| **Proposed Changes to the GTAC** |
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| *Daily Delivery Quantity* or *DDQ* means, in respect of a Day and a Shipper, the quantity of Gas that a Shipper takes in a Delivery Zone, at a Delivery Point in a Delivery Zone or at an Individual Delivery Point, determined in accordance with *section 6*; |
| *Delivery Point* means a facility (including any associated land and equipment) at which one or more Shippers take (or may take) Gas from the Transmission System or, in the case of an Existing Supplementary Agreement, the delivery point named in that agreement; |
| *Existing Interconnection Agreement* means an interconnection agreement in effect as at the date of this Code (including any amendments before or after the date of this Code) and which commenced or had a specified commencement date before the date of this Code, but excluding an interconnection agreement which terminated on termination of any code replaced by this Code;  |
| *Existing Supplementary Agreement* means a supplementary agreement in effect as at the date of this Code (including any amendments before or after the date of this Code) and which commenced or had a specified commencement date before the date of this Code or a supplementary agreement required by a Transmission Pricing Agreement in effect before the date of this Code; |
| *Receipt Point* means a station or facility (including any associated land and equipment) at which one or more Shippers inject or may inject (or have, or may have, injected on their behalf) Gas into the Transmission System;  |
| *Running Mismatch Tolerance* means, for each Day and: * + 1. each Shipper, an amount equal to the greater of 400 GJ (or such other quantity as notified by First Gas on OATIS from time to time) provided that it is either purchasing Gas from or selling Gas to a person who is not an OBA Party and:

(i) for Receipt Quantities: LPTRECEIPTS × RQSHIPPER ÷ (RQTOTALRECEIPTS + MQOBAPSRECEIPTS)where:*RQSHIPPER* is the aggregate of that Shipper’s Receipt Quantities in respect of Receipt Points where an OBA does not apply; RQTOTALRECEIPTS is the aggregate of all Shippers’ Receipt Quantities in respect of Receipt Points where an OBA does not apply;  |
| * 1. In this Code and each TSA, unless the context otherwise requires:
	2. Nothing in this Code shall apply to or amend an Existing Supplementary Agreement or Existing Interconnection Agreement unless, and only to the extent, that Existing Supplementary Agreement or Existing Interconnection Agreement (as applicable) provides for that application or amendment.
 |
| * 1. First Gas will notify all Shippers as soon as practicable if a Delivery Point (or more than one) is expected to experience, or experiences, Congestion during a Year that was not foreseen prior to that Year. Subject to providing all Shippers (and the affected Interconnected Party) with the information referred to in *section 3.19(a)* to *(e)* within the timeframes specific in *section 3.19*, First Gas may hold a PR Auction for the affected Delivery Point(s). From the PR Effective Date, the Congested Delivery Point(s) will be excluded from the relevant Delivery Zone.
 |
| * 1. Where in its reasonable judgement a Delivery Point ceases to be affected by Congestion during a Year, First Gas will:
		1. promptly notify all Shippers and the relevant Interconnected Party of that via OATIS and, where relevant and from the date it shall specify, include that Delivery Point in a Delivery Zone;
		2. allow any Shipper to cancel any number of the PRs it holds at the relevant Delivery Point(s) with effect on any Day on or after the date specified in any notice provided under *section 3.26(a)* and in suchcircumstances the Shipper may cancel such PRs by giving written notice to First Gas (but if it does not such PRs shall continue); and
		3. update Shippers’ amended holdings of PRs on OATIS as required.
 |
| * 1. Not less than once each Year, First Gas shall review whether each of the relevant gas producers or End-users continue to satisfy the criteria set out in *section 3.28* and whether there are any other users (or potential users) of the Transmission System who do, or may, satisfy such criteria. First Gas shall publish on OATIS a list of gas producers, End-users and the relevant interconnected points served by a Peaking Party no later than three months prior to the date of this Code and three Months prior to the start of each Year thereafter (and shall update it as required). Each Shipper shall promptly notify First Gas if it supplies, or proposes to supply, Gas to an End-User that meets, or may meet, the requirements of *section 3.28*. First Gas shall give written notice to a Peaking Party if it ceases to be a Peaking Party.
 |
| * 1. Where a Shipper is a Peaking Party, or where a Shipper takes gas from, or supplies gas to or through (including to an End-User), an OBA Party who is a Peaking Party, then such Shipper must, using the relevant functionality provided on OATIS, provide an AHP in each nominations cycle in respect of the relevant Receipt Points and/or Delivery Points. The sum of the Hourly amounts of transmission capacity requested by the Shipper in respect of a Delivery Point and the Hourly quantities requested by the Shipper in respect of a Receipt Point in each case in respect of a Day and point shall be the relevant Shipper’s nominations for the relevant Day and point for the purposes for *sections 4.7* to *4.10*. The sum of the Hourly amounts of transmission capacity nominated by a Shipper (including as amended in a later nominations cycle) and approved by First Gas shall be the Shipper’s DNC in respect of the relevant Delivery Point.
 |
| * 1. A Shipper using Supplementary Capacity shall not be a Peaking Party in relation to the use of such Supplementary Capacity (and *section 11.4* shall apply in respect of the use of such Supplementary Capacity).
 |
| Target Taranaki Pressure* 1. Subject to or except as may be required as a result of a Critical Contingency, Force Majeure Event, Emergency or any Maintenance, First Gas will use its reasonable endeavours to:
		1. maintain the Target Taranaki Pressure in the 400 line between Oaonui and the Turangi Mixing Station at or near the Bertrand Road Offtake between a lower limit of 42 bar gauge and an upper limit of 48 bar gauge (including, if the Target Taranaki Pressure is outside these limits, to bring the Target Taranaki Pressure back within those limits); and
		2. manage the Target Taranaki Pressure to be as low as practicable within the specified range while maintaining sufficient Line Pack to meet its obligations under this Code and interconnection agreements.

If necessary in order for First Gas to comply with its obligations under this *section 3.33* in relation to maintaining the Target Taranaki Pressure under the upper limit of the Target Taranaki Pressure, First Gas may take gas balancing action or exercise any rights to adjust or curtail any gas flow and/or relevant nominations (including pursuant to *section 4* and/or *section 9*). Any proposed change to the specified limits of the Target Taranaki Pressure shall be subject to a Change Request made in accordance with the Code (any such change to the specified pressure limits not to be effective earlier than 12 Months following its approval).  |
| First Gas Analysis and Response4.14 In respect of all Delivery Zones and Individual Delivery Points and in respect of AHPs at applicable Delivery Points and Receipt Points, First Gas will, as soon as practicable and no later than 1 hour after: * + 1. the Provisional Nominations Deadline;
		2. the Changed Provisional Nominations Deadline; and
		3. each Intra-Day Nomination Deadline,

analyse Shippers’ NQs and Shippers’ NQs approved by Interconnected Parties as required (including Shippers’ AHPs as applicable), and via OATIS notify each Shipper (and where applicable the relevant Interconnected Party that approves its NQ pursuant to *section 4.12* or *4.13*) of the Shipper’s Approved NQs (being that Shipper’s DNC for a Delivery Point or Delivery Zone) and also whether there is, or is expected to be, Congestion at a Delivery Point.  |
| 4.15 Pursuant to *section 4.14*, First Gas will have regard to:* + 1. the Available Operational Capacity;
		2. where applicable, requests for Interruptible Capacity;
		3. where applicable, a Shipper’s holdings of Priority Rights; and
		4. *section 4.16*,

and where it is unable to approve a Shipper’s NQ (including an AHP) in full due to Congestion or where *section 9.1* applies First Gas will curtail that NQ in accordance with *section 10.3* and any applicable ICA.  |
| 5.6 First Gas will produce separate DDRs and HDRs for each meter forming part of Metering and for the aggregate quantities of Gas injected or taken: * + 1. where Metering is monitored by telemetry or SCADA, in respect of the HDRs each Hour and in respect of the DDRs each Day for all previous Days in the current Month; and
		2. for all other Metering, in accordance with Schedule Two.
 |
| **Gas Composition Data*** 1. In relation to Gas taken at each Delivery Point First Gas will, in accordance with Schedule Two, publish on OATIS the following data:
		1. the date;
		2. daily average carbon dioxide and nitrogen content (in mole %);
		3. daily average Gross Calorific Value (in Megajoules per standard cubic metre); and
		4. relative density (or specific gravity).

First Gas shall publish on OATIS not less than once during each Year a summary report describing the facilities, systems, procedures and monitoring it uses to verify that the data published pursuant to *section 5.8* is accurate. |
| * 1. No Gas transfer or trade in the Receipt Zone, whether completed via a GTA, Gas Market or OATIS, will be unwound, or the quantities of Gas transferred or traded changed, due to a Wash-up or any other reason.
 |
| * 1. Each Shipper agrees that at each Delivery Point where the DRR apply, its “initial” allocation (as that term is defined in the DRR) Daily Delivery Quantity for each Day will be determined:
		1. in accordance with the DRR, as provided to First Gas by the Allocation Agent each Day in arrears; or
		2. in accordance with the DRR, as provided to First Gas by the GIC under the agreement between First Gas and the GIC dated 14 December 2015; or
		3. if Daily Delivery Quantities are not provided pursuant to *section 6.11(a)* or *6.11(b)* for any reason, by First Gas as soon as practicable after each Day as the quantity of Gas equal to:
 |
| **Interconnection Agreements*** 1. No new Receipt Point, Delivery Point or Bi-directional Point on the Transmission System will be permitted without First Gas and the new Interconnected Party entering into an Interconnection Agreement (it being acknowledged that as of the date of this Code some existing points are the subject of an Existing Interconnection Agreement or may not have an interconnection agreement). First Gas will deal with any person seeking to become an Interconnected Party (and all existing Interconnected Parties) on an arms’ length basis and not prefer or give any priority to any prospective or existing Interconnected Party except as expressly provided for in this Code (it being acknowledged that this requirement is for the benefit of both prospective and existing Interconnected Parties). First Gas shall maintain a publicly available interconnection policy document.
 |
| * 1. Where it determines that a breach of an Acceptable Line Pack Limit is anticipated without any corrective action, First Gas will (subject to a Critical Contingency, Force Majeure Event or Emergency):
		1. where time and circumstances permit, issue a Low Line Pack Notice or High Line Pack Notice (as applicable); or
		2. where:
			1. time and circumstances do not permit the issue of such a notice; or
			2. corrective action in response to its prior issuance of a Low Line Pack Notice or High Line Pack Notice did not result in sufficient corrective action (or is expected to not result in sufficient corrective action in sufficient time); or
			3. it otherwise considers it necessary to do so,

use reasonable endeavours to buy or sell Gas to manage Line Pack (*Balancing Gas*) within Acceptable Line Pack Limits. Without limiting any other provision of this Code, First Gas shall have regard, acting as a Reasonable and Prudent Operator, to whether or not it should buy or sell Balancing Gas pursuant to this *section 8.6* in order to facilitate the provision of DNC and Supplementary Capacity (including to support the transportation of Approved NQs), to manage the Target Taranaki Pressure in accordance with *section 3.33*, and/or to manage or maintain Line Pack and/or pipeline pressure within operational limits more generally. |
| **Publication of Running Mismatches*** 1. The Mismatch and Running Mismatch of any party will not be Confidential Information. First Gas will publish the Running Mismatch of each Shipper, OBA Party and itself on OATIS in accordance with Schedule Two. First Gas will use its reasonable endeavours to calculate and, where practicable, make available to each relevant Shipper and OBA Party on OATIS (on a confidential basis and for information purposes only) such person’s estimated Mismatch calculated on an Hourly basis and such person’s estimated Running Mismatch at the end of the Day calculated on an Hourly basis.
 |
| * 1. First Gas may carry out unscheduled Maintenance, including in relation to events referred to in *section 9.1(a), (b)* or *(c)*, as may be necessary, provided that in each case it gives as much notice as is reasonably practicable by publishing on OATIS the fact that such unscheduled Maintenance is to occur.
 |
| * 1. If a Shipper supplies Gas to an End-user (or is itself the End-user) who needs a quantity of Gas to shut down its plant with minimal risk of damage to that plant (but not any product produced by that plant), the Shipper shall notify First Gas as soon as it becomes aware of that requirement and of the specific quantity of Gas required to be injected. If First Gas subsequently issues an OFO to that Shipper, it will if practicable allow for such quantity of Gas to be taken.
 |
| **Curtailment of NQs** 9.8 Pursuant to *section 9.5* and subject to *section 9.6*, where it instructs all Shippers using a Receipt Point or Delivery Point or Delivery Zone to reduce their Gas take to less than their most recent Approved NQs, First Gas will:* + 1. notify each Shipper to reduce its Gas take to an amount equal to that Shipper’s most recent Approved NQ divided by the aggregate of all Shippers’ most recent Approved NQs and multiplied by the Daily quantity that First Gas shall stipulate, subject to the limitations set out in *section 4.16*; and
		2. reduce each Shipper’s most recent Approved NQ in OATIS accordingly.
 |
| **Failure to Comply*** 1. Each Shipper agrees that if it fails to comply with an Operational Flow Order in accordance with *section 9.5*:
		1. First Gas may curtail the Shipper’s take of Gas itself; and
		2. for the purposes of the definition of “Reasonable and Prudent Operator”, this *section 9* and *section 16*, any such failure shall constitute a failure by the Shipper to act as a Reasonable and Prudent Operator; and
		3. the Shipper shall indemnify First Gas for any Loss incurred by First Gas (except to the extent that First Gas contributed to that Loss and/or did not mitigate its Loss to the fullest extent reasonably practicable). The indemnity under this *section 9.12(c)* is subject to the limitations and exclusions set out in *sections 16.2* to *16.7* (but not *section 16.1*).
 |
| **Daily Nominated Capacity Charges*** 1. Each Shipper (including Specified Shippers) shall pay a charge for each Day on which it has DNC for a Delivery Zone and/or Individual Delivery Point (*Daily Nominated Capacity Charge*), equal to:

DNCFEE × DNCwhere:*DNCFEE* is the applicable fee for Daily Nominated Capacity ($/GJ of DNC) in accordance with *section 11.15*; and*DNC* is the Shipper’s Daily Nominated Capacity (GJ) for the applicable Delivery Zone or Individual Delivery Point (including an automated nomination made pursuant to *sections 4.22* and *4.23*). |
| **Daily Overrun and Underrun Charges*** 1. Subject to *sections 11.5, 11.7* and *11.12*, a Shipper shall pay, in respect of a Delivery Zone or Individual Delivery Point and Day:
 |
| **Auto-Nomination Charge*** 1. Where *sections 4.22 and 4.23* apply, a Specified Shipper shall pay in respect of each Day for a Delivery Zone or Delivery Point, in relation to automated nominations and related Gas deliveries in respect of Specified Customers, an amount calculated in accordance with the following (each, an *Auto-Nomination Charge*):
 |
| **Other Consequences of Overrun*** 1. Subject to *section 11.13*, in addition to any Daily Overrun Charge, Hourly Overrun Charge, Peaking Charge or Over-Flow Charge that is payable, any Shipper who incurs any of those charges shall indemnify First Gas for any Loss incurred by First Gas that arises from its Daily Overrun, Over-Flow or Excess Peaking (where that Loss shall include any interconnection fees or charges, Transmission Charges and/or Non-standard Transmission Charges that First Gas may be required to waive or rebate to any other Shippers or Interconnected Parties as a result). The indemnity under this *section 11.10* is subject to the limitations and exclusions set out in *sections 16.1* to *16.7*.
 |
| * 1. First Gas shall ensure that any new ICA in respect of a Receipt Point it enters into, or which has a specified commencement date, on or after the date of this Code requires the Interconnected Party under that ICA to:
		1. ensure that all gas it injects into the Transmission System complies with the Gas Specification;
		2. indemnify First Gas for any Loss incurred by First Gas arising out of or in relation to the injection of Non-Specification Gas at a Receipt Point into the Transmission System, except to the extent that:
			1. such Loss arose from First Gas causing or contributing to such Non-Specification Gas entering the Transmission System; and/or
			2. First Gas has not mitigated such Loss to the fullest extent reasonably practicable; and
		3. on request by First Gas, promptly demonstrate to First Gas that it has adequate facilities, systems, procedures and monitoring to comply with *section 12.2(a)*.
 |
| **Requirement*** 1. Except to the extent required by law and subject to *section 13.6*, First Gas will not commence odorising Gas in an unodorised pipeline or at a Delivery Point on an unodorised pipeline, or cease odorising Gas in an odorised pipeline or at a Delivery Point on an odorised pipeline, unless all Shippers, First Gas and the Interconnected Parties connected to the relevant pipeline agree in writing.
 |
| * 1. Each Month, First Gas will publish on OATIS the results of any odorisation spot checks completed in the previous Month. First Gas shall also publish on OATIS not less than once during each Year a summary report describing the facilities, systems, procedures and monitoring that it uses in order to verify compliance with *section 13.2*.
 |
| **Liability where First Gas is the Liable Party*** 1. Where:
		1. First Gas is the Liable Party (including under the indemnity set out in *section 12.10*); and
		2. First Gas’ liability is or may be wholly or partially caused or contributed to by a breach of a TSA and/or ICA by one or more other Shippers or Interconnected Parties (*Liable Third Parties*),

then First Gas’ liability shall be limited to the aggregate of the amount received by First Gas in payment from any such Liable Third Party (including under any indemnity from the Liable Third Party) in respect of any such breach by the Liable Third Party which gave rise to such liability for First Gas (less any reasonable costs and expenses, including legal costs and expenses on a solicitor and own client basis, incurred by First Gas in connection with pursuing any such recovery) plus any First Gas-caused liability (where the First Gas-caused liability is any amount which First Gas caused or contributed to as a result of failing to act as a Reasonable and Prudent Operator, which in any event shall be limited to the Capped Amounts). Subject to *section 16.11*, First Gas is to use its reasonable endeavours to pursue and seek recovery from the Liable Third Party of any damages payable to First Gas as a result of a breach by the Liable Third Party of the relevant TSA and/or ICA.  |
| * 1. For the purposes of this *section 16*, any reference to:
		1. a TSA shall include a reference to any Supplementary Agreement, Existing Supplementary Agreement or Interruptible Agreement (and a reference to a Shipper shall include a reference to a shipper under any such agreement);
		2. a breach of, or liability under, a TSA shall include any breach of, or liability under, a Supplementary Agreement, Existing Supplementary Agreement or Interruptible Agreement;
		3. an ICA or Interconnection Agreement shall include a reference to any Existing Interconnection Agreement or any other interconnection agreement or arrangement (and a reference to an Interconnected Party shall include a reference to an interconnected party under any such agreement or arrangement); and
		4. a breach of, or liability under, an ICA or Interconnection Agreement shall include any breach of, or liability under, an Existing Interconnection Agreement or any other interconnection agreement or arrangement.
 |
| * 1. First Gas shall have suitable procedures, protocols and systems in place at all times to ensure that Confidential Information it holds at any time is securely stored and available only to those First Gas employees who need access to and use of it for or in connection with the operation or use of the Transmission System and any interconnected points, and is not otherwise disclosed to third parties other than as permitted pursuant to this Code. Each Shipper shall ensure that Confidential Information it holds at any time is securely stored and available only to those of its employees who need access to it for or in connection with the operation or use of the Transmission System and any interconnected points, and is not otherwise disclosed to third parties other than as permitted pursuant to this Code.
 |
| 20.6 Any Shipper with a valid TSA may appoint a reputable international firm of auditors, independent of themselves and First Gas, to carry out an independent audit of First Gas’ operating procedures if it reasonably believes First Gas has disclosed Confidential Information other than in accordance with the requirements of this Code. First Gas will allow such auditor access to First Gas’ records for this purpose, provided that: |
| **schedule two: information to be published**  |
|

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| --- | --- | --- |
| *5.6(b)* | Hourly Delivery Reports (Metering not monitored by telemetry or SCADA) | For Metering that First Gas does not monitor by telemetry or SCADA, as soon as practicable after the end of the Month and not later than 1200 on the 4th Business Day of the following Month (for all Days in that Month) |

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| *5.8* | Gas composition data | As soon as is practicable but not later than 1200 each Day, data for the previous Day |

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| *8.15* | Estimated Mismatch (calculated Hourly) and estimated Running Mismatch (at the end of the Day calculated Hourly) | In accordance with *section 8.15* |

 |
| **schedule three: requirements of gas transfer agreements** * 1. A GTA must:

(c) provide unambiguous rules for determining the quantity of Gas transferred by the transferor to the transferee (including standard rules such as pro-rata, swing and ranking as may be made available by First Gas on OATIS for determining the allocations of metered quantities); |
| **schedule four: requirements of allocation agreements*** 1. An Allocation Agreement must:

(e) ensure that the Allocation Agent provides the Outputs to Shippers, the Interconnected Party and First Gas in accordance with the times published by First Gas on OATIS which shall be sufficient to use as inputs into other daily processes;  |
| **Schedule eight: wash-ups** * 1. Each Shipper and each OBA Party will defend, hold harmless and indemnify First Gas for any Loss suffered or incurred as a direct or indirect result of a claim made by any End-user of that Shipper or OBA Party (*Claiming End-user*) in connection with the D+1 Data or this Schedule Eight. If the Claiming End-user is an End-user of more than one Shipper or OBA Party, then those Shippers and OBA Parties will jointly defend, hold harmless and indemnify First Gas in accordance with this paragraph 8.4.
 |

| **Proposed Changes to Schedule 5 – Receipt Point ICA CETs** |
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| *Hazardous* means, in relation to an area or space, where that area or space is hazardous or potentially hazardous in respect of the electrical equipment that may be installed there, as defined in accordance with AS/NZS2430 (or the equivalent standard applied by the Interconnected Party to assess the hazardous area or space); |
| *Interconnected Party* means [●];*Interconnection Point* means [●]; |
| **Technical Compliance** * 1. Except as agreed otherwise in writing, the Interconnected Party will ensure that all Receipt Points and Additional Receipt Points (if and to the extent included in this Agreement) comply with ICA Schedule One and ICA Schedule Two.
 |
| **Target Taranaki Pressure*** 1. Subject to or except as may be required as a result of a Critical Contingency, Force Majeure Event, Emergency or any Maintenance, First Gas will use its reasonable endeavours to:
		1. maintain the Target Taranaki Pressure in the 400 line between Oaonui and the Turangi Mixing Station at or near the Bertrand Road Offtake between a lower limit of 42 bar gauge and an upper limit of 48 bar gauge (including, if the Target Taranaki Pressure is outside these limits, to bring the Target Taranaki Pressure back within those limits); and
		2. manage the Target Taranaki Pressure to be as low as practicable within the specified range while maintaining sufficient Line Pack to meet its obligations under the Code and interconnection agreements.

If necessary in order for First Gas to comply with its obligations under this *section 3.2* in relation to maintaining the Target Taranaki Pressure under the upper limit of the Target Taranaki Pressure, First Gas may take gas balancing action or exercise any rights to adjust or curtail any gas flow and/or relevant nominations (including pursuant to *section 9* and/or *section 4* of the Code). Any proposed change to the specified limits of the Target Taranaki Pressure shall be subject to a Change Request made in accordance with the Code (any such change to the specified pressure limits not to be effective earlier than 12 Months following its approval). |
| **Outage Notification*** 1. The Interconnected Party shall as soon as reasonably practicable notify First Gas of any scheduled or unscheduled outages materially affecting such Interconnected Party in relation to its injection of Gas at the Receipt Point. Such notice shall include:
		1. whether it is, or is expected to be, a full or partial outage and the likely duration of that outage;
		2. for scheduled outages, when such outage is expected to commence;
		3. in a reasonable amount of detail, the reason for that outage; and
		4. the extent of the expected reduction in the injection of Gas.
 |
| * 1. In relation to any new Metering, the Metering Owner shall:
		1. no earlier than 3 Months (or such earlier date as may be agreed with First Gas) before that Metering is placed into service, test each custody transfer meter and other gas measurement device forming part of that Metering; and
		2. where the Metering includes a verification meter, conduct an in-situ verification test of each custody transfer meter as soon as practicable after that Metering is placed into service,

to ensure that the Metering is Accurate. If the Metering is found to be Inaccurate, the Metering Owner will service, repair, re-calibrate or replace it, then re-test it to establish that it is Accurate. The Metering Owner will provide the other Party with written evidence of testing pursuant to this *section 4.4*.  |
| 1. **gas quality**
	1. The Interconnected Party shall:
		1. ensure that all gas it injects into the Transmission System complies with the Gas Specification;
		2. indemnify First Gas for any Loss incurred by First Gas arising out of or in relation to the injection of Non-Specification Gas at a Receipt Point into the Transmission System, except to the extent that:
			1. such Loss arose from First Gas causing or contributing to such Non-Specification Gas entering the Transmission System; and/or
			2. First Gas has not mitigated such Loss to the fullest extent reasonably practicable; and
		3. monitor, including in accordance with *section 6.10*, the quality of all gas it injects at a Receipt Point (with such monitoring to be at its cost).

The indemnity under *section 6.1(b)* is subject to the limitations and exclusions set out in *sections 16.2* to *16.7* (but not *section 16.1*). Nothing in this Agreement requires First Gas to monitor the quality of gas injected by the Interconnected Party at any Receipt Point. |
| * 1. The Interconnected Party shall not knowingly inject Non-Specification Gas (except for the shortest practicable time necessary to terminate its injection of gas after becoming aware that it has been injecting Non-Specification Gas or unless otherwise agreed with First Gas).
 |
| * 1. On becoming aware that it has injected or is injecting Non-Specification Gas (including pursuant to *section 6.3*), the Interconnected Party shall (unless otherwise agreed by First Gas) immediately halt further injection of gas until it has investigated the matter and has determined (acting as a Reasonable and Prudent Operator and in consultation with First Gas where appropriate) that no more Non-Specification Gas will be injected once gas injection recommences.
 |
| * 1. If the Interconnected Party fails to comply with *section 6.6* within a reasonable time (having been notified by First Gas of such non-compliance and not having remedied it), First Gas may:
		1. require the Interconnected Party to immediately cease injecting gas until it does comply with *section 6.6* (and the Interconnected Party shall do so); and/or
		2. subject to the relevant provisions of this Agreement, enter that Receipt Point, or any land or facility owned or operated by the Interconnected Party that is a source of gas injected at that Receipt Point, at any reasonable time to undertake such reasonable inspections, inquiries, sampling or testing of gas to determine the Interconnected Party’s compliance with *section 6.6*.
 |
| * 1. Where it also produces the gas it injects, the Interconnected Party shall at its cost test for each of the components (e) to (h) in *section 6.10* following any material change in the source or composition of its gas, including in the proportions of gas obtained from any new reservoir and/or production zones in any reservoir.
 |
| **No Contaminants*** 1. During both normal operations and when pigging or otherwise cleaning its Pipeline, the Interconnected Party shall ensure that all gas it injects at a Receipt Point is free of dust and other solid and liquid matter, including hydrocarbon liquids, wax, gums, compressor oil and unsaturated hydrocarbons, that might cause damage to or interfere with First Gas Equipment or First Gas’ Pipeline through which it flows, either immediately or over time.
 |
| * 1. First Gas may carry out unscheduled Maintenance at or in relation to a Receipt Point, including in relation to events referred to in *section 9.1(a)*, *(b)* or *(c)*, but in each case must give the Interconnected Party as much notice as reasonably practicable by publishing on OATIS the fact that such unscheduled Maintenance is to occur.
 |
| * 1. The Interconnected Party shall reasonably facilitate First Gas’ scheduled or unscheduled Maintenance, as and when requested by First Gas, including using reasonable endeavours to flow small quantities of Gas in the manner requested by First Gas (provided that such Interconnected Party shall not be required to incur any additional costs unless First Gas has agree to reimburse it for those costs).
 |
| **Curtailment of Nominated Quantities*** 1. Pursuant to *section 9.6* and subject to *section 9.7*, First Gas may curtail each Shipper’s most recent Approved NQ at that Receipt Point in OATIS, including where an OBA applies, in accordance with the OFO and the Code.
 |
| **Failure to Comply*** 1. The Interconnected Party agrees that if it fails to comply with an OFO in accordance with *section 9.6*:
		1. First Gas may curtail the Interconnected Party’s injection of Gas itself;
		2. for the purposes of the definition of “Reasonable and Prudent Operator”, this *section 9* and *section 16,* any such failure shall constitute a failure by the Interconnected Party to act as a Reasonable and Prudent Operator; and
		3. the Interconnected Party shall indemnify First Gas for any Loss incurred by First Gas (except to the extent that First Gas contributed to that Loss and/or did not mitigate its Loss to the fullest extent reasonably practicable). The indemnity under this *section 9.10(c)* is subject to the limitations and exclusions set out in *sections 16.2* to *16.7* (but not *section 16.1*).
 |
| **Excessive Flow Causing Loss*** 1. In addition to any Over-Flow Charge, Peaking Charge and/or amount payable under *section 3.3(a),* the Interconnected Party shall indemnify First Gas for any Loss incurred by First Gas that arises from the Over-Flow or Excess Peaking (where that Loss shall include any interconnection fees or charges, Transmission Charges and/or Non-standard Transmission Charges that First Gas may be required to waive or rebate as a result). The indemnity under this *section 11.12* is subject to the limitations and exclusions set out in *sections 16.1* to *16.7*.
 |
| **Liability where First Gas is the Liable Party*** 1. Where:
		1. First Gas is the Liable Party; and
		2. First Gas’ liability is or may be wholly or partially caused or contributed to by a breach of any Interconnection Agreement or any TSA by one or more Interconnected Parties or Shippers (*Liable Third Parties*),

then First Gas’ liability shall be limited to the aggregate of the amount received by First Gas in payment from any such Liable Third Party (including under any indemnity from the Liable Third Party) in respect of any such breach by the Liable Third Party which gave rise to such liability for First Gas (less any reasonable costs and expenses, including legal costs and expenses on a solicitor and own client basis, incurred by First Gas in connection with pursuing any such recovery) plus any First Gas-caused liability (where the First Gas-caused liability is any amount which First Gas caused or contributed to as a result of failing to act as a Reasonable and Prudent Operator, which in any event shall be limited to the Capped Amounts). Subject to *section 16.11*, First Gas is to use its reasonable endeavours to pursue and seek recovery from the Liable Third Party of any damages payable to First Gas as a result of a breach by the Liable Third Party of the relevant TSA and/or ICA.  |
| * 1. For the purposes of this *section 16*, any reference to:
		1. a TSA shall include a reference to any Supplementary Agreement, Existing Supplementary Agreement or Interruptible Agreement (and a reference to a Shipper shall include a reference to a shipper under any such agreement);
		2. a breach of, or liability under, a TSA shall include any breach of, or liability under, a Supplementary Agreement, Existing Supplementary Agreement or Interruptible Agreement;
		3. an ICA or Interconnection Agreement shall include a reference to this Agreement, any Existing Interconnection Agreement and any other interconnection agreement or arrangement (and a reference to an Interconnected Party shall include a reference to an interconnected party under any such agreement or arrangement); and
		4. a breach of, or liability under, an ICA or Interconnection Agreement shall include any breach of, or liability under, this Agreement, any Existing Interconnection Agreement and any other interconnection agreement or arrangement.
 |
| * 1. First Gas shall have suitable procedures, protocols and systems in place at all times to ensure that relevant confidential information under this Agreement it holds at any time is securely stored and available only to those First Gas employees who need access to and use of it for or in connection with the operation or use of the Transmission System and any interconnected points, and is not otherwise disclosed to third parties other than as permitted pursuant to the Code or this Agreement. Each Interconnected Party shall ensure that relevant confidential information under this Agreement it holds at any time is securely stored and available only to those of its employees who need access to it for or in connection with the operation or use of the Transmission System and any interconnected points, and is not otherwise disclosed to third parties other than as permitted pursuant to the Code or this Agreement.
	2. Where disclosure of confidential information is made by the relevant Party to any third party pursuant to *section 19.4(c) or (i)*, the relevant Party is to ensure that appropriate steps are taken prior to any such disclosure to protect the confidentiality of any disclosed information consistent with the requirements of this *section 19*, including such third party entering into an appropriate form of confidentiality agreement or undertaking or otherwise being bound by appropriate professional obligations as to confidentiality.
	3. The Interconnected Party may appoint a reputable international firm of auditors, independent of themselves and First Gas, to carry out an independent audit of First Gas’ operating procedures if it reasonably believes First Gas has disclosed confidential information other than in accordance with the requirements of this Agreement. First Gas will allow such auditor access to First Gas’ records for this purpose, provided that:
		1. prior to conducting the audit, the auditor shall sign a confidentiality undertaking in a form reasonably acceptable to First Gas; and
		2. the person appointing the auditor shall pay all costs and expenses of the auditor and the audit.
	4. The results of any audit carried out pursuant to *section 19.7* shall be provided to the Interconnected Party and to First Gas at the same time by way of a draft report (which shall include a summary section). The auditor shall have due regard to any comments provided by First Gas in relation to the findings of the audit and as soon as reasonably practicable thereafter issue its final report to the appointing person and First Gas. First Gas shall publish the summary section of the final report on OATIS as soon as reasonably practicable thereafter.
	5. First Gas, acting as a Reasonable and Prudent Operator, shall consider, and where appropriate use its reasonable endeavours to implement, any recommendations made in the final report provided by the auditor.
 |
| **ICA schedule two: technical requirements** * 1. A Receipt Point must incorporate:
		1. unless otherwise agreed in writing by First Gas, equipment to reasonably prevent any solid or liquid contaminants from reaching First Gas’ Pipeline;
 |
| * 1. First Gas may require means to remotely control the flow of Gas at a Receipt Point pursuant to the provisions of this Agreement or the Code (including for necessary operational, safety and emergency purposes).
 |

| **Proposed Changes to Schedule 6 – Delivery Point ICA CETs** |
| --- |
| *Hazardous* means, in relation to an area or space, where that area or space is hazardous or potentially hazardous in respect of the electrical equipment that may be installed there, as defined in accordance with AS/NZS2430 (or the equivalent standard applied by the Interconnected Party to assess the hazardous area or space); |
| *Interconnected Party* means [●];*Interconnection Point* means [●]; |
| **Technical Compliance*** 1. Except as agreed otherwise in writing, First Gas (or, if not owned by First Gas, the Interconnected Party as the owner of the Delivery Point) will ensure that all Delivery Points and Additional Delivery Points (if and to the extent included in this Agreement) comply with ICA Schedule One and ICA Schedule Two.
 |
| **Target Taranaki Pressure*** 1. Subject to or except as may be required as a result of a Critical Contingency, Force Majeure Event, Emergency or any Maintenance, First Gas will use its reasonable endeavours to:
		1. maintain the Target Taranaki Pressure in the 400 line between Oaonui and the Turangi Mixing Station at or near the Bertrand Road Offtake between a lower limit of 42 bar gauge and an upper limit of 48 bar gauge (including, if the Target Taranaki Pressure is outside these limits, to bring the Target Taranaki Pressure back within those limits); and
		2. manage the Target Taranaki Pressure to be as low as practicable within the specified range while maintaining sufficient Line Pack to meet its obligations under the Code and interconnection agreements.

If necessary in order for First Gas to comply with its obligations under this *section 3.4* in relation to maintaining the Target Taranaki Pressure under the upper limit of the Target Taranaki Pressure, First Gas may take gas balancing action or exercise any rights to adjust or curtail any gas flow and/or relevant nominations (including pursuant to *section 9* and/or *section 4* of the Code). Any proposed change to the specified limits of the Target Taranaki Pressure shall be subject to a Change Request made in accordance with the Code (any such change to the specified pressure limits not to be effective earlier than 12 Months following its approval).  |
| **Outage Notification*** 1. The Interconnected Party shall as soon as reasonably practicable notify First Gas of any scheduled or unscheduled outages materially affecting such Interconnected Party in relation to its take of Gas at the Delivery Point. Such notice shall include:
		1. whether it is, or is expected to be, a full or partial outage and the likely duration of that outage;
		2. for scheduled outages, when such outage is expected to commence;
		3. in a reasonable amount of detail, the reason for that outage; and
		4. the extent of the expected reduction in the take of Gas.
 |
| * 1. First Gas shall ensure that any new ICA in respect of a Receipt Point it enters into, or which has a specified commencement date, on or after the date of this Agreement requires the Interconnected Party under that ICA to:
		1. ensure that all gas it injects into the Transmission System complies with the Gas Specification;
		2. indemnify First Gas for any Loss incurred by First Gas arising out of or in relation to the injection of Non-Specification Gas at a Receipt Point into the Transmission System except to the extent that:
			1. such Loss arose from First Gas causing or contributing to such Non-Specification Gas entering the Transmission System; and/or
			2. First Gas has not mitigated such Loss to the fullest extent reasonably practicable; and
		3. on request by First Gas, promptly demonstrate to First Gas that it has adequate facilities, systems, procedures and monitoring to comply with *section 6.2(a)*.

Nothing in this Agreement requires First Gas to monitor the quality of gas in, or injected into, the Transmission System or taken at a Delivery Point.  |
| * 1. First Gas may carry out unscheduled Maintenance at or in relation to a Delivery Point, including in relation to events referred to in *section 9.1(a)*, *(b)* or *(c)*, but in each case must give the Interconnected Party as much notice as reasonably practicable by publishing on OATIS the fact that such unscheduled Maintenance is to occur.
 |
| * 1. If the Interconnected Party conveys Gas taken at a Delivery Point to an End-user (or is itself the End-user) who needs a quantity of Gas to shut down its plant with minimal risk of damage to that plant (but not any product produced by that plant), or the Interconnected Party is such an End-user, the Interconnected Party shall notify First Gas of that requirement and of the specific quantity of Gas required. If First Gas subsequently issues an OFO to the Interconnected Party, it will if practicable allow for such quantity of Gas to be taken.
 |
| **Curtailment of Nominated Quantities** * 1. Pursuant to *section 9.6* and subject to *section 9.7*, First Gas may curtail each Shipper’s most recent Approved NQ at that Delivery Point in OATIS, including where an OBA applies, in accordance with the OFO and the Code.
 |
| **Failure to Comply*** 1. The Interconnected Party agrees that if it fails to comply with an OFO in accordance with *section 9.6*:
		1. First Gas may curtail the Interconnected Party’s take of Gas itself;
		2. for the purposes of the definition of “Reasonable and Prudent Operator”, this *section 9* and *section 16*, any such failure shall constitute a failure by the Interconnected Party to act as a Reasonable and Prudent Operator; and
		3. the Interconnected Party shall indemnify First Gas for any Loss incurred by First Gas (except to the extent that First Gas contributed to that Loss and/or did not mitigate its Loss to the fullest extent reasonably practicable). The indemnity under this *section 9.10(c)* is subject to the limitations and exclusions set out in *sections 16.2* to *16.7* (but not *section 16.1*).
 |
| **Excessive Flow Causing Loss**11.12 In addition to any Daily Overrun Charge, Hourly Overrun Charge, Over-Flow Charge, Peaking Charge and/or amount payable under *section 3.5(a)*, the Interconnected Party shall indemnify First Gas for any Loss incurred by First Gas that arises from its Daily Overrun, Over-Flow or Excess Peaking (where that Loss shall include any interconnection fees or charges, Transmission Charges and/or Non-standard Transmission Charges that First Gas may be required to waive or rebate as a result). The indemnity under this *section 11.12* is subject to the limitations and exclusions set out in *sections 16.1* to *16.7*.  |
| **Liability where First Gas is the Liable Party*** 1. Where:
		1. First Gas is the Liable Party; and
		2. First Gas’ liability is or may be wholly or partially caused or contributed to by a breach of any Interconnection Agreement or any TSA by one or more Interconnected Parties or Shippers (*Liable Third Parties*),

then First Gas’ liability shall be limited to the aggregate of the amount received by First Gas in payment from any such Liable Third Party (including under any indemnity from the Liable Third Party) in respect of any such breach by the Liable Third Party which gave rise to such liability for First Gas (less any reasonable costs and expenses, including legal costs and expenses on a solicitor and own client basis, incurred by First Gas in connection with pursuing any such recovery) plus any First Gas-caused liability (where the First Gas-caused liability is any amount which First Gas caused or contributed to as a result of failing to act as a Reasonable and Prudent Operator, which in any event shall be limited to the Capped Amounts). Subject to *section 16.11*, First Gas is to use its reasonable endeavours to pursue and seek recovery from the Liable Third Party of any damages payable to First Gas as a result of a breach by the Liable Third Party of the relevant TSA and/or ICA.  |
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		2. a breach of, or liability under, a TSA shall include any breach of, or liability under, a Supplementary Agreement, Existing Supplementary Agreement or Interruptible Agreement;
		3. an ICA or Interconnection Agreement shall include a reference to this Agreement, any Existing Interconnection Agreement and any other interconnection agreement or arrangement (and a reference to an Interconnected Party shall include a reference to an interconnected party under any such agreement or arrangement); and
		4. a breach of, or liability under, an ICA or Interconnection Agreement shall include any breach of, or liability under, this Agreement, any Existing Interconnection Agreement and any other interconnection agreement or arrangement.
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	2. Where disclosure of confidential information is made by the relevant Party to any third party pursuant to *section 19.4(c) or (i)*, the relevant Party is to ensure that appropriate steps are taken prior to any such disclosure to protect the confidentiality of any disclosed information consistent with the requirements of this *section 19*, including such third party entering into an appropriate form of confidentiality agreement or undertaking or otherwise being bound by appropriate professional obligations as to confidentiality.
	3. The Interconnected Party may appoint a reputable international firm of auditors, independent of themselves and First Gas, to carry out an independent audit of First Gas’ operating procedures if it reasonably believes First Gas has disclosed confidential information other than in accordance with the requirements of this Agreement. First Gas will allow such auditor access to First Gas’ records for this purpose, provided that:
		1. prior to conducting the audit, the auditor shall sign a confidentiality undertaking in a form reasonably acceptable to First Gas; and
		2. the person appointing the auditor shall pay all costs and expenses of the auditor and the audit.
	4. The results of any audit carried out pursuant to *section 19.7* shall be provided to the Interconnected Party and to First Gas at the same time by way of a draft report (which shall include a summary section). The auditor shall have due regard to any comments provided by First Gas in relation to the findings of the audit and as soon as reasonably practicable thereafter issue its final report to the appointing person and First Gas. First Gas shall publish the summary section of the final report on OATIS as soon as reasonably practicable thereafter.
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| **ICA schedule two: technical requirements** * 1. First Gas may install, or require the installation of, means to remotely control the flow of Gas at a Delivery Point pursuant to the provisions of this Agreement or the Code (including for necessary operational, safety and emergency purposes).
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