

FINAL

17 March 2014

Access Arrangement for the Mid-West and South- West Gas Distribution Systems

ATCO Gas Australia Pty Ltd

ACN 089 531 975

Reference

Contents

1.	INTRODUCTION	4
1.1	Purpose of this document	4
1.2	Composition of Access Arrangement	4
1.3	Contact details	4
2.	KEY DATES	5
2.1	Date of commencement and most recent revisions	5
2.2	Review Submission Date and Revision Commencement Date	5
3.	IDENTIFICATION OF THE PIPELINE	6
4.	PIPELINE SERVICES, REFERENCE SERVICES AND REFERENCE TARIFFS	7
4.1	Pipeline Services	7
4.2	Service A1	7
4.3	Service A2	7
4.4	Service B1	7
4.5	Service B2	8
4.6	Service B3	8
4.7	Deregistering a Delivery Point	8
4.8	Applying a Meter Lock	9
4.9	Removing a Meter Lock	9
4.10	Disconnecting a Delivery Point	9
4.11	Reconnecting a Delivery Point	9
4.12	Non-Reference Services	10
5.	APPLICATION PROCEDURE	11
5.1	Prospective Users and Pipeline Services	11
5.2	Application Information	11
5.3	Application Procedure for Prospective Users	11
5.4	Access disputes – process and timing	12
5.5	Pre-conditions to and restrictions on the provision of Pipeline Services	12
5.6	User may extend Service Agreement or increase Contracted Peak Rate only by a new Application	14
5.7	System Pressure Protection Plan	14
6.	CAPACITY TRADING REQUIREMENTS	15
6.1	Capacity Trading Requirements to be specified in the Service Agreement	15
6.2	Capacity Trading Requirements	15
6.3	Transfers of capacity	15
6.4	Advance conditions	15
7.	EXTENSION AND EXPANSION REQUIREMENTS	17
7.1	Extensions of High Pressure Pipelines	17
7.2	Extensions of medium and low pressure pipelines	17
7.3	Expansions	17
7.4	Distribution Licence	18
8.	CHANGING RECEIPT POINTS AND DELIVERY POINTS	19

8.1	Terms and conditions for changing Receipt Points and Delivery Points to be specified in the Service Agreement	19
8.2	Principles governing changing Receipt Points and Delivery Points	19
9.	DEPRECIATION	20
9.1	Calculation of depreciation for Opening Capital Base	20
10.	SPECULATIVE CAPITAL EXPENDITURE ACCOUNT	21
11.	FIXED PRINCIPLES	22
11.1	The following principles were approved by the ERA as fixed principles on 25 August 2005 for a period of 10 Years and have been declared as fixed principles for a further period of 10 years commencing on 25 August 2015:	22
11.2	The following principles were approved by the ERA as fixed principles for 10 Years commencing on 1 January 2011:	22
11.3	The following principles are declared as fixed principles for the period 1 July 2015 until 1 January 2030:	22
11.4	The following principle is declared as a fixed principle for the Access Arrangement Period commencing on or about 1 January 2020:	24
12.	DEFINITIONS AND INTERPRETATION	25
12.1	Terms defined in Glossary	25
12.2	Rules for interpreting the Access Arrangement	25
12.3	References to Gas quantities	26
12.4	SI units	26
12.5	Provision regarding rounding	26
12.6	References to Spare Capacity, Contracted Peak Rate and capacity of the AGA GDS	27
Annexures		
A	CALCULATING HAULAGE TARIFFS	28
B	REFERENCE TARIFF VARIATION MECHANISM	32
C	REFERENCE TARIFFS ASSOCIATED WITH THE ANCILLARY SERVICES AND THE ASSOCIATED REFERENCE TARIFF VARIATION MECHANISM	42
D	SYSTEM PRESSURE PROTECTION PLAN	45
E	TEMPLATE HAULAGE CONTRACT	46
F	GLOSSARY	47

Access Arrangement

1. INTRODUCTION

1.1 Purpose of this document

This document is an Access Arrangement that sets out terms and conditions about access to Pipeline Services that AGAATCO Gas Australia provides or intends to provide by means of the AGA GDS.

The AGA GDS is a Covered Pipeline under the National Gas Access Law.

1.2 Composition of Access Arrangement

This Access Arrangement is structured as follows:

- (a) Part 1 – Introduction
- (b) Part 2 – Key Dates
- (c) Part 3 – Identification of the Pipeline
- (d) Part 4 – Pipeline Services, Reference Services and Reference Tariffs
- (e) Part 5 – Application Procedure
- (f) Part 6 – Capacity Trading Requirements
- (g) Part 7 – Extension and Expansion Requirements
- (h) Part 8 – Changing Receipt Points and Delivery Points
- (i) Part 9 – Depreciation
- (j) Part 10 – Speculative Capital Expenditure Account
- (k) Part 11 – Fixed principles
- (l) Part 12 – Definitions and interpretation
- (m) Annexure A – Calculating Haulage Tariffs
- (n) Annexure B – Reference Tariff Variation Mechanism
- (o) Annexure C – Reference Tariffs Associated with the Ancillary Services and the Associated Reference Tariff Variation Mechanism
- (p) Annexure D – System Pressure Protection Plan
- (q) Annexure E – Template Haulage Contract

1.3 Contact details

To obtain further details about this Access Arrangement, please contact:

Sally McMahon
General Manager, regulatory and Risk
ATCO Gas Australia Pty Ltd
12-14 The Esplanade
Perth WA 6000

Email at sally.mcmahon@atcogas.com.au
Telephone on (08) 6218 1722

2. KEY DATES

2.1 Date of commencement and most recent revisions

This Access Arrangement commenced on 18 July 2000 and was most recently revised with effect from 1 July 2014.

2.2 Review Submission Date and Revision Commencement Date

For the purposes of rule 48(1)(i) and rule 49(1) of the NGR:

- (a) the "review submission date" is 1 September 2018; and
- (b) the "revision commencement date" is 1 January 2020.

3. IDENTIFICATION OF THE PIPELINE

The Pipeline to which this Access Arrangement relates is the AGA GDS. A description of the AGA GDS is available at <http://www.atcogas.com.au/About-Us/Coverage-Maps> .

4. PIPELINE SERVICES, REFERENCE SERVICES AND REFERENCE TARIFFS

4.1 Pipeline Services

ATCO Gas Australia offers the following Pipeline Services by means of the AGA GDS to Prospective Users:

- (a) Reference Services, being the Haulage Services; and
- (b) Non-Reference Services.

4.2 Service A1

- (a) Service A1 is a Pipeline Service by which a User may take delivery of Gas at a Delivery Point on the AGA GDS, where the following preconditions are met:
 - (i) the Prospective User submits an Application and at that time:
 - (A) it is reasonably anticipated that the Prospective User will take delivery of 35 Terajoules or more of Gas during each Year of the Haulage Contract; and
 - (B) the Prospective User requests a Contracted Peak Rate of 10 gigajoules or more per hour; and
 - (ii) the Prospective User requests User Specific Delivery Facilities.
- (b) The Reference Tariff for Service A1 is Tariff A1.
- (c) The other terms and conditions on which Service A1 will be provided are set out in the Template Haulage Contract.

4.3 Service A2

- (a) Service A2 is a Pipeline Service by which a User may take delivery of Gas at a Delivery Point on the AGA GDS, where the following pre-conditions are met:
 - (i) the Prospective User submits an Application and at that time:
 - (A) it is reasonably anticipated that the Prospective User will take delivery of 10 Terajoules or more of Gas, but less than 35 Terajoules of Gas, during each Year of the Haulage Contract; or
 - (B) the Prospective User requests a Contracted Peak Rate of less than 10 Gigajoules per hour; or
 - (C) an Above 10 TJ Determination has been, or is likely to be, made under the Retail Market Rules; and
 - (ii) the Prospective User requests User Specific Delivery Facilities.
- (b) The Reference Tariff for Service A2 is Tariff A2.
- (c) The other terms and conditions on which Service A2 will be provided are set out in the Template Haulage Contract.

4.4 Service B1

- (a) Service B1 is a Pipeline Service by which a User may take delivery of Gas at a Delivery Point on the AGA GDS, where the following pre-conditions are met:

-
- (i) the Prospective User submits an Application and at that time either (or both):
 - (A) it is reasonably anticipated that the Prospective User will take delivery of less than 10 Terajoules of Gas during each Year of the Haulage Contract; or
 - (B) the Prospective User requests a Contracted Peak Rate of less than 10 Gigajoules per hour; and
 - (ii) the Prospective User requests User Specific Delivery Facilities; or
 - (iii) may take delivery of Gas at a Delivery Point on the Medium Pressure/Low Pressure System using Standard Delivery Facilities which include a Standard 18 m³/h Meter or a standard Meter with a badged capacity of more than 18 m³/h.
- (b) The Reference Tariff for Service B1 is Tariff B1.
 - (c) The other terms and conditions on which Service B1 will be provided are set out in the Template Haulage Contract.

4.5 Service B2

- (a) Service B2 is a Pipeline Service by which a User may take delivery of Gas at a Delivery Point on the Medium Pressure/Low Pressure System using Standard Delivery Facilities which include a Standard 12 m³/h Meter or a standard Meter with a badged capacity of less than 18 m³/h.
- (b) The Reference Tariff for Service B2 is Tariff B2.
- (c) The other terms and conditions on which Service B2 will be provided are set out in the Template Haulage Contract.

4.6 Service B3

- (a) Service B3 is a Pipeline Service by which a User may take delivery of Gas at a Delivery Point on the Medium Pressure/Low Pressure System using Standard Delivery Facilities which include a Standard 8 m³/h Meter or a Standard 10 m³/h Meter or a standard Meter with a badged capacity of less than 12 m³/h.
- (b) The Reference Tariff for Service B3 is Tariff B3.
- (c) The other terms and conditions on which Service B3 will be provided are set out in the Template Haulage Contract.

4.7 Deregistering a Delivery Point

- (a) Deregistering a Delivery Point is the Pipeline Service by which a Delivery Point is permanently deregistered by:
 - (i) removing the Standard Delivery Facilities to the extent ATCO Gas Australia considers necessary;
 - (ii) permanently removing the Delivery Point in accordance with the Retail Market Rules; and
 - (iii) removing the Delivery Point from the Delivery Point Register,in the manner that ATCO Gas Australia considers appropriate.
- (b) The Reference Tariffs associated with Deregistering a Delivery Point and the circumstance in which they apply are described in Annexure C. .

-
- (c) The process by which User obtains access to Deregistering a Delivery Point is set out in Schedules 1 to 5 of the Template Haulage Contract (as relevant depending on the Haulage Service received).
 - (d) There are circumstances in which the User must request access to Deregistering a Delivery Point. Those circumstances are described at clause 5.6 of the Template Haulage Contract.
 - (e) The other terms and conditions on which Deregistering a Delivery Point will be provided are set out in the Template Haulage Contract.

4.8 Applying a Meter Lock

- (a) Applying a Meter Lock is the Pipeline Service by which a lock is applied to the valve that comprises part of the Standard Delivery Facilities to prevent Gas from being received at the relevant Delivery Point.
- (b) The Reference Tariffs associated with Applying a Meter Lock and the circumstance in which they apply are described in Annexure C.
- (c) The process by which User obtains access to Applying a Meter Lock is set out in Schedules 4 and 5 of the Template Haulage Contract (as relevant depending on the Haulage Service received).
- (d) The other terms and conditions on which Applying a Meter Lock will be provided are set out in the Template Haulage Contract.

4.9 Removing a Meter Lock

- (a) Removing a Meter Lock is the Pipeline Service by which a lock that was applied to a valve that comprises part of the Standard Delivery Facilities to prevent Gas from being received at the relevant Delivery Point is removed.
- (b) The Reference Tariffs associated with Removing a Meter Lock and the circumstance in which they apply are described in Annexure C.
- (c) The process by which User obtains access to Removing a Meter Lock is set out in Schedules 4 and 5 of the Template Haulage Contract (as relevant depending on the Haulage Service received).
- (d) The other terms and conditions on which Removing a Meter Lock will be provided are set out in the Template Haulage Contract.

4.10 Disconnecting a Delivery Point

- (a) Disconnecting a Delivery Point is the Pipeline Service by which the Delivery Point is physically disconnected in a manner that will prevent Gas from being delivered to the Delivery Point.
- (b) The Reference Tariffs associated with Disconnecting a Delivery Point and the circumstance in which they apply are described in Annexure C.
- (c) The process by which User obtains access to Disconnecting a Delivery Point is set out in Schedules 4 and 5 of the Template Haulage Contract (as relevant depending on the Haulage Service received).
- (d) The other terms and conditions on which Disconnecting a Delivery Point will be provided are set out in the Template Haulage Contract.

4.11 Reconnecting a Delivery Point

- (a) Reconnecting a Delivery Point is the Pipeline Service by which the Delivery Point is physically reconnected in a manner that will allow Gas to be delivered to the Delivery Point.
- (b) The Reference Tariffs associated with Reconnecting a Delivery Point and the circumstance in which they apply are described in Annexure C.

-
- (c) The process by which User obtains access to Reconnecting a Delivery Point is set out in Schedules 4 and 5 of the Template Haulage Contract (as relevant depending on the Haulage Service received).
 - (d) The other terms and conditions on which Reconnecting a Delivery Point will be provided are set out in the Template Haulage Contract.

4.12 Non-Reference Services

ATCO Gas Australia will negotiate the Tariff or Charge, and other terms and conditions, for a Non-Reference Service with a Prospective User.

5. APPLICATION PROCEDURE

5.1 Prospective Users and Pipeline Services

If a Prospective User wishes to obtain access to a Pipeline Service, then the Prospective User must apply to obtain access to a Pipeline Service by making an Application in accordance with this Application Procedure.

5.2 Application Information

The information required for an Application will be specified by ATCO Gas Australia on request from a Prospective User. The required information will include anything specified in the National Gas Access Law or National Gas Rules, and may also include:

- (a) information as to the Prospective User's compliance with ATCO Gas Australia's minimum prudential and insurance requirements; and
- (b) a proposed System Pressure Protection Plan.

5.3 Application Procedure for Prospective Users

- (a) A Prospective User may request ATCO Gas Australia to provide a Pipeline Service by lodging an Application with ATCO Gas Australia in the form specified by ATCO Gas Australia.
- (b) Within 20 Business Days of receiving a complete Application, ATCO Gas Australia will (subject to the National Gas Access Law and National Gas Rules) either:
 - (i) make an Access Offer to the Prospective User which informs the Prospective User of the terms and conditions on which ATCO Gas Australia is prepared to provide the requested Pipeline Service; or
 - (ii) inform the Prospective User that ATCO Gas Australia needs to carry out further investigation to determine whether it can provide the requested Pipeline Service and provide a proposal for carrying out the further investigation (**Investigation Proposal**) including:
 - (A) a statement of the nature of the investigation;
 - (B) a plan (including a time schedule) for carrying out and completing the investigation; and
 - (C) a statement of the reasonable cost of the further investigation that the Prospective User is required to meet before the investigation is carried out; or
 - (iii) inform the Prospective User that it cannot provide the requested Pipeline Service and:
 - (A) provide written reasons explaining why the requested Pipeline Service cannot be provided; and
 - (B) if there is some prospect that it will become possible to provide the requested Pipeline Service in the future – give details of when capacity to provide the requested Pipeline Service is likely to become available and, if possible, nominate a specific date.
- (c) If ATCO Gas Australia makes an Access Offer, then the Prospective User must:

-
- (i) accept the Access Offer by executing a Service Agreement or agreeing in writing to amend its existing Service Agreement;
 - (ii) reject the Access Offer; or
 - (iii) withdraw its Application,
- within 20 Business Days of receiving the Access Offer (or such other time as agreed to by ATCO Gas Australia in writing).
- (d) If the Prospective User has not taken any of the steps described in paragraphs 5.3(c)(i) to 5.3(c)(iii) within 20 Business Days of receiving the Access Offer (or such other time as agreed by ATCO Gas Australia in writing), then the Access Offer will be deemed to have lapsed.
 - (e) A Prospective User which receives an Access Offer that lapses under paragraph 5.3(d) may ask ATCO Gas Australia in writing whether ATCO Gas Australia is prepared, in its absolute discretion, to renew the Access Offer.
 - (f) If, in response to a request under paragraph 5.3(e), ATCO Gas Australia advises a Prospective User that the Access Offer is renewed and open for a specified period, then the Prospective User may accept that Access Offer by executing a Service Agreement or agreeing in writing to amend its existing Service Agreement within the specified period.
 - (g) If ATCO Gas Australia provides a Prospective User an Investigation Proposal, then:
 - (i) if ATCO Gas Australia and the Prospective User do not agree on the Investigation Proposal (or a negotiated modification of it) within 20 Business Days of ATCO Gas Australia providing the Investigation Proposal, then ATCO Gas Australia is taken to have rejected the Prospective User's request; and
 - (ii) if ATCO Gas Australia and the Prospective User agree on the Investigation Proposal (or a negotiated modification of it) within 20 Business Days of ATCO Gas Australia providing the Investigation Proposal, then ATCO Gas Australia must carry out the further investigation in accordance with the agreed Investigation Proposal and, on the conclusion of the further investigation, inform the Prospective User whether it can, or cannot, provide the requested Pipeline Service and then otherwise comply with this Application Procedure.
 - (h) ATCO Gas Australia and the Prospective User will only be taken to have entered into a Service Agreement when a written agreement has been duly executed between the parties.

5.4 Access disputes – process and timing

Any Access Dispute between ATCO Gas Australia and a User or Prospective User may be dealt with under Chapter 6 of the National Gas Access Law.

5.5 Pre-conditions to and restrictions on the provision of Pipeline Services

- (a) ATCO Gas Australia will only provide or agree to provide a Pipeline Service to a Prospective User under a Service Agreement if:
 - (i) consistent with section 188 of the National Gas Access Law, doing so would not have the effect of preventing a User from obtaining a sufficient amount of a Pipeline Service under a contract or Access Determination to be able to meet that User's reasonably anticipated requirements;

-
- (ii) consistent with section 188 of the National Gas Access Law, doing so would not have the effect of preventing a User from obtaining, by the exercise of a pre-notification right (as defined in section 188 of the National Gas Access Law) a sufficient amount of a Pipeline Service to be able to meet the User's actual requirements;
 - (iii) consistent with section 188 of the National Gas Access Law, doing so would not have the effect of depriving a person of a relevant protected contractual right (as defined in section 188 of the National Gas Access Law);
 - (iv) consistent with section 187 of the National Gas Access Law, ATCO Gas Australia considers that the Pipeline Service could not be provided on a genuinely competitive basis by a person other than ATCO Gas Australia or an associate of ATCO Gas Australia;
 - (v) in ATCO Gas Australia's view, it is possible to accommodate the Prospective User's requirements under the Pipeline Service consistently with the safe operation of the ATCO Gas Australia GDS and prudent Pipeline practices accepted in the industry;
 - (vi) the Prospective User provides evidence to ATCO Gas Australia's satisfaction that the Prospective User will comply (or continue to comply) with the System Pressure Protection Plan as and when approved by ATCO Gas Australia;
 - (vii) the Service Agreement identifies the Receipt Point or Receipt Points (which must be on the same Sub-network as the Delivery Point) at which one or more Related Shippers will deliver Gas into the Sub-network for transportation to the Delivery Point;
 - (viii) in relation to each requested Delivery Point:
 - (A) the Delivery Point will be of sufficient capability to accommodate the Contracted Peak Rate requested by the Prospective User at the Delivery Point; and
 - (B) the Receipt Point (and its associated Physical Gate Points) and the Sub-network will be of sufficient capability to accommodate the Prospective User's requirements under the Service Agreement, having regard to the current contracted entitlements of all other Users of the Sub-network,for the period that the Prospective User has requested Pipeline Services at the requested Delivery Point;
 - (ix) either:
 - (A) for the duration of the Service Agreement, there is and will be sufficient Spare Capacity to accommodate the Prospective User's requirements under the Service Agreement; or
 - (B) any necessary Extension or Expansion complies with the Extensions and Expansions Requirements; and
 - (x) the Prospective User satisfies ATCO Gas Australia's reasonable minimum prudential and insurance requirements; and

-
- (xi) the Prospective User agrees that all Gas that it delivers to the AGA GDS will comply with any gas quality specifications contained in the Service Agreement.
 - (b) ATCO Gas Australia may, subject to the National Gas Access Law, remove, add to or vary one or more of the pre-conditions listed in paragraph 5.5(a).
 - (c) ATCO Gas Australia may, subject to the National Gas Access Law, in its reasonable discretion waive one or more of the pre-conditions described in paragraph 5.5(a), and may do so on any reasonable terms and conditions.

5.6 User may extend Service Agreement or increase Contracted Peak Rate only by a new Application

- (a) Subject to this paragraph, ATCO Gas Australia and a User may not:
 - (i) extend the duration of a Service Agreement;
 - (ii) extend the period specified in a Service Agreement as the period over which the User is entitled to take a Pipeline Service at a Delivery Point; or
 - (iii) increase a User's Contracted Peak Rate at a Delivery Point above the Contracted Peak Rate (if any) specified in its Service Agreement for that Delivery Point,other than by way of an Application by the User for the extended duration or incremental amount of Contracted Peak Rate.
- (b) Paragraph 5.6(a) does not prevent:
 - (i) a User from having Contracted Peak Rate transferred or assigned to it under the applicable Capacity Trading Requirements where the transfer or assignment does not involve any relocation of the Contracted Peak Rate;
 - (ii) a User from extending the duration of a Service Agreement by duly exercising an option granted to it as part of the terms and conditions of the Service Agreement; or
 - (iii) ATCO Gas Australia or a User from exercising their respective rights under a provision of a Service Agreement.

5.7 System Pressure Protection Plan

- (a) If the Prospective User has not already agreed to comply with a System Pressure Protection Plan approved by ATCO Gas Australia that would apply to a Pipeline Service that the Prospective User wishes to obtain access to, ATCO Gas Australia will only provide or agree to provide a Pipeline Service to a Prospective User under a Service Agreement if:
 - (i) the Prospective User provides to ATCO Gas Australia a written System Pressure Protection Plan as part of its Application; and
 - (ii) ATCO Gas Australia, in writing, approves the System Pressure Protection Plan, which approval must be provided if ATCO Gas Australia, acting as a reasonable person, is satisfied with it.
- (b) A System Pressure Protection Plan must ensure that the Prospective User has sufficient contractual entitlements to firm Gas transportation capacity on one or more Interconnected Pipelines for delivery to one or more Receipt Points (on the same Sub-network as the Delivery Points) to meet the aggregate of all the Contracted Peak Rates requested by the Prospective User at the Delivery Points.

6. CAPACITY TRADING REQUIREMENTS

6.1 Capacity Trading Requirements to be specified in the Service Agreement

A User's right to transfer its contracted capacity to another person will be set out in the User's Service Agreement with ATCO Gas Australia. The terms and conditions for the transfer of contracted capacity for Haulage Services are set out in clause 14 of the Template Haulage Contract.

6.2 Capacity Trading Requirements

The terms and conditions for transfers of capacity will (as reflected in Service Agreements) be consistent with paragraphs 6.3 and 6.4.

6.3 Transfers of capacity

- (a) A User may, without ATCO Gas Australia's consent, transfer, by way of subcontract, all or any of the User's contracted capacity to another (the **Third Party**) with the following consequences:
 - (i) the transferor's rights against, and obligations to, ATCO Gas Australia are (subject to paragraph 6.3(a)(ii)) unaffected by the transfer; and
 - (ii) the transferor must immediately give notice to ATCO Gas Australia of:
 - (iii) the subcontract and its likely duration;
 - (iv) the identity of the Third Party; and
 - (v) the amount of capacity transferred.
- (b) A User may, with ATCO Gas Australia's prior written consent, transfer all or any of the User's contracted capacity to another (the **Third Party**) with the following consequences:
 - (i) the User's rights against, and obligations to, ATCO Gas Australia are terminated or modified in a manner to be specified in the User's Service Agreement and, in the case of Haulage Services, in accordance with clause 15 of the Template Haulage Contract; and
 - (ii) a Service Agreement will arise between ATCO Gas Australia and the Third Party on the same terms and conditions as the Service Agreement between ATCO Gas Australia and the transferor.
- (c) ATCO Gas Australia must not withhold its consent under paragraph 6.3(b) unless it has reasonable grounds, based on commercial or technical considerations, for doing so.
- (d) An adjustment of rights and liabilities under paragraph 6.3(b) does not affect rights or liabilities that had accrued under, or in relation to, the Service Agreement before the transfer took effect.

6.4 Advance conditions

- (a) ATCO Gas Australia will only give its consent under paragraph 6.3(b) if the following conditions are satisfied:
 - (i) the Third Party complies with the Application Procedure described in paragraph 5;

-
- (ii) the Third Party satisfies the preconditions specified in paragraph 5.5 (where the proposed transferee or assignee is the Prospective User), as directed by ATCO Gas Australia; and
 - (iii) the User reimburses ATCO Gas Australia for all reasonable costs that ATCO Gas Australia incurs in processing and determining its request for consent, subject to ATCO Gas Australia providing, if requested by the User, a quote for the costs that it expects to incur but provided the quote is prepared in good faith, it does not limit the costs which must be reimbursed under paragraph 6.4(a)(iii).
- (b) Nothing in paragraph 6.4(a) limits ATCO Gas Australia's right under paragraph 6.3(c) to withhold its consent on reasonable grounds based on commercial or technical considerations.

7. EXTENSION AND EXPANSION REQUIREMENTS

7.1 Extensions of High Pressure Pipelines

- (a) If ATCO Gas Australia proposes a High Pressure Pipeline extension of the covered pipeline it must apply in writing to the ERA for a decision on whether the proposed extension will be taken to form part of the covered pipeline and will be covered by this Access Arrangement. The application must describe the extension and set out why the extension is necessary.
- (b) The application referred to in (a) above must be made before the proposed High Pressure Pipeline extension comes into service.
- (c) After considering ATCO Gas Australia's application and undertaking such consultation as the ERA considers appropriate the ERA will inform ATCO Gas Australia of its decision. Taking into account any consultation the ERA considers appropriate the Authority will use its reasonable endeavours to provide ATCO Gas Australia with written notice of its decision within 90 Business Days of ATCO Gas Australia's application.
- (d) The ERA's decision referred to in (c) above may be made on such reasonable terms as determined by the ERA and will have the effect stated in the decision.
- (e) An extension under this paragraph 7.1 will not affect reference tariffs during a current Access Arrangement Period.

7.2 Extensions of medium and low pressure pipelines

- (a) Any low or medium pressure pipeline extension of the covered pipeline will be treated as part of the covered pipeline and will accordingly be covered by this Access Arrangement.
- (b) No later than 20 Business Days following the expiration of the Financial Year ATCO Gas Australia must notify the ERA of all low and medium pressure pipeline extensions during that year, including all extensions commenced, in progress or completed.
- (c) The notice must describe each extension and set out why the extension was necessary.
- (d) An extension under this paragraph 7.2 will not affect reference tariffs during a current Access Arrangement Period.

7.3 Expansions

- (a) All expansions of the capacity of the covered pipeline carried out by ATCO Gas Australia will be treated as part of the covered pipeline and will accordingly be covered under this Access Arrangement.
- (b) No later than 20 Business Days following the expiration of the financial year AATCO Gas Australia must notify the ERA of all expansions of the covered pipeline during that year including all expansions commenced, in progress or completed.
- (c) The notice must describe each expansion and set out why the expansion was necessary.
- (d) An expansion under this paragraph 7.3 will not affect reference tariffs during the current Access Arrangement Period.

7.4 Distribution Licence

Where ATCO Gas Australia is obliged to offer to connect a premise to the ATCO Gas Australia GDS under a Distribution Licence, ATCO Gas Australia will not impose Surcharges or seek Capital Contributions in respect of Standard Delivery Facilities for those costs that ATCO Gas Australia is obliged to bear under the Distribution Licence.

8. CHANGING RECEIPT POINTS AND DELIVERY POINTS

8.1 Terms and conditions for changing Receipt Points and Delivery Points to be specified in the Service Agreement

- (a) A User's right to change a Receipt Point or a Delivery Point will be subject to the terms and conditions specified in that User's Service Agreement. In the case of Haulage Services, the terms and conditions are set out in clause 5 of the Template Haulage Contract.
- (b) The terms and conditions for changing a Receipt Point or a Delivery Point will be governed by the principles specified in paragraph 8.2 below.

8.2 Principles governing changing Receipt Points and Delivery Points

- (a) The principles that govern the change of a Receipt Point or Delivery Point are as follows:
 - (i) a User may, with the prior written consent of ATCO Gas Australia, change the User's Receipt Point or Delivery Point from that specified in its Service Agreement;
 - (ii) ATCO Gas Australia must not withhold its consent unless it has reasonable grounds, based on technical or commercial considerations, for doing so;
 - (iii) ATCO Gas Australia will only give its consent under paragraph 8.2(a)(i) where a User makes its request for consent in writing; and
 - (iv) ATCO Gas Australia may make it a condition of its consent under paragraph 8.2(a)(i) that the User satisfies one or more of the pre-conditions set out in paragraph 5.5 (which are to be read as though references to the Prospective User were instead references to the User proposing the addition, change or relocation, and references to the proposed Service Agreement or the proposed Haulage Contract were instead references to the Service Agreement or Haulage Contract as proposed to be amended by the addition, change or relocation).
- (b) Nothing in paragraph 8.2(a)(iii) or paragraph 8.2(a)(iv) limits ATCO Gas Australia's rights under paragraph 8.2(a)(ii) to withhold its consent on reasonable grounds based on commercial or technical considerations.

9. DEPRECIATION

9.1 Calculation of depreciation for Opening Capital Base

- (a) For the calculation of the Opening Capital Base for the AGA GDS for the Next Access Arrangement Period, for the purposes of rule 77(2)(d) of the NGR, depreciation over the Current Access Arrangement Period is to be the sum of:
 - (i) depreciation as forecast; and
 - (ii) depreciation of any unanticipated Regulatory Capital Expenditure for the Current Access Arrangement Period (being depreciation calculated in accordance with Clause 3 of Annexure B of this Access Arrangement.).
- (b) For the calculation of the Opening Capital Base for the AGA GDS for the Next Access Arrangement Period the capital assets in existence at 30 June 2014 are to be indexed for inflation to 1 January 2020,
- (c) For the calculation of the Opening Capital Base for the AGA GDS for the Next Access Arrangement Period, no amounts other than the amount in paragraph (b) are to be indexed for inflation.

10. SPECULATIVE CAPITAL EXPENDITURE ACCOUNT

For the purposes of rule 84 of the NGR, the amount of any Non-Conforming Capital Expenditure is, to the extent that expenditure is not to be recovered through a Surcharge on Users or a Capital Contribution, to be added to a notional fund, the AGA GDS speculative capital expenditure account, and is to be dealt with in accordance with rule 84(2) of the NGR and rule 84(3) of the NGR.

11. FIXED PRINCIPLES

11.1 The following principles were approved by the ERA as fixed principles on 25 August 2005 for a period of 10 Years and have been declared as fixed principles for a further period of 10 years commencing on 25 August 2015:

- (a) the financing structure (being a 60/40 debt/equity ratio) that has been assumed for the purposes of determining the Rate of Return for the AGA GDS;
- (b) the straight-line method of depreciation for each group of assets referred to in part 9; and
- (c) that FRC Costs that are incurred, or are expected to be incurred, in the delivery of Reference Services are included as a component of Operating Expenditure;
- (d) the inclusion of:
 - (i) HHV Costs that are Conforming Capital Expenditure in the Opening Capital Base for the AGA GDS at the Revision Commencement Date; and
 - (ii) in Total Revenue HHV Costs that are Operating Expenditure for the Next Access Arrangement Period in respect of the AGA GDS,in respect of which Reference Tariffs have been varied as a Cost Pass Through Event.

11.2 The following principles were approved by the ERA as fixed principles for 10 Years commencing on 1 January 2011:

- (a) the Cost Pass Through Events and variation mechanism set out in clause 3 of Annexure B;
- (b) the inclusion of:
 - (i) Physical Gate Point Costs that constitute Conforming Capital Expenditure in the Opening Capital Base for the AGA GDS for the Next Access Arrangement Period; and
 - (ii) Physical Gate Point Costs that constitute Conforming Operating Expenditure in Total Revenue for the Next Access Arrangement Period in respect of the AGA GDS,in respect of which Reference Tariffs have been varied as a Cost Pass Through Event.

11.3 The following principles are declared as fixed principles for the period 1 July 2015 until 1 January 2030:

- (a) Calculation of depreciation for Opening Capital Base for the Access Arrangement Period commencing immediately after the Next Access Arrangement Period
 - (i) Forecast depreciation over the Next Access Arrangement Period (ie the Access Arrangement Period commencing 1 January 2020) is to be the sum of depreciation calculated as follows:
 - (A) for capital assets in existence at 1 January 2000, of the inflation indexed opening capital base in any year divided by the remaining asset life less the amount of any indexation on that opening capital base;

-
- (B) of the Opening Capital Base for the Access Arrangement Period commencing 1 July 2014 (other than capital assets in existence at 1 January 2000) the opening capital base in any year (indexed for inflation to 1 January 2020) divided by the remaining asset life;
- (C) of capital expenditure made during the Current Access Arrangement Period (ie the Access Arrangement Period commencing 1 July 2014), the opening capital base in any year at acquisition value (not indexed for inflation) divided by the remaining asset life; and
- (D) of the forecast Capital Expenditure for the Next Access Arrangement Period (being the amount of forecast Capital Expenditure used for the purpose of determining Haulage Tariffs for the Next Access Arrangement Period), at acquisition value (not indexed for inflation) divided by the remaining asset life.
- (ii) For the calculation of the Opening Capital Base for the AGA GDS for the Access Arrangement Period commencing immediately after the Next Access Arrangement Period (ie the Access Arrangement Period expected to commence 1 January 2025):
- (A) the capital assets in existence at 1 January 2000 are to be indexed for inflation to 1 January 2025;
- (B) the capital assets comprising the Opening Capital Base for the Access Arrangement Period commencing 1 July 2014 (other than capital assets in existence at 1 January 2000) are to be indexed for inflation to 1 January 2020;
- (C) all other capital assets are not indexed for inflation; and
- (D) for the purposes of rule 77(2)(d) of the NGR, depreciation over the Next Access Arrangement Period will be as calculated above in clause (a) (i).
- (b) Calculation of depreciation for Opening Capital Base for Subsequent Arrangement Periods
- (i) In this clause, **Subsequent Access Arrangement Period** means an Access Arrangement Period commencing after the Access Arrangement Period commencing immediately after the Next Access Arrangement Period (ie a Subsequent Access Arrangement Period is an Access Arrangement Period expected to commence 1 January 2030 and thereafter).
- (ii) Forecast depreciation over the Access Arrangement Period commencing immediately after the next Access Arrangement Period (ie the Access Arrangement Period expected to commence 1 January 2025), and every Subsequent Access Arrangement Period, is to be the sum of depreciation calculated as follows:
- (A) for capital assets in existence at 1 January 2000, of the opening capital base in any year (indexed for inflation to 1 January 2025) divided by the remaining asset life;
- (B) of the Opening Capital Base for the Access Arrangement Period commencing 1 July 2014 (other than capital assets in existence at

-
- 1 January 2000) the opening capital base in any year (indexed for inflation to 1 January 2020) divided by the remaining asset life;
- (C) of actual capital expenditure made on and after 1 July 2014, the opening asset base in any year at acquisition value (not indexed for inflation) divided by the remaining asset life; and
- (D) of the forecast Capital Expenditure for the Access Arrangement Period (being the amount of forecast Capital Expenditure used for the purpose of determining Haulage Tariffs for the that Access Arrangement Period), at acquisition value (not indexed for inflation) divided by the remaining asset life.
- (iii) For the calculation of the Opening Capital Base for Subsequent Access Arrangement Periods:
- (A) the capital assets in existence at 1 January 2000 are to be indexed for inflation to 1 January 2025;
- (B) the capital assets comprising the Opening Capital Base for the Access Arrangement Period commencing 1 July 2014 (other than capital assets in existence at 1 January 2000) are to be indexed for inflation to 1 January 2020
- (C) all other capital assets are not indexed for inflation; and
- (D) for the purposes of rule 77(2)(d) of the NGR, depreciation over the Access Arrangement Period immediately before the Subsequent Access Arrangement Period will be as calculated above in clause (b) (ii) (D).
- (iv) For the avoidance of doubt, for the Access Arrangement Period commencing immediately after the Next Access Arrangement Period (ie the Access Arrangement Period expected to commence 1 January 2025) and all Subsequent Access Arrangement Periods, all capital assets will be depreciated at the rate of their opening asset value divided by their remaining asset life. No inflation indexation will occur after the Access Arrangement Period commencing immediately after the Next Access Arrangement Period.

11.4 The following principle is declared as a fixed principle for the Access Arrangement Period commencing on or about 1 January 2020:

- (a) The revenue to be determined in the Next Access Arrangement Period is to include an amount determined for the year commencing 1 January 2018, and an amount estimated for the year commencing 1 January 2019, that is the under-recovery or over-recovery of revenue for that year calculated under the tariff variation mechanism to be applied to B2 and B3 reference service revenue yield.
- (b) The total revenue to be calculated in the Access Arrangement Period commencing immediately after the Next Access Arrangement Period (ie the Access Arrangement Period expected to commence 1 January 2025) is to include an amount to adjust the estimate for the year 1 January 2019 for actual revenue outcomes for that year.
- (c) These amounts are to be adjusted for the rate of return applicable in the Current Access Arrangement Period (ie: the Access Arrangement Period commencing on 1 July 2014).

12. DEFINITIONS AND INTERPRETATION

12.1 Terms defined in Glossary

Capitalised terms used in the Access Arrangement and the Haulage Contract, including the schedules and annexures to those documents, have the meanings given to them in the Glossary.

12.2 Rules for interpreting the Access Arrangement

The following rules apply in interpreting the Access Arrangement and the Haulage Contract, except where the context makes it clear that a rule is not intended to apply.

- (a) Headings are for convenience only, and do not affect interpretation.
- (b) A reference to:
 - (i) a Law, legislative provision or legislation (including subordinate legislation) is a reference to that provision or legislation as amended, substituted, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) a rule of the Retail Market Rules or the National Gas Rules or a provision of the Retail Market Scheme or the National Gas Access Law includes any amendment, substitution or replacement of the rule or provision;
 - (iii) a document (including the Access Arrangement or this Haulage Contract) or agreement, or a provision of a document (including the Access Arrangement or this Haulage Contract) or agreement, is a reference to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iv) the Access Arrangement or this Haulage Contract includes all of its schedules and annexures;
 - (v) a Party to the Access Arrangement or this Haulage Contract or to any other document or agreement includes a permitted substitute, successor or assign of that Party;
 - (vi) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person;
 - (vii) "currency", "dollar" or "\$" is a reference to the Australian dollar; and
 - (viii) anything (including a right, obligation or concept) includes each part of it.
- (c) A reference:
 - (i) in the Access Arrangement to a part, clause, paragraph, schedule or annexure is to a part, clause or paragraph of, or schedule or annexure to, the Access Arrangement; and
 - (ii) in the Haulage Contract to a clause, schedule or annexure is to a clause of, or schedule or annexure to the Haulage Contract.
- (d) A singular word includes the plural, and vice versa.
- (e) A word which suggests one gender includes the other gender.

-
- (f) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
 - (g) The term "including" is not to be interpreted as a term of limitation, and if an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
 - (h) The term "under" in relation to a provision of the Access Arrangement or this Haulage Contract includes "by", "in accordance with", "pursuant to" and "by virtue of".
 - (i) Where a period of time is expressed to begin at, on or with a specified day, that day is excluded in the calculation of the period.
 - (j) A reference:
 - (i) to a Delivery Point being "on" the Medium Pressure/Low Pressure System or a Sub-network means that the Delivery Point is attached to or forms part of the relevant system or Sub-network, such that Gas flowing through the Delivery Point flows from that system or Sub-network;
 - (ii) to a Receipt Point being "on" a Sub-network means that the Physical Gate Points associated with the Receipt Point are attached to or form part of the relevant Sub-network, such that Gas flowing through the Physical Gate Points and associated Receipt Point flows into that Sub-network; and
 - (iii) "associated", when used to describe the relationship between a Receipt Point and a Physical Gate Point, means that each of them is associated with the same Sub-network.
 - (k) Words defined in the GST Law have the same meaning in the Access Arrangement or this Haulage Contract, unless expressly provided otherwise.
 - (l) If a person is a member of a GST group, references to GST for which the person is liable and to input tax credits to which the person is entitled include GST for which the representative member of the GST group is liable and input tax credits to which the representative member is entitled.
 - (m) References to GST extend to any notional liability of any person for GST and to any amount which is treated as GST under the GST Law, and references to an input tax credit extend to any notional input tax credit to which any person is entitled.

12.3 References to Gas quantities

Unless otherwise indicated, any reference in the Access Arrangement or this Haulage Contract to a quantity of Gas is a measure of Gas in gigajoules.

12.4 SI units

Unless otherwise indicated, all units in the Access Arrangement or this Haulage Contract are SI units in accordance with the international system of units set out in Australian Standard 1000-1998.

12.5 Provision regarding rounding

Where a Party is required to calculate a value under the Access Arrangement or this Haulage Contract, any rounding applied in undertaking that calculation is to be applied in accordance with the provisions that relate to rounding under the Retail Market Rules.

12.6 References to Spare Capacity, Contracted Peak Rate and capacity of the AGA GDS

Unless the contrary intention appears, if the Access Arrangement or this Haulage Contract generally requires Spare Capacity, Contracted Peak Rate or Capacity of the AGA GDS to be quantified, it is to be quantified as an Instantaneous Flow Rate and is to be expressed in gigajoules per hour.

Annexure A

CALCULATING HAULAGE TARIFFS

1.1 TARIFF A1

- (a) Tariff A1 consists of:
- (i) a Standing Charge which is payable each day regardless of Contracted Peak Rate and regardless of usage;
 - (ii) a Demand Charge which is payable each day calculated for each day by multiplying the Demand Charge Rate by the User's Contracted Peak Rate (expressed in gigajoules to three decimal places) and multiplying the resulting amount by the Interconnection Distance (expressed in kilometres to one decimal place) and dividing by 365;
 - (iii) a Usage Charge calculated by multiplying the Usage Charge Rate by the quantity of Gas delivered to the User at a Delivery Point (expressed in gigajoules to three decimal places) and multiplying the resulting amount by the Interconnection Distance (expressed in kilometres to one decimal place); and
 - (iv) a daily User Specific Charge for the User Specific Delivery Facilities.
- (b) Subject to the Reference Tariff Variation Mechanism, for Tariff A1 from 1 January 2015 (in 30 June 2014 dollars):
- (i) the Standing Charge is \$47,555.04 divided by 365;
 - (ii) the Demand Charge Rate is:
 - (A) \$200.43 for the first 10 kilometres of the Interconnection Distance; and
 - (B) \$105.49 for any part of the Interconnection Distance in excess of 10 kilometres;
 - (iii) the Usage Charge Rate is:
 - (A) \$0.04252 per Gigajoule per kilometre for the first 10 kilometres of the Interconnection Distance; and
 - (B) \$0.02124 per Gigajoule per kilometre for any part of the Interconnection Distance in excess of 10 kilometres; and
 - (iv) the User Specific Charge is to be an amount per day which reflects the costs to ATCO Gas Australia of providing the User Specific Delivery Facilities, which may consist of Capital Expenditure and Operating Expenditure, where the component of the User Specific Charge which reflects Capital Expenditure is calculated as follows:
 - (A) the value of the User Specific Delivery Facilities is to be amortised monthly on an "in arrears" basis;
 - (B) using a nominal post-tax weighted average cost of capital of 8.53%; and

-
- (C) over the lesser of the duration of the economic life of the User Specific Delivery Facilities and the period during which the User is entitled to take delivery of Gas at the Delivery Point to which the User Specific Delivery Facilities relate under its Service Agreement.

1.2 TARIFF A2

- (a) Tariff A2 consists of:
 - (i) a Standing Charge which is payable each day regardless of Contracted Peak Rate and regardless of usage;
 - (ii) a Usage Charge calculated by multiplying the Usage Charge Rate by the quantity of Gas delivered to the User at a Delivery Point (expressed in gigajoules to three decimal places); and
 - (iii) a daily User Specific Charge for the User Specific Delivery Facilities.
- (b) Subject to the Reference Tariff Variation Mechanism, for Tariff A2 from 1 January 2015 (in 30 June 2014 dollars):
 - (i) the Standing Charge is \$26,329.02 divided by 365;
 - (ii) the Usage Charge Rate is:
 - (A) \$2.56 per gigajoule for the first 27.397 Gigajoules per day of gas delivered to the User at a Delivery point; and
 - (B) \$1.38 per gigajoule for usage in excess of the first 27.397 Gigajoules per day delivered to the User at a Delivery and
 - (iii) the User Specific Charge is to be an amount per day which reflects the costs to ATCO Gas Australia of providing the User Specific Delivery Facilities, which may consist of Capital Expenditure and Operating Expenditure, where the component of the User Specific Charge which reflects Capital Expenditure is calculated as follows:
 - (A) the value of the User Specific Delivery Facilities is to be amortised monthly on an "in arrears" basis;
 - (B) using a nominal post-tax weighted average cost of capital of 8.53%; and
 - (C) over the lesser of the duration of the economic life of the User Specific Delivery Facilities and the period during which the User is entitled to take delivery of Gas at the Delivery Point to which the User Specific Delivery Facilities relate under its Service Agreement.

1.3 TARIFF B1

- (a) Tariff B1 consists of:
 - (i) a Standing Charge which is payable each day regardless of Contracted Peak Rate and regardless of usage;
 - (ii) a Usage Charge calculated by multiplying the Usage Charge Rate by the quantity of Gas delivered to the User at a Delivery Point (expressed in gigajoules to three decimal places); and
 - (iii) a daily User Specific Charge for the User Specific Delivery Facilities.

- (b) Subject to the Reference Tariff Variation Mechanism, for Tariff B1 from 1 January 2015 (in June 2014 dollars):
- (i) the Standing Charge is \$1,326.38 divided by 365
 - (ii) the Usage Charge Rate is:
 - (A) \$5.19 per Gigajoule for the first 13.699 Gigajoules per day of gas delivered to the User at a Delivery point; and
 - (B) \$4.47 per for any usage in excess of the first 13.699 Gigajoules per day delivered to the User at a Delivery Point; and
 - (iii) the User Specific Charge is to be an amount per day which reflects the costs to ATCO Gas Australia of providing the User Specific Delivery Facilities under a Service Agreement, which may consist of capital costs and Operating Expenditure, where the component of the User Specific Charge which reflects capital costs is calculated as follows:
 - (A) the value of the User Specific Delivery Facilities is to be amortised monthly on an "in arrears" basis;
 - (B) using a nominal post-tax weighted average cost of capital of 8.53%; and
 - (C) over the lesser of the duration of the economic life of the User Specific Delivery Facilities and the period during which the User is entitled to take delivery of Gas at the Delivery Point to which the User Specific Delivery Facilities relate under its Service Agreement.

1.4 TARIFF B2

- (a) Tariff B2 consists of:
- (i) a Standing Charge which is payable each day regardless of usage; and
 - (ii) a Usage Charge calculated by multiplying the Usage Charge Rate by the quantity of Gas delivered to the User at a Delivery Point (expressed in Gigajoules or Megajoules as the case may be to three decimal places).
- (b) Subject to the Reference Tariff Variation Mechanism, Forecast allowed revenue for all Tariff B2 Delivery Points, average number of Tariff B2 Delivery Points and the annual revenue per Delivery Point for Tariff B2 is:

Variation period beginning	Forecast Average Number of Delivery Points	Forecast Allowed Revenue per Delivery Point
1 July 2014	9,927	\$560.99
1 January 2015	10,341	\$1,063.39
2 January 2016	10,787	\$1,064.14
3 January 2017	11,265	\$1,070.96
4 January 2018	11,776	\$1,080.76
5 January 2019	12,321	\$1,091.45

- (c) Subject to the Reference Tariff Variation Mechanism, for Tariff B2 from 1 January 2015 (in 30 June 2014 dollars):
- (i) the Standing Charge is \$338.55 divided by 365 and

- (ii) the Usage Charge Rate is:
 - (A) \$8.50 per Gigajoule for the first 274 Megajoules per day of gas delivered to the User at a Delivery point; and
 - (B) \$5.11 per for any usage in excess of the first 274 Megajoules per day of gas delivered to the User at a Delivery Point.

1.5 TARIFF B3

- (a) Tariff B3 consists of:
 - (i) a Standing Charge which is payable each day regardless of usage; and
 - (ii) a Usage Charge calculated by multiplying the Usage Charge Rate by the quantity of Gas delivered to the User at a Delivery Point (expressed in gigajoules to three decimal places).
- (b) Subject to the Reference Tariff Variation Mechanism, the revenue per connection for Tariff B3 is:

Variation Period Beginning	Forecast Average Number of Delivery Points	Forecast Allowed Revenue per Delivery Point
30 June 2014	664,762	\$118.59
1 January 2015	679,548	\$217.59
2 January 2016	694,283	\$223.79
3 January 2017	708,947	\$230.67
4 January 2018	723,541	\$237.96
5 January 2019	738,064	\$245.53

- (c) Subject to the Reference Tariff Variation Mechanism, for Tariff B3 from 1 January 2015 (in 30 June 2014 dollars):
 - (i) the Standing Charge is \$130.53 divided by 365; and
 - (ii) the Usage Charge Rate is:
 - (A) \$0.00 per Gigajoule for the first 5 Megajoules per day of gas delivered to the User at a Delivery Point
 - (B) \$9.90 per Gigajoule for the next 22 Megajoules per day of gas delivered to the User at a Delivery Point and
 - (C) \$4.35 per Gigajoule for any usage in excess of the first 27 Megajoules per day of gas delivered to the User at a Delivery Point

2. ANNEXURE A INTERPRETATION

Unless the contrary intention appears, in this Annexure A, all terms used are as defined in the Glossary

Annexure B

REFERENCE TARIFF VARIATION MECHANISM

1. REFERENCE TARIFF VARIATION MECHANISM – VARIATION IN ACCORDANCE WITH FORMULA FOR REFERENCE TARIFF CLASSES A1, A2 AND B1

1.1 Variation

- (a) ATCO Gas Australia may vary any Haulage Tariff by varying one or more Tariff Components of that Haulage Tariff during a Variation Period in accordance with this clause 1.
- (b) Each Haulage Tariff varied under this clause 1 applies as varied on and from the first day of the applicable Variation Period.
- (c) Each Haulage Tariff varied under this clause excludes the impacts of any cost pass through as specified in clause 3.
- (d) Tariffs applicable from the commencement of the Access Arrangement at 1 July 2014 are unchanged from those applicable at 30 June 2014 under rule 92(3) of the NGR.

1.2 Variation Period is the Year commencing 1 January 2015

All tariffs commencing 1 January 2015 in Annexure A are to be adjusted to the nominal dollar value to be charged, based on December 2015 dollars. The tariffs set out in clauses 1.1(b), 1.2(b) and 1.3(b) of Annexure A are inflated by CPI to generate prices applicable from 1 January 2015. The adjustment of tariffs is calculated as follows:

$$p_1^{ij} = p_0^{ij} \times CPI_{2015}$$

where:

p_1^{ij}	is the value of tariff component j of reference tariff i from 1 January 2015;
p_0^{ij}	is the value of tariff component j of reference tariff i as set out in Annexure A;
i	is the relevant reference tariff class – A1, A2 or B1;
j	is the relevant tariff component – there number of possible components, depends on the reference tariff class being considered;
CPI_{2015}	is the value of the CPI All Groups, Weighted Average of Eight Capital Cities for 30 September 2014; divided by the CPI All Groups, Weighted Average of Eight Capital Cities for 31 March 2013.

1.3 Variation Period is the Year commencing 1 January for each of the years 2016, 2017, 2018 and 2019

- (a) Any variation of a Tariff Component under clause 1.1(a) of Annexure B must satisfy the following condition:

$$(CPI_t) \times (1 - X) \geq \frac{\sum_{i=1}^n \sum_{j=1}^m p_t^{ij} \times q_{t-2}^{ij}}{\sum_{i=1}^n \sum_{j=1}^m p_{t-1}^{ij} \times q_{t-2}^{ij}}$$

where:

CPI_t	is the value of the CPI All Groups, Weighted Average of Eight Capital Cities for 30 September of the year immediately preceding year t divided by the CPI All Groups, Weighted Average of Eight Capital Cities for 30 September immediately preceding year $t-1$
X	is -0.03002;
i	is the relevant reference tariff class – A1, A2 or B1;
j	is the relevant tariff component – there are m possible components, depending on the reference tariff class being considered;
n	is the number of reference tariffs considered;
m	is the number of tariff components in reference tariff i ;
p_t^{ij}	is the proposed tariff component j of reference tariff i for the variation period commencing 1 January year t ;
q_{t-2}^{ij}	is the quantity of tariff component j of reference tariff i that was sold in year $t-2$ expressed in units consistent with the units in which that component is expressed;
p_{t-1}^{ij}	is the prevailing tariff component j of reference tariff i from 1 January in year $t-1$ excluding the impacts of any cost pass through amounts per clause 3 of this Annexure B

2. REFERENCE TARIFF VARIATION MECHANISM – VARIATION IN ACCORDANCE WITH FORMULA FOR REFERENCE TARIFF B2 AND REFERENCE TARIFF B3

2.1 Variation

- ATCO Gas Australia may vary any Haulage Tariff by varying one or more Tariff Components of that Haulage Tariff during a Variation Period in accordance with this clause 2.1.
- Each Haulage Tariff varied under this clause 2 applies as varied on and from the first day of the applicable Variation Period.
- Each Haulage Tariff varied under this clause excludes the impacts of any cost pass through as specified in clause 3.
- Tariffs applicable from the commencement of the Access Arrangement at 1 July 2014 are unchanged from those applicable at 30 June 2014 under rule 92(3) of the NGR.

2.2 Variation Period is the year commencing 1 January 2015

All tariffs commencing 1 January 2015 in Annexure A are to be adjusted to the nominal dollar value to be charged, based on December 2015 dollars. The tariffs set out in clause 1.4(a) and 1.5(a) of Annexure A are inflated by CPI to generate prices applicable from 1 January 2015. The adjustment of tariffs is calculated as follows:

$$p_1^{ij} = p_0^{ij} \times CPI_{2015}$$

where:

p_1^{ij}	is the value of tariff component j of reference tariff i from July 1 2014;
p_0^{ij}	is the value of tariff component j of reference tariff i as set out in Annexure A;

i	is the relevant reference tariff class – B2 or B3;
j	is the relevant tariff component – there number of possible components, depends on the reference tariff class being considered;
CPI_{2015}	is the value of the CPI All Groups, Weighted Average of Eight Capital Cities for 30 September 2014; divided by the CPI All Groups, Weighted Average of Eight Capital Cities for 31 March 2013

2.3 Variation Period is the Year commencing 1 January 2016

- (a) If the Variation Period is the Year commencing on 1 January 2016, any variation of a Tariff Component under clause 2.1(a) must satisfy the following condition:

$$AY_{2016}^i = \left(\frac{SepCPI_{2015}}{MarCPI_{2013}} \times Y_{2016}^i \right) + \left(\frac{SepCPI_{2015}}{SepCPI_{2013}} \times \left(\frac{AAR_{2014}^i - ARR_{2014}^i}{C_{2016}^i} \right) \times (1 + WACC)^2 \right)$$

where:

- (b)
- | | |
|-----------------|--|
| AY_{2016}^i | is the adjusted revenue per Delivery Point of Haulage Tariff i as varied on and from the first day of the variation period; |
| Y_{2016}^i | is the revenue per Delivery Point of Haulage Tariff i between 1 January 2016 and 31 December 2016 as set out in clauses 1.4(b) (Tariff B2) and 1.51.5(b) (Tariff B3) Annexure A. |
| $SepCPI_{2015}$ | is the value of the CPI All Groups, Weighted Average of Eight Capital Cities for 30 September 2015; |
| $MarCPI_{2013}$ | is the value of the CPI All Groups, Weighted Average of Eight Capital Cities for 31 March 2013; |
| $SepCPI_{2013}$ | is the value of the CPI All Groups, Weighted Average of Eight Capital Cities for 30 September 2013; |
| AAR_{2014}^i | is the adjusted allowed revenue of Haulage Tariff i between 1 July 2014 and 31 December 2014 as calculated using actual observed data and by applying the formula set out in paragraph (c); |
| ARR_{2014}^i | is the actual received revenue of Haulage Tariff i between 30 June 2014 and 31 December 2014; |
| C_{2016}^i | is the estimated number of average Delivery Points of Haulage Tariff i between 1 January 2016 and 31 December 2016 as set out in clauses 1.4(b)(Tariff B2) and 1.51.5(b)(Tariff B3) of Annexure A; |
| $WACC$ | is 8.53%, the weighted average cost of capital used to derive allowed revenue in the Access Arrangement final decision. |

If the yield is varied under paragraph (a), any variation of a Tariff Component must satisfy the following condition:

$$AY_{2016}^i \times C_{2016}^i \geq \sum_{j=1}^m p_{2016}^{ij} \times q_{2016}^{ij}$$

where:

- | | |
|-----------------|--|
| AY_{2016}^i | is the adjusted revenue per Delivery Point of Haulage Tariff i as varied on and from the first day of the variation period; |
| C_{2016}^i | is the estimated number of average Delivery Points of Haulage Tariff i between 1 January 2016 and 31 December 2016 as set out in clauses 1.4(b)(Tariff B2) and 1.51.5(b)(Tariff B3) in Annexure A; |
| i | is the relevant reference tariff class – B2 or B3; |
| j | is the relevant tariff component – there are m possible components, depending on the reference tariff class being considered; |
| m | is the number of tariff components in reference tariff i ; |
| p_{2016}^{ij} | is the proposed component j of reference tariff i from 1 January 2016; |

q_{2016}^{ij} is the quantity of component j of reference tariff i that was forecast in the Access Arrangement final decision for the variation period.

- (c) For the purpose of paragraph (a), AAR_{2014}^i is calculated by applying the following formula:

$$AAR_{2014}^i = CPI_{2014} \times Y_{2014}^i \times AC_{2014}^i$$

where:

AAR_{2014}^i is the adjusted allowed revenue of Haulage Tariff i between 1 July 2014 and 31 December 2014;

CPI_{2014} is the value of the CPI All Groups, Weighted Average of Eight Capital Cities for 31 December 2014; divided by the CPI All Groups, Weighted Average of Eight Capital Cities for 30 June 2014;

Y_{2014}^i is the revenue per Delivery Point between 1 July 2014 and 31 December 2014 of Haulage Tariff i as set out in clauses 1.4(b)(Tariff B2) and 1.5(b) (Tariff B3) of Annexure A.

AC_{2014}^i is the actual number of average Delivery Points of Haulage Tariff i between 1 July 2014 and 31 December 2014 as measured by the ATCO Gas Australia Delivery Point billing system.

2.4 Variation Period is the Year commencing 1 January 2017

- (a) If the Variation Period is the Year commencing on 1 January 2017, any variation of a Tariff Component under clause 2.1(a) must satisfy the following condition:

$$AY_{2017}^i = \left(\frac{SepCPI_{2016}}{MarCPI_{2013}} \times Y_{2017}^i \right) + \left(\frac{SepCPI_{2016}}{SepCPI_{2014}} \times \left(\frac{AAR_{2015}^i - ARR_{2015}^i}{C_{2017}^i} \right) \times (1 + WACC)^2 \right)$$

where:

AY_{2017}^i is the adjusted revenue per Delivery Point of Haulage Tariff i as varied on and from the first day of the variation period;

Y_{2017}^i is the revenue per Delivery Point of Haulage Tariff i between 1 January 2017 and 31 December 2017 as set out in clauses 1.4(b) (Tariff B2) and 1.5.1.5(b)(Tariff B3) of Annexure A;

$SepCPI_{2016}$ is the value of the CPI All Groups, Weighted Average of Eight Capital Cities for 30 September 2016;

$MarCPI_{2013}$ is the value of the CPI All Groups, Weighted Average of Eight Capital Cities for 31 March 2013;

$SepCPI_{2014}$ is the value of the CPI All Groups, Weighted Average of Eight Capital Cities for 30 September 2014;

AAR_{2015}^i is the adjusted allowed revenue of Haulage Tariff i between 1 January 2015 and 31 December 2015 as calculated using actual observed data and by applying the formula set out in paragraph (c);

ARR_{2015}^i is the actual received revenue of Haulage Tariff i between 1 January 2015 and 31 December 2015;

C_{2017}^i is the estimated number of average Delivery Points of Haulage Tariff i between 1 January 2017 and 31 December 2017 as set out in clauses 1.4(b)(Tariff B2) and 1.5.1.5(b)(Tariff B3) of Annexure A;

$WACC$ is 8.53%, the weighted average cost of capital used to derive allowed revenue in the Access Arrangement final decision.

- (b) If the yield is varied under paragraph (a), any variation of a Tariff Component must satisfy the following condition:

$$AY_{2017}^i \times C_{2017}^i \geq \sum_{j=1}^m p_{2017}^{ij} \times q_{2017}^{ij}$$

where:

AY_{2017}^i	is the adjusted revenue per Delivery Point of Haulage Tariff i as varied on and from the first day of the variation period;
C_{2017}^i	is the estimated number of average Delivery Points of Haulage Tariff i between 1 January 2017 and 31 December 2017 as set out in clauses 1.4(b)(Tariff B2) and 1.51.5(b)(Tariff B3) of Annexure A;
i	is the relevant reference tariff class – B2 or B3;
j	is the relevant tariff component – there are m possible components, depending on the reference tariff class being considered;
m	is the number of tariff components in reference tariff i ;
p_{2017}^{ij}	is the proposed component j of reference tariff i from 1 January 2017;
q_{2017}^{ij}	is the quantity of component j of reference tariff i that was forecast in the Access Arrangement final decision for the variation period

- (c) For the purpose of paragraph (a), AAR_{2015}^i is calculated by applying the following formula:

$$AAR_{2015}^i = CPI_{2015} \times Y_{2015}^i \times AC_{2015}^i$$

where:

AAR_{2015}^i	is the adjusted allowed revenue of Haulage Tariff i between 1 January 2015 and 31 December 2015;
CPI_{2015}	is the value of the CPI All Groups, Weighted Average of Eight Capital Cities for 31 December 2015; divided by the CPI All Groups, Weighted Average of Eight Capital Cities for 30 June 2014;
Y_{2015}^i	is the revenue per Delivery Point between 1 January 2015 and 31 December 2015 of Haulage Tariff i in clauses 1.4(b)(Tariff B2) and 1.51.5(b) (Tariff B3) of Annexure A adjusted for inflation consistent with clause 2.2; of Annexure B;
AC_{2015}^i	is the actual number of average Delivery Points of Haulage Tariff i between 1 January 2015 and 31 December 2015 as measured by the ATCO Gas Australia Delivery Point billing system.

2.5 Variation Period is the Year commencing 1 January 2018

- (a) If the Variation Period is the Year commencing on 1 January 2018, any variation of a Tariff Component under clause 2.1(a) must satisfy the following condition:

$$AY_{2018}^i = \left(\frac{SepCPI_{2017}}{MarCPI_{2013}} \times Y_{2018}^i \right) + \left(\frac{SepCPI_{2017}}{SepCPI_{2015}} \times \left(\frac{AAR_{2016}^i - ARR_{2016}^i}{C_{2018}^i} \right) \times (1 + WACC)^2 \right)$$

where:

AY_{2018}^i	is the adjusted revenue per Delivery Point of Haulage Tariff i as varied on and from the first day of the variation period;
Y_{2018}^i	is the revenue per Delivery Point of Haulage Tariff i between 1 January 2018 and 31 December 2018 as set out clauses 1.4(b) (Tariff B2) and 1.51.5(b) (Tariff B3) of Annexure A;
$SepCPI_{2017}$	is the value of the CPI All Groups, Weighted Average of Eight Capital Cities for 30 September 2017;
$MarCPI_{2013}$	is the value of the CPI All Groups, Weighted Average of Eight Capital Cities for 31 March 2013;
$SepCPI_{2015}$	is the value of the CPI All Groups, Weighted Average of Eight Capital Cities for 30 September 2015;

AAR_{2016}^i

is the adjusted allowed revenue of Haulage Tariff i between 1 January 2016 and 31 December 2016 as calculated using actual observed data and by applying the formula set out in paragraph (c);

ARR_{2016}^i

is the actual received revenue of Haulage Tariff i between 1 January 2016 and 31 December 2016;

C_{2018}^i

is the estimated number of average billable Delivery Points of Haulage Tariff i between 1 January 2018 and 31 December 2018 as set out in clauses 1.4(b)(Tariff B2) and 1.51.5(b)(Tariff B3) of Annexure A;

$WACC$

is 8.53%, the weighted average cost of capital used to derive allowed revenue in the Access Arrangement final decision.

- (b) If the yield is varied under paragraph (a), any variation of a Tariff Component must satisfy the following condition:

$$AY_{2018}^i \times C_{2018}^i \geq \sum_{j=1}^m p_{2018}^{ij} \times q_{2018}^{ij}$$

where:

AY_{2018}^i

is the adjusted revenue per Delivery Point of Haulage Tariff i as varied on and from the first day of the variation period;

C_{2018}^i

is the estimated number of average Delivery Points of Haulage Tariff i between 1 January 2018 and 31 December 2018 as set out in clauses 1.4(b)(Tariff B2) and 1.51.5(b)(Tariff B3) in Annexure A;

i

is the relevant reference tariff class – B2 or B3;

j

is the relevant tariff component – there are m possible components, depending on the reference tariff class being considered;

m

is the number of tariff components in reference tariff i ;

p_{2018}^{ij}

is the proposed component j of reference tariff i from 1 January 2018;

q_{2018}^{ij}

is the quantity of component j of reference tariff i that was forecast in the Access Arrangement final decision for the variation period.

- (c) For the purpose of paragraph (a), AAR_{2016}^i is calculated by applying the following formula:

$$AAR_{2016}^i = AY_{2016}^i \times AC_{2016}^i$$

where:

AAR_{2016}^i

is the updated actual allowed revenue of Haulage Tariff i between 1 January 2016 and 31 December 2016;

AY_{2016}^i

is the revenue per Delivery Point between 1 January 2016 and 31 December 2016 of Haulage Tariff i as set out in clause 2.3(a);

AC_{2016}^i

is the actual number of average Delivery Points of Haulage Tariff i between 1 January 2016 and 31 December 2016 as measured by the ATCO Gas Australia Delivery Point billing system.

2.6 Variation Period is the Year commencing 1 January 2019

- (a) If the Variation Period is the Year commencing on 1 January 2019, any variation of a Tariff Component under clause 2.1(a) must satisfy the following condition:

$$AY_{2019}^i = \left(\frac{SepCPI_{2018}}{MarCPI_{2013}} \times Y_{2019}^i \right) + \left(\frac{SepCPI_{2018}}{SepCPI_{2016}} \times \left(\frac{AAR_{2017}^i - ARR_{2017}^i}{C_{2019}^i} \right) \times (1 + WACC)^2 \right)$$

where:

AY_{2019}^i	is the adjusted revenue per Delivery Point of Haulage Tariff i as varied on and from the first day of the variation period;
Y_{2019}^i	is the revenue per Delivery Point of Haulage Tariff i between 1 January 2019 and 31 December 2019 as set out in clauses 1.4 (Tariff B2) and 1.5(b) (Tariff B3) of Annexure A.
$SepCPI_{2018}$	is the value of the CPI All Groups, Weighted Average of Eight Capital Cities for 30 September 2018;
$MarCPI_{2013}$	is the value of the CPI All Groups, Weighted Average of Eight Capital Cities for 31 March 2013;
$SepCPI_{2016}$	is the value of the CPI All Groups, Weighted Average of Eight Capital Cities for 30 September 2016;
AAR_{2017}^i	is the adjusted allowed revenue of Haulage Tariff i between 1 January 2017 and 31 December 2017 as calculated using actual observed data and by applying the formula set out in paragraph (c);
ARR_{2017}^i	is the actual received revenue of Haulage Tariff i between 1 January 2017 and 31 December 2017;
C_{2019}^i	is the estimated number of average billable Delivery Points of Haulage Tariff i between 1 January 2019 and 31 December 2019 as set out in clauses 1.4(b)(Tariff B2) and 1.51.5(b)(Tariff B3) of Annexure A;
WAC	is 8.53%, the weighted average cost of capital used to derive allowed revenue in the Access Arrangement final decision.

(b) If the yield is varied under paragraph (a), any variation of a Tariff Component must satisfy the following condition:

$$AY_{2019}^i \times C_{2019}^i \geq \sum_{j=1}^m p_{2019}^{ij} \times q_{2019}^{ij}$$

where:

AY_{2019}^i	is the adjusted revenue per Delivery Point of Haulage Tariff i as varied on and from the first day of the variation period;
C_{2019}^i	is the estimated number of average Delivery Points of Haulage Tariff i between 1 January 2019 and 31 December 2019 as set out in clauses 1.4(b)(Tariff B2) and 1.51.5(b)(Tariff B3) of Annexure A;
i	is the relevant reference tariff class – B2 or B3;
j	is the relevant tariff component – there are m possible components, depending on the reference tariff class being considered;
m	is the number of tariff components in reference tariff i ;
p_{2019}^{ij}	is the proposed component j of reference tariff i from 1 January 2019;
q_{2019}^{ij}	is the quantity of component j of reference tariff i that was forecast in the Access Arrangement final decision for the variation period

(c) For the purpose of paragraph (a), AAR_{2017}^i is calculated by applying the following formula:

$$AAR_{2017}^i = AY_{2017}^i \times AC_{2017}^i$$

where:

AAR_{2017}^i	is the adjusted allowed revenue of Haulage Tariff i between 1 January 2017 and 31 December 2017;
AY_{2017}^i	is the revenue per Delivery Point between 1 January 2017 and 31 December 2017 of Haulage Tariff i as set out in clause 2.4(a);
AC_{2017}^i	is the actual number of average Delivery Points of Haulage Tariff i between 1 January 2017 and 31 December 2017 as measured by

3. REFERENCE TARIFF VARIATION MECHANISM – COST PASS THROUGH EVENTS

3.1 Cost Pass Through Events

For the purpose of this clause 3, each of the following is a "Cost Pass Through Event":

- (i) ATCO Gas Australia incurs HHV Costs that constitute Conforming Capital Expenditure or Conforming Operating Expenditure;
- (ii) ATCO Gas Australia incurs Physical Gate Point Costs that constitute Conforming Capital Expenditure or Conforming Operating Expenditure;
- (iii) ATCO Gas Australia incurs:
 - (A) Conforming Capital Expenditure or Conforming Operating Expenditure as a result of, or in connection with, a Change in Law, Tax Change or Regulatory Change; or
 - (B) Regulatory Costs, to the extent that such costs can be demonstrated to have been reasonably excluded from the forecast Conforming Capital Expenditure or forecast Conforming Operating Expenditure.
- (iv) ATCO Gas Australia incurs Conforming Capital Expenditure or Conforming Operating Expenditure as a result of, or in connection with, any Law that:
 - (A) imposes a fee, penalty or Tax on greenhouse gas emissions or concentrations;and, for the avoidance of doubt, this expenditure includes:
 - (B) direct or indirect costs and expenditure associated with preparation for, compliance with the Laws which implement, and the participation in, an Emissions Trading Scheme; and
 - (C) any liability for costs and expenditure transferred to ATCO Gas Australia from another entity in accordance with an Emissions Trading Scheme; or
- (v) ATCO Gas Australia incurs Conforming Operating Expenditure additional to the amount forecast for the purpose of determining Total Revenue for Haulage Tariffs of the Current Access Arrangement Period because there has been a change in the price of Gas purchased by ATCO Gas Australia to replace Unaccounted for Gas, and this change exceeds the change due to inflation, as measured by the change in All Groups, Weighted Average of Eight Capital Cities.

3.2 Variation of Haulage Tariffs

If a Cost Pass Through Event occurs, ATCO Gas Australia:

- (i) must notify the ERA of the relevant event; and
- (ii) may vary one or more Haulage Tariffs to recover any costs incurred or forecast to be incurred by ATCO Gas Australia (or on ATCO Gas Australia's behalf) as a direct or indirect result of the relevant event, provided that those costs have not already been recovered by ATCO Gas Australia.

3.3 Next Access Arrangement Period

If ATCO Gas Australia varies a Haulage Tariff in accordance with clause 3.2 above, the costs referred to in clause 3.2(ii) will be:

- (a) added to the Opening Capital Base for the Next Access Arrangement Period, after adjustment for any depreciation during the Current Access Arrangement Period, if they are Conforming Capital Expenditure; and
- (b) added to Total Revenue from the commencement of the Next Access Arrangement Period if they are Conforming Operating Expenditure.

4. VARIATION REPORT TO BE GIVEN TO THE ERA

4.1 Variation report – reference tariff variation formula

ATCO Gas Australia will use its reasonable endeavours to give the ERA a variation report at least 40 (forty) Business Days before the date on which the Haulage Tariff is to be varied in accordance with the reference tariff variation formula, and that report shall contain the following information:

- (a) the proposed varied Haulage Tariff and varied Tariff Components;
- (b) the date or dates on which the varied Haulage Tariff is to come into effect;
- (c) calculations showing the derivation of the varied Haulage Contract using the formula in clause 2 of Annexure B; and
- (d) a statement of reasons for the variation of the Haulage Tariff.

4.2 Variation report – cost pass through event

ATCO Gas Australia will use its reasonable endeavours to give the ERA a variation report at least 40 (forty) Business Days before the date on which the Haulage Tariff is to be varied as a result of a cost pass through, and that report shall contain the following information:

- (a) a statement of reasons for the variation of the Haulage Tariff as a result of the cost pass through;
- (b) supporting calculations demonstrating consistency with the requirements of clause 3 of Annexure B;
- (c) supporting information substantiating the amount and nature of the costs proposed to be passed through by the varied Haulage Tariff; and
- (d) the date or dates on which it is proposed by ATCO Gas Australia that the varied Haulage Tariff shall come into effect.

4.3 ERA response to a variation report

- (a) The ERA will use its reasonable endeavours to give written notice to ATCO Gas Australia within 15 (fifteen) Business Days of the receipt of a variation report advising whether the ERA approves or does not approve the varied Haulage Tariff detailed in that variation report and providing reasons for its decision.
- (b) If ATCO Gas Australia gives the ERA a variation report under clause 4.2, any time before the ERA gives notice pursuant to clause 4.3(a) of Annexure B the ERA may require ATCO Gas Australia to provide further substantiation of the amounts and the nature of the costs that ATCO Gas Australia proposes to be passed through by the

varied Haulage Tariff and requiring ATCO Gas Australia to provide that further substantiation by a date specified in the ERA's request.

- (c) If the ERA does not approve the varied Haulage Tariff, it will not come into effect.
- (d) If the ERA approves the varied Haulage Tariff, it will come into effect on the date or dates specified in the variation report or, if the date or dates specified in the variation report have passed, then on the date or dates specified in the ERA's notice under clause 4.3(a) of Annexure B.

5. ANNEXURE B INTERPRETATION

Unless the contrary intention appears, in this Annexure B, all terms used are as defined in the Glossary.

Annexure C

REFERENCE TARIFFS ASSOCIATED WITH THE ANCILLARY SERVICES AND THE ASSOCIATED REFERENCE TARIFF VARIATION MECHANISM

1. REFERENCE TARIFFS

Subject to the Reference Tariff Variation Mechanism, for ancillary reference services ancillary reference service tariffs from 1 January 2015 (in 30 June, 2014 dollars) are:

1.1 Deregistering a Delivery Point

- (a) \$105.37 (Deregistering a Delivery Point as described under clause 7(e) of Schedule 4 and Schedule 5 of the Template Haulage Contract).
- (b) \$105.37 (attempting to Deregister a Delivery Point as described in clause 9(f) of Schedule 1 of the Template Haulage Contract, clause 9(d) of Schedule 2 of the Template Haulage Contract, clause 8(f) of Schedule 3 of the Template Haulage Contract and clause 7(f) of Schedule 4 and 5 of the Template Haulage Contract).
- (c) \$105.37 (cancelling a request to Deregister a Delivery Point as described in clause 9(g) of Schedule 1 of the Template Haulage Contract, clause 9(e) of Schedule 2 of the Template Haulage Contract, clause 8(g) of Schedule 3 of the Template Haulage Contract and clause 7(g) of Schedule 4 and 5 of the Template Haulage Contract).
- (d) The cost to AGA of Deregistering a Delivery Point as described under clause 9(e) of Schedule 1 of the Template Haulage Contract, clause 9(c) of Schedule 2 of the Template Haulage Contract, clause 8(e) of Schedule 3 of the Template Haulage Contract, clause 7(e) of Schedule 4 of the Template Haulage Contract and clause 7(e) of Schedule 5 of the Template Haulage Contract.

1.2 Applying a Meter Lock

- (a) \$40.25 (applying or attempting to Apply a Meter Lock as described under clause 8(d) of Schedule 4 and Schedule 5 of the Template Haulage Contract);
- (b) \$40.25 (attempting to Apply a Meter Lock, but not being able to do so as described under clause 8(e) of Schedule 4 and Schedule 5 of the Template Haulage Contract);
- (c) \$40.25 (cancelling a request to Apply a Meter Lock as described under clause 8(f) of Schedule 4 and Schedule 5 of the Template Haulage Contract).

1.3 Removing a Meter Lock

- (a) \$15.77 (Removing a Meter Lock as described under clause 9(d) of Schedule 4 and Schedule 5 of the Template Haulage Contract);
- (b) \$15.77 (attempting to Remove a Meter Lock under clause 9(e) of Schedule 4 and Schedule 5 of the Template Haulage Contract);
- (c) \$15.77 (cancelling a request to Remove a Meter Lock under clause 9(f) of Schedule 4 and Schedule 5 of the Template Haulage Contract).

1.4 Disconnecting a Delivery Point

- (a) \$80.63 (Disconnecting a Delivery Point as described under clause 10(d) of Schedule 4 and Schedule 5 of the Template Haulage Contract);
- (b) \$80.63 (attempting to Disconnect a Delivery Point as described under clause 10(e) of Schedule 4 and Schedule 5 of the Template Haulage Contract);
- (c) \$80.63 (cancelling a request to Disconnect a Delivery Point as described under clause 10(f) of Schedule 4 and Schedule 5 of the Template Haulage Contract).

1.5 Reconnecting a Delivery Point

- (a) \$108.91 (Reconnecting a Delivery Point as described under clause 11(d) of Schedule 4 and Schedule 5 of the Template Haulage Contract);
- (b) \$108.91 (attempting to Reconnect a Delivery Point as described under clause 11(e) of Schedule 4 and Schedule 5 of the Template Haulage Contract);
- (c) \$108.91 (cancelling a request to Reconnect a Delivery Point as described under clause 11(f) of Schedule 4 and Schedule 5 of the Template Haulage Contract).

2. REFERENCE TARIFF VARIATION MECHANISM

- (a) Other than the costs referred to at clause 1.1(d) of this Annexure C (which will be calculated at the time the costs are incurred), the Reference Tariffs referred to in clause 1 of this Annexure C may be increased by ATCO Gas Australia on 1 January of each Year during the duration of this Access Arrangement by applying the Reference Tariff Variation Mechanism set out in this clause 2:

$$C_t = C_0 \times \frac{SepWPI_t}{MarWPI_{2014}}$$

where:

- (i) C_t is the adjusted Reference Tariff;
 - (ii) C_0 is the Reference Tariff specified in clause 1 of this Annexure C that is to be adjusted;
 - (iii) $SepWPI_t$ is the Wage Price Index total hourly rates of pay Western Australia published by the Australian Bureau of Statistics (**ABS**) SERIES 6345.0, for the quarter ending 30 September immediately prior to the date of adjustment.
 - (iv) $MarWPI_t$ is the Wage Price Index total hourly rates of pay Western Australia published by the Australian Bureau of Statistics (**ABS**) SERIES 6345.0, for the quarter ending 31 March 2014.
- (b) If the Wage Price Index referred to in clause 2(a)(iii) of this Annexure C ceases to be published quarterly by the ABS or in the reasonable opinion of ATCO Gas Australia is published on a materially different basis (including due to a change in its nature, composition, data or reference base) to its basis at the time of the last revisions to the Access Arrangement, then (subject to the ERA's approval):
 - (i) if the ABS publishes a substitute index, ATCO Gas Australia may use the substitute index if it believes the use of that substitute index (with, if necessary, any arithmetical correction factor) will maintain a reasonable level of continuity between a Reference Tariff calculated using the

Consumer Price Index and a Reference Tariff calculated using the substitute index; or

- (ii) if ATCO Gas Australia does not adopt a substitute index under clause 2(b)(i) of this Annexure C, ATCO Gas Australia will nominate a substitute index in its discretion, exercised reasonably.
- (c) If ATCO Gas Australia increases a Reference Tariff in accordance with clause 2(a) of this Annexure C, it must make details of the increased Reference Tariff available to User at User's request.

3. INTERPRETATION

Unless otherwise stated, all amounts specified in this Annexure C are exclusive of GST and expressed in Australian dollars as at June 2014.

The costs referred to at clause 1.1(d) of this Annexure C will be calculated at the time the costs are incurred and are exclusive of GST.

SYSTEM PRESSURE PROTECTION PLAN

1. A “System Pressure Protection Plan” must outline the manner in which the Prospective User will ensure that it does not jeopardise system pressure by being in a position where it is unable to supply sufficient Gas at Receipt Points on a Sub-network and is simultaneously unable to sufficiently reduce the delivery of Gas it takes at its Delivery Points on the Sub-network and must do so using one of the options set out below:
 - (a) the Prospective User must have sufficient contractual entitlements to firm Gas transportation capacity on one or more Interconnected Pipelines for delivery to one or more Receipt Points (on the same Sub-network as the Delivery Points under the Haulage Contract) to meet the aggregate of all Contracted Peak Rates requested by the Prospective User at the Delivery Points (**Option 1**); or
2. To the extent that the Prospective User does not comply with Option 1 the Prospective User demonstrates to ATCO Gas Australia’s reasonable satisfaction that the issues potentially arising from the Prospective User not complying with Option 1 are adequately addressed as follows:
 - (a) due to the fact that the Delivery Points under the Haulage Contract are on a Sub-network which is supplied by two or more Interconnected Pipelines and an alternate supply or a different service which serves the same purpose is available to the Prospective User in sufficient quantity (**Option 2**); or
 - (b) the Prospective User agreeing to release and indemnify ATCO Gas Australia in accordance with clause 6.9(c)(ii) of the Template Haulage Contract: (**Option 3**); or
 - (c) by the Prospective User, at the Prospective User’s expense, acquiring a System Pressure Service at the relevant Delivery Points (**Option 4**); or
 - (d) by a combination of Options 1 to Option 4 (inclusive) or in any other way that adequately addresses the issues potentially arising from the Prospective User not complying with Option 1 (**Option 5**).
3. A “System Pressure Service” is a Pipeline Service by which ATCO Gas Australia may supply, maintain, operate and monitor remotely operated flow controllers at relevant Delivery Points, on terms and conditions (including as to payment of a System Pressure Charge) agreed between the Prospective User and ATCO Gas Australia, each acting as reasonable and prudent persons.
4. A “System Pressure Charge” applies in respect of the System Pressure Service, and is an amount which reflects the costs to ATCO Gas Australia of providing the System Pressure Service under the Haulage Contract which may consist of Capital Expenditure and Operating Expenditure and includes ATCO Gas Australia’s administration costs incurred in relation to the System Pressure Service.

Annexure E

TEMPLATE HAULAGE CONTRACT

Annexure F

GLOSSARY