basis of the quantities of Gas actually injected by and delivered to the Shipper, rather than on the basis of the MDQ.

## **21 CREDIT REQUIREMENTS**

### **21.1 Refusal of supply**

The Transporter will not be required to supply any Services to the Shipper, and may suspend (completely or partially) provision of the Services to the Shipper if:

- (a) a Financial Default occurs (other than a Financial Default referred to in paragraph (a) of that definition) in respect of the Shipper; or
- (b) after the Transporter's request, the Shipper fails within:
  - (1) 7 days of the Transporter's request to establish or confirm the Shipper's creditworthiness in accordance with clause 21.2; or

- (2) 7 days of the Transporter's request to provide Adequate Assurance in accordance with clause 21.3,

but the Shipper's obligation to pay the Service Charges under this Agreement is in no way thereby reduced.

## 21.2 Creditworthiness

- (a) At any time during the Period of Supply, the Transporter may request in writing, and if so requested the Shipper must provide:
  - (1) its most recent audited financial statements (or if the Transporter acting reasonably so requests, the Shipper will also provide its most recent unaudited financial statements);
  - (2) evidence of either or both of debt ratings and corporate credit ratings; and
  - (3) other information that the Transporter reasonably request to establish or confirm the Shipper's creditworthiness.
- (b) All information the Shipper provides for credit evaluation purposes will be used by the Transporter solely for this purpose and subject to clause 32, will be held in confidence.
- (c) The Transporter will establish credit limits based on the level of requested Service and the Shipper's creditworthiness as established by the Transporter's analysis of the Shipper's financial strength, taking into consideration (but in no way limited to) analysis of three (3) years of the Shipper's audited financial statements demonstrating adequate financial strength to justify the amount of the credit the Transporter is to extend to the Shipper.
- (d) If in the reasonable opinion of the Transporter the Shipper fails to establish or confirm the Shipper's creditworthiness for the Period of Supply within 7 days of the Transporter's request, the Transporter may require security in a form specified in clause 21.3(a)(1),(2) (3), (4), or (5), and the Shipper will promptly provide such security.

## 21.3 Adequate Assurance

- (a) If, in the Transporter's reasonable opinion, one or more events have occurred that have caused or will cause a material adverse change in the Shipper's financial standing or creditworthiness (or, if the Shipper's net financial obligations under this Agreement have been fully guaranteed or otherwise secured, one or more events have occurred that in the Transporter's reasonable opinion have caused or will cause a material adverse change in the financial standing or creditworthiness of the guarantor or other party providing such security) in a manner and to an extent that materially and adversely affects the Shipper's ability to perform its financial or other obligations under this Agreement, the Transporter may request in writing that the Shipper provide the Transporter with one of the following (at the Transporter's option):
  - (1) an irrevocable and unconditional bank guarantee:
    - (i) in a form approved by the Transporter;
    - (ii) issued by a financial institution approved by the Transporter;

- (iii) with a term expiring on a date determined by the Transporter in its sole discretion; and
    - (iv) having a face value equivalent to the Shipper's net financial obligations under this Agreement;
  - (2) cash in an amount equivalent to the Shipper's net financial obligations under this Agreement;
  - (3) an irrevocable guarantee of the Shipper's financial performance under this Agreement issued by an entity acceptable to the Transporter and in a form and substance reasonable satisfactory to the Transporter;
  - (4) a satisfactory irrevocable letter of credit in an amount equivalent to the Shipper's net financial obligations under this Agreement, which letter of credit must be issued by a financial institution with a long term senior unsecured debt rating of at least A- by Standard & Poors, A3 by Moody's or B from Fitch ICBA (each a Letter of Credit Collateral); or
  - (5) other arrangements satisfactory to the Transporter,
- (each, an '**Adequate Assurance**').
- (b) If the Shipper does not provide the Transporter with Adequate Assurance within 7 days of the Transporter's request, the Transporter may suspend the performance of any and all of their obligations under this Agreement until the Shipper has provided the requested Adequate Assurance.
  - (c) The Shipper's failure to provide Adequate Assurance to the Transporter under this clause 21.3 within 7 days of the Transporter's request will constitute a Financial Default.
  - (d) The Transporter may hold the Adequate Assurance for as long as it has a reasonable good faith belief that the Shipper's ability to perform its financial or other obligations under this Agreement is materially impaired.

## 22 INVOICING AND PAYMENT

### 22.1 Monthly invoicing

- (a) The following charges for a Month are due and payable on the last Day of the Month in which they are incurred:
  - (1) for Firm Gas Transportation Services, the Capacity Reservation Charge; and
  - (2) any charges payable under clause 4.5.
- (b) All other charges, including without limitation:
  - (1) for Backhaul Services, the greater of the Minimum Service Charges and Backhaul Reservation Charges;
  - (2) for As Available Gas Transportation Services, the greater of the Minimum Service Charges and As Available Charges;
  - (3) Daily Variance Charges;
  - (4) Overrun Charges;

- (5) Imbalance Charges;
  - (6) Imbalance Settlement Charges; and
  - (7) charges for Carbon Charges and any applicable Tax or Charge,
- are due on the last Day of the Month after the Month in which they were incurred.
- (c) On or before the 20th Day of each Month, the Transporter must provide the Shipper an invoice for all charges which are due and payable on the last Day of that Month in accordance with the terms of this Agreement.
  - (d) If the Transporter discovers an error in an invoice, if the Transporter receives information relevant to an invoice after sending it to the Shipper or if the Transporter is required following completion of the dispute resolution process pursuant to clause 34, it will adjust and re-issue the invoice (if the original invoice has been paid the Transporter will provide an adjustment for the value of the incorrect invoice and reissue the invoice).

## **22.2 Time for payment**

- (a) The Shipper must pay the Transporter the amount shown on each invoice it sends the Shipper, and the Shipper must pay it by the last Day of the Month in which it is sent.
- (b) If the Transporter sends the Shipper an invoice after the 20th Day of the Month, the time the Shipper has to pay the invoice is extended by the number of Days that the invoice was late but in any case no more than 30 days, unless the Shipper caused the delay.

## **22.3 Provisions about payment**

- (a) Payment must be in Australian dollars.
- (b) A payment due on a Day that is not a Business Day is to be made on the next Business Day.
- (c) A payment is made when the Transporter actually receives it, not when the Shipper sends it.
- (d) If a cheque or similar instrument the Shipper uses to pay is dishonoured, the payment will be taken never to have been made.

## **22.4 Interest payable for failure to pay on time**

If the Shipper does not pay the amount shown on an invoice on time and in full, the Shipper will (without limiting any other rights the Transporter has under this Agreement or at law) pay interest on the amount outstanding, calculated daily from the due date to the date of payment (both days inclusive) and capitalised Monthly at a rate of 2% above the Australian Dollar 30 day Bank Bill rate quoted by Westpac Banking Corporation or other Australian bank nominated by the Transporter.

## **22.5 Failure to pay for 30 Days beyond due date**

- (a) Without limiting the Transporter's rights under clause 27, if the Shipper does not pay the amount shown on an invoice within 30 Days after payment is due, the Transporter may suspend (completely or partially) provision of the Service to the Shipper until the Shipper pays the amount shown on the invoice.



- (b) Suspension of the services under this clause 22.5 does not relieve the Shipper of any obligations to make payments or settlements that may be due to the Transporter.

## 22.6 Disputed sum

Whenever any sum claimed is the subject of a bona fide dispute under this Agreement, the party disputing the sum will Notify the other party of the sum in dispute, providing particulars as to the reason for the dispute. Notwithstanding the existence of a dispute the party disputing the sum must pay the undisputed portion and the disputed portion by its due date. The dispute will then be resolved in accordance with clause 34.

## 22.7 Set off

The Transporter may deduct or set off from any amount due to the Shipper under or in respect of this Agreement, any amount owed by the Shipper to the Transporter.

## 23 TAXES, GST, DUTIES AND CHARGES

### 23.1 Taxes

If during the term of this Agreement a Tax or Charge is imposed or levied on the Transporter (including any Tax or Charge imposed or levied after the date of this Agreement), the Shipper must pay to the Transporter, as an additional charge, the amount of the Tax or Charge which has a connection to the Services.

### 23.2 Carbon Charge

If during the term of this Agreement a Carbon Charge is incurred by, or imposed or levied on, the Transporter or any Related Body Corporate, the Shipper must pay to the Transporter, as an additional charge, the amount of the Carbon Charge which is attributable to the Services.

### 23.3 GST

- (a) Words or expressions used in this clause 23.2 that are defined in *A New Tax System (Goods and Services Tax) Act 1999* (Cth) (the '**GST Act**') have the same meaning in this clause 23.2.
- (b) Any consideration to be paid or provided under or in connection with this Agreement, for a supply made or to be made under or in connection with this Agreement, does not include an amount on account of GST unless otherwise stated in this Agreement.
- (c) To the extent that any supply made under or in connection with this Agreement is a taxable supply, the consideration payable or to be provided for that supply but for the application of this clause 23.2 (the '**GST Exclusive Amount**') must be increased by an additional amount equal to the GST that the supplier is or becomes liable to pay in respect of that taxable supply ('**GST Amount**'), so that the supplier retains, after deducting the GST Amount, the GST Exclusive Amount.
- (d) The GST Amount must be paid by the recipient of the taxable supply to the supplier without set off, deduction or requirement for demand, at the same time as the GST Exclusive Amount is required to be paid or provided under this Agreement, except the recipient need not pay unless the recipient has received a tax invoice (or an adjustment note) for that taxable supply. Where the GST is not referable to an actual payment then it will be payable within

ten (10) Business Days of a tax invoice being issued by the party making the supply.

- (e) If a payment to a party under this Agreement is a reimbursement or indemnification, calculated by reference to a loss, cost or expense incurred by that party, then the payment will be reduced by the amount of any input tax credit to which that party is entitled for that loss, cost or expense. That party is assumed to be entitled to a full input tax credit unless it proves, before the date on which the payment must be made, that its entitlement is otherwise and, if a taxable supply, must be increased by the GST payable in relation to the supply and a tax invoice will be provided by the party being reimbursed or indemnified.
- (f) If a party is a member of a GST group, references to GST which the party must pay, and to input tax credits to which the party is entitled, include GST which the representative member of the GST group must pay and input tax credits to which the representative member is entitled.
- (g) If an adjustment event occurs in respect of any supply made by a party under or in connection with this Agreement, a corresponding adjustment to the consideration and GST Amount must be made between the parties and the supplier must issue an adjustment note to the recipient.

## **24 METERING**

### **24.1 Receipt and Delivery Point measurement**

- (a) Subject to clauses 24.2 and 24.4, measuring equipment must be supplied, installed, operated and maintained by the Transporter but at the cost of the Shipper, to measure the quantity and quality of gas:
  - (1) received into the Pipeline at each Receipt Point; and
  - (2) delivered through each Delivery Point.
- (b) The Transporter will own the measuring equipment supplied and installed by it.

### **24.2 Delivery Point assumptions**

The Transporter does not have to measure the parameters or quality of gas at each Delivery Point, but may assume, for the purposes of this Agreement, that the quality and heating value of gas delivered at one of the Delivery Points is the same as the quality and heating value of gas delivered at another Delivery Point on the Pipeline if it is reasonable to do so.

### **24.3 Alternative ownership of measuring equipment**

- (a) The Transporter will determine whether it owns, maintains and operates all measuring equipment or whether it makes alternative arrangements with the Shipper.
- (b) If the Shipper owns or operates and maintains any measuring equipment:
  - (1) the measuring equipment must comply with the technical requirements in the Metering Manual;

- (2) the Shipper must operate and maintain the measuring equipment in accordance with Good Engineering and Operating Practices;
- (3) the Shipper must provide the Transporter with electronic data signals from the measuring equipment so that the Transporter can transmit the signals on its on-line monitoring system (but equipment installed by the Transporter must not interfere with the accuracy or performance of the Shipper measuring equipment); and
- (4) the Transporter will have the same rights to inspect records and require calibrations of the measurement equipment as the Shipper has under clauses 24.8 and 24.9.

#### **24.4 Alternative measuring arrangements**

If:

- (a) the Transporter reasonably believes that the amounts of gas to pass through a Receipt Point or Delivery Point do not justify the installation of measuring equipment and that alternative measuring methods are available;
- (b) the Transporter believes the determination of any relevant quantity of gas does not require the installation of measuring equipment; or
- (c) the Shipper and the Transporter agree upon alternative measuring techniques,

the Transporter may waive some or all of the requirements in clauses 24.1, 24.2 and 24.3 provided that any such waiver is agreed in writing between the parties.

#### **24.5 Check measuring equipment**

- (a) The party not responsible for the operation and maintenance of the fiscal measuring equipment may install and maintain check measurement equipment.
- (b) Measuring equipment installed under this clause 24.5:
  - (1) must not interfere with any other equipment at the site; and
  - (2) must be paid for, maintained and operated by the party installing it.

#### **24.6 Metering Manual**

- (a) The metering manual specifies the technical requirements for measuring equipment, calibration and accuracy verification procedures, re-calibration limits, billing correction limits and procedures for correction of readings from faulty measuring equipment ('**Metering Manual**').
- (b) The Transporter maintains an up to date version of its Metering Manual on the Web Site.
- (c) The Transporter may amend the Metering Manual at any time provided that it notifies the Shipper that a change has been made to the Metering Manual within a reasonable time.
- (d) For the avoidance of doubt, it is the Shipper's responsibility to ensure that it keeps up to date with any amendments to the Metering Manual.

## **24.7 Technical requirements for measuring equipment**

- (a) Measuring equipment installed by the Transporter or by the Shipper (but not check measurement equipment installed under clause 24.5) must comply with the technical requirements set out in the Metering Manual.
- (b) The technical requirements in the Metering Manual must be in accordance with Good Engineering and Operating Practices and conform to appropriate Australian and international standards and Codes, modified where necessary to comply with Australian Standard AS 1000–1998.

## **24.8 Inspection of equipment and records**

- (a) The party not responsible for the operation and maintenance of the measuring equipment may, at any reasonable time, inspect the measuring equipment and records for any of the Receipt Points or Delivery Points.
- (b) The party requiring the inspection shall meet the reasonable costs incurred by the other party in facilitating such inspection, if demanded.

## **24.9 Calibration**

The party responsible for the operation and maintenance of the measuring equipment must, if the other party reasonably believes that the particular measuring equipment is inaccurate and asks in writing, calibrate the measuring equipment at a Receipt Point or Delivery Point as soon as it is convenient to do so.

## **24.10 Costs of calibrations**

- (a) The party requesting the calibration must pay the cost of calibration if the measuring equipment is accurate within the billing correction limits set out in the Metering Manual.
- (b) Otherwise, the party responsible for the operation and maintenance of the measuring equipment must pay the cost of calibration.

## **24.11 Adjustments to invoices after calibrations**

If during calibration the measuring equipment is found to be in error in excess of the invoicing correction limit specified in the Metering Manual such that the total measurement error for the Receipt Point or Delivery Point exceeds 1% of the total quantity of gas measured, unless otherwise agreed between the Transporter and the Shipper, then the Transporter will adjust the total quantity of gas measured at the Receipt Point or Delivery Point and issue a correction to the Shipper's invoice. The correction will relate to the following period:

- (a) when the Transporter is not able to determine when the metering deviated – half of the time between the calibration carried out in accordance with clause 24.9 and the previous calibration to that calibration; or
- (b) when the Transporter is able to determine when the metering deviated – from when the metering deviated until the date of the calibration carried out in accordance with clause 24.9.

## **25 WARRANTIES**

### **25.1 Shipper's warranties**

The Shipper warrants as follows:

- (a) that the person who delivers Gas at the Shipper's Receipt Points on behalf of the Shipper has the right or obligation to deliver or sell, or deliver and sell, that Gas to the Shipper and that the Gas is free from all encumbrances, liens and adverse claims;
- (b) that the person to whom Gas is delivered at each of the Shipper's Delivery Points has the right to receive it;
- (c) that all the gas received onto the Pipeline at the Shipper's Receipt Points meets the quality requirements for Gas set out in clause 13;
- (d) that the Shipper will have at all times all the Consents required to deal with Gas transported on the Pipeline;
- (e) that the necessary upstream and downstream gas supply arrangements will at all times be in place so that the Shipper's scheduled quantities and nominated quantities of Gas can be received and delivered by the Transporter; and
- (f) that upstream and downstream transporters and the Shipper's Suppliers will at all relevant times know what the Shipper's current Receipt Points and Delivery Points are.

Each of these warranties is separate, and does not affect the interpretation of another warranty.

## **25.2 The Transporter may suspend Service**

If one of the warranties in clause 25.1 is breached, the Transporter may by written notice immediately suspend (completely or partially) provision of the Service to the Shipper until the Transporter is reasonably satisfied that the warranty is no longer likely to be breached.

## **25.3 The Transporter's warranties**

The Transporter warrants as follows:

- (a) that it will have at all times all the Licences and Consents needed to operate the Pipeline for the purposes of this Agreement; and
- (b) that it will operate the Pipeline with due skill and care.

## **26 SUSPENDING PROVISION OF THE SERVICE**

### **26.1 Notice of suspension**

If the Transporter suspends (wholly or partially) provision of the Service to the Shipper, it must give Notice:

- (a) to the Shipper; and
- (b) if it knows who the Shipper's Supplier of Gas is — the Supplier.

### **26.2 Payment obligations continue**

Subject to clause 20.5, the Shipper's obligations to pay the Service Charges under this Agreement continue, and are not suspended, if the Transporter suspends (wholly or partially) provision of the Services to the Shipper.

## **27 DEFAULT**

### **27.1 Default Notice**

If an Event of Default occurs, the non-defaulting party may give the defaulting party a notice ('**Default Notice**') specifying the Event of Default that has occurred.

### **27.2 Cure period**

- (a) If the Event of Default is a Non-Financial Default or a Financial Default referred to in paragraph (a) of that definition, upon receipt of a Default Notice, the Defaulting Party will have 30 days to cure that default.
- (b) If the Event of Default is a Financial Default referred to in paragraphs (b) or (c) of that definition, no cure period applies.

### **27.3 Remedies**

If a default is not cured within the cure period described in clause 27.2 (if any), the non-defaulting party may (without prejudice to any of its other rights under this Agreement) exercise any or any combination of the following remedies after expiry or termination of the cure period (or, if no cure period applies, after the issue of the Default Notice):

- (a) if the Event of Default is a Financial Default:
  - (1) immediately terminate this Agreement; or
  - (2) suspend the obligations of the non-defaulting party under this Agreement until the default is cured,without prejudice to any right to damages; or
- (b) if the Event of Default is a Non-Financial Default which has a material adverse effect on the rights of the non-defaulting party under this Agreement, subject to giving 5 Business Days' notice to the defaulting party stating its intention to do so if the default is not cured (and the default is not cured within that notice period), terminate this Agreement, without prejudice to any right to damages.

### **27.4 Non curable default**

If under clause 27.3(b) the default is not reasonably capable of remedy, the defaulting party must immediately notify the non-defaulting party and take all reasonable steps satisfactory to the non-defaulting party to mitigate the consequences of the default.

### **27.5 The Transporter's right to terminate a Backhaul Service or an As Available Gas Transportation Service**

If this Agreement provides for a Backhaul Service or an As Available Gas Transportation Service which service has not been utilised for transportation for a period of 6 consecutive Months, the Transporter may:

- (a) give the Shipper a written Notice requiring the Shipper to use the Backhaul Service or As Available Gas Transportation Service (as the case may be) within the time specified in the Notice (it cannot be shorter than 14 Days); and

- (b) if, at the end of that period, the Backhaul Service or As Available Gas Transportation Service (as the case may be) has not been utilised for transportation — terminate this Agreement (so far as it relates to a Backhaul Service or an As Available Gas Transportation Service) by giving the Shipper written Notice.

## **27.6 Accrued rights**

Termination of this Agreement is without prejudice to any rights which may have accrued to any party prior to termination.

## **28 LIABILITY AND INDEMNITY**

### **28.1 No implied warranties**

To the extent permitted by Law, the Transporter excludes all conditions, warranties and terms implied by Law and custom.

### **28.2 Exclusive remedies**

The remedies set out under this Agreement are the sole and exclusive remedies of the Shipper for a breach by the Transporter of this Agreement or any other wrongful act or omission of the Transporter.

### **28.3 No indirect or third party liability**

The Transporter is not liable for:

- (a) loss of revenue;
- (b) loss of production;
- (c) loss of profit;
- (d) loss of reputation;
- (e) loss of contract;
- (f) loss of opportunity;
- (g) loss of anticipated savings;
- (h) liability to a customer or a third party (including the Supplier); or
- (i) consequential, indirect or special loss,

however caused (including but not limited to, by the negligence of the Transporter) suffered or incurred by the Shipper in connection with this agreement.

This exclusion applies whether or not the Transporter or the Shipper were aware of the possibility of such loss or damage when this Agreement was entered into.

### **28.4 The Transporter's exclusion of liability**

- (a) Without limitation to clauses 28.3 and 28.5, the Transporter's liability to the Shipper in connection with this Agreement, the operation of the Pipeline or the provision of Services to the Shipper, whether under common law, in tort, equity or under statute, is limited to any Direct Loss suffered or incurred by the Shipper as a direct result of the Transporter's breach of this Agreement.

- (b) The Transporter will not be liable to the Shipper for any Loss suffered or incurred by the Shipper where Services are reduced, not provided or are suspended under any provision of this Agreement.

### **28.5 Limitation of Transporter's liability**

- (a) Without limitation to clause 28.4, the Transporter's aggregate liability to the Shipper for Loss, however caused (including, but not limited to, by negligence of the Transporter), suffered or incurred by the Shipper or any person whether under common law, tort, equity or under statute, in connection with this Agreement is limited to \$5,000,000 in aggregate.
- (b) The limitation set out in clause 28.5(a) applies whether or not the Transporter or the Shipper were aware of the possibility of the Loss when this Agreement was entered into.

### **28.6 The Shipper's indemnity to the Transporter**

The Shipper indemnifies the Transporter for any Loss suffered or incurred by the Transporter (no matter by whom) in connection with:

- (a) any breach of contract including breach of this Agreement by the Shipper, including:
  - (1) the delivery to a Receipt Point of Out-of-Specification Gas;
  - (2) the Shipper's failure to cease the delivery or taking of gas as required under this Agreement;
  - (3) the Shipper's failure to comply with an Operational Flow Order;
  - (4) any Unauthorised Overrun Gas;
  - (5) any damage to, or interference by the Shipper or on the Shipper's behalf to, or with any of the Transporter's assets (including, without limitation, the Pipeline and any measuring equipment); and
  - (6) loss of bargain following termination by the Transporter for a breach by the Shipper;
- (b) tort, including negligence, or breach of statutory duty by the Shipper; or
- (c) breach of equitable duty including breach of confidentiality or breach of fiduciary duty by the Shipper,

including in respect of the supply of Out-of-Specification Gas supplied by the Shipper.

### **28.7 Exclusion of liability and indemnity do not terminate**

This clause 28 survives the end of this Agreement.

## **29 INSURANCE**

### **29.1 Insurance policies to be maintained**

The Shipper must procure and maintain the following insurances:

- (a) workers' compensation insurance which complies with relevant laws in force in the State of Queensland, inclusive of common law;



- (b) public liability insurance covering claims in respect of:
    - (1) damage to real or personal property; and
    - (2) injury to, or death of, persons,  
for not less than \$20,000,000 per claim;
  - (c) insurance covering third party bodily injury and property damage arising out of the use of mobile plant, equipment and vehicles for not less than \$20,000,000 per claim; and
  - (d) any additional insurances required by Law,
- in each case, for the Period of Supply.

### **29.2 Terms of insurance policies**

- (a) In the case of the insurances specified in 29.1(b), 29.1(c) and 29.1(d), the policies must, where permitted by Law:
  - (1) identify the respective rights and interests of the Shipper and the Transporter; and
  - (2) contain a cross liability clause where the insurance policy covers the interest of more than one party, any act, negligence or omission or breach of a policy condition by an individual party will not prejudice the rights of the remaining party/parties; provided the remaining party/parties shall, upon becoming aware of any act, negligence or omission as a result of which the risk of legal liability to that party/parties has increased due to a breach of a policy condition, give notice to the insurers; and
- (b) In the case of the insurances specified in 29.1(a), that policy must provide cover in respect of injury to or death of persons in respect of whom, immediately prior to 1 July 1997, insurance was provided under workers compensation insurance laws then in force in the State of Queensland at least to the extent that insurance was so provided.

### **29.3 Evidence of insurance**

The Shipper must, upon reasonable notice, provide the Transporter proof of currency and coverage of insurances referred to in clause 29.1. Such proof shall be in a form acceptable to the Transporter and shall be provided, irrespective of a request by the Transporter at least annually.

## **30 AMENDMENT**

Subject to the other provisions of this Agreement, this Agreement may be amended, and may only be amended, in writing signed by both parties.

## **31 DURATION OF AGREEMENT**

Unless sooner terminated, this Agreement stays in force until the Expiration Time and Date, subject to any amendment of the Expiration Time and Date in accordance with clause 19.2.

## **32 CONFIDENTIALITY**

### **32.1 Confidential Information**

Subject to clauses 32.2, 32.3 and 32.5, none of the parties will disclose or permit the disclosure of the Confidential Information without the prior written consent of the other parties.

### **32.2 Exceptions to Confidentiality**

Any party may disclose Confidential Information which:

- (a) at the time when it is disclosed or communicated to or created, ascertained, discovered or derived by the party, is publicly known;
- (b) at the time when it is disclosed, is already known to the party through some independent means not involving breach of any confidentiality undertaking owed pursuant to clause 32.1;
- (c) after the time when it is disclosed or communicated to or created, ascertained, discovered or derived by the party, comes into the public domain otherwise, than as a result of any breach of the confidentiality undertaking owed pursuant to clause 32.1; or
- (d) is required to be disclosed by any applicable laws, Access Document, judicial processes, Government Body or the rules or regulations of any recognised stock exchange, to the extent so required, and the disclosing party will promptly notify the other party of that requirement.

### **32.3 Permitted Disclosure**

Any party may disclose Confidential Information to:

- (a) its directors and employees;
- (b) its consultants, lawyers, auditors, potential equity investors, bona fide potential purchasers of the Pipeline (in the case of the Transporter), financial institution or rating agency to the extent required in relation to the financing of a party's business activities, bankers and financial advisers;
- (c) a Related Body Corporate of that party (or any of its officers, employees, consultants, financiers, auditors, bankers or financial advisers or lawyers);
- (d) a shareholder of the Transporter or of its Related Bodies Corporate (or any of its officers, employees, consultants, financiers, auditors, bankers or financial advisers or lawyers); or
- (e) any potential assignee of the rights and interests of a party under this Agreement or a third party to the extent required for the purposes of any proposed sale of its share capital or any proposed sale of the share capital of an entity which holds a direct or indirect interest in it or any relevant part of its business undertaking (including, in the case of the Transporter, any sale of the Pipeline),

to the extent those persons have a need to know the Confidential Information, provided that the disclosing party is responsible for ensuring those persons keep the Confidential Information confidential and that those persons comply with the confidentiality obligations of the disclosing party set out in this clause 32.

### **32.4 Survival of clause**

This clause 32 survives the end of this Agreement.

### **32.5 Operational issues**

The Transporter may disclose the Shipper's Nomination for a Receipt Point for a Day to any relevant gas producers.

## **33 INTELLECTUAL PROPERTY RIGHTS**

### **33.1 Shipper Materials**

All tools, Software, documentation, reports, diagrams, plans and other materials provided by or on behalf of the Shipper to the Transporter under this Agreement ('**Shipper Materials**') remain the property of the Shipper (or its licensor) and nothing in this Agreement assigns any Intellectual Property rights in the Shipper Materials to the Transporter.

### **33.2 New Materials**

The Transporter will own all Intellectual Property Rights in any tools, Software, documentation, reports, diagrams, procedures (including the Metering Manual), plans and other materials created in the course of the provision of the Services immediately from creation (including part creation) ('**New Materials**').

### **33.3 Transporter Materials**

All tools, Systems, documentation, reports, diagrams, plans and other materials provided by or on behalf of the Transporter to the Shipper under this Agreement or used by the Transporter in providing the Services (but not including the Shipper Materials or New Materials) ('**Transporter Materials**') remain the property of the Transporter (or its licensor) and nothing in this Agreement assigns any Intellectual Property Rights in the Transporter Materials to the Shipper.

### **33.4 Other Intellectual Property Rights**

Nothing in this Agreement is intended to give a party any Intellectual Property Rights in, or other rights in respect of, any trademarks, business names, logos, trading styles, get-up, processes, methodologies or other intellectual property of the other party.

## **34 DISPUTE RESOLUTION**

### **34.1 Notice of dispute or difference**

If a dispute arises in connection with this Agreement, either party may give the other written Notice identifying the dispute or difference.

### **34.2 Dispute resolution process**

- (a) Within the 7 Days following the giving of a written Notice under clause 34.1, representatives nominated by each party must meet and, in good faith, try to resolve the dispute or difference.
- (b) If, after 14 Days following the giving of a written Notice under clause 34.1, the dispute or difference has not been resolved, the chief executive officers

of each party must meet within 7 Days and, in good faith, try to resolve the dispute or difference.

- (c) If the dispute is not resolved within 21 Days following the giving of a written Notice under clause 34.1, the parties may agree that the dispute is to be resolved through mediation, conciliation, Expert determination in accordance with clause 34.3 or by other alternative dispute resolution methods, but if the parties do not so agree or if the dispute resolution fails after the lapse of a further 60 Days, the dispute must be referred to and resolved by final and binding arbitration in accordance with the rules set out in the *Commercial Arbitration Act 2013* (Qld) as may be modified by agreement between the parties.

### **34.3 Expert determination**

- (a) Where a dispute is referred to an expert (**Expert**) for determination, the Expert will be appointed by the parties.
- (b) If the parties cannot agree on the identity of the Expert to be appointed to determine the dispute, the Expert will be nominated by:
  - (1) in the case of financial matters, the President for the time being of the Institute of Chartered Accountants;
  - (2) in the case of technical engineering matters, the President for the time being of the Institution of Engineers, Australia; and
  - (3) in the case of any other matters (including legal matters), the President for the time being of the Queensland Law Society.
- (c) The parties must:
  - (1) take all reasonable steps to have an Expert appointed promptly;
  - (2) direct the Expert to make his or her determination quickly; and
  - (3) take all reasonable steps to bring about a quick determination by the Expert.
- (d) The Expert must:
  - (1) have reasonable qualifications and commercial and practical experience in the area of the dispute;
  - (2) have no interest or duty which conflicts or may conflict with his or her function as Expert; and
  - (3) not be an employee or former employee of any of the parties.
- (e) Any expert determination will be conducted in Melbourne.
- (f) The parties will be entitled to make oral and written submissions to the Expert. The parties may be legally represented in any expert determination process.
- (g) In the absence of a manifest error, the decision of the Expert will be valid and binding on the parties.
- (h) The costs of the Expert and any advisers will be borne equally by the parties, unless the Expert makes a determination to the contrary.

#### **34.4 Dispute does not affect obligations**

Despite the existence of a dispute or difference, both parties must continue to perform their obligations under this Agreement.

#### **34.5 Interlocutory relief**

Nothing in this clause 34 prevents a party from seeking injunctive or urgent declaratory relief in respect of a Dispute or any matter arising in connection with this Agreement.

### **35 NOTICES AND COURT PROCESS**

#### **35.1 How to give Notices**

Unless otherwise stated in this Agreement, a Notice by one party is effectively given to another party only if it is in writing and signed by or on behalf of the party, marked for the attention of one of the other party's Authorised Persons and:

- (a) addressed to the other party and sent by fax to:
  - (1) its fax number listed in Schedule 2; or
  - (2) if the other party has given it Notice of some other fax number for this purpose — the fax number most recently notified; or
- (b) addressed to the other party at:
  - (1) its address listed in Schedule 2; or
  - (2) if the other party has given it Notice of some other address for this purpose — the address most recently notified; or
- (c) where a Notice is expressly stated as being able to be given via email under this Agreement, addressed to the other party at:
  - (1) its address listed in Schedule 2; or
  - (2) if the other party has given it Notice of some other email address for this purpose, the email address most recently notified;

and delivered to that address or email address or sent by pre-paid mail to that address.

#### **35.2 When Notices received**

A Notice given in accordance with this clause is taken to be given and received:

- (a) if sent by fax to a fax number and a correct and complete transmission report is received — on the Day it is sent if that is a Business Day, otherwise on the next Business Day;
- (b) if delivered to an address — on the Day of delivery if that is a Business Day, otherwise on the next Business Day;
- (c) if sent by pre-paid mail — on the second Business Day after being posted;
- (d) if sent by email:
  - (1) production of a delivery notification statement from the computer which

the email was sent which indicates that the e-mail was sent in its entirety to the e-mail address of the recipient shall be prima facie evidence that the e-mail has been received;

- (2) where there is no delivery notification statement from the computer from which the e-mail was sent, the date and the time of dispatch of the e-mail shall be prima facie evidence of the date and time that the e-mail was received; and
  - (3) where an 'Out of Office' reply or similar response is delivered to the computer from which the e-mail was sent, the e-mail will not be taken to be received and the sender shall use the alternative methods of sending the notice by post or facsimile in accordance with this clause 35; and
- (e) if sent to the Web Site, on the creation of any entry in the data recording system of the Web Site that indicates that the Notice was successfully posted in its entirety and in legible form.

### **35.3 Service of court process**

Unless another person agrees to accept service on behalf of a party, the parties appoint their Authorised Persons, at their then current addresses for the purposes of clause 35.1, to receive service of process in connection with any proceeding arising under this Agreement, and each agrees that process served on that person is to be taken to have been properly served.

### **35.4 Variation of details**

Either party may, by written Notice to the other, change the name or title of the Authorised Person, or address or fax number or email address, set out in Schedule 2, and this clause 35 thereafter applies with those changes.

### **35.5 Authorised Person**

A party's Authorised Person will have the capacity to bind the party. However, a party may request that the other party give proof that the Authorised Person can bind that other party. If a request is made, that other party must provide a copy of a written authority signed by the party's Chief Executive Officer or Managing Director or properly executed by that party.

## **36 WAIVER OF RIGHTS**

### **36.1 Delay**

That a party does not exercise, or delays in exercising, a right or power does not mean that it has given it up or waived it or that the party cannot exercise it, or other rights and powers, later.

### **36.2 Partial exercise**

That a party exercises a right or power once or partly does not mean that it cannot exercise it again (partly or completely), or other rights or powers later.

### **36.3 Waiver**

A party only waives a right it has under this Agreement by giving the other party affected by the waiver a written Notice signed by the party granting the waiver to that effect.

### 37 ASSIGNMENT

- (a) The Shipper may not assign its rights and obligations under this Agreement without the prior written consent of the Transporter.
  - (b) The Transporter may assign its rights and obligations under this Agreement .
  - (c) If:
    - (1) the Licence is terminated by the Minister for Mines & Energy or surrendered by the Transporter; and
    - (2) the Minister or the Corporation Sole under the *Petroleum and Gas (Production and Safety) Act 2004* (Qld) exercises its right to assume the Transporter's rights and obligations under this Agreement;
- the Transporter may assign its rights and obligations under this Agreement to the Minister or the Corporation Sole as required by the Licence or the *Petroleum and Gas (Production and Safety) Act 2004* (Qld).
- (d) The Transporter will be released from its obligations under this Agreement upon assignment of its rights and obligations under this Agreement to the extent of its assignment.
  - (e) The Shipper and the Transporter may pledge, mortgage or assign as security rights and any money due or to become due under this Agreement subject to the mortgagee or assignee agreeing with the Transporter to be bound by the terms of this Agreement.

### 38 SEVERING PROVISIONS

If a provision of this Agreement is or becomes invalid or unenforceable in a particular jurisdiction, it is to be read down (if possible) to be valid and enforceable but, if it cannot, this Agreement, so far as it can, takes effect as if it did not include the provision. In any case:

- (a) the validity and enforceability in that jurisdiction of the other provisions are not affected; and
- (b) the validity and enforceability in other jurisdictions of the provision are not affected.

### 39 LIABILITIES, OBLIGATIONS AND RIGHTS OF PARTIES — GENERAL PROVISIONS

Each party must do whatever the other party reasonably requires it, in writing, to do to give full effect to this Agreement and a party's rights and duties under it.

### 40 LIABILITIES ETC OF PARTIES — GENERAL PROVISIONS

If two or more parties or persons are included within the same defined term in this Agreement:

- (a) [**joint and several liability**] a liability of those parties or persons under this Agreement is a joint liability of all of them and a several liability of each of them; and
- (b) [**rights several**] a right given to those parties or persons under this Agreement is a right given severally to each of them; and
- (c) [**effect of representations etc**] a representation made, and a warranty or

undertaking given, by those parties or persons is taken to be made or given by each of them.

## **41 ENTIRE AGREEMENT**

### **41.1 Entire agreement**

This Agreement forms the entire agreement of the parties on the subject matter, and the only enforceable obligations and liabilities of the parties in relation to the subject matter are those that arise out of it.

### **41.2 Earlier representations etc cannot be relied on**

All representations, communications and earlier agreements between the parties in relation to the subject matter are merged in and superseded by this Agreement.

### **41.3 No partnership**

This Agreement does not constitute a partnership of any kind between the parties.

## **42 EXECUTION**

### **42.1 Counterparts**

This Agreement may be executed in any number of identical counterparts all of which, taken together, are one instrument.

### **42.2 Execution by attorneys**

Each person who executes this Agreement as an apparent attorney of a party declares that he or she is a properly appointed attorney of the party and that, to his or her knowledge, the power is in full operation.

## **43 LAW AND JURISDICTION**

### **43.1 Proper law**

The law in force in the State of Queensland governs this Agreement.

### **43.2 Submission to jurisdiction**

In any matter arising under this Agreement, the parties irrevocably submit to the exclusive jurisdiction of courts exercising jurisdiction in the State of Queensland and courts of appeal from them in respect of any proceedings arising out of or in connection with this Agreement. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

## **44 SURVIVAL**

Clauses 1, 9, 13.4, 22.7, 23, 25, 27.6, 28, 29 and 32 to 43 (inclusive) survive the expiry or earlier termination of this Agreement.



## SCHEDULE 1

### GAS SPECIFICATIONS

Unless agreed to otherwise between the parties, the gas received at each Receipt Point, and the gas that the Transporter transports for the Shipper, must:

- (a) [**no impurities**] be commercially free from objectionable substances that may damage Pipelines, Regulators, meters or other appliances, or that can adversely affect or interfere with:
  - (1) the transmission of the gas through Pipelines; or
  - (2) the commercial use of the gas by the Shipper,  
  
(Without limiting this provision, dust, gums, gum-forming constituents, crude oil, hydrocarbons liquefiable at temperatures in excess of 0 degrees and at pressures not exceeding 1.5 times the maximum pressure employed in the Pipeline and other impurities are objectionable substances); and
- (b) [**mercaptan**] not have more than 15 mg of mercaptan/standard m<sup>3</sup> of gas; and
- (c) [**hydrocarbon dew-point**] not have a hydrocarbon dew-point of more than 10°C at pressures between 1,000 kPag and 10,000 kPag; and
- (d) [**hydrogen sulphide**] not have more than 7 mg of hydrogen sulphide/standard m<sup>3</sup> of gas; and
- (e) [**sulphur**] not have more than 50 mg of total sulphur/standard m<sup>3</sup> of gas; and
- (f) [**carbon dioxide**] not have more than 3% by volume of carbon dioxide; and
- (g) [**water vapour**] not have more than 65 mg of water vapour/standard m<sup>3</sup> of gas; and
- (h) [**temperature**] be at a temperature between 10°C and 50°C at a Receipt Point; and
- (i) [**oxygen**] be as free of oxygen as it can be kept but, in any event, have no more than 0.2% by volume of oxygen; and
- (j) [**inert gases (1)**] have 6% or less by volume of inert gases; and
- (k) [**inert gases (2)**] if it has more than 4% by volume of inert gases — have a Gross Heating Value of at least 37.9 MJ/standard m<sup>3</sup> of gas and not more than 42.3 MJ/standard m<sup>3</sup> of gas; and
- (l) [**inert gases (3)**] if it has 4.0% or less by volume of inert gases – have a Gross Heating Value of not less than 35 MJ/standard m<sup>3</sup> of gas and not more than 43 MJ/standard m<sup>3</sup> of gas; and
- (m) [**Wobbe index**] have a Wobbe Index not less than 47 and not more than 52.

For the purpose of this Schedule 1, carbon dioxide is an inert gas.

This Schedule 1 is in addition to the requirements imposed by the *Petroleum and Gas Production and Safety) Act 2004* (Qld) and other Laws that regulates the quality of gas in Queensland during the term of the Agreement.

If at any time during this Agreement, amendments to gas specifications for transmission pipelines are required by any Law to be applied by the Transporters to the Pipeline, the Transporters may amend the specifications in this Schedule 1 to be consistent with any such Law, and if so, will provide written notice to the Shipper setting out the amended specification and requiring compliance with that amended specification effective from the date established in the relevant Law.

NOTICE DETAILS

[insert details of Authorised Person]

TRANSPORTER:	
Authorised Person:	
Address:	
Fax number:	
Email:	

SHIPPER:	
Authorised Person:	
Address:	
Fax number:	
Email:	