

Nitrogen Removal Service

Gas shipped on the NGP must be stripped of nitrogen to meet east coast market specifications. Where an Access Seeker intends to subscribe for Firm Transportation Services:

- a) up to the Base Capacity of the Pipeline; or
- b) in excess of the Base Capacity of the Pipeline and:
 - i. the Access Seeker notifies Jemena that it requires Nitrogen Removal Services to be provided; or
 - ii. the Access Seeker is unable to satisfy Jemena that the gas to be delivered by the Access Seeker at the receipt point meets the Australian Gas Specification in terms of the level of inert gas and in particular, the concentration of nitrogen, contained in the gas,

it is a condition of entry into the Gas Transportation Agreement that the relevant Access Seeker will enter into an agreement with Jemena for the removal of nitrogen from the relevant gas to be delivered by the Access Seeker on Jemena 's standard terms and conditions for the provision of Nitrogen Removal Services (Nitrogen Removal Services Agreement).

The term, MDQ and type of service for the Nitrogen Removal Services Agreement is required to match the term, MDQ and Firm Service under the Gas Transportation Agreement. The Access Seeker is required to enter into the Nitrogen Removal Services Agreement irrespective of whether in fact Nitrogen Removal Services are required to be performed with respect to the relevant gas as the assessment will be undertaken based on the overall volume and composition of comingled gas in the Pipeline. Refer to the Access Principles for further details.

Item	Firm Nitrogen Removal Service	As Available Nitrogen Removal Service
NRSA Tariff	Term (years)	Tariff \$/GJ (2021 dollars)
	10	\$0.7916
	15	\$0.5937
Tariff Structure	Capacity Charge	Variable Charge
Transportation Charges	NRSA Tariff x Maximum Daily Quantity	NRSA Tariff x Actual Delivered Quantity

*All tariffs are quoted in 2021 dollars are subject to escalation for CPI.

Gas Transportation Services

A summary of the transportation services offered on the NGP is provided below:

Item	Firm Forward Haulage Service	As Available Forward Haulage Service	As Available Park & Lend
Transportation Tariff	\$1.5392 (rolled in tariff)	Rolled in Tariff X 130%	\$0.1099 /GJ
Tariff Structure	Capacity Charge	Variable Charge	Variable Charge
Transportation Charges	Tariff x Maximum Daily Quantity	Tariff x Actual Delivered Quantity	Tariff x Daily Cumulative Imbalance

*All tariffs are quoted in 2021 dollars are subject to escalation for CPI.

Annual inflation adjustment

Tariff Adjustment

The annual tariff adjustment formula is:

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

Where:

T_r = relevant Service Charge, applicable from Review Date

T_b = relevant base Service Charge in base year

CPI = Consumer Price Index (All Groups weighted Average of Eight Capital Cities) published quarterly by the Australian Bureau of Statistics.

CPI_r = CPI published for the December quarter immediately before relevant Review Date

CPI_b = CPI published for the December quarter for the year prior to the base year

Review Date = Annually, 1 January each year.

Information on Rolled in Tariff (RiT) regime

To incentivise the future development of Northern Territory's gas resources, Jemena has designed a rolled in tariff (RiT) regime. This regime incentivises other shippers to contract capacity by enabling all shippers to obtain access to pipeline transportation services on fair and reasonable terms. It also ensures foundation shippers are not disadvantaged by contracting early and that all shippers will benefit from future growth.

Our RiT regime includes a number of features that will be attractive to future shippers. In real terms, there are no circumstances where the initial tariff will increase. For any pipeline expansion where the marginal cost of the additional capacity is lower than the average tariff for all existing capacity, the tariff level for all customers will be adjusted downwards to reflect the average cost of capacity in the newly expanded pipeline. If the marginal cost of additional capacity is above the average cost of capacity, then the RiT is not adjusted and the party seeking the additional capacity will pay a shipper expansion capacity charge.

As Available services and other pipeline charges (such as overrun charges and imbalances) will all be based on the RiT, and therefore a reduction in the RiT over time will also see a reduction in all applicable charges. We will also offer an As Available Park and Lend service to provide customers with access to any available park capacity on a day at a competitive price.