



ACCESS PRINCIPLES
QUEENSLAND GAS PIPELINE

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Revision 1.1

ACCESS PRINCIPLES FOR THE QUEENSLAND GAS PIPELINE

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ACCESS PRINCIPLES FOR THE QUEENSLAND GAS PIPELINE

1 BASIC INFORMATION

1.1 Applicable Pipeline

These Access Principles apply to the Queensland Gas Pipeline ('**QGP**'). The QGP is a high pressure Natural Gas pipeline from Wallumbilla to Gladstone and Rockhampton.

A map detailing the route of the QGP is contained in Schedule 1.

1.2 QGP Owned and Operated by Jemena QGP

Jemena Queensland Gas Pipeline (1) Pty Ltd and Jemena Queensland Gas Pipeline (2) Pty Ltd ('**Jemena QGP**') are the owners and operators of the QGP.

1.3 Background to the Access Principles

The QGP was a covered pipeline under the National Third Party Access Code for Natural Gas Pipelines ('**Gas Code**') and was required to have an approved Access Arrangement. The tariffs under the Access Arrangement were the subject of a derogation following the Queensland Government's sale of the QGP in 1996 and the introduction of the Gas Code in 1997.

The Gas Code has, pursuant to the *National Gas (Queensland) Act 2008* (Qld) and the *National Gas (South Australia) Act 2008* (SA), been replaced by the National Gas Law ('**NGL**') and the National Gas Rules ('**NGR**').

The introduction of the NGL and NGR means that the QGP is no longer a covered pipeline¹ for the purposes of third party access regulation. With the removal of coverage the Access Arrangement published pursuant to the Code no longer applies to new access agreements.

1.4 Purpose of Access Principles

These Access Principles are published for the purpose of providing shippers who seek access to gas transportation services on the QGP with indicative information to facilitate access to the service. The Access Principles do not constitute an offer by Jemena QGP to provide transportation services or capacity in the QGP, nor do the Access Principles govern the performance of gas transportation services.

The Access Principles provide details of the following:

- How to apply for access to Services;
- A description of the Services;
- Tariff Principles;
- the terms and conditions governing the provision of the Service (through a gas transportation agreement);
- Capacity Trading Principles and Principles on changing Receipt and Delivery Points when trading or assigning capacity;
- Expansions and Extensions Principles;

¹ Initially this is in the form 3 year exemption from coverage. At the end of the 3 year exemption, "normal" uncovered status will apply unless and until a party makes a successful coverage application.

- Connections Principles; and
- Pipeline route and description.

1.5 Revision

This is Revision 1.1 of the Access Principles and they shall apply from 1 July 2008.

2 HOW TO APPLY FOR ACCESS TO SERVICES

2.1 Service Request Form

Prospective shippers who wish to seek access to any of the gas transportation services offered by Jemena QGP for the QGP must complete and submit a Service Request Form (see Schedule 2) to Jemena QGP.

2.2 Access Information Package available on Web Site

Jemena QGP will maintain on its web site an Access Information Package which will include:

- (a) Jemena QGP's Access Policy, these Access Principles (incorporating a QGP route map (see Schedule 1) and Service Request Form (see Schedule 2)), Standard Gas Transportation Agreement, Standard Terms and Conditions of Service, Standard Connection Agreement and Tendering Process, and other relevant access information in relation to the QGP;
- (b) current information on available capacity;
- (c) operating information to reflect the physical characteristics of the QGP;
- (d) planned maintenance that might affect the provision of services;

A prospective shipper should read the Access Information Package before lodging a Service Request Form.

2.3 Further Information

To enable Jemena QGP to properly consider the service request, Jemena QGP may, within a reasonable time after receiving a completed Service Request Form (which will be no later than 30 Days after its receipt), by giving written notice to the prospective shipper, request the prospective shipper to provide further reasonable information relevant to the service request within 14 Days.

2.4 Consideration of Service Request

Jemena QGP is not obliged to agree to all or part of a service request. However, it will not unreasonably reject a service request. In determining what it considers is unreasonable, Jemena QGP considers it is not unreasonable to reject a service request where any of the following non-exhaustive list of conditions apply:

- (a) The prospective shipper does not deliver to Jemena QGP a completed and signed Service Request Form which complies in all respects with the requirements of the information package.
- (b) The prospective shipper already has a current Service Request Form lodged with Jemena QGP for the same capacity.
- (c) Jemena QGP has no spare capacity available to enable it to provide the service set out in the service request.

- (d) The prospective shipper does not meet the creditworthiness requirements as set out in clause 21 of the Standard Terms and Conditions of Service.
- (e) The prospective shipper is not prepared to sign a Gas Transportation Agreement for the service set out in the Service Request Form.
- (f) Following a request by Jemena QGP to provide financial information, the prospective shipper fails to provide it.
- (g) The prospective shipper has not reasonably demonstrated that it has made appropriate arrangements with its supplier for the delivery of gas at the receipt points and for the collection of gas at the delivery points.

2.5 Decision on Service Request

Within 30 Days of the later of receipt of a valid service request or any further information the prospective shipper is requested to provide to Jemena QGP by virtue of clause 2.3 or 2.4(f) of the Access Principles, Jemena QGP will advise the prospective shipper in writing that:

- (a) Jemena QGP accepts the service request with or without reasonable conditions as stated in the written advice. For clarification, Jemena QGP will not be obliged to provide any service until the parties enter into a gas transportation agreement;
- (b) further investigations are required to be undertaken prior to making a decision in relation to the service request, in which case Jemena QGP will, to the extent available, also provide to the prospective shipper the details of the cost of any such investigations (if any);
- (c) Jemena QGP rejects the service request, including reasons for rejecting the service request; or
- (d) there is presently demand for capacity on the QGP that exceeds its spare capacity, in which case Jemena QGP will advise the prospective shipper and may proceed with a competitive tender in accordance with its tendering process set out in Clause 4.2.

2.6 Prospective Shipper to pay investigative costs

Within 30 Days of receiving a notice under clause 2.5(b) of the Access Principles and if that notice requires the prospective shipper to pay any investigative costs pursuant to clause 2.5(b) of the Access Principles, the prospective shipper must sign and deliver to Jemena QGP an acknowledgement, in such a form as Jemena QGP may require, that the prospective shipper will pay Jemena QGP the reasonable costs of undertaking the investigations referred to in the notice. Unless the parties otherwise agree, if the signed acknowledgement is not received by Jemena QGP within the 30 Day period, Jemena QGP will not proceed with the investigations referred to in the notice, and the service request will be deemed to have been withdrawn.

3 SERVICES

The standard services that Jemena QGP offers on the QGP are:

- Firm Gas Transportation Service;
- As Available Gas Transportation Service;
- Backhaul Service.

These standard services are defined in the Jemena QGP's Standard Terms and Conditions of Service.

If a prospective shipper seeks access on terms different to the Standard Terms and Conditions of Service, Jemena QGP may decline to provide a service on such different terms (for example, where it would be impractical to provide the service on such different terms or such different terms would cause Jemena QGP to incur unreasonable costs or may cause it to breach other agreements).

4 TARIFFS

4.1 Tariffs and Charges where the QGP has Spare Capacity

Where there is spare capacity on the QGP, Jemena QGP will publish tariffs and charges for each service that it is offering from time to time in its tariff schedule on its web site. Those tariffs apply to the standard service described in the Standard Terms and Conditions of Service, and (among other things) do not apply to services which are provided by expanded or new capacity. If a prospective shipper seeks access on terms different to the Standard Terms and Conditions of Service, and those terms result in a different risk profile Jemena QGP will charge tariffs which reflect that different risk profile.

4.2 Tariffs and Charges where Capacity Demand Exceeds Spare Capacity

4.2.1 Tendering for remaining capacity

Where through informal enquiries or formal requests for service Jemena QGP determines that the demand for QGP capacity is likely to exceed spare capacity, it may conduct a tender process to auction the spare capacity.

The tender will be conducted in accordance with tendering procedures that Jemena QGP will publish at the time.

4.2.2 Expanded capacity

Where through informal enquiries or formal requests for service, Jemena QGP determines that demand for capacity exceeds the spare capacity and that there is likely to be sufficient demand to make a pipeline expansion economic, it may seek expressions of interest from potential shippers and either negotiate with them directly or conduct a tender for any spare capacity and the amount of new and additional capacity it believes may be economically justified. Jemena QGP may elect not to proceed with an investment in new and additional capacity where in Jemena QGP's opinion it would be unreasonable to do so, for technical reasons, where it may be uneconomic or for other reasons specified by Jemena QGP.

5 STANDARD GAS TRANSPORTATION AGREEMENT

5.1 Shippers to Enter into GTA

Before Jemena QGP is obliged to provide a service, a prospective shipper and Jemena QGP must enter into a Gas Transportation Agreement ('GTA') that specifies a service to be used and other relevant contract details. The standard GTA comprises:

- tariffs, charges and terms and conditions specific to the service being contracted; and
- Standard Terms and Conditions of Service.

5.2 Term

The term for a standard Firm Gas Transportation Service is 10 years.

Jemena QGP and a shipper may agree to provide a Firm Gas Transportation Service for a term less than 10 years, however, that lesser term will not qualify as a standard service.

There is no standard term for a standard Backhaul Service or a standard As Available Gas Transportation Service, but the term must be 6 months or more.

5.3 Creditworthiness

Jemena QGP will not enter into a GTA with a prospective shipper if, in Jemena QGP's reasonable opinion, the prospective shipper is not creditworthy (in accordance with clause 21 of the Standard Terms and Conditions of Service) or, if requested by Jemena QGP, the prospective shipper is not prepared to provide and maintain a financial security for the due and proper performance of prospective shipper's obligations under the proposed GTA, in the form required by Jemena QGP or otherwise provide security to Jemena QGP's satisfaction.

6 TRADING PRINCIPLES

The standard GTA includes a right to trade its contracted capacity to third parties subject to clause 12 of the Standard Terms and Conditions of Service.

7 CHANGING DELIVERY OR RECEIPT POINTS

The standard GTA includes a right to change delivery or receipt points subject to clauses 11 and 12 of the Standard Terms and Conditions of Service.

8 EXPANSIONS AND EXTENSIONS PRINCIPLES

8.1 Principles for Extensions

Jemena QGP may elect to extend the QGP when it considers that the market conditions are suitable.

Jemena QGP may set separate tariffs and charges for gas transportation services associated with the extension.

8.2 Principles for Capacity Expansions

Jemena QGP may elect to expand the capacity of the QGP depending on the outcomes of a competitive tender undertaken in accordance with its competitive tendering procedures referred to in Clause 4.2.

8.3 Decision not to extend or expand

Jemena QGP will not extend or expand the QGP where:

- it would be unreasonable to do so;
- it may be uneconomic;
- for technical reasons; or
- for other reasons specified by Jemena QGP.

9 CONNECTION PRINCIPLES

9.1 Principles for new connections

Jemena QGP will provide connections (a metering facility and connection point) to the QGP where these are necessary for a service. Where a connection is required, the owner of the connecting pipeline or facility will be required to enter into a connection agreement. The standard connection agreement is included in the Access Information Package on Jemena QGP's web site.

A capital and operating charge may be required by Jemena QGP for providing and maintaining a connection.

The metering facility and connection point will be located on Jemena QGP land and will be owned, operated and maintained by Jemena QGP and will include any equipment and systems considered necessary by Jemena QGP to control and measure gas leaving the pipeline. This equipment may comprise hot tap, piping, instrumentation, valves, metering system and gas control equipment up to the outlet flange of the facility.

As part of a connection agreement, Jemena QGP requires that it have ultimate control over gas flow leaving the pipeline and the connection facilities will be designed, built and operated accordingly.

A connecting party may need to provide its own offtake facility downstream of the connection point if it needs to further condition the gas for the specific needs of its plant beyond Jemena QGP's normal obligations under a GTA. Examples of further gas conditioning may include specific pressure and temperature requirements.

A connecting party will need to locate its offtake facility on its land rather than Jemena QGP land.

9.2 Principles for existing facilities that service specific Shippers Receipt Points and Delivery Points

Jemena QGP may make capital improvements at existing receipt points or delivery points where it determines that such improvements are required to meet any changes in delivery services or circumstances for a specific shipper. Jemena QGP may seek to recover the capital and operating costs associated with such improvements from the specific shipper.

SCHEDULE 1: PIPELINE ROUTE

[INSERT QGP MAP AVAILABLE FROM WEBSITE]

SCHEDULE 2: SERVICE REQUEST FORM

[INSERT QGP SERVICE REQUEST FORM AVAILABLE FROM WEBSITE]

