



**GOLDFIELDS GAS PIPELINE**  
**PROPOSED REVISIONS TO ACCESS**  
**ARRANGEMENT**

*As amended 22 April 2010*

**AS SUBMITTED TO THE**  
**ECONOMIC REGULATION AUTHORITY**

**DRAFT**

## **GOLDFIELDS GAS PIPELINE CONTACT DETAILS**

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## INTRODUCTION

The Goldfields Gas Pipeline was constructed by the Goldfields Gas Transmission Joint Venture pursuant to the 23rd March 1994 Goldfields Gas Pipeline Agreement entered into with the State of Western Australia (**GGP Agreement**). This was ratified by the *Goldfields Gas Pipeline Agreement Act 1994 (WA)*.

Completed in 1996, the Pipeline is the sole conduit for delivery of natural gas from the vast offshore gas fields in the north west of Western Australia to the mineral rich, inland regions of the State. Gas is delivered to outlets along the length of the pipeline, primarily for use in electricity generation facilities associated with mining and minerals processing.

Its construction was underpinned by certain initial commitments to capacity reserved by each Joint Venturer for the requirements of each Joint Venturer and its "associates" (as defined in the GGP Agreement) and any commitments to purchase capacity procured from Third Parties (as defined in the GGP Agreement and which includes any Joint Venturer acting independently of the other Joint Venturers and outside of the joint venture). These commitments are referred to in the GGP Agreement as "**Initial Committed Capacity**".

The gas transportation service required by Users of the Goldfields Gas Pipeline is for transportation of gas on a firm basis from the Pipeline's Inlet Point located Yarraloola. There are no other gas sources located along the route of the Pipeline. It is anticipated that this will continue to be the gas transportation service required by all or most of the Users of the Pipeline. Accordingly, the only Reference Service offered under this Access Arrangement is a Firm Service.

This Access Arrangement sets out terms and conditions for the access to the Covered Pipeline. Section 2.25 of the Code prohibits the approval of an Access Arrangement if any provision of it would deprive a person of a pre-existing contractual right (other than an exclusivity right, as defined in the Code, which arose on or after 30 March 1995).

Accordingly certain provisions of this Access Arrangement are made subject to those pre-existing contractual rights. Should a User or Prospective User of the Covered Pipeline have needs which cannot be accommodated through a Reference Service, GGT will discuss the provision of Negotiated Services.

Prospective Users are encouraged to discuss their gas transportation needs with GGT so that, if necessary, new or varied services may be developed to meet Prospective Users' requirements where these cannot be satisfied through a Reference Service.

## 1 ACCESS ARRANGEMENT

### 1.1 Access Arrangement

This Access Arrangement is lodged by Goldfields Gas Transmission Pty Ltd, ACN 004 273 241 (GGT).

### 1.2 Reference Service

This Access Arrangement sets out the policies required by the Code, including terms and conditions applying to provision of a Reference Service in the Covered Pipeline<sup>1</sup>.

### 1.3 Ownership and Management of Pipeline

The Pipeline is owned by an unincorporated joint venture comprising:

- Southern Cross Pipelines Australia Pty Limited, ACN 084 521 997 whose Individual Share is 62.664%;
- Southern Cross Pipelines (NPL) Australia Pty Ltd, ACN 085 991 948 whose Individual Share is 25.493%; and
- Alinta DEWAP Pty Ltd Pty Ltd, ACN 058 070 689 whose Individual Share is 11.843%,

(collectively the **Owners**).

### 1.4 Service Provider

The Pipeline is operated by GGT for and on behalf of each of the Owners and GGT is the Service Provider under the Code.

### 1.5 Applies to Covered Pipeline

The Covered Pipeline has Capacity of approximately 109 TJ/day.

As at 1 January 2010, Spare Capacity in the Covered Pipeline is approximately 3.81 TJ/day and the Reference Service is offered for this Spare Capacity.

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<sup>1</sup> Code, Section 3.6

## 2 INTERPRETATION

### 2.1 Definitions and Interpretation

The definitions and interpretation provisions set out in Appendix 1 apply where relevant to this Access Arrangement.

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## 3 TERM AND REVIEW

### 3.1 Term

This Access Arrangement comes into effect on the Effective Date. The Access Arrangement Period or term of the Access Arrangement is intended to expire on the Revisions Commencement Date.

### 3.2 Review of Access Arrangement

In accordance with Section 3.17 of the Code:

- (a) the Revisions Submission Date is 1 January 2014; and
- (b) the intended Revisions Commencement Date is 1 January 2015.

### 3.3 Delay

In the event that the Access Arrangement Proposed Revisions in relation to the Access Arrangement Period next following this Access Arrangement (“**Next Access Arrangement**”) does not come into effect on the intended Revisions Commencement Date this Access Arrangement will not expire until the date after the Revisions Commencement Date on which the Regulator specifies that the Next Access Arrangement comes into effect.

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## 4 SERVICES POLICY

### 4.1 Reference Service - Firm Service

- (a) The Reference Service that GGT will make available is a Firm Service for a period of 12 months or more as defined in clause 8 of this Access Arrangement.
  - (b) Subject to there being sufficient Spare Capacity in the Covered Pipeline GGT will make available the Reference Service for the receipt of Gas at the Inlet Point, the transmission of Gas to, and the delivery of Gas at, the agreed Outlet Point(s) as more particularly described in clause 4 of the General Terms and Conditions.
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## 4.2 Negotiated Services

- (a) Should any User or Prospective User have requirements which cannot be satisfied through a Reference Service, including for gas transportation from an inlet point other than the Inlet Point at Yarraloola, GGT will negotiate in relation to providing a service ("**Negotiated Service**") to meet that person's specific requirements. Negotiated Services will be provided on the terms and conditions negotiated between GGT and the User or Prospective User.
- (b) No provision of this Access Arrangement necessarily limits or circumscribes the terms and conditions which may be negotiated for the provision of one or more Negotiated Services in the Covered Pipeline.
- (c) To the extent that the Spare Capacity of the Covered Pipeline is not sufficient to meet the User's requirements in their entirety with a Firm Service, GGT will, on the User contracting to take the entire Spare Capacity as a Firm Service, offer an Interruptible Service, as a Negotiated Service, for the balance of the User's requirements in excess of that contracted as Firm Service. Should Spare Capacity become available on the Covered Pipeline, the User will be required to contract for that Spare Capacity as a Firm Service and reduce the amount of Interruptible Service accordingly.
- (d) For the avoidance of doubt, the Interruptible Service is available only to the extent the Capacity of the Covered Pipeline is not being used by other Users taking a Firm Service.

## 4.3 Variation of General Terms and Conditions

- (a) A Prospective User may seek variations of the General Terms and Conditions applicable to the Reference Service.
- (b) Such variations constitute a request for a Service which differs from the Reference Service and hence will be treated as a request for a Negotiated Service for the purposes of this Access Arrangement. GGT will negotiate the tariffs and other terms and conditions for such a Negotiated Service with the Prospective User in good faith.

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# 5 TARIFFS AND REFERENCE TARIFF POLICY

## 5.1 Transportation Tariff for Reference Service

GGT will make available the Reference Service at the Reference Tariff (also called the Transportation Tariff) as set out in clause 9 of the General Terms and Conditions, as varied in accordance with the provisions of this clause 5.



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## 5.2 Reference Tariff Policy

### (a) General Principles

The following principles apply to the development of the Reference Tariff (being the Transportation Tariff) under this Access Arrangement:

- (1) the Total Revenue is calculated according to the Cost of Service methodology<sup>2</sup>;
- (2) the Total Revenue is designed to permit GGT to recover the efficient costs of the Covered Pipeline over the expected life of the assets used in the provision of Services, including recovery of a rate of return commensurate with conditions in the market for funds for development and ownership of the Covered Pipeline and provision of Services; and
- (3) the Reference Tariff is derived through a price path approach<sup>3</sup> under which Reference Tariffs are determined for the whole Access Arrangement Period to follow a path forecast to deliver a Total Revenue, the Reference Service Revenue, being that portion of Total Revenue allocated to the Reference Service.

### (b) Calculation of Total Revenue

#### Capital Base

- (1) The Initial Capital Base of the Covered Pipeline (at 31 December 1999) is \$513.7 million.
- (2) For each year after 2000, the Capital Base has been rolled forward using a nominal approach<sup>4</sup>, recognising depreciation allowed under the approved 2000-2009 Access Arrangement and actual capital expenditure during that period.

#### New Facilities Investment

- (3) Consistent with the Cost of Service methodology described in Section 8.4 of the Code, the Total Revenue for the Access Arrangement Period is determined on the basis of New Facilities Investment that is forecast to occur within the Access Arrangement Period, and which is expected to pass the requirements of the Code when the investment is forecast to occur.

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2 Code, Section 8.4

3 Permitted under Code, Section 8.3(b)

4 Code, Section 8.5A

- (4) GGT may undertake New Facilities Investment that does not satisfy the requirements of Section 8.16 of the Code and may include in the Capital Base that part of the New Facilities Investment which does satisfy Section 8.16 of the Code<sup>5</sup>.
- (5) An amount in respect of the balance after deducting the Recoverable Portion of New Facilities Investment may subsequently be added to the Capital Base if at any time the type and volume of Services attributable to the New Facility change such that any part of the Speculative Investment Fund would then satisfy the requirements of the Code for inclusion in the Capital Base<sup>6</sup>.

#### Depreciation

- (6) The Capital Base of the Covered Pipeline is depreciated on a straight line basis over a remaining economic life of 54.5 years for pipeline assets, and shorter periods for other assets, in each case reflecting the forecast economic life of the asset.

#### Cost of capital

- (7) The Rate of Return is a pre-tax nominal weighted average of the returns applicable to debt and equity ("**Weighted Average Cost of Capital**"), in which:
  - (i) The return on equity has been determined using the Capital Asset Pricing Model.
  - (ii) The return on debt has been determined as the sum of a risk free rate of return, an estimate of the corporate debt margin, and an estimate of the costs of raising debt.

#### Non capital costs

- (8) The Total Revenue is calculated to enable recovery of the non-capital costs attributable to the ownership and operation of the Covered Pipeline as would be incurred by a prudent Service Provider, acting efficiently, in accordance with accepted and good industry practice, and to achieve the lowest sustainable cost of delivering Services through the Covered Pipeline.
- (c) **Design of Reference Tariff**
- (1) The Reference Tariff is designed to ensure that no User pays a tariff which is more than the stand alone cost of provision of the

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<sup>5</sup> Code, Section 8.18

<sup>6</sup> Code, Section 8.19

- Reference Service and no User pays a tariff which is less than the marginal cost of the provision of the Reference Service.
- (2) Total Revenue is allocated between the Reference Service and other Services in a manner designed to ensure that the Reference Tariff reflects:
- (i) costs incurred (including capital costs) that are directly attributable to the provision of the Reference Service; and
  - (ii) a share of the Total Revenue that reflects costs incurred (including capital costs) that are attributable to providing the Reference Service jointly with other Services.
- (3) The Reference Tariff is designed to recover the Reference Service Revenue from the Users of the Reference Service.
- (4) The Reference Tariff is structured in three parts:
- Toll Charge** (capacity based) as described in clause 9.4(a) of the General Terms and Conditions;
  - Capacity Reservation Charge** (capacity and distance based) as described in clause 9.4(b) of the General Terms and Conditions; and
  - Throughput Charge** (throughput and distance based) as described in clause 9.4(c) of the General Terms and Conditions.
- (d) **Incentive Mechanisms**
- The Incentive Mechanism adopted in calculation of the Reference Tariff is as follows:
- (1) the Reference Tariff will apply during each Year of the Access Arrangement Period regardless of whether the forecasts on which the Reference Tariff was determined are realised<sup>7</sup>;
  - (2) the prospect of retaining improved returns for the period to the Revisions Commencement Date provides an incentive to GGT to achieve the forecast volume of sales and to minimise the overall cost of providing Services<sup>8</sup>; and
  - (3) in determining Reference Tariffs after the Revisions Commencement Date, Users will benefit from increased efficiencies achieved by GGT up to that date through the

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<sup>7</sup> A mechanism of this type is recognised by Section 8.45(a) of the Code

<sup>8</sup> Code Section 8.1(f) provides that one of the objectives that a Reference Tariff and Reference Tariff Policy should be designed to achieve is ‘providing an incentive to the Service Provider to reduce costs and to develop the market for Reference and other Services’.

recovery through the subsequent Access Arrangement Period of non-capital costs reflecting the efficiencies gained during this Access Arrangement Period.

### 5.3 Adjustment to Reference Tariffs

The Reference Tariff and other charges applicable in respect of the Reference Service are not subject to variation or modification during the Access Arrangement Period other than for:

- (a) CPI and other adjustments in accordance with the Reference Tariff Adjustment Mechanism as described in Schedule 1; and
- (b) adjustment for a Change in Imposts in accordance with clause 5.4.

### 5.4 Adjustment for Change in Imposts

- (a) GGT has established the Reference Tariff for the Reference Service on the basis of Imposts applying at 31 December 2009. If a Change in Imposts occurs during the Term of the Agreement, GGT has discretion to adjust the Reference Tariff to recover the financial impact of the Change in Imposts.
- (b) Before GGT adjusts the Transportation Tariff as provided for in clause 5.4(a), GGT must:
  - (1) provide a written notice to the Regulator specifying the impact of the Change in Imposts; the scope of the financial impact; explain how the claim is consistent with clause 5.3(b); indicate the proposed variations to the Transportation Tariff and an effective date for the changes (a "**Impost Notice**"); and
  - (2) use reasonable endeavours to provide the Regulator with documentary evidence (if available) which substantiates the financial impact set out in the Impost Notice.
- (c) GGT may submit one or more Impost Notices each Year. This notice may incorporate a number of claims relating to the changes. For the purposes of Section 8.3D(b)(i) of the Code the minimum notice period for a Impost Notice is 25 Business Days.
- (d) For the avoidance of doubt, any Reference Tariff variation relating to a Change in Imposts must be conducted in accordance with Sections 8.3B to 8.3H of the Code.

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## 6 APPLICATION FOR SERVICE

- (a) A Prospective User that wishes to apply for a Service on the Covered Pipeline must observe the process outlined in the GGT Information Package.
- (b) If the Prospective User fails to follow the process outlined in the GGT Information Package then GGT is under no obligation to accept an application for a Service.

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## 7 QUEUING POLICY

In this clause 7, an "**Application**" means an application for Service lodged in accordance with clause 6 of this Access Arrangement.

### 7.1 Queuing Policy for Provision of Service

- (a) As between Prospective Users, the priority for allocation of Spare Capacity and Developable Capacity will be determined on a first come, first served basis when a completed and executed Order Form is received by GGT under clauses 1.3 or 1.4 of the GGT Information Package, as the case may be, on the basis that an Order Form having an earlier receipt date will have priority over an Order Form having a later receipt date.
- (b) GGT will ensure that, as between Prospective Users, Order Forms are processed and Spare Capacity will be allocated in the order which reflects their priority or deemed priority under clause 7.1(a).
- (c) A Prospective User will cease to maintain its priority for allocation of Spare Capacity or Developable Capacity if:
  - (1) its Order Form is rejected pursuant to clause 1.8(e) of the GGT Information Package; or
  - (2) its Order Form is rejected pursuant to clause 1.8(f)(2) of the GGT Information Package; or
  - (3) the Prospective User withdraws its Order Form; or
  - (4) the Prospective User fails to comply with the terms of the Service Agreement; or
  - (5) an Insolvency Event occurs in relation to the Prospective User.
- (d) If a Prospective User submits an amended Application pursuant to clause 1.8(a)(1) of the GGT Information Package, subject to clause 1.8(f) of the GGT Information Package, the amended Application or

notional supplementary application will have priority according to the date of receipt of the amendments by GGT.

- (e) If no later than 12 months prior to the expiry of the then Term of the Agreement:
  - (1) a User gives a notice of exercise of an option under the Service Agreement to extend the initial Termination Date; and
  - (2) the conditions precedent in clause 1.6 of the GGT Information Package continue to be satisfied,

then the User will be deemed not to be a Prospective User and may continue to be allocated its contracted Capacity for the duration of the extension, subject to continued performance of the terms and conditions of the Service Agreement by the User as though these terms had been incorporated into the existing Service Agreement.

- (f) At any time after the Commencement Date of the Service Agreement, a User may, upon giving written notice, apply to GGT for an amendment to the Service Agreement in connection with:
  - (1) an increase in the User's MDQ to be applied after the Date of the Service Agreement; or
  - (2) an extension to the Term of the Agreement.

**(Application for a Service Contract Variation)**

- (g) Upon receiving an Application for a Service Contract Variation from a User, GGT will treat the Application for a Service Contract Variation as a new Order Form and will advise the User whether or not it will accept the Application for a Service Contract Variation and, if so, on what terms and conditions, including changes to tariffs and charges (if applicable).
- (h) GGT is not obliged to accept an Application for a Service Contract Variation if the User does not comply with the provisions of clauses 1.3 or 1.4 of the GGT Information Package, as the case may be or does not satisfy the conditions precedent contained in clause 1.6 of the GGT Information Package.
- (i) Any Application for a Service Contract Variation will be accorded priority in accordance with this clause 7 of the Access Arrangement.
- (j) If a User:
  - (1) later than 12 months prior to the expiry of the then Term of the Agreement gives a notice of exercise of an option under the Service Agreement to extend the initial Termination Date; or
  - (2) makes under clause 7.1(f) of this Access Arrangement an Application for Service Contract Variation;

then

- (3) the exercise of the option or Application for Service Contract Variation (as applicable) will be deemed to be a new application for Spare Capacity and Developable Capacity and be in a position in the queue for Spare Capacity and Developable Capacity; and
  - (4) the User will be deemed to be a Prospective User and the date GGT receives notice of the exercise of the option or Application for Service Contract Variation will determine the priority accorded to the new application.
- (k) If Spare Capacity becomes available or Developable Capacity is provided, GGT will use all reasonable endeavours to notify Prospective Users of that Spare Capacity or Developable Capacity in an order and manner which has regard to the rights of Users under Existing Contracts.
- (l) The rights of any Prospective User under and through operation of this clause is subject to and conditional on GGT complying with and satisfying any legal or contractual obligations it has to provide additional Capacity under, or to extend the term of, an Existing Contract.

## 7.2 Investigations to Determine if Capacity is Available

- (a) In the event that investigations are required to determine if Capacity or Developable Capacity is available in the Covered Pipeline ("**Investigations**"), GGT will, upon request, provide the Prospective User with a general indication of the range of tariffs which may be applicable in relation to any capacity expansion ("**Indication**"). An Indication will be provided for the sole purpose of assisting Prospective Users to consider whether they share the costs of an Investigation, will be confidential and will not be binding on either party.
- (b) GGT will not be liable to the Prospective User for any cost, loss, expense or other matter arising from the provision of an Indication, or from the Prospective User's use of or reliance on an Indication, including where any tariff subsequently offered to the Prospective User or any other person is greater or less than the Indication.
- (c) Where GGT advises a Prospective User that Investigations are required, GGT will also advise the Prospective User of the nature, likely duration and estimated cost of the Investigations. Where there is more than one Prospective User considering participating in the Investigation, GGT will advise the Prospective User of its share of the estimated cost of the Investigations. This will be determined as the proportion that their requested capacity (TJkm) bears to the total requested capacity (TJkm)

of all Prospective Users participating in the Investigation. The Prospective User may then determine whether it wants GGT to undertake the Investigations.

- (d) GGT is only obliged to undertake Investigations if one or more Prospective Users agree to bear the costs of the Investigation.
- (e) Where a Prospective User declines to meet the cost of Investigations that Prospective User's Application will have lower priority than Applications where the Prospective Users have agreed to bear the costs of the Investigation, and will maintain relative priority with other Applications where the Prospective Users have not agreed to bear the costs of the Investigation. For the purpose of sub-clause 7.2(d) a Prospective User is only obliged to bear those costs of the Investigations that are reasonably incurred.
- (f) Where the Investigation identifies that investment is required to make capacity available, clause 7.3 will apply.
- (g) A Prospective User who has paid for an Investigation under clause 7.2 will, on entering into appropriate confidentiality arrangements, receive a written report which describes:
  - (1) the options considered to provide the capacity; and
  - (2) GGT's preferred option to provide capacity or provides reasons why no recommendation is made.
- (h) Where a Prospective User bears the costs of an Investigation and the Prospective User decides not to proceed with the Application that Prospective User may assign:
  - (1) the Application to which the Investigation relates; and
  - (2) information in the possession of that Prospective User relevant to the Investigation,to a bona fide assignee and that assignee may use the results of the Investigation provided that the assignment does not disclose confidential information without the consent of persons to whom such information relates including GGT.
- (i) Where a Prospective User bears the costs of an Investigation GGT must provide that Prospective User with an itemisation of the costs incurred by GGT as soon as reasonably practicable following the completion of the Investigations and prior to a Prospective User being obliged to pay those costs.



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### 7.3 Procedure when Capacity is Available only with Investment in Developable Capacity

- (a) Where Investigations identify that investment is required to make Capacity available:
- (1) GGT will advise each of the Prospective Users on the Queue of its plans to make capacity available, and the terms and conditions, and indicative price, on which the capacity will be available;
  - (2) prior to the development of capacity, the capacity will be progressively offered to each Prospective User in the Queue in order of priority (notwithstanding that such capacity is not sufficient to meet the needs of that Prospective User);
  - (3) a Prospective User will have 30 days after an offer is made to enter into a Service Agreement (conditional if necessary on GGT entering into Service Agreements with other Prospective Users), failing which the Application will lapse or lose priority to those entering into such a Service Agreement (upon that Service Agreement becoming unconditional). GGT may at its discretion extend the period of 30 days on one or more occasions; and
  - (4) where a Prospective User has indicated that it is not prepared to contribute to the costs of GGT providing Developable Capacity that Prospective User's Application will have lower priority than Applications where the Prospective User has agreed to contribute to the costs of GGT providing Developable Capacity under clause 1.4(f) of the GGT Information Package, and will maintain relative priority as provided for in clause 7.1(a) of the Access Arrangement with other Applications in which the Prospective Users have agreed to bear the costs of the Investigations under clause 1.4(c) of the GGT Information Package but have not agreed to contribute to the costs of GGT providing Developable Capacity.
- (b) Where a Prospective User is offered part of the capacity in an Application:
- (1) but declines it because the Prospective User wants all the capacity requested or nothing; or
  - (2) accepts the capacity offered but the Prospective User wants to remain in the Queue for the remainder of the requested capacity,
- the Prospective User will not lose priority in respect of any capacity requested but not taken provided that it notifies GGT that it wishes to remain in the Queue(s).

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## 8 TERMS AND CONDITIONS OF SERVICE

### 8.1 Terms of Reference Service

The terms and conditions on which the Reference Service will be provided by GGT to a Prospective User are those contained in the Service Agreement, which will be constituted by:

- (a) the Order Form executed by the Prospective User and accepted by GGT and all attachments to it, as documented in Items 20 and 21 of the Order Form; and
- (b) the General Terms and Conditions.

### 8.2 Service Agreement

GGT and the Prospective User become bound to the Service Agreement and bound to satisfy or observe all Conditions from the date mutually agreed by GGT and the Prospective User.

### 8.3 Conditions

- (a) GGT may notify a Prospective User that GGT is prepared to make available:
  - (1) a Reference Service; or
  - (2) a Negotiated Service,subject to specified Conditions being satisfied as conditions precedent.
- (b) The Conditions may relate to GGT's reasonable requirements in respect of:
  - (1) the occurrence of a defined event including installation and commissioning of equipment, processing facilities or infrastructure;
  - (2) a Surety being provided by the Prospective User, or any other person acceptable to GGT; and
  - (3) copies of insurance policies or other evidence reasonably required by GGT being provided, which provide a reasonable indication to GGT that the Prospective User has insurance policies sufficient to satisfy the indemnities which the Prospective User will be required to provide under the proposed Service Agreement.
- (c) Unless the Prospective User notifies GGT to the contrary within 7 Business Days of receiving notice of the Conditions, the Prospective

User is deemed to have accepted and agreed to be bound by the Conditions notified by GGT, which will form part of the Service Agreement.

#### **8.4 Toll and Capacity Reservation Tariff**

The Toll Tariff and Capacity Reservation Tariff apply from the later of the Date of Service Agreement or satisfaction or waiver of any Conditions in the nature of conditions precedent.

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## **9 TRADING POLICY**

### **9.1 Rights to Transfer or Assign for User of Reference Service**

Subject to any pre-existing contractual rights affecting the transfer or assignment by GGT or any other party of rights in relation to Capacity, including under the GGP Agreement and the GGTJV Agreement, any User of a Reference Service may transfer or assign all or part of its rights to Capacity in the Covered Pipeline in accordance with clause 20 of the General Terms and Conditions.

### **9.2 Rights to Transfer or Assign for User of Negotiated Service**

Subject to any pre-existing contractual rights affecting the transfer or assignment by GGT or any other party of rights in relation to Capacity, including under the GGP Agreement and the GGTJV Agreement, any User of a Negotiated Service may transfer or assign all or part of its rights to Capacity in the Covered Pipeline in accordance with the terms and conditions negotiated between GGT and the User where such terms and conditions must comply with Section 3.10 of the Code.

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## **10 EXTENSIONS/EXPANSION POLICY**

### **10.1 Extensions/Expansions**

Other than as required under the Code or the GGP Agreement, GGT will not incur capital to expand the Capacity of the Covered Pipeline unless a User:

- (a) satisfies GGT of the existence of reserves and demand for the economic life of the expansion;
  - (b) demonstrates to GGT that the User has the financial capability to pay the costs of the provision of Services provided through expanded Capacity; and
-

- (c) commits to a Negotiated Service Agreement sufficient to ensure the payment to GGT of all costs incurred by GGT in expanding the capacity and providing of Services through that expanded capacity.

## 10.2 Application of Arrangement to Pipeline Extension/Expansion

If GGT expands the Capacity of the Covered Pipeline, GGT will elect:

- (a) that the expanded capacity will be treated as part of the Covered Pipeline for the purposes of this Access Arrangement and GGT will exercise its discretion to submit proposed revisions to the Access Arrangement under Section 2 of the Code; or
- (b) that the expanded capacity will not be treated as part of the Covered Pipeline for the purposes of this Access Arrangement and that GGT will lodge a separate Access Arrangement for such expanded capacity; or
- (c) that the expansion will not be covered, subject to GGT notifying the Regulator of this fact prior to the expansion coming into operation.

GGT may at any time, change an election made under clause 10.2(c) to an election made under clause 10.2(a).

## 10.3 Pipeline Extension/Expansion and Tariffs

- (a) Pipeline extension or expansions which GGT elects to cover under clause 10.2 will result in no change to the Reference Tariff applied to a User when those extensions or expansions have been fully funded by that User's capital contributions except to contribute to GGT's non-capital costs in connection with those extensions and expansions. Any change to Reference Tariffs may occur only pursuant to the process in Section 2 of the Code for revisions to Reference Tariffs.
- (b) Incremental Users as defined in the Code which have not made capital contributions towards Incremental Capacity as defined in the Code which they use and which has been funded by others will be liable to pay for surcharges as allowed for in Section 8 of the Code.
- (c) Pipeline extensions or expansions funded by GGT and which GGT elects to cover under clause 10.2 may result in the application of surcharges as allowed for in Section 8 of the Code subject to GGT providing written notice to the Regulator, and the Regulator approving the same, in accordance with Section 8.25 of the Code.

## **11 CAPACITY MANAGEMENT POLICY**

### **11.1 Contract Carriage Pipeline**

The Pipeline is a Contract Carriage pipeline as defined in Section 10.8 of the Code.

## SCHEDULE 1 – Reference Tariff Adjustment Mechanism

### Variation of Reference Tariffs

GGT has adopted a ‘tariff basket price cap’ approach as the manner in which Reference Tariff Components (as described in Clause 5.2(c)(4)) ("**Tariff Components**") may vary within this Access Arrangement Period. For GGT, this formula applies as some tariffs are specified as a price per “TJkm”. In this case the tariff components would apply for a given number of TJ capacity reservation to an outlet that is a given number of km from the Inlet Facilities.

GGT will vary Tariff Components annually in accordance with the process described below. Subject to the limit on the varied Tariff Components and the limitation on movement of the weighted average price basket described below, GGT may in its discretion vary any Tariff Component for each Variation Year.

The following adjustments relate to tariff changes effective 1 January of each year:

### Limit on movement of the weighted average price basket and varied Tariff Components

For each January tariff change, the limitation on movement of the January-on-January weighted average price basket is determined as follows:

$$\frac{\sum_{j=1}^m p_t^{ij} * q_{t-2}^{ij}}{\sum_{j=1}^m p_{t-1}^{ij} * q_{t-2}^{ij}}, i = 1, \dots, n \leq \text{Max} \left( \frac{\text{SepCPI}_{t-1}}{\text{SepCPI}_{t-2}}, 1.0 \right) * (1-x) * (1+R_t)$$

And, subject to the limitation on movement of the weighted average price basket, a Tariff Component variation must be in accordance with the following:

$$p_t^{ij} \leq p_{t-1}^{ij} * \text{Max} \left( \frac{\text{SepCPI}_{t-1}}{\text{SepCPI}_{t-2}}, 1.0 \right) * (1-x) * (1+R_t) * (1+Y)$$

where:

$p_t^{ij}$  is the proposed value for Tariff Component j of Reference Tariff i in calendar Year t;

$p_{t-1}^{ij}$  is the value for Tariff Component j of Reference Tariff i in calendar Year t-1;

$q_{t-2}^{ij}$	is the quantity of Tariff Component j of Reference Tariff i that was sold in calendar Year t-2;
$x$	is 0;
$Y$	is positive 0.02;
$R_t$	is the Regulatory Costs factor for calendar Year $t$ and is calculated in accordance with the process described below;
$SepCPI_{t-1}$	is the September quarter CPI for Year $t-1$ ;
$SepCPI_{t-2}$	is the September quarter CPI for Year $t-2$ ; and
$t$	is the Variation Year.

The Regulatory Costs factor  $R_t$  is calculated as follows:

(a) for Variation Year 2011:

$$R_t = \frac{1 + \frac{Drc_{t-1} * (1 + WACC)}{Rrev_t}}{1} - 1$$

(b) for each Variation Year other than 2011:

$$R_t = \frac{1 + \frac{Drc_{t-1} * (1 + WACC)}{Rrev_t}}{1 + \frac{Drc_{t-2} * (1 + WACC)}{Rrev_{t-1}}} - 1$$

where:

$Drc_{t-1}$  is the actual Regulatory Costs minus the forecast Regulatory Costs for Year  $t-1$ , and is calculated as follows:

$$Drc_{t-1} = (Arc_{t-1} - Frc_{t-1})$$

where:

$Arc_{t-1}$  is the actual Regulatory Costs for Year  $t-1$ ;

$Frc_{t-1}$  is the forecast Regulatory Costs for Year  $t-1$ ; and

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$Drc_{t-2}$  is the actual Regulatory Costs minus the forecast Regulatory Costs for Year  $t-2$  and is calculated as follows:

$$Drc_{t-2} = (Arc_{t-2} - Frc_{t-2})$$

where:

$Arc_{t-2}$  is the actual Regulatory Costs for Year  $t-2$ ;

$Frc_{t-2}$  is the forecast Regulatory Costs for Year  $t-2$ ;

WACC is the nominal pre-tax Weighted Average Cost of Capital used in the determination of the Total Revenue;

$Rrev_t$  is the Total Revenue applicable to the Covered Pipeline for Year  $t$ ;

$Rrev_{t-1}$  is the Total Revenue applicable to the Covered Pipeline for Year  $t-1$ ;

$Rrev_{t-2}$  is the Total Revenue applicable to the Covered Pipeline for Year  $t-2$ ;  
and

$Drc_{t-1}$ ,  $Drc_{t-2}$  are each subject to a “deadband” materiality threshold of plus or minus 0.5% of Total Revenue for the Covered Pipeline for the relevant year.

GGT’s Regulatory Costs are defined as:

For the purpose of this Tariff Adjustment Mechanism, **Regulatory Costs** means a cost connected to or associated with:

- (a) GGT’s compliance with new or revised requirements or procedures under the *Petroleum Pipelines Act 1969*, Pipeline Licence 24, the *Energy Coordination Act 1994 (WA)*, the *Gas Standards Act 1972 (WA)*, the *Energy Operators (Powers) Act 1979*, *Environmental Protection Act 1986 (WA)* and all other applicable laws which affect the operation of the Covered Pipeline or the provision of Services;
- (b) GGT’s participation in regulatory policy or regulatory reform consultation processes;
- (c) the pro rata portion of the Emissions Costs;
- (d) changes to the GGP Act, GGP Agreement, *Gas Pipelines Access (Western Australia) Act 1998 (WA)*, the Code or the *Economic Regulation Authority Act 2003 (WA)*;
- (e) the introduction of new or revised requirements under the Code which are more complex or extensive than those applying at 31 December 2008 including the introduction of the *National Gas Access (Western Australia) Act 2008*; and
- (f) participating in legal proceedings before a Court, tribunal, arbitrator or other body of competent jurisdiction relating to this Access Arrangement or revisions (or proposed revisions) thereto.



In this Schedule 1, the following definitions apply:

**Direct Costs** – see definition of "Enterprise Costs";

**Emissions Costs** means the Enterprise Costs in respect of:

- (a) the services provided by GGT under the Service Agreement; and
- (b) GGT's business operations, to the extent they relate to those services;

**Emissions Permit** means a tradeable certificate, credit, permit or similar right or instrument (however described) required to be held, used or surrendered to satisfy a liability of GGT or the Owners under a Greenhouse Gas Law;

**Enterprise Costs** means

- (a) the value of Emissions Permits required to be held, used or surrendered (the **Direct Costs**); and
- (b) all other reasonable costs, charges and expenses (including, without limitation, taxes and internal and external compliance costs) incurred (the **Indirect Costs**),

from time to time by GGT or the Owners or a related body corporate under or in respect of a Greenhouse Gas Law;

**Greenhouse Gases** means carbon dioxide (CO<sub>2</sub>) and may also include any one or more of methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF<sub>6</sub>) and other atmospheric gases recognised as being responsible for causing or contributing to global warming or climate change under the United Nations Framework Convention on Climate Change;

**Greenhouse Gas Law** means a law relating to any scheme designed to encourage, directly or indirectly, reductions in the emissions of Greenhouse Gases (including laws requiring the reporting as to Greenhouse Gas emissions in respect of or in anticipation of any such scheme) including the NGER Act and the Carbon Pollution Reduction Scheme Bill 2009;

**Indirect Costs** – see definition of "Enterprise Costs"; and

**NGER Act** means the *National Greenhouse and Energy Reporting Act 2007* (Cth) as amended.



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## **SCHEDULE 2 – GGT Information Package**

# **GOLDFIELDS GAS PIPELINE DETAILS**

Goldfields Gas Transmission Pty Ltd  
ACN 004 273 241

## **INTRODUCTION**

Where a term is defined in Appendix 1 of the Access Agreement it shall, unless the contrary intention is expressed, bear the same meaning in this GGT Information Package.

The Goldfields Gas Pipeline was constructed by the Goldfields Gas Transmission Joint Venture (**GGTJV**) pursuant to the Goldfields Gas Pipeline Agreement dated 23rd March 1994 between the GGTJV and the State of Western Australia (**GGP Agreement**). This was ratified by the Goldfields Gas Pipeline Agreement Act 1994 (WA).

The Goldfields Gas Pipeline delivers natural gas from the offshore gas fields in the North West of Western Australia to the mineral resource regions of the inland of the State.

The gas transportation service provided to Users of the Goldfields Gas Pipeline to date has been transportation of Gas from the Pipeline's Inlet Point at Yarraloola to a User's Outlet Point. It is anticipated that this will continue to be the gas transportation service required by all or most of the Users of the Goldfields Gas Pipeline.

Should a User or Prospective User of the Goldfields Gas Pipeline have requirements for a gas transportation service which cannot be accommodated by the Reference Service under the approved Access Arrangement, GGT will negotiate with a view to agreeing terms and conditions of a Negotiated Service with a User or Prospective User.

Prospective Users are encouraged to discuss their gas transportation needs with GGT so that, if necessary, new or varied services may be developed to meet Prospective Users' requirements where these cannot be satisfied through a Reference Service.

## 1. APPLICATION FOR SERVICE

In accordance with clause 6(a) of the Access Arrangement, a Prospective User that wishes to apply for a Service must comply with the procedures outlined in clauses 1.1 to 1.10 of this GGT Information Package.

### 1.1 Enquiry for Service

A Prospective User applying to GGT for the use of either the Reference Service or a Negotiated Service must provide GGT with a completed Enquiry Form that contains the information required below:

- (a) the Prospective User's name, registered business address and Australian Business Number (**ABN**);
- (b) an expected Commencement Date and expected initial Termination Date of the Service requested, together with any proposed option to extend the initial Termination Date, the expected option exercise date and the proposed extended Termination Date;
- (c) the proposed Inlet Point;
- (d) the proposed Outlet Point(s);
- (e) the anticipated MDQ at the proposed Inlet Point and the proposed Outlet Point for each Year of the Service being provided;
- (f) any special requirements requested by the Prospective User;
- (g) advice whether enquiry is for a Reference Service or a Negotiated Service;
- (h) the name of Prospective User's contact and contact details to whom all correspondence should be addressed to in connection with the Service enquiry;
- (i) the legal status of the Prospective User together with details of its legal capacity including whether it is acting as a trustee or as agent for any person;
- (j) evidence of the Prospective User's creditworthiness or of its beneficiaries or principals (as the case may be); and
- (k) if applicable, an indication of the preparedness of the Prospective User to contribute to the reasonable costs of GGT (as determined by GGT acting as a reasonable and prudent pipeline owner) undertaking Investigations and the provision of Developable Capacity understanding that such an indication is not binding on the Prospective User.

## 1.2 Response to Enquiry Form

- (a) If Spare Capacity is available and the Prospective User requires capacity of no more than the available Spare Capacity then within 10 days of receipt of a correctly completed Enquiry Form, GGT will provide the Prospective User with an assessment of the availability of Spare Capacity (**Spare Capacity Response**) that will contain the following information:
- (1) an indication of whether or not capacity exists to satisfy the Prospective User's request for a Service;
  - (2) a statement of any Spare Capacity;
  - (3) the Conditions to apply to the Service;
  - (4) whether an Outlet Point will be required; and
  - (5) a statement of proposed tariff components and charges that will apply to the Service requested in the Enquiry Form, including:
    - (A) Toll Tariff;
    - (B) Throughput Tariff;
    - (C) Capacity Reservation Tariff;
    - (D) Connection Charge(s);
    - (E) amount of bond/security sum; and
    - (F) other charges pertaining to the proposed Service.
- (b) If the Prospective User requires capacity of more than the available Spare Capacity then GGT within 45 days of receipt of a correctly completed Enquiry Form, GGT will provide the Prospective User with an assessment of the availability of capacity (**Developable Capacity Response**) that will contain the following information:
- (1) an indication of whether or not capacity exists to satisfy the Prospective User's request for a Service;
  - (2) a statement of any Spare Capacity and Developable Capacity;
  - (3) an indication whether Investigations are required and nature, likely duration and estimated cost of the Investigations;
  - (4) the Conditions to apply to the Service;
  - (5) whether an Outlet Point will be required; and
  - (6) a statement of proposed tariff components (**Indication**) and charges that will apply to the Service requested in the Enquiry Form, including:

- (A) Toll Tariff;
  - (B) Throughput Tariff;
  - (C) Capacity Reservation Tariff;
  - (D) Connection Charge(s);
  - (E) amount of bond/security sum; and
  - (F) other charges pertaining to the proposed Service.
- (c) Where GGT receives an Enquiry Form from a Prospective User that is deemed to be deficient in some way by GGT acting reasonably then GGT must within 7 days of receipt of the Enquiry Form provide written notice to the Prospective User detailing the reasons and information regarding the deficiency.

### 1.3 Completed Order Form for Spare Capacity

- (a) Where the Prospective User receives a Spare Capacity Response under clause 1.2(a) of the GGT Information Package that indicates an Outlet Point is not required and the Prospective User provides advice in writing to GGT that it wishes to proceed to apply for the Service then the Prospective User must submit to GGT, within 30 days of such advice a completed Order Form that contains:
- (1) a restatement of the information required by clause 1.1 of this GGT Information Package together with notification of any changes of the Prospective User's requirements or particulars which may have occurred since the date the Enquiry Form was submitted to GGT; and
  - (2) the tariff components and charges provided by GGT in its Spare Capacity Response together with confirmation by the Prospective User that it understands the tariff components and charges.
- (b) Where the Prospective User receives a Spare Capacity Response under clause 1.2(a) of the GGT Information Package that indicates an Outlet Point is required and the Prospective User provides advice in writing to GGT that it wishes to proceed to apply for the Service and confirms that it will contribute to the costs for GGT to undertake the Outlet Point Investigations then GGT will within 21 days of such advice provide the Prospective User with a letter of intent for execution by the Prospective User for the cost of the Outlet Point Investigations (**Outlet Investigations Letter of Intent**).

- (c) Where the Prospective User receives a Spare Capacity Response under clause 1.2(a) of the GGT Information Package that indicates an Outlet Point is required and the Prospective User provides advice in writing to GGT that it wishes to proceed to apply for the Service but declines to contribute to the costs for GGT to undertake the Outlet Investigations then clauses 7.2(d) and 7.2(e) of the Access Arrangement apply.
- (d) The Prospective User must submit to GGT, within 21 days of receipt of GGT's Outlet Investigations Letter of Intent an executed original of GGT's Outlet Investigations Letter of Intent.
- (e) GGT will complete the Outlet Point Investigations within 30 days of receipt of an executed Outlet Investigations Letter of Intent.
- (f) Within 45 days of receipt of an executed Outlet Investigations Letter of Intent, GGT will provide the Prospective User with the cost and the terms of construction of the Outlet Point or Outlet Facilities, as the case may be.
- (g) The Prospective User must submit to GGT, within 30 days of receipt of the cost and terms provided under clause 1.3(f) of the GGT Information Package a completed Order Form that contains:
  - (1) a restatement of the information required by clause 1.1 of this GGT Information Package together with notification of any changes of the Prospective User's requirements or particulars which may have occurred since the date the Enquiry Form was submitted to GGT; and
  - (2) the tariff components and charges provided by GGT in its Spare Capacity Response together with confirmation by the Prospective User that it understands the tariff components and charges.

#### **1.4 Completed Order Form for Developable Capacity**

- (a) Where the Prospective User receives a Developable Capacity Response under clause 1.2(b) of the GGT Information Package that indicates that Developable Capacity is required and the Prospective User provides advice in writing to GGT that it wishes to proceed to apply for the Service and confirms that it will contribute to the costs for GGT to undertake the Developable Capacity Investigations then GGT will within 21 days of such advice provide the Prospective User with a letter of intent for execution by the Prospective User for the Prospective User to contribute to the costs of the Developable Capacity Investigations (**Developable Capacity Investigations Letter of Intent**).

- (b) Where the Prospective User receives a Developable Capacity Response under clause 1.2(b) of the GGT Information Package that indicates Developable Capacity is required and the Prospective User provides advice in writing to GGT that it wishes to proceed to apply for the Service but declines to contribute to the costs for GGT to undertake the Developable Capacity Investigations then clauses 7.2(d) and 7.2(e) of the Access Arrangement apply.
- (c) Where a Prospective user agrees to contribute to the reasonable costs of the Developable Capacity Investigations referred to in clause 1.4(a) then the Prospective User must submit to GGT, within 21 days of receipt of GGT's Developable Capacity Investigations Letter of Intent an executed original of GGT's Developable Capacity Investigations Letter of Intent.
- (d) GGT will complete the Developable Capacity Investigations within 60 days of receipt of an executed Developable Capacity Investigations Letter of Intent.
- (e) Within 90 days of receipt of an executed Developable Capacity Investigations Letter of Intent, GGT will provide the Prospective User with the report as provided for under clause 7.2(g) of the Access Arrangement that will include the cost and the terms of construction of the Developable Capacity.
- (f) The Prospective User must submit to GGT, within 30 days of receipt of the cost and terms provided under clause 1.4(e) of the GGT Information Package a completed Order Form that contains:
  - (1) a restatement of the information required by clause 1.1 of this GGT Information Package together with notification of any changes of the Prospective User's requirements or particulars which may have occurred since the date the Enquiry Form was submitted to GGT; and
  - (2) the tariff components and charges provided by GGT in its Spare Capacity Response together with confirmation by the Prospective User that it understands the tariff components and charges.



## 1.5 Advice of Capacity and Queue

- (a) If, in the reasonable opinion of GGT, the Order Form submitted by a Prospective User complies with the requirements of either clause 1.3 of this GGT Information Package for an application for Spare Capacity or clause 1.4 of this GGT Information Package for an application for Developable Capacity, or the conditions precedent prescribed by clause 1.6 of this GGT Information Package are or can be satisfied, then, GGT must provide the Prospective User, within 14 days of receipt of the Order Form, written notice of such compliance (**Compliance Notice**).
- (b) Within 7 days of issuance of a Compliance Notice provided under clause 1.5(a) of this GGT Information Package, GGT shall advise the Prospective User in writing of:
  - (1) the Spare Capacity that exists to satisfy the Prospective User's request for the Service and the Prospective User's position on the queue, as determined by Clause 7 of the Access Arrangement; or
  - (2) the proposed schedule for the provision of Developable Capacity by GGT to satisfy the Prospective User's request for Service and the Prospective User's position on the queue, as determined by Clause 7 of the Access Arrangement.

## 1.6 Conditions Precedent and Acceptance of Order Form

The conditions precedent listed below need to be satisfied before GGT can accept a completed Order Form from the Prospective User:

- (a) each Inlet Point and each Outlet Point has or will have sufficient capability to accommodate the requested Service;
- (c) the Prospective User can demonstrate (to the reasonable satisfaction of GGT) that it has entered into a gas supply agreement and/or has entered into other gas transportation arrangements and that the gas to be delivered into the Goldfields Gas Pipeline by the Prospective User will comply with the Gas Specification;
- (d) the legal status, legal capacity and creditworthiness of the Prospective User complies with the reasonable requirements of GGT;
- (e) the Prospective User has demonstrated to GGT (acting reasonably) that it is in a position to perform its obligations under the Service Agreement or the Negotiated Service Agreement (as the case may be) throughout the term of such agreement, including any extensions thereof;

- (f) in the case where the Prospective User has applied for a Reference Service the Prospective User has agreed to comply with the requirements of the Fifth Schedule of the General Terms and Conditions; and
  - (1) sufficient Spare Capacity is available; or
  - (2) where sufficient Spare Capacity is not available:
    - (A) GGT has determined that it is technically feasible and economically viable to install Developable Capacity to provide the requested Service by the Commencement Date; and
    - (B) the Prospective User has agreed to contribute to the provision of Developable Capacity (as determined by GGT acting as a reasonable and prudent pipeline owner).

### 1.7 Notice of Non-Compliance

- (a) If, in the reasonable opinion of GGT, the Order Form submitted by a Prospective User does not comply with the requirements of either clause 1.3 of this GGT Information Package for an application for Spare Capacity or clause 1.4 of this GGT Information Package for an application for Developable Capacity or the conditions precedent prescribed by clause 1.6 of this GGT Information Package are not, or can not, be satisfied, then, GGT must provide the Prospective User, within 14 days of receipt of the Order Form, written notice of such non-compliance including details and information as to why the Order Form is non-compliant (**Non-compliance Notice**).
- (b) If GGT fails to provide a Non-compliance Notice within the period provided for in clause 1.7(a) of this GGT Information Package then the Prospective User will be deemed to have received a Compliance Notice given under clause 1.5(a) of this GGT Information Package and clause 1.5(b) of this GGT Information Package applies to this Order Form.

### 1.8 Amended or Rejected Order Form

- (a) Upon receipt of a Non-compliance Notice issued by GGT pursuant to clause 1.7(a) of this GGT Information Package, the Prospective User may issue GGT with a notice within 30 days of receipt of the Non-compliance Notice:
  - (1) stating whether or not the Prospective User intends to re-submit an amended Order Form; or

- (2) stating that the Prospective User disputes the Non-compliance Notice and identifying the matters the subject of the dispute.
- (b) Upon receipt of a notice pursuant to clause 1.8(a)(2) of this GGT Information Package, GGT and the Prospective User will designate a representative for the negotiation who will have authority to settle the dispute on behalf of that party and those representatives will meet promptly and use their best endeavours to resolve the dispute by negotiation.
- (c) If, after 21 days of receipt of the notice provided pursuant to clause 1.8(a)(2) of this GGT Information Package, GGT and the Prospective User have been unable to resolve the matter, or agree a method of resolving the matter, by negotiation, then either party can refer the matter to the Regulator, as provided for in s.6.1 of the Code.
- (d) If the Prospective User notifies GGT pursuant to clause 1.8(a)(1) of this GGT Information Package that it intends to re-submit an amended Order Form, the Prospective User must re-submit the amended Order Form to GGT within 14 days of notifying GGT of its intention to do so.
- (e) For the avoidance of doubt, if the Prospective User fails to or does not notify GGT of its intention pursuant to clause 1.8(a) of this GGT Information Package or fails to or does not re-submit an amended Order Form pursuant to clause 1.8(d) of this GGT Information Package, then GGT, in its absolute discretion, may reject the Prospective User's Order Form and any priority that the Prospective User had for allocation of Spare Capacity or Developable Capacity will be lost.
- (f) If the amended Order Form submitted by the Prospective User pursuant to clause 1.8(d) of this GGT Information Package is materially different from the Order Form submitted originally (**Original Order Form**), and if due to any amendment, it would cause GGT to be unable to provide a Service to another Prospective User whose Order Form has a date of priority subsequent to the Original Order Form, then:
  - (1) if it is reasonable to construe the amended Order Form as a combination of the Original Order Form and a notional supplementary Order Form, the Original Order Form will, pursuant to Clause 7 of the Access Arrangement, retain its priority and the notional supplementary Order Form will, pursuant to Clause 7 of the Access Arrangement, have priority as from the date the amended Order Form was received by GGT; or

- (2) if it is not reasonable to construe the amended Order Form as a combination of the Original Order Form and the notional supplementary Order Form, the Original Order Form will be rejected and the amended Order Form will have priority as from the date the amended Order Form was received by GGT.

### **1.9 Execution of Reference Service Agreement or Negotiated Service Agreement**

Within 42 days of GGT's advice provided under clause 1.5(b) of this GGT Information Package, GGT must indicate acceptance of the Prospective User's Order Form by executing and delivering the Reference Service Agreement or Negotiated Service Agreement as the case may be to the Prospective User and notify the Prospective User of the likely Commencement Date.

### **1.10 Confidential Information**

The parties acknowledge and agree that in the course of negotiations each party will disclose to each other confidential information and therefore agree to enter into a mutual confidentiality agreement as a condition precedent prior to entering into such negotiations.