

Final
29 January 2010

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

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ABN 90 089 531 975

Reference
09 1435 1034

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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 WAGN provides or intends to provide by means of the WAGN GDS.

The WAGN 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 – Template Haulage Contract

1.3 Contact details

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

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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 January 2011.

2.2 Review Submission Date and Revision Commencement Date

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

- (a) the "review submission date" is 1 July 2013; and
- (b) the "revision commencement date" is 1 July 2014.

3. IDENTIFICATION OF THE PIPELINE

The Pipeline to which this Access Arrangement relates is the WAGN GDS. A description of the WAGN GDS is available at www.wagn.com.au.

4. PIPELINE SERVICES, REFERENCE SERVICES AND REFERENCE TARIFFS

4.1 Pipeline Services

WAGN offers the following Pipeline Services by means of the WAGN 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 WAGN 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 WAGN 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 WAGN 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.
- (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/hr Meter.
- (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/hr Meter.
- (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 Non-Reference Services

WAGN 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 WAGN 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 WAGN'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 WAGN to provide a Pipeline Service by lodging an Application with WAGN in the form specified by WAGN.
- (b) Within 20 Business Days of receiving a complete Application, WAGN 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 WAGN is prepared to provide the requested Pipeline Service; or
 - (ii) inform the Prospective User that WAGN 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 WAGN makes an Access Offer, then the Prospective User must:

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- (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 WAGN 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 WAGN 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 WAGN in writing whether WAGN is prepared, in its absolute discretion, to renew the Access Offer.
 - (f) If, in response to a request under paragraph 5.3(e), WAGN 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 WAGN provides a Prospective User an Investigation Proposal, then:
 - (i) if WAGN and the Prospective User do not agree on the Investigation Proposal (or a negotiated modification of it) within 20 Business Days of WAGN providing the Investigation Proposal, then WAGN is taken to have rejected the Prospective User's request; and
 - (ii) if WAGN and the Prospective User agree on the Investigation Proposal (or a negotiated modification of it) within 20 Business Days of WAGN providing the Investigation Proposal, then WAGN 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) WAGN 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 WAGN 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) WAGN 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, WAGN considers that the Pipeline Service could not be provided on a genuinely competitive basis by a person other than WAGN or an associate of WAGN;
- (v) in WAGN's view, it is possible to accommodate the Prospective User's requirements under the Pipeline Service consistently with the safe operation of the WAGN GDS and prudent Pipeline practices accepted in the industry;
- (vi) the Prospective User provides evidence to WAGN's satisfaction that the Prospective User will comply (or continue to comply) with the System Pressure Protection Plan as and when approved by WAGN;
- (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 WAGN's reasonable minimum prudential and insurance requirements; and
- (xi) the Prospective User agrees that all Gas that it delivers to the WAGN GDS will comply with any gas quality specifications contained in the Service Agreement.

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- (b) WAGN 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) WAGN 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, WAGN 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) WAGN 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 WAGN that would apply to a Pipeline Service that the Prospective User wishes to obtain access to, WAGN 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 WAGN a written System Pressure Protection Plan as part of its Application; and
 - (ii) WAGN, in writing, approves the System Pressure Protection Plan, which approval must be provided if WAGN, 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 WAGN. The terms and conditions for the transfer of contracted capacity for Haulage Services are set out in clauses 13.1 to 13.5 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 WAGN'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, WAGN are (subject to paragraph 6.3(a)(ii)) unaffected by the transfer; and
 - (ii) the transferor must immediately give notice to WAGN of:
 - (A) the subcontract and its likely duration;
 - (B) the identity of the Third Party; and
 - (C) the amount of capacity transferred.
- (b) A User may, with WAGN'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, WAGN 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 clauses 13.1 to 13.5 of the Template Haulage Contract; and
 - (ii) a Service Agreement will arise between WAGN and the Third Party on the same terms and conditions as the Service Agreement between WAGN and the transferor.
- (c) WAGN 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) WAGN 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;

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- (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 WAGN; and
 - (iii) the User reimburses WAGN for all reasonable costs that WAGN incurs in processing and determining its request for consent, subject to WAGN 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 WAGN'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 Included Extensions or Expansions

- (a) Subject to paragraph 7.2, an Extension or Expansion is part of the WAGN GDS, for all purposes under the National Gas Access (Western Australia) Legislation, if:
 - (i) the Extension or Expansion is part of, or (for the purposes of gas flow) directly connected with, an existing Sub-network; or
 - (ii) WAGN has made a written determination that an Extension or Expansion is part of the WAGN GDS.
- (b) This Access Arrangement will apply to incremental Pipeline Services to be provided as the result of an Extension or Expansion that is part of the WAGN GDS under this Part 7.
- (c) An Extension or Expansion that is part of the WAGN GDS under this Part 7 will not affect Haulage Tariffs during the Current Access Arrangement Period.

7.2 Excluded Extensions or Expansions

- (a) WAGN may decide that an Extension or Expansion is not part of the WAGN GDS by making a written determination to that effect.
- (b) An Extension or Expansion that is excluded under paragraph 7.2(a) is not to be treated as part of the WAGN GDS for any purpose under the National Gas Access (Western Australia) Legislation.

7.3 Notifying the ERA

If WAGN makes a written determination under paragraphs 7.1(a)(ii) or 7.2(a), it will provide a copy of that written determination to the ERA as soon as practicable.

7.4 Distribution Licence

Where WAGN is obliged to offer to connect a premise to the WAGN GDS under a Distribution Licence, WAGN will not impose Surcharges or seek Capital Contributions in respect of Standard Delivery Facilities for those costs that WAGN 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 clauses 5.3 and 5.4 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 WAGN, change the User's Receipt Point or Delivery Point from that specified in its Service Agreement;
 - (ii) WAGN must not withhold its consent unless it has reasonable grounds, based on technical or commercial considerations, for doing so;
 - (iii) WAGN will only give its consent under paragraph 8.2(a)(i) where a User makes its request for consent in writing; and
 - (iv) WAGN 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 WAGN'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 WAGN GDS for the Next Access Arrangement Period, depreciation over the Current Access Arrangement Period is to be calculated in accordance with a straight line method, and is to be the sum of:
- (i) depreciation on the Opening Capital Base over the Current Access Arrangement Period; and
 - (ii) depreciation of the forecast Capital Expenditure for the Current Access Arrangement Period (being the amount of forecast Capital Expenditure used for the purpose of determining Haulage Tariffs for the Current Access Arrangement Period).
- (b) For the calculation of the Opening Capital Base for the WAGN GDS for the Next Access Arrangement Period, each of:
- (i) the Opening Capital Base for the Current Access Arrangement Period (adjusted for any difference between estimated and actual Capital Expenditure included in that Opening Capital Base);
 - (ii) Conforming Capital Expenditure made, or to be made, during the Current Access Arrangement Period;
 - (iii) any amounts added to the Capital Base under rule 82, rule 84, and rule 86 of the National Gas Rules;
 - (iv) depreciation over the Current Access Arrangement Period (calculated in accordance with paragraph 9.1(a));
 - (v) redundant assets identified during the course of the Current Access Arrangement Period; and
 - (vi) the value of Pipeline Assets disposed of during the Current Access Arrangement Period,

is to be escalated, at the rate of inflation as measured by the CPI All Groups, Perth, and expressed in the prices prevailing on a date nominated by WAGN (provided that date is a date on or prior to the end of the Current Access Arrangement Period).

10. **SPECULATIVE CAPITAL EXPENDITURE ACCOUNT**

For the purposes of Rule 84, 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 WAGN GDS speculative capital expenditure account, and is to be dealt with in accordance with Rule 84(2) and Rule 84(3).

11. FIXED PRINCIPLES

11.1 Fixed Principles

- (a) The following principles were approved by the ERA as fixed principles on 25 August 2005 for a period of 10 Years:
- (i) 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 WAGN GDS;
 - (ii) the straight-line method of depreciation for each group of assets referred to in part 9; and
 - (iii) 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;
 - (iv) the inclusion of:
 - (A) HHV Costs that are Conforming Capital Expenditure in the Opening Capital Base for the WAGN GDS at the Revision Commencement Date; and
 - (B) in Total Revenue HHV Costs that are Operating Expenditure for the Next Access Arrangement Period in respect of the WAGN GDS,in respect of which Reference Tariffs have been varied as a Cost Pass Through Event.
- (b) The following principles are declared as fixed principles for 10 Years commencing on 1 January 2011:
- (i) the Cost Pass Through Events and variation mechanism set out in clauses 2 and 3 of Annexure B;
 - (ii) the inclusion of:
 - (A) Physical Gate Point Costs that constitute Conforming Capital Expenditure in the Opening Capital Base for the WAGN GDS for the Next Access Arrangement Period; and
 - (B) Physical Gate Point Costs that constitute Conforming Operating Expenditure in Total Revenue for the Next Access Arrangement Period in respect of the WAGN GDS,in respect of which Reference Tariffs have been varied as a Cost Pass Through Event.

12. DEFINITIONS AND INTERPRETATION

12.1 Dictionary

Unless the contrary intention appears, in this document:

Above 10 TJ Determination has the meaning given it in rule 139(3)(b) of the Retail Market Rules;

Access Arrangement has the meaning given to that term in the National Gas Access Law;

Access Arrangement Period has the meaning given to that term in the National Gas Rules;

Access Determination has the meaning given to that term in the National Gas Access Law;

Access Dispute has the meaning given to that term in the National Gas Access Law;

Access Offer refers to an offer made under paragraph 5.3(b)(i) of this Access Arrangement;

Application means an application from a Prospective User under the Application Procedure;

Application Procedure means the procedure set out in Part 5 of this Access Arrangement under which a Prospective User wishing to obtain access to a Pipeline Service must submit an Application;

Business Day means a day that is not a Saturday, Sunday or a public or bank holiday under the *Public and Bank Holidays Act 1972 (WA)*;

Capacity Trading Requirements refers to the requirements specified in Part 6 of this Access Arrangement;

Capital Base, in relation to the WAGN GDS, means the capital value to be attributed, in accordance with Part 9 of the National Gas Rules, to the WAGN GDS;

Capital Contribution has the meaning given to that term in the National Gas Rules;

Capital Expenditure has the meaning given to that term in the National Gas Rules;

Charge has the meaning given to that term in the National Gas Access Law;

Conforming Capital Expenditure has the meaning given to that term in the National Gas Rules;

Conforming Operating Expenditure means Operating Expenditure that complies with the criteria governing Operating Expenditure under the National Gas Rules;

Contracted Peak Rate, in respect of a User entitled to take delivery of Gas at a Delivery Point under a Service Agreement, means the rate specified in or under the User's Service Agreement as the highest Instantaneous Flow Rate through the Delivery Point at which WAGN can be required to deliver Gas;

Cost Pass Through Event refers to an event defined as a cost pass through event in clause 3 of Annexure B;

Covered Pipeline has the meaning given to that term in the National Gas Access Law;

CPI All Groups, Perth means the Consumer Price Index All Groups Index Number for Perth published by the Australian Bureau of Statistics or, if applicable, an alternative index determined under clause 2.7 of Annexure B;

Current Access Arrangement Period means the Access Arrangement Period to which the Access Arrangement currently relates;

Delivery Facilities means, as applicable, Standard Delivery Facilities or User Specific Delivery Facilities;

Delivery Point means a point, including a flange or joint, specified in a Service Agreement as a point at which the User takes custody of Gas from WAGN out of the WAGN GDS;

Distribution Licence means the licence granted to WAGN by the ERA on 18 November 2007, which replaced licences GDL1, GDL2 and GDL3 granted on 1 July 2000, that authorises WAGN to transport Gas through the WAGN GDS and, if required for that purpose, to make alterations to the WAGN GDS, and to operate and maintain the WAGN GDS;

ERA means the Economic Regulation Authority;

Extension or Expansion means any extension to, or expansion of the capacity of, the WAGN GDS and includes a new Pipeline;

FRC Costs means the Operating Expenditure connected to or associated with:

- (a) the introduction of full retail contestability in the Western Australian Gas market; and
- (b) WAGN operating in a contestable Gas retail market, including the ongoing costs associated with WAGN's membership of the Retail Energy Market Company Limited (ACN 103 318 556) and its compliance with the Retail Market Scheme;

Haulage Contract means an agreement entered into between WAGN and a User under which WAGN agrees to provide one or more Haulage Services;

Haulage Service means any one of Service A1, Service A2, Service B1, Service B2 and Service B3 and **Haulage Services** means all of them;

Haulage Tariff means any one of Tariff A1, Tariff A2, Tariff B1, Tariff B2 and Tariff B3, and **Haulage Tariffs** means all of them;

HHV Costs has the meaning given to it in clause 5 of Annexure B to this Access Arrangement;

Interconnection Arrangement means a written or unwritten contract, arrangement or understanding in respect of an interconnection at a Physical Gate Point between the WAGN GDS and an Interconnected Pipeline (and includes a written or unwritten contract, arrangement or understanding for the provision of an Interconnection Service);

Instantaneous Flow Rate, in respect of a Delivery Point, means a flow rate measured over the shortest period of time over which the Meter at the Delivery Point is capable of measuring a flow rate;

Interconnected Pipeline means a transmission Pipeline, distribution Pipeline or Gas storage system from which Gas is delivered into the WAGN GDS;

Interconnection Service means a Pipeline Service under which WAGN provides for, or facilitates, the interconnection of a pipeline to the WAGN GDS;

Investigation Proposal has the meaning given to that term in paragraph 5.3(b)(ii) of this Access Arrangement;

Medium Pressure/Low Pressure System means those parts of the WAGN GDS operating at a nominal pressure of less than 300 kPa and includes all high pressure regulators that are part of the WAGN GDS which reduce the pressure from those parts of the WAGN GDS which operate at a nominal pressure of 300 kPa or more to those parts of the WAGN GDS which operate at a nominal pressure of less than 300 kPa;

Meter means all equipment used to measure the flow of Gas taken from the WAGN GDS at a Delivery Point, including any ancillary equipment;

National Gas Access (Western Australia) Legislation means:

- (a) the *National Gas Access (Western Australia) Act 2009* (WA);
- (b) the National Gas Access Law;
- (c) the National Gas Rules; and
- (d) the National Gas Regulations.

National Gas Access Law means the National Gas Access (Western Australia) Law as defined in section 7 of the *National Gas Access (Western Australia) Act 2009* (WA);

National Gas Regulations means regulations made under the *National Gas Access (Western Australia) Act 2009*;

National Gas Rules means the National Gas Rules made under the National Gas Access Law, as amended from time to time;

Next Access Arrangement Period means the Access Arrangement Period immediately after the Current Access Arrangement Period;

Non-Conforming Capital Expenditure has the meaning given to that term in the National Gas Rules;

Non-Reference Service means a Pipeline Service that is not a Haulage Service;

Opening Capital Base has the meaning given to that term in the National Gas Rules;

Operating Expenditure has the meaning given to that term in the National Gas Rules;

Physical Gate Point means the flange, joint or other point which marks a physical boundary between the WAGN GDS and an Interconnected Pipeline;

Physical Gate Point Costs has the meaning given to that term in clause 5 of Annexure B;

Pipeline has the meaning given to that term in the National Gas Access Law;

Pipeline Service has the meaning given to that term in the National Gas Access Law;

Prospective User has the meaning given to that term in the National Gas Access Law;

Rate of Return has the meaning given to that term under the National Gas Rules;

Receipt Point for a Sub-network means a point (which may be in the same physical location as a Physical Gate Point) which WAGN has designated as a Receipt Point for that Sub-network;

Reference Service has the meaning given to that term in the National Gas Access Law;

Reference Tariff has the meaning given to that term in the National Gas Access Law;

Reference Tariff Variation Mechanism means the mechanism for varying a Haulage Tariff set out in Annexure B;

Related Shipper in relation to a User for a Sub-network, means a person who, from time to time, is named in the User's allocation instruction for the Sub-network under the Retail Market Rules, and to avoid doubt, the User may be its own Related Shipper;

Retail Market Rules means the rules applying under the Retail Market Scheme;

Retail Market Scheme means the retail market scheme, including the Retail Market Rules, approved under section 11ZOJ of the *Energy Coordination Act 1994* (WA) applying in respect of WAGN GDS, as amended from time to time;

Review Submission Date means the date specified in paragraph 2.2(a);

Revision Commencement Date means the date specified in paragraph 2.2(b);

Service A1 means the Pipeline Service described in paragraph 4.2;

Service A2 means the Pipeline Service described in paragraph 4.3;

Service B1 means the Pipeline Service described in paragraph 4.4;

Service B2 means the Pipeline Service described in paragraph 4.5;

Service B3 means the Pipeline Service described in paragraph 4.6;

Service Agreement means a Haulage Contract or any other agreement entered into between WAGN and a User under which WAGN agrees to provide a Pipeline Service to the User;

Spare Capacity has the meaning given to that term in the National Gas Access Law;

Standard Delivery Facilities means:

- (a) either:
 - (i) in the case of Reference Service B2, a Standard 12 m³/hr Meter;
or
 - (ii) in the case of Reference Service B3, a Standard 8 m³/hr Meter;
- (b) up to 20 metres of Service Pipe;
- (c) a Standard Pressure Regulator, sized to suit the applicable Meter;
- (d) any ancillary pipes and equipment (including a valve or valves); and
- (e) installation of items (a) to (d) above in Standard Site Conditions,

being the standard facility or facilities adopted for the purposes of this definition as specified from time to time by WAGN;

Service Pipe means the pipe and associated fittings which connect a Delivery Point to the main;

Standard 8 m³/hr Meter means a standard Meter with a badged capacity of not more than 8 cubic metres of Gas per hour, being the standard facility or facilities adopted for the purposes of this definition as specified from time to time by WAGN;

Standard 12 m³/hr Meter means a standard Meter with a badged capacity of not less than 8 cubic metres of Gas per hour and not more than 12 cubic metres of Gas per hour, being the standard facility or facilities adopted for the purposes of this definition as specified from time to time by WAGN;

Standard Pressure Regulator means a pressure regulator or pressure regulators provided by WAGN as part of Service B2 and Service B3 which are the standard facilities adopted for the purposes of this definition as specified from time to time by WAGN;

Standard Site Conditions means, in the reasonable opinion of WAGN, that the land or premises through which the Standard Delivery Facilities are being installed:

- (a) does not have rock or other hard formation present;
- (b) does not have tiered or terraced gardens or retaining walls present;
- (c) does not require traffic management (including traffic management to allow safe access or working in the land or premises adjacent to the land or premises through which the Standard Delivery Facilities are being installed);
- (d) does not require horizontal directional drilling or boring;
- (e) is not densely vegetated, and

where the Gas main is so located that, in the reasonable opinion of WAGN, it is practicable in accordance with good industry practice to connect the Standard Delivery Facilities to the Gas main.

Sub-network means a part of the WAGN GDS identified under the Retail Market Rules as a "Sub-network" in relation to the WAGN GDS;

Surcharge has the meaning given to that term in the National Gas Rules;

System Pressure Protection Plan means a plan prepared by a Prospective User which sets out the manner in which the Prospective User will ensure that it does not jeopardise the system pressure of the WAGN GDS;

Tariff has the meaning given to that term in the National Gas Access Law;

Tariff A1 means the Tariff or Charge specified in, or determined by applying the formula or methodology contained in, clause 1.1 of Annexure A, as varied under the Reference Tariff Variation Mechanism;

Tariff A2 means the Tariff or Charge specified in, or determined by applying the formula or methodology contained in, clause 1.2 of Annexure A, as varied under the Reference Tariff Variation Mechanism;

Tariff B1 means the Tariff or Charge specified in, or determined by applying the formula or methodology contained in, clause 1.3 of Annexure A, as varied under the Reference Tariff Variation Mechanism;

Tariff B2 means the Tariff or Charge specified in, or determined by applying the formula or methodology contained in, clause 1.4 of Annexure A, as varied under the Reference Tariff Variation Mechanism;

Tariff B3 means the Tariff or Charge specified in, or determined by applying the formula or methodology contained in, clause 1.5 of Annexure A, as varied under the Reference Tariff Variation Mechanism;

Telemetry means the communication equipment used for transmission of data collected from a Meter to WAGN's central data management system and typically encompasses modems, telecom landline (which may be dedicated or part of the PSTN network) or radio transceivers (which may be in the form of a dedicated radio network, GSM, GPRS or satellite telephony);

Template Haulage Contract refers to Annexure C;

Total Revenue has the meaning given to that term in the National Gas Rules;

User has the meaning given to that term in the National Gas Access Law;

User Specific Delivery Facilities for a User means:

- (a) a Meter which is not a Standard 8 m³/hr Meter or a Standard 12 m³/hr Meter;
- (b) Service Pipe from the main to the Delivery Point;
- (c) a User Specific Pressure Regulator;
- (d) any ancillary pipes and equipment; and
- (e) in the case of Service A1 and Service A2, also includes Telemetry,

being the facility or facilities which are the most appropriate for that User, as determined by WAGN as a reasonable person;

User Specific Pressure Regulator means a pressure regulator which is not a Standard Pressure Regulator;

WAGN means WA Gas Networks Pty Ltd (ABN 90 089 531 975) of 12-14 The Esplanade, Perth WA 6000, and includes its successors and assigns;

WAGN GDS means the Mid-West and South-West Gas Distribution Systems in Western Australia;

Year means a period of 12 months.

12.2 Interpretation

- (a) Except where otherwise indicated, a reference in this document to a part, clause, subclause, paragraph, subparagraph, schedule or annexure is a reference to a part, clause, subclause, paragraph, subparagraph, schedule or annexure of or to this document.
- (b) A reference to a "document" is a reference to a document and all of its schedules and annexures.
- (c) A reference to a Rule followed by a number is a reference to a rule with the corresponding number in the National Gas Rules.

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- (d) Unless the context otherwise requires, in this document words in the singular include the plural and vice versa.
 - (e) If this document defines a word or expression, other parts of speech and grammatical forms of the word or expression have corresponding meanings.
 - (f) The term "including" means "including but not limited to".
 - (g) A reference to a Delivery Point or a Receipt Point being on a Sub-network or a system means it is connected to that Sub-network or system.
 - (h) The term "under" in relation to a provision of this document, includes "by", "in accordance with", "pursuant to" and "by virtue of".
 - (i) In this document, a reference to:
 - (i) a Law includes any amendment or re-enactment of it that is for the time being in force, and includes all Laws made under it from time to time; and
 - (ii) a rule of the Retail Market Rules or a provision of the Retail Market Scheme includes any amendment to or substitution of the rule or provision.
 - (j) Where a period of time is expressed to begin at, on, or with a specified day, that day is excluded in the period.

12.3 SI units

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

12.4 References to Gas

Unless otherwise indicated, a reference to "Gas" in this Access Arrangement is a reference to natural gas, being a substance that:

- (a) is in a gaseous state at standard temperature and pressure;
- (b) consists of naturally occurring hydrocarbons, or a naturally occurring mixture of hydrocarbons and non-hydrocarbons, the principal constituent of which is methane; and
- (c) is suitable for consumption.

12.5 Gas measured in gigajoules

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

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

Unless the contrary intention appears, if this Access Arrangement generally requires Spare Capacity, Contracted Peak Rate or capacity of the WAGN 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. TARIFFS FOR HAULAGE SERVICES

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 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);
 - (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 2011:
- (i) the Standing Charge is \$46,476.23 divided by 365;
 - (ii) the Demand Charge Rate is:
 - (A) \$182.86 for the first 10 kilometres of the Interconnection Distance; and
 - (B) \$91.43 for any part of the Interconnection Distance in excess of 10 kilometres;
 - (iii) the Usage Charge Rate is:
 - (A) \$0.044600 for the first 10 kilometres of the Interconnection Distance; and
 - (B) \$0.022300 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 WAGN 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 pre-tax weighted average cost of capital of 13.85%; and

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- (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 2011:
 - (i) the Standing Charge is \$34,115.00 divided by 365;
 - (ii) the Usage Charge Rate is \$2.20; and
 - (iii) the User Specific Charge is to be an amount per day which reflects the costs to WAGN 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 pre-tax weighted average cost of capital of 13.85%; 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 2011:

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- (i) the Standing Charge is \$1,165.50 divided by 365 ;
 - (ii) the Usage Charge Rate is \$5.34 per gigajoule;
 - (iii) the User Specific Charge is to be an amount per day which reflects the costs to WAGN 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 pre-tax weighted average cost of capital of 13.85%; 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 to three decimal places).
- (b) Subject to the Reference Tariff Variation Mechanism, for Tariff B2 from 1 January 2011:
 - (i) the Standing Charge is \$270.00 divided by 365; and
 - (ii) the Usage Charge Rate is \$7.00.

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, for Tariff B3 from 1 January 2011:
 - (i) the Standing Charge is \$70.00 divided by 365; and
 - (ii) the Usage Charge Rate is \$9.50.

2. DEFINITIONS FOR ANNEXURE A

2.1 Dictionary for Annexure A

Unless the contrary intention appears, in this Annexure A:

Access Arrangement Information means the information described in rule 42 of the National Gas Rules and provided to the ERA with the last revision proposal to this Access Arrangement. **Demand Charge** for Tariff A1 means the charge described in clause 1.1(a)(ii).

Demand Charge Rate for Tariff A1 means the rate specified in clause 1.1(b)(ii).

GST means:

- (a) the same as in the in GST Law;
- (b) any other goods and services tax, or any tax applying to a transaction under a Service Agreement; and
- (c) any additional tax, penalty tax, fine, interest or other charge under a law for such a tax.

GST Law means the same as "GST law" means in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Interconnection Distance means a distance measured along the straight line which represents the shortest distance between the Delivery Point and the nearest Pipeline or storage system from which Gas is (or would be, if Interconnection Arrangements were entered into and necessary Physical Gate Points and associated facilities were constructed) delivered into the WAGN GDS.

Standing Charge means:

- (a) for Tariff A1, the amount specified in clause 1.1(b)(i) of Annexure A;
- (b) for Tariff A2, the amount specified in clause 1.2(b)(i) of Annexure A;
- (c) for Tariff B1, the amount specified in clause 1.3(b)(i) of Annexure A;
- (d) for Tariff B2, the amount specified in clause 1.4(b)(i) of Annexure A;
- (e) for Tariff B3, the amount specified in clause 1.5(b)(i) of Annexure A.

Tariff Component means a component of a Haulage Tariff which is an amount, or the rate by, which a User is charged for a single element or attribute of a Haulage Service.

Usage Charge means:

- (a) for Tariff A1, the charge described in clause 1.1(a)(iii);
- (b) for Tariff A2, the charge described in clause 1.2(a)(ii);
- (c) for Tariff B1, the charge described in clause 1.3(a)(ii);
- (d) for Tariff B2, the charge described in clause 1.4(a)(ii);
- (e) for Tariff B3, the charge described in clause 1.5(a)(ii).

Usage Charge Rate means:

-
- (a) for Tariff A1, the rate specified in clause 1.1(b)(iii);
 - (b) for Tariff A2, the rate specified in clause 1.2(b)(ii);
 - (c) for Tariff B1, the rate specified in clause 1.3(b)(ii);
 - (d) for Tariff B2, the rate specified in clause 1.4(b)(ii);
 - (e) for Tariff B3, the rate specified in clause 1.5(b)(ii);

User Specific Charge means:

- (a) for Tariff A1, the charge described in clause 1.1(b)(iv);
- (b) for Tariff A2, the charge described in clause 1.2(b)(iii);
- (c) for Tariff B1, the charge described in clause 1.3(b)(iii).

2.2 Monetary amounts in Annexure A

Unless otherwise stated, all amounts specified in this Annexure A are exclusive of GST and expressed in Australian dollars as at December 2009.

Annexure B

REFERENCE TARIFF VARIATION MECHANISM

1. REFERENCE TARIFF VARIATION MECHANISM

This Reference Tariff Variation Mechanism provides for the variation of a Haulage Tariff:

- (a) in accordance with clause 2 of this Annexure B; and
- (b) as a result of a cost pass through for a defined Cost Pass Through Event, under clause 3 of this Annexure B.

2. REFERENCE TARIFF VARIATION MECHANISM – VARIATION IN ACCORDANCE WITH FORMULA

2.1 Variation

- (a) WAGN 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.
- (b) Each Haulage Tariff varied under this clause 2 applies as varied on and from the first day of the applicable Variation Period.
- (c) Where, in this clause 2, reference is made to a forecast of Capital Expenditure or a forecast of Operating Expenditure, that forecast is to be in real December 2009 dollars.

2.2 Variation Period is the period from 1 January 2011 to 30 June 2011

- (a) If the Variation Period is the period from 1 January 2011 to 30 June 2011, any variation of a Tariff Component under clause 2.1(a) must satisfy the following condition:

$$P_{2011(I)}^{ij} \leq P_0^{ij} \times (1 + V_{2011(I)}) \times \frac{SepCPI_{2010}}{JunCPI_{2009}}$$

where:

$P_{2011(I)}^{ij}$	is the value of Tariff Component j of Haulage Tariff i as varied on and from the first day of the variation period;
P_0^{ij}	is the value of Tariff Component j of Haulage Tariff i as set out in Annexure A;
$V_{2011(I)}$	is calculated by applying the formula set out in paragraph (b);
$SepCPI_{2010}$	is the value of the CPI All Groups, Perth for the quarter ending on 30 September 2010; and
$JunCPI_{2009}$	is the value of the CPI All Groups, Perth for the quarter ending on 30 June 2009.

- (b) For the purpose of paragraph (a), $V_{2011(I)}$ is calculated by applying the following formula:

$$V_{2011(I)} = \frac{DEP_{2011(I)}(\Delta REGCAPEX_{2010}) + RET_{2011(I)}(\Delta REGCAPEX_{2010})}{EXPREV_{2011(I)}}$$

where:

$DEP_{2011(I)}(\Delta REGCAPEX_{2010})$	is the forecast, for the period from 1 January 2011 to 30 June 2011, of depreciation of the difference between: <ul style="list-style-type: none"> (i) actual Regulatory Capital Expenditure (in real, December 2009 dollars) incurred in; and (ii) forecast Regulatory Capital Expenditure forecast for the purpose of calculating Total Revenue for the Current Access Arrangement Period, for the period from 1 January 2010 to 31 December 2010;
$RET_{2011(I)}(\Delta REGCAPEX_{2010})$	is the forecast, for the period from 1 January 2011 to 30 June 2011, of return determined by applying WACC to the difference between: <ul style="list-style-type: none"> (i) the actual Regulatory Capital Expenditure (in real, December 2009 dollars); and (ii) forecast Regulatory Capital Expenditure forecast for the purpose of calculating Total Revenue for the Current Access Arrangement Period for, the period from 1 January 2010 to 31 December 2010;
$WACC$	is 11.1%;
$EXPREV_{2011(I)}$	is \$80.418 million (real, December 2009).

2.3 Variation Period is the Year commencing 1 July 2011

- (a) If the Variation Period is the Year commencing on 1 July 2011, any variation of a Tariff Component under clause 2.1(a) must satisfy the following condition:

$$p_{2011/12}^{ij} \leq p_0^{ij} \times (1 + V_{2011/12}) \times (1 + X_{2011/12}) \times \frac{MarCPI_{2011}}{MarCPI_{2009}}$$

where:

$p_{2011/12}^{ij}$	is the value of Tariff Component j of Haulage Tariff i as varied on and from the first day of the variation period;
p_0^{ij}	is the value of Tariff Component j of Haulage Tariff i as set out in Annexure A;
$V_{2011/12}$	is calculated by applying the formula set out in paragraph (b);
$X_{2011/12}$	is 0.05 if the Tariff Component being varied is a Tariff Component of Tariff A1, or of Tariff A2, or of Tariff B1, or of Tariff B2, or is 0.04 if the Tariff Component being varied is a Tariff Component of Tariff B3;
$MarCPI_{2011}$	is the value of the CPI All Groups, Perth for the quarter ending on 31 March 2011;
$MarCPI_{2009}$	is the value of the CPI All Groups, Perth for the quarter ending on 31 March 2009;

- (b) For the purpose of paragraph (a), $V_{2011/12}$ is calculated by applying the following formula:

$$V_{2011/12} = \frac{\Delta PRIOROPEX_{2011/12} + DEP_{2011/12}(\Delta REGCAPEX_{2011}) + RET_{2011/12}(\Delta REGCAPEX_{2011})}{EXPREV_{2011/12}}$$

where:

$$\Delta PRIOROPEX_{2011/12} = \Delta OPEX_{2009} \times (1+WACC)^{2.5} + \Delta OPEX_{2010} \times (1+WACC)^{1.5} + \Delta OPEX_{2011(I)} \times (1+WACC)^{0.5}$$

$DEP_{2011/12}(\Delta REGCAPEX_{2011})$ is the forecast, for the period from 1 July 2011 to 30 June 2012, of depreciation of the difference between:

(i) actual Regulatory Capital Expenditure (in real, December 2009 dollars) incurred in; and

(ii) forecast Regulatory Capital Expenditure forecast for the purpose of calculating Total Revenue for the Current Access Arrangement Period for,

the period from 1 January 2010 to 30 June 2011;

$RET_{2011/12}(\Delta REGCAPEX_{2011})$ is the forecast, for the period from 1 July 2011 to 30 June 2012, of return determined by applying WACC to the difference between:

(i) the actual Regulatory Capital Expenditure (in real, December 2009 dollars); and

(ii) forecast Regulatory Capital Expenditure forecast for the purpose of calculating Total Revenue for the Current Access Arrangement Period for,

the period from 1 January 2010 to 30 June 2011;

WACC is 11.1%;

$EXPREV_{2011/12}$ is \$188.254 million (real, December 2009).

- (c) For the purpose of paragraph (b), $\Delta OPEX_{2009}$ is calculated by applying the following formula:

$$\Delta OPEX_{2009} = \frac{DecCPI_{2009}}{JunCPI_{2009}} \times AOPEX_{2009} - FOPEX_{2009}$$

where:

$DecCPI_{2009}$ is the value of the CPI All Groups, Perth for the quarter ending on 31 December 2009;

$JunCPI_{2009}$ is the value of the CPI All Groups, Perth for the quarter ending on 30 June 2009;

$AOPEX_{2009}$ is actual Regulatory Operating Expenditure for the period from 1 January 2009 to 31 December 2009;

$FOPEX_{2009}$ is \$0.884 million (real, December 2009).

- (d) For the purpose of paragraph (b), $\Delta OPEX_{2010}$ is calculated by applying the following formula:

$$\Delta OPEX_{2010} = \frac{DecCPI_{2009}}{JunCPI_{2010}} \times AOPEX_{2010} - FOPEX_{2010}$$

where:

$DecCPI_{2009}$ is the value of the CPI All Groups, Perth for the quarter ending on 31 December 2009;

$JunCPI_{2010}$ is the value of the CPI All Groups, Perth for the quarter ending on 30 June 2010;

$AOPEX_{2010}$ is the sum of:

- (i) actual Regulatory Operating Expenditure for the period from 1 January 2010 to 31 December 2010; and
- (ii) the cost of purchasing the forecast volume of Unaccounted for Gas (forecast for the purpose of calculating Total Revenue for the Current Access Arrangement Period) for the period from 1 January 2010 to 31 December 2010 at the actual Gas prices prevailing in that period; and

$FOPEX_{2010}$ is \$17.073million (real, December 2009).

(e) For the purpose of paragraph (b), $\Delta OPEX_{2011(I)}$ is calculated by applying the following formula:

$$\Delta OPEX_{2011(I)} = \frac{DecCPI_{2009}}{MarCPI_{2011}} \times AOPEX_{2011(I)} - FOPEX_{2011(I)}$$

where:

$DecCPI_{2009}$ is the value of the CPI All Groups, Perth for the quarter ending on 31 December 2009;

$MarCPI_{2011}$ is the value of the CPI All Groups, Perth for the quarter ending on 31 March 2011;

$AOPEX_{2011(I)}$ is the sum of:

- (i) actual Regulatory Operating Expenditure for the period from 1 January 2011 to 30 June 2011; and
- (ii) the cost of purchasing the forecast volume of Unaccounted for Gas (forecast for the purpose of calculating Total Revenue for the Current Access Arrangement Period) for the period from 1 January 2011 to 30 June 2011 at the actual Gas prices prevailing in that period; and

$FOPEX_{2011(I)}$ is \$7.384 million (real, December 2009).

2.4 Variation Period is the Year commencing 1 July 2012

(a) If the Variation Period is the Year commencing on 1 July 2012, any variation of a Tariff Component under clause 2.1(a) must satisfy the following condition:

$$p_{2012/13}^{ij} \leq p_0^{ij} \times (1 + V_{2012/13}) \times (1 + X_{2011/12}) \times (1 + X_{2012/13}) \times \frac{MarCPI_{2012}}{MarCPI_{2009}}$$

where:

$p_{2012/13}^{ij}$ is the value of Tariff Component j of Haulage Tariff i as varied on and from the first day of the Variation Period;

p_0^{ij} is the value of Tariff Component j of Haulage Tariff i as set out in Annexure A;

$V_{2012/13}$ is calculated by applying the formula set out in paragraph (b);

$X_{2011/12}$ is 0.05 if the Tariff Component being varied is a Tariff Component of Tariff A1, or of Tariff A2, or of Tariff B1, or of Tariff B2, or is 0.04 if the Tariff Component being varied is a Tariff Component of Tariff B3;

$X_{2012/13}$ is 0.05 if the Tariff Component being varied is a Tariff Component of Tariff A1, or of Tariff A2, or of Tariff B1, or of Tariff B2, or is 0.07 if the Tariff Component being varied is a Tariff Component of Tariff B3;

$MarCPI_{2012}$ is the value of the CPI All Groups, Perth for the quarter ending on 31 March 2012; and

$MarCPI_{2009}$ is the value of the CPI All Groups, Perth for the quarter ending on 31 March 2009.

- (b) For the purpose of paragraph (a), $V_{2012/13}$ is calculated by applying the following formula:

$$V_{2012/13} = \frac{\Delta OPEX_{2011/12} \times (1 + WACC) + DEP_{2012/13} (\Delta REGCAPEX_{2012}) + RET_{2012/13} (\Delta REGCAPEX_{2012})}{EXPREV_{2012/13}}$$

where:

$\Delta OPEX_{2011/12}$ is calculated by applying the formula set out in paragraph (c);

$DEP_{2012/13} (\Delta REGCAPEX_{2012})$ is the forecast, for the period from 1 July 2012 to 30 June 2013, of depreciation of the difference between:

- (i) actual Regulatory Capital Expenditure (in real, December 2009 dollars) incurred in; and
- (ii) forecast Regulatory Capital Expenditure forecast for the purpose of calculating Total Revenue for the Current Access Arrangement Period for,

the period from 1 January 2010 to 30 June 2012;

$RET_{2012/13} (\Delta REGCAPEX_{2012})$ is the forecast, for the period from 1 July 2012 to 30 June 2013, of return determined by applying $WACC$ to the difference between:

- (i) the actual Regulatory Capital Expenditure (in real, December 2009 dollars) incurred in; and
- (ii) forecast Regulatory Capital Expenditure forecast for the purpose of calculating Total Revenue for the Current Access Arrangement Period for,

the period from 1 January 2010 to 30 June 2012;

$WACC$ is 11.1%; and

$EXPREV_{2012/13}$ is \$206.245 million (real, December 2009).

- (c) For the purpose of paragraph (b), $\Delta OPEX_{2011/12}$ is calculated by applying the following formula:

$$\Delta OPEX_{2011/12} = \frac{DecCPI_{2009}}{DecCPI_{2011}} \times AOPEX_{2011/12} - FOPEX_{2011/12}$$

where:

$DecCPI_{2009}$ is the value of the CPI All Groups, Perth for the quarter ending on 31 December 2009;

$DecCPI_{2011}$ is the value of the CPI All Groups, Perth for the quarter ending on 31 December 2011;

$AOPEX_{2011/12}$ is the sum of:

- (i) actual Regulatory Operating Expenditure for the period from 1 July 2011 to 30 June 2012; and
- (ii) the cost of purchasing the forecast volume of Unaccounted for Gas (forecast for the purpose of calculating Total Revenue for the Current Access Arrangement Period) for the period from 1 July 2011 to 30 June 2012 at the actual Gas prices prevailing in that period; and

$FOPEX_{2011/12}$ is \$15.782 million (real, December 2009).

2.5 Variation Period is the Year commencing 1 July 2013

- (a) If the Variation Period is the Year commencing on 1 July 2013, any variation of a Tariff Component under clause 2.1(a) must satisfy the following condition:

$$p_{2013/14}^{ij} \leq p_0^{ij} \times (1 + V_{2013/14}) \times (1 + X_{2011/12}) \times (1 + X_{2012/13}) \times (1 + X_{2013/14}) \times \frac{MarCPI_{2013}}{MarCPI_{2009}}$$

where:

$p_{2013/14}^{ij}$	is the value of Tariff Component j of Haulage Tariff i as varied on and from the first day of the Variation Period;
p_0^{ij}	is the value of Tariff Component j of Haulage Tariff i as set out in Annexure A;
$V_{2013/14}$	is calculated by applying the formula set out in paragraph (b);
$X_{2011/12}$	is 0.05 if the Tariff Component being varied is a Tariff Component of Tariff A1, or of Tariff A2, or of Tariff B1, or of Tariff B2, or is 0.04 if the Tariff Component being varied is a Tariff Component of Tariff B3;
$X_{2012/13}$	is 0.05 if the Tariff Component being varied is a Tariff Component of Tariff A1, or of Tariff A2, or of Tariff B1, or of Tariff B2, or is 0.07 if the Tariff Component being varied is a Tariff Component of Tariff B3;
$X_{2013/14}$	is 0.05 if the Tariff Component being varied is a Tariff Component of Tariff A1, or of Tariff A2, or of Tariff B1, or of Tariff B2, or is 0.07 if the Tariff Component being varied is a Tariff Component of Tariff B3;
$MarCPI_{2013}$	is the value of the CPI All Groups, Perth for the quarter ending on 31 March 2013; and
$MarCPI_{2009}$	is the value of the CPI All Groups, Perth for the quarter ending on 31 March 2009.

- (b) For the purpose of paragraph (a), $V_{2013/14}$ is calculated by applying the following formula:

$$V_{2013/14} = \frac{\Delta OPEX_{2012/13} \times (1 + WACC) + DEP_{2013/14}(\Delta REGCAPEX_{2013}) + RET_{2013/14}(\Delta REGCAPEX_{2013})}{EXPREV_{2013/14}}$$

where:

$\Delta OPEX_{2012/13}$	is calculated by applying the formula set out in paragraph (c);
$DEP_{2013/14}(\Delta REGCAPEX_{2013})$	is the forecast, for the period from 1 July 2013 to 30 June 2014, of depreciation of the difference between: <ul style="list-style-type: none"> (i) actual Regulatory Capital Expenditure (in real, December 2009 dollars) incurred in; and (ii) forecast Regulatory Capital Expenditure forecast for the purpose of calculating Total Revenue for the Current Access Arrangement Period for, <ul style="list-style-type: none"> the period from 1 January 2010 to 30 June 2013;
$RET_{2013/14}(\Delta REGCAPEX_{2013})$	is the forecast, for the period from 1 July 2013 to 30 June 2014, of return determined by applying $WACC$ to the difference between: <ul style="list-style-type: none"> (i) the actual Regulatory Capital Expenditure (in real, December 2009 dollars); and (ii) forecast Regulatory Capital Expenditure forecast for the purpose of calculating Total Revenue for the Current Access Arrangement Period for, <ul style="list-style-type: none"> the period from 1 January 2010 to 30 June 2013;
$WACC$	is 11.1%; and

$EXPREV_{2013/14}$

is \$226.177 million (real, December 2009).

- (c) For the purpose of paragraph (b), $\Delta OPEX_{2012/13}$ is calculated by applying the following formula:

$$\Delta OPEX_{2012/13} = \frac{DecCPI_{2009}}{DecCPI_{2012}} \times AOPEX_{2012/13} - FOPEX_{2012/13}$$

where:

$DecCPI_{2009}$ is the value of the CPI All Groups, Perth for the quarter ending on 31 December 2009;

$DecCPI_{2012}$ is the value of the CPI All Groups, Perth for the quarter ending on 31 December 2012;

$AOPEX_{2012/13}$ is the sum of:

- (i) actual Regulatory Operating Expenditure for the period from 1 July 2012 to 30 June 2013; and
- (ii) the cost of purchasing the forecast volume of Unaccounted for Gas (forecast for the purpose of calculating Total Revenue for the Current Access Arrangement Period) for the period commencing 1 July 2012 to 30 June 2013 at the actual Gas prices prevailing in that period; and

$FOPEX_{2012/13}$ is \$16.914 million (real, December 2009).

2.6 Effect of variation of regulatory capital expenditure

If WAGN varies the applicable Haulage Tariffs in accordance with clauses 2.2 to 2.5 above because there are differences between actual Regulatory Capital Expenditure and forecast Regulatory Capital Expenditure, the Conforming Capital Expenditure added to the Opening Capital Base for the Next Access Arrangement Period shall be adjusted for the forecast depreciation on the differences between the actual Regulatory Capital Expenditure and forecast of Regulatory Capital Expenditure during the Current Access Arrangement Period.

2.7 Alternative to CPI All Groups, Perth

If the CPI All Groups, Perth ceases to be published quarterly by the Australian Bureau of Statistics (**ABS**) or 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 commencement of the Current Access Arrangement Period, then one of the following alternatives may be used:

- (a) If the ABS publishes a substitute index, WAGN may (subject to the ERA's approval) 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 Haulage Tariffs calculated using the CPI All Groups, Perth and Haulage Tariffs calculated using the substitute index.
- (b) If WAGN does not adopt a substitute index under clause 2.7(a), WAGN may (subject to the ERA's approval) use any other substitute index.
- (c) If the ERA does not approve an index proposed by WAGN under clause 2.7(b), then WAGN may use a substitute index determined by an independent consulting actuary. The independent consulting actuary will be appointed at the request of WAGN or the ERA by the President for the time being of the Institute of Actuaries of Australia. The consulting actuary will act as an expert and not as an arbitrator. The actuary's costs will be borne by WAGN and may be recovered through Haulage Tariffs.

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) WAGN incurs HHV Costs that constitute Conforming Capital Expenditure or Conforming Operating Expenditure;
- (ii) WAGN incurs Physical Gate Point Costs that constitute Conforming Capital Expenditure or Conforming Operating Expenditure;
- (iii) WAGN incurs Conforming Capital Expenditure or Conforming Operating Expenditure as a result of, or in connection with, a Change in Law, Tax Change or Regulatory Change;
- (iv) WAGN incurs Conforming Capital Expenditure or Conforming Operating Expenditure as a result of, or in connection with, any Law that:
 - (A) establishes, changes or regulates the operation of, an emissions trading scheme or mechanism that has as one of its objectives the management or reduction of greenhouse gas emissions or concentrations and which includes the scheme set out in, or a scheme similar to, the scheme contemplated in the *Carbon Pollution Reduction Scheme Bill 2009* (Cth) and its associated legislation and regulations, as promulgated, supplemented or amended from time to time (**Emissions Trading Scheme**);
 - (B) imposes a fee, penalty or Tax on greenhouse gas emissions or concentrations; or
 - (C) establishes, changes or regulates the operation of, any renewable energy scheme, including the scheme under the *Renewable Energy (Electricity) Act 2000* (Cth) and its associated legislation and regulations, as promulgated, supplemented or amended from time to time,and, for the avoidance of doubt, this expenditure includes:
 - (D) 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
 - (E) any liability for costs and expenditure transferred to WAGN from another entity in accordance with an Emissions Trading Scheme; or
- (v) WAGN 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 WAGN to replace Unaccounted for Gas, and this change exceeds the change due to inflation, as measured by the change in CPI All Groups, Perth.

3.2 Variation of Haulage Tariffs

If a Cost Pass Through Event occurs, WAGN:

- (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 WAGN (or on WAGN's behalf) as a direct or indirect result of the

relevant event, provided that those costs have not already been recovered by WAGN.

3.3 Next Access Arrangement Period

If WAGN 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

WAGN will use its reasonable endeavours to give the ERA a variation report at least 30 Business Days before the date on which the Haulage Tariff is to be varied, and that report shall contain the following information:

- (a) if the Haulage Tariff is to be varied in accordance with clause 2 of this Annexure B:
 - (i) the proposed varied Haulage Tariff and varied Tariff Components, and the date or dates on which the varied Haulage Tariff is to come into effect;
 - (ii) calculations showing the derivation of the varied Haulage Tariff using the formula of clause 2; and
 - (iii) a statement of reasons for the variation of the Haulage Tariff; and
- (b) if the Haulage Tariff is to be varied in accordance with clause 3 of Annexure B, a statement of reasons for the proposed variation, and supporting calculations, demonstrating consistency with the requirements of clause 3.

5. DICTIONARY FOR ANNEXURE B

Unless the contrary intention appears, in this Annexure B:

Change in Law means:

- (a) the introduction of a new Law;
- (b) an amendment to, or repeal of, an existing Law; or
- (c) a new or changed interpretation of an existing Law resulting from a decision of:
 - (i) a court;
 - (ii) a tribunal;
 - (iii) an arbitrator;
 - (iv) a Government or regulatory department, body, instrumentality, minister, commissioner, officer, agency or other authority; or
 - (v) a person or body which is the successor to the administrative responsibilities of any person or body described in paragraph (iv) of this definition;

CPI All Groups, Perth means the Consumer Price Index All Groups Index Number for Perth published by the Australian Bureau of Statistics or, if applicable, an alternative index determined under clause 2.7 of this Annexure B;

Gate station means the metering equipment site associated with a Physical Gate Point (whether it comprises part of an Interconnected Pipeline or the WAGN GDS) and includes all facilities installed at the site to perform over pressure protection, reverse flow protection, excessive flow protection, gas metering and measurement and telemetry, and odorization, and all standby, emergency and safety facilities and all ancillary equipment and services;

HHV Costs means costs and expenditure incurred as a result of, or in connection with, the management of heating value blending, including expenditure incurred in connection with the measurement, recording, auditing, facilitation or management of heating value blending for the WAGN GDS;

Law or Laws means all:

- (a) written and unwritten laws of the Commonwealth, of Western Australia and of any other State, Territory or foreign country having jurisdiction over the subject matter of this Access Arrangement; and
- (b) judgments, determinations, decisions, rulings, directions, notices, regulations, bylaws, statutory instruments, Codes of Practice, Australian Standards or orders given or made under any of those laws or by any government agency or authority;

New Relevant Tax means any Tax affecting an amount which WAGN is or will be required to pay in relation to its supply of one or more Haulage Services;

Physical Gate Point means the flange, joint or other point which marks a physical boundary between the WAGN GDS and an Interconnected Pipeline;

Physical Gate Point Costs means all costs and expenditure incurred as a result of, or in connection with, designing, installing, constructing, upgrading, improving, operating or maintaining a Physical Gate Point and associated Gate Station (including, for the avoidance of doubt, a new Physical Gate Point);

Previous Access Arrangement Period means the Access Arrangement Period immediately preceding the Current Access Arrangement Period;

Regulatory Capital Expenditure means Regulatory Costs which are Conforming Capital Expenditure;

Regulatory Change means a change in, the removal of, or the imposition of, a Regulatory Obligation or Requirement (as defined in section 6 of the National Gas Access Law) imposed on WAGN and, without limiting section 6 of the National Gas Access Law, includes:

- (a) a community service obligation;
- (b) a changed, additional, or new environmental, safety, technical, accounting, operating or administrative standard or requirement;
- (c) a uniform Tariff obligation or any other restriction on the level of Tariffs;
- (d) a licensing requirement; or
- (e) a fee or charge paid or payable, or a change to the amount of the fee or charge paid or payable, to the ERA for a license or any other membership, contribution or other charge payable to any regulatory body or agency;

Regulatory Costs means costs connected to or associated with:

- (a) a Regulatory Obligation or Requirement (as defined in section 6 of the National Gas Access Law);
- (b) the submission and approval of the revisions to this Access Arrangement; and
- (c) without limiting (a) above, WAGN's compliance with the National Gas Access (Western Australia) Legislation, its Distribution Licence, the *Energy Coordination Act 1994 (WA)*, the *Gas Standards Act 1972 (WA)*, the *Energy Operators (Powers) Act 1979 (WA)*, the *Environmental Protection Act 1986 (WA)*, and its compliance with all other applicable Laws and with the requirements of any government department, agency or authority operating in accordance with those Laws;

Regulatory Operating Expenditure means Regulatory Costs which are Conforming Operating Expenditure incurred in relation to the WAGN GDS;

Relevant Tax means any Tax the effect of which was properly taken into account (directly or indirectly) when setting Haulage Tariffs, as affecting an amount which WAGN is or will be required to pay in relation to its supply of one or more Haulage Services;

Tariff Component means a component of a Haulage Tariff which is an amount, or the rate by, which a User is charged for a single element or attribute of a Haulage Service;

Tax includes any tax, rate, impost, levy, duty, fee, compulsory loan, tax-equivalent payment or surcharge withheld, deducted, charged, levied or imposed under any Law;

Tax Change means:

- (a) a change in the way, or the rate at which, a Relevant Tax is calculated;
- (b) the removal of a Relevant Tax; or
- (c) the imposition of a New Relevant Tax, which results from a Change in Law or a Regulatory Change;

Unaccounted for Gas means the difference between measured inflows of Gas into the WAGN GDS and measured outflows of Gas from the WAGN GDS; and

Variation Period refers to one of the following periods (as the case may be):

- (a) 1 January 2011 to 30 June 2011;
- (b) the Year commencing 1 July 2011;
- (c) the Year commencing 1 July 2012; or
- (d) the Year commencing 1 July 2013.

Annexure C

TEMPLATE HAULAGE CONTRACT