

Gas Transmission Access Code

Second Revised Draft GTAC (3 November 2017)

Requests for Amendment from Shell New Zealand (2011) Ltd.

	This Code sets out the terms and conditions on which First Gas provides gas transmission services.	
1	DEFINITIONS AND CONSTRUCTION	
	Defined Terms	
1.1	In this Code:	
	Acceptable Line Pack Limits means the upper and lower operating limits for Line Pack determined by First Gas and published on OATIS, taking into account the Target Taranaki Pressure ;	The TTP must be addressed here or else there will be no basis by which First Gas could take into account the Taranaki pressure constraint in determining the upper Acceptable Line Pack Limit.
	Accurate has the meaning set out in the Metering Requirements, and Accuracy and Accurately shall be construed accordingly;	
	Agreed Hourly Profile means an agreed schedule of Hourly quantities of Gas that may be taken from the Transmission System, for one or more Days;	
	Allocation Agent means the person appointed to undertake that role under the DRR or an Allocation Agreement;	
	Allocation Agreement means, for any Delivery Point used by more than one Shipper at which neither the DRR nor an OBA applies, an agreement which sets out the methodology to be used by the Allocation Agent to apportion the metered quantity of Gas amongst all Shippers using that Delivery Point to determine their respective Delivery Quantities;	
	Allocation Result means:	

(a)	for Delivery Points at which Gas is allocated under the DRR, the allocation result determined under the DRR; and	
(b)	for Delivery Points used by more than one Shipper at which Gas is not allocated under the DRR or an OBA, the Delivery Quantities determined under the relevant Allocation Agreement;	
	Approved NQ means, in respect of a Delivery Zone or Individual Delivery Point, the amount of a Shipper's NQ approved by First Gas in the most recent nominations cycle;	
	Available Operational Capacity means the amount of Operational Capacity that First Gas determines it can make available as DNC;	
	Balancing Gas means any Gas bought or sold by First Gas to maintain Line Pack within the Acceptable Line Pack Limits or return it to within those limits;	
	Balancing Gas Charge has the meaning set out in section 8.8(a);	
	Balancing Gas Credit has the meaning set out in section 8.9(a);	
	Beneficiary DP has the meaning set out in section 10.11;	
	Bi-directional Point means a station which, at different times, may operate either as a Receipt Point or as a Delivery Point;	
	Bill Rate means, on any Business Day, the 90-Day Rate published by the Reserve Bank of New Zealand for the weekly period in which the Business Day falls;	

	Business Day means any Day (other than a Saturday, Sunday or a public holiday) on which registered banks are open for business in New Plymouth and Wellington;	
	Capped Amounts has the meaning set out in section 16.5;	
	CCM Regulations means the Gas Governance (Critical Contingency Management) Regulations 2008;	
	Change Request has the meaning set out in section 17.9;	
	Changed Provisional NQ has the meaning set out in section 4.9;	
	Changed Provisional Nominations Deadline means the time published by First Gas on OATIS, by which a Shipper must notify First Gas of its Changed Provisional NQs on the Day before the Day to which those NQs relate;	
	Code means this Gas Transmission Access Code, including all schedules to it;	
	Commencement Date means the commencement date specified in a TSA;	
	Congestion means, in respect of a Delivery Point (or more than one), a situation where at any time aggregate NQs, or current offtake exceeds the Available Operational Capacity;	
	Congested Delivery Point means a Delivery Point that is, or may be subject to Congestion;	

	<p>Congestion Management means the various measures that First Gas may initiate to alleviate Congestion, as described in section 10;</p>	
	<p>Congestion Management Charge means the charge to recover First Gas' costs of Congestion Management, calculated in accordance with section 11.11;</p>	
	<p>Confidential Information is information that the relevant Parties agree is such, in accordance with sections 20.3 to 20.4;</p>	
	<p>CPI Index means the most recently published consumer price index stipulated in the "All Groups Index SE9A" published by Statistics New Zealand or, if that index ceases to be published or in the opinion of the Government Statistician (or his/her replacement) the basis for it changes significantly, another price index as First Gas considers most closely approximates the purpose and composition of the CPI Index;</p>	
	<p>Credit Support means the credit support arrangements set out in section 14.1(b);</p>	
	<p>Critical Contingency has the meaning set out in the CCM Regulations;</p>	
	<p>Critical Contingency Management Plan means First Gas' critical contingency management plan approved in accordance with the CCM Regulations (with a copy of the plan being posted on OATIS);</p>	
	<p>Critical Contingency Operator or CCO has the meaning set out in the CCM Regulations;</p>	

	Daily Nominated Capacity or DNC means the transmission capacity First Gas makes available under a TSA, defined by MDQ and MHQ respectively;	
	Daily Nominated Capacity Fee or DNC Fee means the fee payable by a Shipper for DNC, as posted on OATIS;	
	Daily Nominated Capacity Charge means the charge for DNC calculated in accordance with section 11.1;	
	Daily Overrun Charge means the charge payable for exceeding:	
(a)	DNC, calculated in accordance with section 11.4(a); or	
(b)	the MDQ under a Supplementary Agreement or Interruptible Agreement, calculated as set out in the relevant agreement;	
	Daily Underrun Charge means the charge payable for using less capacity on a Day than the amount of DNC, calculated in accordance with section 11.4(b);	
	Day means a period of 24 consecutive hours, beginning at 0000 hours (New Zealand standard time) and Daily shall be construed accordingly;	
	Dedicated Delivery Point means a Delivery Point that supplies Gas to a single End-user;	
	Delivery Point means a facility 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;	

	<p>Delivery Quantity or DQ means the quantity of Gas taken by a Shipper in a Delivery Zone or at a Delivery Point on a Day under a TSA, Supplementary Agreement, Existing Supplementary Agreement or Interruptible Agreement, determined in accordance with section 6;</p>	
	<p>Delivery Zone means a group of two or more Delivery Points (excluding any Delivery Point at which an OBA applies or any Congested Delivery Point) which, for the purposes of sections 4 and 11 are treated as a single notional delivery point;</p>	
	<p>Dispute Notice has the meaning set out in section 18.1;</p>	
	<p>Distribution Network means any pipeline system operating at a pressure of less than 20 bar gauge and designed to convey Gas taken at a Delivery Point to more than one End-user;</p>	
	<p>Downstream Reconciliation Rules or DRR means the Gas (Downstream Reconciliation) Rules 2008;</p>	
	<p>Draft Change Request has the meaning set out in section 17.3;</p>	
	<p>Emergency means an event or circumstance (or a series of events or circumstances) which First Gas determines to be an emergency, irrespective of its cause or whoever (including First Gas) may have caused or contributed to that emergency. An Emergency may exist:</p>	
(a)	<p>by reason of any actual or potential failure of, or damage to, any part of the Transmission System;</p>	

(b)	where in First Gas' reasonable opinion the safety of the Transmission System or the safe transportation of Gas is significantly at risk, including as a result of circumstances upstream or downstream of the Transmission System;	
(c)	due to an interruption or disruption to the operations of a pipeline;	
(d)	where Gas is at a pressure, or is of a quality that constitutes a hazard to persons, property or the environment; or	
(e)	where First Gas' ability to maintain safe pressures within a pipeline is affected or threatened by:	
(i)	an insufficiency of injections of Gas into a pipeline;	
(ii)	any off-take of Gas from a pipeline which exceeds the relevant Maximum Design Flow Rate or the quantity or offtake rate specified in an Operational Flow Order;	
	End-user means a consumer of Gas;	
	Excess Running Mismatch or ERM means that amount of a party's Running Mismatch that exceeds that party's Running Mismatch Tolerance;	
	Existing Interconnection Agreement means an interconnection agreement in effect as at the date of this Code, 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 or a supplementary agreement required by a Transmission Pricing Agreement in effect as at the date of this Code;	
	Expiry Date means the earlier of the expiry date of this Code and the date specified in a TSA;	
	Extra ID Cycle has the meaning set out in section 4.19;	
	First Gas means First Gas Limited at New Plymouth;	
	Force Majeure Event means an event or circumstance beyond the reasonable control of a Party which results in or causes a failure or inability by that Party in the performance of any obligations imposed on it by this Code and/or (in the case of a Shipper) an inability of that Shipper to inject or take Gas notwithstanding the exercise by that Party of reasonable care and, subject to the foregoing, shall include any such event or circumstance which causes a Critical Contingency to be determined and/or any action or inaction of a Party necessary to comply with the CCM Regulations which causes a failure or inability of the kind described above;	
	Gas means gas that complies with the Gas Specification;	
	Gas Market means a reputable and open electronic market platform controlled and operated by:	
(a)	a party other than First Gas for the purposes of trading Gas; and/or	

(b)	First Gas, exclusively for the purposes of buying and selling Balancing Gas;	
	Gas Specification means the New Zealand Standard NZS 5442:2008: Specification for Reticulated Natural Gas;	
	Gas Transfer Agent means First Gas in its capacity as a gas transfer agent or its replacement appointed pursuant to section 6.5 and named as a gas transfer agent in the relevant GTA;	
	Gas Transfer Agreement or GTA means an agreement between a transferor and transferee of Gas (who may be the same person) and the Gas Transfer Agent, which complies with the requirements of Schedule Three;	
	GIC means the Gas Industry Company Limited;	
	GJ or Gigajoule means a gigajoule of Gas, on a "gross calorific value" basis;	
	GST and GST Amount mean, respectively, Goods and Services Tax payable pursuant to the Goods and Services Tax Act 1985 and the amount of that tax;	
	High Line Pack Notice means a notice issued by First Gas to all Shippers and Interconnected Parties pursuant to section 8.6 on OATIS indicating that Line Pack is increasing towards the upper Acceptable Line Pack Limit and that, if the trend continues, First Gas may need to take action to manage Line Pack in accordance with section 8;	

	<u>High Pressure Notice means a notice issued by First Gas to all Shippers and Interconnected Parties pursuant to section 8.6 on OATIS indicating that Pressure in part or all of the network is increasing towards the upper Acceptable Pressure Limit and that, if the trend continues, First Gas may need to take action to manage Pressure in accordance with section 8;</u>	
	Hour means a period of 60 consecutive minutes beginning on the hour and Hourly shall be construed accordingly;	
	Hourly Overrun Charge means the charge for exceeding MHQ, that is calculated:	
(a)	in accordance with section 11.5; or	
(b)	under a Supplementary Agreement or Interruptible Agreement, as set out in the relevant agreement;	
	Hourly Quantity or HQ means the quantity of Gas taken by a Shipper in a Delivery Zone or at a Delivery Point in an Hour, determined in accordance with section 6;	
	Inaccurate means not Accurate;	
	Individual Delivery Point means a Dedicated Delivery Point that is not part of a Delivery Zone, including any Delivery Point at which an OBA applies or a Congested Delivery Point;	
	Interconnected Party means a party whose gas producing or gas processing facility, pipeline, Distribution Network or gas consuming facility is physically connected to the Transmission System, irrespective of whether there is an ICA at that point;	

	<p>Interconnection Agreement or ICA means an agreement between First Gas and an Interconnected Party, entered into on or after the commencement of this Code and complying with the requirements of sections 7.12 and 7.13, which sets out the terms and conditions applicable to that party's connection to the Transmission System at a Receipt Point, Delivery Point or Bi-directional Point;</p>	
	<p>Interested Party has the meaning set out in section 17.1;</p>	
	<p>Interruptible Agreement means an agreement contemplated by section 7.8 between First Gas and a Shipper for the transmission of Gas to a Delivery Point for supply to a specific End-user or site, where transmission capacity may be curtailed at First Gas' sole discretion for any reason at any time;</p>	
	<p>Interruptible Capacity means the amount of transmission capacity First Gas makes available to a Shipper under an Interruptible Agreement;</p>	
	<p>Interruptible Load means the Gas offtake of an End-user that First Gas may curtail under an Interruptible Agreement;</p>	
	<p>Intra-Day Cycle means a nominations cycle that occurs on the Day that the NQ relates to (provided that the first such cycle may occur immediately prior to that Day);</p>	
	<p>Intra-Day NQ has the meaning set out in section 4.10;</p>	
	<p>Intra-Day Nomination Deadline means the time published by First Gas on OATIS, by which a Shipper must notify First Gas on a Day of an Intra-Day NQ;</p>	

	Invoice Dispute has the meaning set out in section 11.27;	
	Liabe Party has the meaning set out in section 16.1;	
	Liabe Third Parties has the meaning set out in section 16.6;	
	Line Pack means the quantity of Gas contained in the Transmission System (or a defined part of it) at any time;	
	Loaned Gas has the meaning set out in section 8.17(b);	
	Low Line Pack Notice means a notice issued by First Gas to all Shippers and Interconnected Parties pursuant to section 8.6 on OATIS indicating that Line Pack is decreasing towards the lower Acceptable Line Pack Limit and that, if the trend continues, First Gas may need to take action to manage Line Pack in accordance with section 8;	
	<u>Low Pressure Notice means a notice issued by First Gas to all Shippers and Interconnected Parties pursuant to section 8.6 on OATIS indicating that Line Pressure in some or all parts of the network is decreasing towards the lower Acceptable Pressure Limit and that, if the trend continues, First Gas may need to take action to manage Pressure in accordance with section 8;</u>	
	Loss means any loss, damage, expense, cost, liability or claim;	

	<p>Maintenance means, in relation to any part of the Transmission System (including any Receipt Point, Delivery Point, Bi-directional Point, compressor or other station, Metering, pipeline or pipeline equipment including any aerial, bridge or other crossing, culvert, drainage, support or ground retention works) any testing, adding to, altering, repairing, servicing, replacing, upgrading, inspecting, cleaning, pigging, decommissioning, removing or abandoning, as well as any preparatory or return-to-service work relating to any such activity;</p>	
	<p>Maximum Daily Quantity or MDQ means, in respect of a Day, the maximum quantity of Gas that First Gas is required to receive from a Shipper within a Receipt Zone or at an individual Receipt Point (as applicable) and simultaneously make available for that Shipper to take in a Delivery Zone or at an Individual Delivery Point, which shall be (as applicable):</p>	
(a)	<p>under a TSA, the amount of DNC determined in accordance with section 4; or</p>	
(b)	<p>under a Supplementary Agreement or Interruptible Agreement, the amount set out in or determined in accordance with that agreement; or</p>	
(c)	<p>where there is an Agreed Hourly Profile, the sum of the Hourly quantities for that Day;</p>	
	<p>Maximum Design Flow Rate means the maximum flow rate of Gas that a Receipt Point, Delivery Point, Bi-directional Point, or Metering associated with any such point, is designed to have flow through it and, in the case of Metering, Accurately measure;</p>	

	<p>Maximum Hourly Quantity or MHQ means, in respect of an Hour, the maximum quantity of Gas that First Gas is required to receive from a Shipper within a Receipt Zone or at an individual Receipt Point (as applicable) and simultaneously make available for that Shipper to take in a Delivery Zone or at an Individual Delivery Point, which shall be (as applicable):</p>	
(a)	<p>under a TSA:</p>	
(i)	<p>for each Dedicated Delivery Point for which First Gas publishes a Specific HQ/DQ value for the purposes of section 11.5, that Specific HQ/DQ multiplied by the Daily Quantity; and</p>	
(ii)	<p>for all other Delivery Points, 1/16th of the relevant MDQ; or</p>	
(b)	<p>under a Supplementary Agreement or Interruptible Agreement, the amount set out in or determined in accordance with that agreement; or</p>	
(c)	<p>where there is an Agreed Hourly Profile, the amount defined therein;</p>	
	<p>Metering means the equipment, complying with the Metering Requirements, installed at or near a Receipt Point, Delivery Point or Bi-directional Point which measures the quantities of Gas injected into or taken from the Transmission System at such point;</p>	
	<p>Metering Owner means the party who owns the Metering;</p>	
	<p>Metering Requirements means the document of that name published on OATIS;</p>	

	Minimum Design Flow Rate means the minimum flow rate of Gas that the relevant Receipt Point, Delivery Point, Bi-directional Point or Metering is designed to have flow through it and, in the case of the Metering, Accurately measure;	
	Mismatch means, for each Day and:	
(a)	a Shipper, the aggregate of that Shipper's Receipt Quantities minus the aggregate of its Delivery Quantities, where:	
(i)	aggregate receipts greater than aggregate deliveries is positive Mismatch; and	
(ii)	aggregate receipts less than aggregate deliveries is negative Mismatch;	
(b)	an OBA Party, the aggregate of that OBA Party's Scheduled Quantities minus the aggregate of its metered quantities, where:	
(i)	over-injection or under-take relative to the Scheduled Quantity are each a positive Mismatch; and	
(ii)	under-injection or over-take relative to the Scheduled Quantity are each a negative Mismatch; and	
(c)	First Gas, the aggregate of Gas purchased by First Gas for operational purposes minus the aggregate of Gas used by First Gas for operational purposes (where Gas for operational purposes includes Gas purchased or sold to correct for UFG but excludes Balancing Gas sales and purchases), where:	
(i)	aggregate purchases greater than aggregate usage is positive Mismatch; and	

(ii)	aggregate purchases less than aggregate usage is negative Mismatch;	
	Month means the period from the first Day to the last Day of a calendar month (inclusive), and Monthly shall be read accordingly;	
	Nominated Quantity or NQ means, in respect of a Day and:	
(a)	a Receipt Point, the Shipper's notification to First Gas of the quantity of its Gas it wishes the relevant Interconnected Party to inject into the Transmission System or, where the Shipper is the Interconnected Party the quantity of Gas that it intends to inject; and	
(b)	a Delivery Zone or Individual Delivery Point, the amount of DNC a Shipper requests First Gas to make available to it;	
	Non-Specification Gas means gas that does not comply with the Gas Specification;	
	Non-standard Transmission Charges means the transmission charges payable under any Existing Supplementary Agreement, Supplementary Agreement or Interruptible Agreement;	
	OATIS means First Gas' internet-based open access transmission information system, whose homepage is located at http://www.oatis.co.nz (or any other homepage First Gas may notify to Shippers and Interconnected Parties on OATIS), or any replacement system;	

	Operational Balancing Arrangement or OBA means an option available to the Interconnected Party under the Interconnection Agreement at a Receipt Point or at a Delivery Point which is not part of a Delivery Zone, whereby:	
(a)	Mismatch is determined at that Receipt Point or Delivery Point and is the responsibility of the OBA Party; and	
(b)	to the extent that it has Running Mismatch, the OBA Party is responsible for managing that Running Mismatch towards zero; and	
(c)	the Receipt Quantity or Delivery Quantity of any Shipper is equal to its Approved NQ;	
	OBA Party means the Interconnected Party at a Receipt Point or Delivery Point where an OBA applies;	
	Operational Capacity means, in relation to a Delivery Point, the total transmission capacity that First Gas determines it can provide without either exceeding the capacity of that Delivery Point or breaching any Security Standard Criteria, <u>or exceeding any pressure limitation including Target Taranaki Pressure</u> ;	
	Operational Flow Order or OFO means a notice issued by First Gas pursuant to section 9.5 or section 9.6;	
	Other Party has the meaning set out in section 16.1;	
	Over-Flow Charge means the charge calculated in accordance with section 11.7;	

	Parked Gas has the meaning set out in section 8.17(a);	
	Party means each of First Gas and the other party to a TSA and Parties means both of them;	
	Physical MHQ means the Hourly Quantity in GJ corresponding to the Maximum Design Flow Rate of a Delivery Point, as determined by First Gas and published on OATIS;	
	Primary Balancing Obligation has the meaning set out in sections 8.2 to 8.4;	
	Priority Right or PR has the meaning set out in section 3.14;	
	Priority Rights Charge means the charge payable by a Shipper for its PRs, calculated in accordance with sections 11.2 and 11.3;	
	Proposed Scheduled Quantity has the meaning set out in section 4.13;	
	Provisional NQ has the meaning set out in section 4.8;	
	Provisional Nominations Deadline means the time on the last Business Day of a Week published by First Gas on OATIS, by which a Shipper must notify First Gas of its Provisional NQs;	
	PR Allocation Day means the day on which PRs allocated following any PR Auction become effective, being the first Day of the Month following the Month in which a PR Auction is held;	
	PR Auction has the meaning set out in section 3.17;	

	PR Term means the term/duration of a PR, as determined by First Gas and notified pursuant to section 3.18;	
	Reasonable and Prudent Operator or RPO means, in relation to the performance of obligations under this Code, the application by the relevant party of that degree of diligence, prudence and foresight reasonably and ordinarily exercised by experienced operators engaged in the same line of business under the same or similar circumstances and conditions having due consideration to the interests of the other users of the Transmission System;	
	Receipt Point means a facility at which one or more Shippers inject (or may inject) <u>or have an interconnected party inject</u> Gas into the Transmission System;	
	Receipt Quantity means, in respect of a Day and a Shipper, the quantity of Gas received by First Gas at a Receipt Point, as determined in accordance with section 6;	
	Receipt Zone means a zone comprising one or more Receipt Points, defined by First Gas in accordance with section 3.2 and published on OATIS;	
	Reserve Price means the price (in \$/Priority Right) set by First Gas to recover its reasonable direct costs incurred in administering a PR Auction, below which any bid for PRs at that PR Auction will be invalid and excluded;	
	Retailer has the meaning set out in the CCM Regulations;	
	Running Mismatch means, for a Day and:	

(a)	a Shipper:	
(i)	the sum of the Shipper's Mismatch on that Day and all previous Days (as calculated at the end of each Day); plus	
(ii)	any quantity of Gas purchased by the Shipper on <u>that Day or</u> any previous Day, including pursuant to section 8.8(b); minus	
(iii)	any quantity of Gas sold by the Shipper on <u>that Day or</u> any previous Day, including pursuant to section 8.9(b); plus and/or minus	
(iv)	any applicable Wash-ups;	
(b)	an OBA Party:	
(i)	the sum of that OBA Party's Mismatch on that Day and all previous Days (as calculated at the end of each Day); plus	
(ii)	any quantity of Gas purchased by that OBA Party on <u>that Day or</u> any previous Day, including pursuant to section 8.8(b); minus	
(iii)	any quantity of Gas sold by that OBA Party on <u>that Day or</u> any previous Day, including pursuant to section 8.9(b); plus and/or minus	
(iv)	any applicable Wash-ups; and	
(c)	First Gas:	
(i)	the sum of First Gas' Mismatch on that Day and all previous Days (as calculated at the end of each Day); plus	

(ii)	any quantity of Gas purchased by First Gas on that Day or any previous Day, including pursuant to sections 8.8(b); minus	
(iii)	any quantity of Gas sold by First Gas on any <u>Day or</u> previous Day, including pursuant to sections 8.9(b); plus and/or minus	
(iv)	any applicable Wash-ups,	
	where Running Mismatch may be either positive or negative;	
	Running Mismatch Tolerance means, for each Day and:	
(a)	each Shipper, an amount equal to:	
	$\Sigma DQS,F \div (\Sigma DQSHIPPERS + FGUSE) \times TSHIPPERS$	
	where:	
	$\Sigma DQS,F$ is:	
(i)	for a Shipper, the aggregate of that Shipper's Delivery Quantities (including under all of that Shipper's Supplementary Agreements, Existing Supplementary Agreements and Interruptible Agreements, if any) excluding all of that Shipper's Delivery Quantities at Delivery Points where an OBA applies; and	
(ii)	for First Gas, FGUSE;	
	FGUSE is First Gas' aggregate operational gas usage, including Gas purchased to correct for UFG but excluding Balancing Gas; and	

	<p>ΣDQSHIPPERS is the aggregate of all Shippers' Delivery Quantities (including under all Shippers' Supplementary Agreements, Existing Supplementary Agreements and Interruptible Agreements) excluding all Shippers' Delivery Quantities at Delivery Points where an OBA applies;</p>	
	<p>TSHIPPERS is the quantity of Line Pack periodically determined by First Gas and published on OATIS; and <u>that is no greater than 25% of the difference between the upper and lower Acceptable Line Pack limits,</u></p>	<p><u>The volume allocated to tolerance must be limited to ensure that the 48 barg limit of the TTP is not capable of being exceeded other than in circumstances when the 5x multiplier I_p under clause 8.13 also applies. And this must be clear in the GTAC drafting.</u></p>
(b)	each OBA Party, an amount equal to:	
	$\Sigma MQOBAP \div \Sigma MQOBAPS \times TOBAPS$	
	where:	
	<p>ΣMQOBAP is the aggregate of the metered quantities at all of an OBA Party's Receipt and/or Delivery Points;</p>	
	<p>ΣMQOBAPS is the aggregate of the metered quantities of all Receipt and Delivery Points where an OBA applies; and</p>	
	<p>TOBAPS is the quantity of Line Pack periodically determined by First Gas and published on OATIS <u>that is no greater than 25% of the difference between the upper and lower Acceptable Line Pack limits;</u></p>	<p><u>The volume allocated to tolerance must be limited to ensure that the 48 barg limit of the TTP is not capable of being exceeded other than in circumstances when the 5x multiplier I_p under clause 8.13 also applies. And this must be clear in the GTAC drafting. In addition, a proportion of this quantity has to be allocated to $T_{SHIPPERS}$</u></p>

	where each of Σ DQS, Σ DQSHIPPERS, FGUSE, MQOBAP, and Σ MQOBAPS is for the prior Day;	
	SCADA means First Gas' " System Supervisory Control and Data Acquisition " system;	Correction
	Scheduled PR Auction has the meaning set out in section 3.17;	
	Scheduled Quantity has the meaning set out in section 4.13;	
	Security Standard Criteria means the physical parameters set out in First Gas' Security Standard (as published on OATIS) to indicate that Operational Capacity may be about to be, or has been, exceeded, including minimum permissible pressures at various points on the Transmission System (PMIN) and the projected minimum time to reach any such a pressure (TMIN);	
	Shipper means a person named as a shipper in a TSA with First Gas;	
	Specific HQ/DQ means the ratio of Hourly to Daily Quantity for a specific Dedicated Delivery Point, used to determine a Shipper's liability for Hourly Overrun Charges, as determined by First Gas and published on OATIS;	
	Supplementary Agreement means an agreement, complying with section 7.4, entered into by First Gas and a Shipper on or after the Commencement Date, for the transmission of Gas to a Delivery Point for supply to a specific End-user or site;	

	<p>Supplementary Capacity means the transmission capacity First Gas makes available under a Supplementary Agreement or Existing Supplementary Agreement;</p>	
	<p>Tax has the meaning set out in section 11.24;</p>	
	<p>TOU Meter means a gas measurement system, meeting or exceeding the requirements of NZS 5259:2008, that measures all gas taken by an End-user and which incorporates an electronic pressure-and-temperature correcting instrument with electronic data storage that records (amongst other things) the actual and pressure-and-temperature corrected volumes of gas that pass through the meter Hourly together with the pressure and temperature of gas measured Hourly at the meter;</p>	
	<p>Transmission Pricing Agreement or TPA means an agreement between First Gas and an End-user which sets out (amongst other things) the transmission capacity available to any Shipper supplying Gas to that End-user, and the transmission fees applicable to that capacity, for a defined term, and requires the End-user to use Gas for that term and procure that its Gas supplier (a Shipper) at any time during that term is party to a Supplementary Agreement which reflects the terms and conditions of the TPA;</p>	
	<p>Transmission Charges means each of the Daily Nominated Capacity Charge, Daily Overrun Charge, Daily Underrun Charge, Hourly Overrun Charge and Over-Flow Charge;</p>	

	Transmission Services Agreement or TSA means an agreement between First Gas and a Shipper:	
(a)	in the form set out in Schedule One that has a Commencement Date on or after the date of this Code; or	
(b)	which is deemed to apply by virtue of an Existing Supplementary Agreement;	
	Transmission System means the pipeline system for the transmission of Gas owned and operated by First Gas, including those parts which normally operate at pressures less than 20 bar g;	
	Unaccounted-For-Gas or UFG means, for a period of time and (unless otherwise specified) the Transmission System, the quantity of Gas equal to:	
	Σ Receipts - Σ Deliveries + Line Packstart - Line Packend - Fuel - Gas Vented	Correction required, to include consideration of OBA mismatch
	where, in respect of that period:	
	Σ Receipts means the aggregate of all relevant Receipt Quantities;	
	Σ Deliveries means the aggregate of all relevant Delivery Quantities;	
	Line Packstart means the Line Pack at the start;	
	Line Packend means the Line Pack at the end;	
	Fuel means the aggregate quantity of Gas used by First Gas' equipment; and	

	Gas Vented means the aggregate quantity of Gas estimated to have been vented (if any), deliberately or otherwise;	
	Unvalidated means, in relation to energy quantity data, data that is not validated;	
	Urgent Code Change has the meaning set out in section 17.19;	
	Validated means, in relation to energy quantity data, data that First Gas has used reasonable endeavours to verify is accurate, taking into account the time available and the information reasonably available to it at that time;	
	Wash-up means, as the context requires:	
(a)	any adjustments to previously determined Delivery Quantities, determined by the Allocation Agent and applied to Running Mismatches in the manner agreed by First Gas and Shippers or, failing agreement, in the manner determined by First Gas, and includes adjustments arising from "interim allocations" and "final allocations" (as those terms are defined in the DRR);	
(b)	any adjustments required to correct previously determined Receipt or Delivery Quantities arising from Metering errors or the miscalculation of energy quantities, as determined by First Gas and applied to Running Mismatches in the manner agreed by First Gas, Interconnected Parties at the affected Receipt Point , and Shippers or, failing agreement, in the manner determined by First Gas; and	
(c)	any monetary adjustments (credits or debits) corresponding to the Receipt and Delivery Quantity adjustments referred to in (a) and (b) above;	

	Week means a period of 7 Days beginning on Monday; and	
	Year means a period of 365 (or 366 in a leap Year) consecutive Days commencing on the 1st Day of October in each Year and ending at 2400 hours NZST on the 30th Day of September in the following Year provided that the first Year shall be the broken period from the Commencement Date (if not 1 October) to 2400 hours NZST on 30th September immediately following the Commencement Date.	
	Construction	
1.2	In this Code and each TSA, unless the context otherwise requires:	
(a)	“inject” includes to cause or allow Gas to flow into the Transmission System at a Receipt Point;	
(b)	“curtail” includes to reduce either partly or to zero and to shut or close down;	
(c)	“take” includes to cause or allow Gas to flow from the Transmission System at a Delivery Point, including for transfer to another Shipper;	
(d)	a reference to any enactment, regulation, New Zealand Standard or any section of the Code, is a reference to that enactment, regulation, New Zealand Standard or section as amended or substituted;	
(e)	a reference to a document includes all valid amendments, variations or supplements to, or replacements of that document;	

(f)	sections 1 (excluding the definition of Non-Specification Gas), 2 to 11, 13 to 20 apply to Non Specification Gas as if it were Gas;	
(g)	headings appear as a matter of convenience and do not affect the interpretation of this Code;	
(h)	a reference to a section is to a section of this Code, a reference to a schedule is to a schedule to this Code, and a reference in any schedule to a paragraph is a reference to a paragraph in that schedule;	
(i)	the singular includes the plural and vice versa;	
(j)	any derivation of a defined term or of "inject", "curtail" or "take" shall have a corresponding meaning;	
(k)	any reference to any person doing any specific thing includes that party doing (or having the right or ability to do that thing) from time to time, unless specified otherwise;	
(l)	in interpreting any provision of this Code, each TSA shall be deemed to be between First Gas and the Shipper named in that TSA;	
(m)	nothing in this Code shall apply to or amend an Existing Supplementary Agreement unless, and only to the extent that that Existing Supplementary Agreement provides for that application or amendment;	
(n)	for the purposes of interpreting a TSA, unless the context requires otherwise, any reference to a Shipper shall be the shipper stated in that TSA;	

(o)	references to a Party or a Shipper includes its respective successors and permitted assignees;	
(p)	references to persons shall be deemed to include references to individuals, companies, corporations, firms, partnerships, joint ventures, associations, organisations, trusts, states or agencies of state, government departments and local and municipal authorities in each case whether or not having separate legal personality;	
(q)	any reference to a prohibition against doing something includes a reference to not permitting, suffering or causing that thing to be done;	
(r)	the rule of construction known as the contra proferentem rule does not apply to this Code;	This is not justifiable given the circumstances of the GTAC development.
(s)	any reference to "includes", "including" or similar shall imply no limitation;	
(t)	any reference to a "quantity of Gas" is a reference to the energy equivalent of Gas (expressed in GJ) unless otherwise stated;	
(u)	any reference to "metered quantity" is a reference to the quantity of Gas determined using data obtained from Metering;	
(v)	any reference to a "customer" is a reference to an End-user supplied by a Shipper;	
(w)	any reference to a range of sections is inclusive of the first and last sections referenced;	

(x)	all references to any time of the day shall, unless expressly referring to New Zealand standard time (NZST), be references to New Zealand statutory time (that is, including adjustments for New Zealand daylight savings time);	
(y)	any reference to "law" includes all statutes, regulations, codes of practice and local authority rules;	
(z)	any reference to this Code (or any part of it) which forms part of a TSA by virtue of clause 4.2 of that TSA shall be deemed to be a reference to that TSA (or a corresponding clause of it);	
(aa)	all references to monetary values shall refer to New Zealand currency; and	
(bb)	this Code shall be interpreted (and First Gas shall exercise its discretion under it) in a manner consistent with the objectives set out section 43ZN of the Gas Act 1992 (Act) and the objectives set out in Government Policy Statements on gas prepared under section 43ZO of the Act	

2	TRANSMISSION SERVICES	
	Gas Transmission Capacity	
2.1	This Code sets out the terms and conditions on which First Gas makes Gas transmission capacity on the transmission System available to Shippers.	
2.2	First Gas shall provide Gas transmission capacity only to Shippers, as:	
(a)	DNC; and/or	
(b)	Supplementary Capacity; and/or	
(c)	Interruptible Capacity.	
2.3	First Gas will provide Gas transmission capacity up to the prevailing Operational Capacity and, subject to the terms of this Code, will operate the Transmission System in the manner as it may determine in order to do so.	
2.4	Subject to the terms of this Code, First Gas shall at all times be able to receive Gas from a Shipper and, simultaneously, be able to make available equivalent Gas for that Shipper to take, up to limits of that Shipper's MDQ and MHQ. First Gas will be deemed to have delivered Gas to a Shipper when that Shipper takes Gas at a Delivery Point.	
2.5	First Gas shall have the right to co-mingle a Shipper's Gas with other Gas in the Transmission System and shall not be obliged to deliver the same Gas it receives from a Shipper at a Receipt Point to that Shipper at any Delivery Point.	

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2.6	First Gas will have control and possession of, and risk in, all Gas present in the Transmission System at any time.	
	No Preference or Priority	

2.8	<p>If First Gas (or a related party of First Gas) operates a business as a gas producer, gas retailer or gas wholesaler (as those terms are defined in the Gas Act 1992) or is an Interconnected Party (Related Business), First Gas will deal with the Related Business on arm’s length terms on the same basis as it would deal with any other Shipper or Interconnected Party in similar circumstances.</p>	
	<p>Uneconomic Transmission Services</p>	
2.9	<p>First Gas shall be under no obligation to provide transmission services, or additional transmission services where to do so would require the construction of material new assets which, in First Gas’ reasonable opinion, would be uneconomic for First Gas, or not in the best interests of users of the Transmission System generally, taking into account the likely cost, incremental revenue and the business and technical risks associated with that construction.</p>	
2.10	<p>Subject to section 2.11, First Gas may, on the expiry of 12 Months’ prior written notice to all Shippers, discontinue providing transmission services to any Delivery Point from which First Gas’ transmission revenue over the preceding 12 Months is less than its reasonable estimate of the average annual operating and maintenance costs of that Delivery Point. For the purposes of this section 2.10, such transmission revenue will be the aggregate of DNC Charges for the Delivery Zone which includes the Delivery Point multiplied by the annual throughput of that Delivery Point and divided by the aggregate throughput of the Delivery Zone.</p>	

2.11	<p>In the circumstances described in section 2.10 or where no Gas is taken at a Delivery Point for a continuous period of 12 months, First Gas will consult the Interconnected Party to determine whether it considers there is any reasonable likelihood of demand for transmission services being sufficient to generate transmission revenue at least equal to First Gas’ reasonable estimate of the average annual operating and maintenance costs of that Delivery Point (Ongoing DP Cost). If the Interconnected Party is unaware of any such future demand, and either does not require the Delivery Point to be kept open or is unwilling to pay the fee determined by First Gas to cover the Ongoing DP Cost, First Gas may notify Shippers of its intention to disestablish that Delivery Point with effect from the date that is 20 Business Days from the date of such notification.</p>	
	<p>Reasonable and Prudent Operator Obligations</p>	
2.12	<p>First Gas shall act as a Reasonable and Prudent Operator when exercising any of its rights, powers, obligations and duties (including where First Gas has the right to “determine” any parameter or matter) under this Code.</p>	
2.13	<p>Each Shipper shall act as a Reasonable and Prudent Operator when exercising any of its rights, powers, obligations and duties under this Code.</p>	

3	TRANSMISSION PRODUCTS AND ZONES	
	Daily Nominated Capacity	
3.1	DNC is First Gas’ standard Gas transmission capacity product. DNC:	
(a)	is obtainable only by Shippers, via the nomination processes set out in section 4;	
(b)	cannot be transferred or traded;	
(c)	may be curtailed by First Gas in the circumstances described in sections 9 and 10; and	
(d)	cannot be used in conjunction with Supplementary or Interruptible Capacity.	
	Receipt Zone	
3.2	First Gas will publish on OATIS the Receipt Zones in effect at any time. Subject to giving not less than 20 Business Days’ notice, First Gas may add or exclude any Receipt Point from a Receipt Zone, or define additional receipt zones, including where:	
(a)	Gas injected at a Receipt Point must be odourised and cannot be allowed to flow into an unodourised pipeline;	
(b)	First Gas elects to commence operating different parts of a Receipt Zone at different pressures, and/or Gas will no longer be able to flow freely between different Receipt Points in that Receipt Zone; or	<u>Needs to be agreed in applicable ICAs as this affects Interconnected Parties more than Shippers.</u>

(c)	First Gas considers that the location of any Receipt Point within the Receipt Zone is having or may have a detrimental effect on the Operational Capacity.	
	Delivery Zones	
3.3	By 1 August of each year, First Gas will notify all Shippers of the Delivery Zones to apply at the start of the next Year. In determining Delivery Zones First Gas will have regard to:	
(a)	the Available Operational Capacity it expects to be available at the constituent Delivery Points (both individually and as a group);	
(b)	the geographical location and other similarities of the constituent Delivery Points;	
(c)	current and any expected material changes in offtake; and	
(d)	the merits of the constituent Delivery Points having the same transmission fees.	
	Congestion and Priority Rights	
3.4	Prior to any Year First Gas will, using the best information available to it at the time (including capacity information from its most recent Asset Management Plan), use reasonable endeavours to identify any Delivery Point likely to experience Congestion during that Year and in what periods of that Year. Then, to avoid or manage any such Congestion, First Gas will determine whether:	
(a)	new investment in the Transmission System is both technically and economically feasible; or	

(b)	Interruptible Load in accordance with this section 3 is available; or	
(c)	Priority Rights (PRs) will need to be utilised (including where the new investment referred to in this section 3.4(a) cannot reasonably be implemented in time).	
	Interruptible Load	
3.5	First Gas will notify Shippers if it believes that, for a specified part of the Transmission System, Interruptible Load would provide a useful Congestion Management tool and, if so, the aggregate amount required.	
3.6	On receipt of a notice under section 3.5, each Shipper using the specified part of the Transmission System will use reasonable endeavours to ascertain whether any of the End-users it supplies (who must comply with section 3.8) would be willing to provide any part of the required Interruptible Load.	
3.7	Each Shipper will notify First Gas if any of the End-users it supplies is willing to provide Interruptible Load, and provide any other information in relation to those customer as First Gas may reasonably require. Where First Gas agrees that an End-user is able to provide suitable Interruptible Load it will use reasonable endeavours to negotiate an Interruptible Agreement with the Shipper in respect of that End-user.	
3.8	First Gas will publish on OATIS reasonable eligibility criteria which an End-user willing to provide Interruptible Load must meet. The criteria may vary depending on where First Gas requires Interruptible Load and may include that an End-user:	

(a)	is located where its offtake, if curtailed, would be useful in relieving Congestion;	
(b)	has normal daily offtake greater than 500 GJ;	
(c)	has normal hourly offtake greater than 50 GJ;	
(d)	has a TOU Meter, which First Gas can interrogate via telemetry or SCADA;	
(e)	is contactable by First Gas at any time;	
(f)	fully understands its contractual obligations and is both willing and able to comply with them at all times; and	
(g)	has never previously failed to unreasonably comply with a valid curtailment notice from First Gas.	
3.9	First Gas will notify all Shippers if it does not obtain sufficient Interruptible Load pursuant to section 3.7, together with the amount of Interruptible Load it still requires.	
3.10	Notwithstanding any other provision of this section 3, First Gas may publicly notify its requirement for Interruptible Load via its website or via OATIS, and:	
(a)	if an End-user responds by contacting a Shipper, that Shipper and First Gas shall cooperate to ascertain whether the End-user meets First Gas' then current eligibility criteria and, if so, is willing to become an interruptible End-user; and	
(b)	use reasonable endeavours to negotiate an Interruptible Agreement.	

3.11	<p>Where First Gas enters into an Interruptible Agreement for the purposes of Congestion Management, First Gas will notify all Shippers via OATIS and specify the Delivery Point(s) at which the availability of such Interruptible Load will increase the Available Operational Capacity (each such Delivery Point being a Beneficiary DP). If First Gas must pay the relevant Shipper for curtailing the Interruptible Load, it will recover all the amounts payable by it from Shippers using a Beneficiary DP as set out in section 11.11.</p>	
3.12	<p>Nothing in this section 3 shall oblige First Gas to enter into any Interruptible Agreement. First Gas may terminate any Interruptible Agreement by notice to the relevant Shipper with immediate effect if the relevant End-user fails to comply with a valid curtailment notice given by First Gas under that Interruptible Agreement.</p>	
	<p>Priority Rights</p>	
3.13	<p>First Gas will notify all Shippers (and the affected Interconnected Party) by 1 August prior to each Year of any Delivery Point identified pursuant to section 3.4. Where it determines PRs will need to be utilised, First Gas will offer PRs up to its estimate of the amount of Available Operational Capacity during the relevant periods of the Year.</p>	
3.14	<p>Each Priority Right (PR) gives the holder priority access to Approved NQ (namely DNC, where one (1) PR represents one (1) GJ of MDQ together with the associated MHQ) for the PR Term, provided that to use its PRs a Shipper must nominate one (1) GJ of NQ per PR in accordance with section 4. A Shipper may use its PRs in any nominations cycle.</p>	

3.15	Subject to section 3.16, PRs will apply only at the Congested Delivery Point for which they are allocated and cannot be used at, or transferred to any other Congested Delivery Point.	
3.16	Where Congestion affects more than one Delivery Point in a Delivery Zone, First Gas may define PRs as being applicable to the Congested Delivery Points as a group.	
	Obtaining Priority Rights	
3.17	First Gas will allocate PRs exclusively by auction (each a PR Auction) to Shippers only. First Gas will, in respect of each Congested Delivery Point notified pursuant to section 3.13, schedule a PR Auction for the first Business Day of the Month prior to the first Month in which it expects Congestion to occur (Scheduled PR Auction), provided that:	
(a)	this section 3.17 will apply only after the commencement of this Code; and	
(b)	First Gas may cancel any Scheduled PR Auction where it considers a Delivery Point (or more than one) will no longer be affected by Congestion.	
3.18	The terms and conditions applicable to a PR Auction will be those published on OATIS no later than 20 Business Days prior to that auction and, other than to correct a manifest error, such terms and conditions will be changed only after reasonable consultation with Shippers. First Gas will notify Shippers not later than 10 Business Days before a Scheduled PR Auction of:	
(a)	the Delivery Point(s) to which the PRs will apply;	

(b)	the number of PRs on offer, together with information concerning how First Gas determined that number;	
(c)	the PR Term; and	
(d)	the Reserve Price, which shall represent First Gas' reasonable assessment of the direct costs it will incur in holding PR Auctions.	
3.19	In any PR Auction, a Shipper may bid for up to five tranches of PRs provided that its bid price for each tranche (\$ per PR) must be different. Promptly following each PR Auction (and before the PR Allocation Day), First Gas will rank all valid bids in descending order of bid price, treating bids for different tranches of PRs as separate bids. First Gas will then allocate:	
(a)	to the highest price bidder the number of PRs equal to the lesser of the number it bid for and the number on offer; and	
(b)	remaining PRs to bidders in descending order of bid price until either all PRs on offer have been allocated or all bidders' requests have been satisfied,	
	provided that:	
(c)	no bid lower than the Reserve Price will be considered;	
(d)	equal price bids will be ranked equally; and	
(e)	if the number of PRs remaining to be allocated is less than the number bid for in the next lowest priced tranche or tranches, those PRs will be allocated to:	
(i)	that bidder; or	

(ii)	if there is more than one bidder with the same bid price, to all bidders pro-rata in proportion to the number of PRs for which the bidders bid the same price; and	
	First Gas will then promptly notify each Shipper of the PRs allocated to it (if any) and publish each Shipper’s holdings of PRs on OATIS.	
3.20	Subject to section 3.21, a Shipper may trade whole numbers only of PRs with any other Shipper at any time during the PR Term, using the trading platform specified by First Gas for that purpose (which may be part of OATIS). In relation to any trade, the parties must enter the following information on the trading platform:	
(a)	the name of the Congested Delivery Point;	
(b)	the identities of the buyer and seller;	
(c)	the number of PRs traded; and	
(d)	the Day on which the trade will become effective (which must be after the Day on which the trade is lodged).	
	After any trade becomes effective, First Gas will update the Shippers’ PR holdings on OATIS. No trade of PRs will affect the relevant PR Term.	

3.21	<p>Immediately following any agreement to trade PRs, the buyer must notify First Gas of the amount payable to (or by) the seller for the total PRs to be traded (the Trade Price, expressed as positive or negative \$/PR). The Trade Price is separate from, and unrelated to the Priority Rights Charge, which will continue to be payable by the Shipper who holds the PRs at any time. First Gas will publish the Trade Price on OATIS. First Gas will have no responsibility for, or role in relation to the Trade Price.</p>	
3.22	<p>Each Shipper must pay Priority Rights Charges for all PRs it obtains pursuant to section 3.19 and/or section 3.20 , whether it uses those Priority Rights or not.</p>	
	<p>Congestion that Arises or Abates During a Year</p>	
3.23	<p>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 3.18(a) to (d) not less than 15 Business Days prior, First Gas may hold a PR Auction for the affected Delivery Point(s). From the PR Allocation Day, the Congested Delivery Point(s) will be excluded from the relevant Delivery Zone.</p>	
3.24	<p>Where in its reasonable judgement a Delivery Point ceases to be affected by Congestion during a Year, First Gas will:</p>	

(a)	promptly notify all Shippers and, where relevant, include that Delivery Point in a Delivery Zone it shall notify to all Shippers on OATIS;	
(b)	allow any Shipper to cancel any number of the PRs it holds at the relevant Delivery Point(s) with effect on any Day later than the date of notification under this section 3.24(a) and the expiry of the relevant PR Term; and	
(c)	update Shippers' amended holdings of PRs on OATIS as required.	
Agreed Hourly Profiles		
3.25	Some End-users' Gas usage may change substantially from Hour to Hour. An Agreed Hourly Profile may provide an additional means for both Shippers and First Gas to manage such an End-user's use of transmission capacity.	
3.26	A Shipper may only request an Agreed Hourly Profile at a Dedicated Delivery Point and will give First Gas as much notice as practicable. First Gas will consider and not unreasonably delay or decline any request for an Agreed Hourly Profile. First Gas may decline to approve any requested Agreed Hourly Profile that it considers would adversely affect the Available Operational Capacity or Supplementary Capacity.	
3.27	First Gas may suspend or cancel any previously approved Agreed Hourly Profile where necessary, in its reasonable opinion, to avoid breaching an Acceptable Line Pack Limit or having to curtail DNC or Supplementary Capacity.	

3.28	An Agreed Hourly Profile shall not relieve a Shipper of its obligation to notify NQs in accordance with section 4. The Shipper's NQ in each nominations cycle must equal the sum of the Hourly quantities set out in the Agreed Hourly Profile for the relevant Day.	
3.29	A Shipper may cancel (but not suspend) an Agreed Hourly Profile by notification to First Gas at any time.	
3.30	An Agreed Hourly Profile shall not derogate from any party's Primary Balancing Obligation.	

4	NOMINATIONS	
	Receipt Nominations	
4.1	Where the Interconnected Party at a Receipt Point specifies that an OBA (or other arrangement that requires Shipper nominations) will apply:	
(a)	each Shipper using that Receipt Point shall notify its NQs in accordance with sections 4.8, 4.9 and 4.10; and	
(b)	its ICA will require that Interconnected Party to approve or curtail Shippers' NQs in accordance with section 4.12.	
4.2	First Gas will not be required to approve or curtail NQs at any Receipt Point. First Gas may curtail flow at a Receipt Point, in the circumstances referred to in section 9. In that event, the Interconnected Party and Shippers will redetermine the allocation of Gas at that Receipt Point and notify new NQs in accordance with section 4.1.	
	Delivery Zone Nominations	
4.3	A Shipper wishing to obtain DNC at one or more Delivery Points in a Delivery Zone shall notify a single, aggregate NQ for that Delivery Zone in accordance with sections 4.8, 4.9 and 4.10.	
	Individual Delivery Point Nominations	
4.4	Subject to section 4.5, each Shipper wishing to obtain DNC at an Individual Delivery Point shall notify a separate NQ for that Individual Delivery Point in accordance with sections 4.8, 4.9 and 4.10.	

4.5	Where the Interconnected Party at an Individual Delivery Point specifies that an OBA will apply (or other allocation arrangement that requires Shipper nominations), its ICA will require that Interconnected Party to approve or curtail Shippers' NQs in accordance with section 4.12.	
4.6	At a Congested Delivery Point, a Shipper's NQ may be less than, equal to or more than the number of PRs it holds (if any).	
	Nominations Cycles	
4.7	The nomination cycles referred to in sections 4.8, 4.9 and 4.10 shall apply in respect of:	
(a)	each Receipt Point at which an OBA (or other arrangement that requires Shipper nominations) applies; and	
(b)	all Delivery Zones and Individual Delivery Points.	
4.8	Each Shipper must notify First Gas of its NQs for each Day of the following Week via OATIS (each a Provisional NQ) before the Provisional Nominations Deadline.	
4.9	A Shipper may replace any Provisional NQ before the Changed Provisional Nominations Deadline by notifying First Gas of a changed NQ via OATIS (a Changed Provisional NQ). Any Provisional NQ that remains unchanged will automatically be deemed to be that Shipper's Changed Provisional NQ.	

4.10	Subject to sections 4.16 and 4.17, a Shipper may replace any Changed Provisional NQ before the relevant Intra-Day Nominations Deadline by notifying First Gas of a changed NQ via OATIS (an Intra-Day NQ).	
4.11	First Gas will make provision in OATIS for not less than 4 Intra-Day Cycles <u>on each Day</u> , at times published on OATIS. Before making any change to the number of Intra Day Cycles or to the timing of any Intra-Day Cycle, First Gas will consult all Shippers and Interconnected Parties and provide not less than 60 Business Days' notice of that change.	
	<u>OBA Party Confirmation of NQs</u>	
4.12	Pursuant to sections 4.1(b) and 4.5 and subject to the limitations set out in sections 4.16 and 4.17, the Interconnected Party:	
(a)	must either approve or curtail Shippers' NQs not later than 30 minutes after the Provisional, Changed Provisional or Intra-Day Nominations Deadline (as the case by be); and	
(b)	if it fails to do so, will be deemed to have approved each applicable NQ.	
	For the purposes of this section 4.12, First Gas will ensure the Interconnected Party has the required access to OATIS.	
4.13	Under an OBA <u>(or other arrangement requiring Shipper nominations)</u> :	

(a)	at a Receipt Point, the aggregate of Shippers' NQs the Interconnected Party approves pursuant to section 4.12 will be that OBA Party's Scheduled Quantity for that Day;	
(b)	at a Delivery Point:	
(i)	the aggregate of Shippers' NQs the Interconnected Party approves pursuant to section 4.12 will be its Proposed Scheduled Quantity for that Day; and	
(ii)	the aggregate of Shippers' NQs First Gas approves pursuant to section 4.14 (which may be less, but shall not be more than the Proposed Scheduled Quantity) will be that OBA Party's Scheduled Quantity for that Day.	
	First Gas Analysis and Response	
4.14	In respect of all Delivery Zones and Individual Delivery Points First Gas will, as soon as practicable and no later than 1 hour after:	
(a)	the Provisional Nominations Deadline;	
(b)	the Changed Provisional Nominations Deadline; and	
(c)	each Intra-Day Nomination Deadline,	
	analyse Shippers' NQs and, via OATIS, notify each Shipper of its Approved NQs.	
4.15	Pursuant to section 4.14, First Gas will have regard to:	
(a)	the Available Operational Capacity;	
(b)	where applicable, request for Interruptible Capacity;	

(c)	where applicable, a Shipper's holdings of Priority Rights; and	
(d)	the limitations set out in sections 4.16 and 4.17,	
	and where it is unable to approve a Shipper's NQ in full due to Congestion First Gas will curtail that NQ in accordance with section 10.	
4.16	Any decreased NQ requested by a Shipper <u>(and where required, confirmed by an Interconnected Party)</u> will be approved, provided that no Intra-Day NQ for that Day shall be less than the most recent Approved NQ divided by 24 and multiplied by the number of Hours since the start of that Day up to and including the Hour in which that Intra-Day NQ must be approved.	
4.17	On the Day any Agreed Hourly Profile expires, or the Shipper cancels it pursuant to section 3.29, any subsequent Intra-Day NQ for that Day shall not be less than the sum of the Hourly quantities specified in that Agreed Hourly Profile for all the Hours of that Day up to and including the Hour in which that Intra-Day NQ must be approved.	
4.18	Auto-approval of NQs pursuant to sections 4.1(b), 4.5 and 4.14 (up to an adjustable, pre-set limit in OATIS) may be used.	
	Extra Nominations Cycles	
4.19	If practicable, First Gas will provide one Intra-Day Cycles in addition to those referred to in section 4.11, for use where a Shipper <u>or Interconnected Party</u> experiences an unforeseeable material change in either:	

(a)	its receipts of Gas, due to an Interconnected Party’s unplanned loss of production; or	
(b)	its customers’ (or its own) demand for Gas,	
	(Extra ID Cycle).	
4.20	At least one affected Shipper or OBA Party (or Interconnected Party which requires Shipper nominations under its GTA arrangements) must request First Gas to provide an the Extra ID Cycle (and provide a reasonable explanation of the unforeseeable material change that has occurred) and First Gas will notify all Shippers and Interconnected OBA -Parties if the Extra ID Cycle is available not later than 1 hour prior to the Intra-Day Nomination Deadline of that cycle.	

5	ENERGY QUANTITY DETERMINATION	
	Metering Required	
5.1	Subject to section 5.2, there shall be Metering for every Receipt Point, Delivery Point and Bi-directional Point, which shall measure Gas directly and not by difference or in any other indirect manner.	
5.2	Where First Gas believes that installing Metering would be impractical or uneconomic, such as where the take of Gas is unusually low and intermittent, it may (at its discretion, and only in relation to a Delivery Point) vary the requirement set out in section 5.1. For the purposes of this section 5.2, First Gas may require each Shipper using that Delivery Point to provide it with that Shipper’s Delivery Quantities, as determined by:	
(a)	the Allocation Agent, where relevant; or	
(b)	in all other cases, the Shipper itself (for example by aggregating the consumption of its customers downstream of the Delivery Point),	
	and each Shipper shall provide those Delivery Quantities, as soon as practicable after their determination.	
	Unscheduled Testing of Metering	

5.3	<p>Subject to section 5.4, a Shipper who uses a Receipt Point, Delivery Point or Bi-directional Point (Requesting Party) may request First Gas to carry out an unscheduled test of Metering. First Gas shall comply with that request, provided that it shall not be required to do so where it has tested that Metering within 30 days of the request, nor shall it be required to undertake an unscheduled test of Metering more frequently than once every 9 months per Interconnected Point. Where it undertakes an unscheduled test of Metering, First Gas will allow the Requesting Party or its representative to be present and provide the Requesting Party with the test results. Where the Metering is found to be:</p>	
(a)	<p>Accurate, the Requesting Party will reimburse First Gas for all direct costs incurred by First Gas in undertaking the unscheduled testing; and</p>	
(b)	<p>Inaccurate, First Gas shall:</p>	
(i)	<p>bear all costs it incurred in undertaking the unscheduled testing (but not any costs incurred by the Requesting Party or any other party); and</p>	
(ii)	<p>at its own cost and as soon as practicable, service, repair, recalibrate or replace the Metering (or relevant part thereof) to make it Accurate, and the requirements set out in section 5.10 shall apply.</p>	
5.4	<p>Where First Gas is not the Metering Owner at any Receipt, Delivery or Bi-directional Point used by the Requesting Party:</p>	

(a)	the Requesting Party shall first exercise whatever contractual rights (including as a purchaser or transferee of Gas at the relevant point) to procure any unscheduled testing of the Metering; and	
(b)	only where the Requesting Party is unable to procure the unscheduled testing pursuant to part (a) of this section 5.4, shall it request First Gas to use whatever contractual rights First Gas may have in relation to the Metering Owner to procure the unscheduled testing provided that the Requesting Party reimburse First Gas for all costs it incurs in procuring that unscheduled testing.	
	Energy Quantity Reports	
5.5	Subject to the Metering Owner (where not First Gas) making available all the data that First Gas requires, First Gas will produce daily delivery reports (DDRs) and hourly delivery reports (HDRs) in accordance with sections 5.6 to 5.7 and make those reports available on OATIS in accordance with the timings set out in Schedule Two.	
5.6	First Gas will produce separate DD Rs and HDRs for each meter forming part of Metering and for the aggregate quantities of Gas injected or taken:	
(a)	for Metering monitored by telemetry or SCADA, not less frequently than each Business Day for all previous Days in the current Month; and	
(b)	for all other Metering, at the end of each Month for all Days of that Month.	

5.7	Each DDR and HDR shall be in the format agreed by First Gas, Interconnected Parties and Shippers. Unless all Shippers and Interconnected Parties agree in writing, the agreed format may be changed only using the provisions of section 17. For each Day or Hour (respectively), DDRs and HDRs may include the following information:	
(a)	the name and identification number (as determined by First Gas) of the Receipt, Delivery or Bi-directional Point;	
(b)	the date;	
(c)	the time of the Day (HDR only);	
(d)	uncorrected volume (cubic metres at flowing conditions)	
(e)	metering pressure (HDR only);	
(f)	metering temperature (HDR only);	
(g)	compressibility correction factor (HDR only);	
(h)	altitude correction factor (HDR only);	
(i)	corrected volume (standard cubic metres);	
(j)	gross calorific value (in Megajoules per standard cubic metre); and	
(k)	energy quantity (GJ).	
	Gas Composition Data	

5.8	To determine DDRs and HDRs for Delivery Points where there is no gas analyser, First Gas will use what it considers to be the best information available to it in relation to the composition and properties of Gas taken from its system at those points.	
5.9	To assist Shippers, in relation to Gas taken at each Delivery Point First Gas will, in accordance with the timing set out in Schedule Two, publish on OATIS the following data:	
(a)	daily average carbon dioxide and nitrogen content (in mole %);	
(b)	daily average gross calorific value (in megajoules per standard cubic metre); and	
(c)	relative density (or specific gravity).	
	Corrections for Inaccurate Metering	
5.10	Where Metering is found to be Inaccurate, First Gas will:	
(a)	correct previously calculated energy quantities in accordance with the Metering Requirements;	
(b)	publish corrected HDRs and DDRs on OATIS; and	
(c)	notify all Shippers and the relevant Interconnected Party.	

6	ENERGY ALLOCATIONS	
	Receipt Quantities under an Operational Balancing Arrangement	
6.1	Where an OBA applies at a Receipt Point, a Shipper's Receipt Quantity will be its Approved NQ.	
	Receipt Quantities under a Gas Transfer Agreement	
6.2	For all Receipt Points where an OBA does not apply, Shippers' Receipt Quantities will be calculated by the Gas Transfer Agent in accordance with the relevant GTA.	
6.3	Under any GTA the aggregate of Receipt Quantities allocated to Shippers at that Receipt Point on a Day must equal the metered quantity of Gas on that Day, provided that the GTA will set out the rules the Gas Transfer Agent will use to determine each Shipper's primary allocation.	
6.4	Each Shipper and First Gas shall ensure that every GTA includes a commitment by the Gas Transfer Agent to notify First Gas via OATIS of each Shipper's Receipt Quantities within the times published by First Gas on OATIS. First Gas must give Shippers at least 10 Business Days' notice of any change to those times.	

6.5	<p>First Gas will be the Gas Transfer Agent unless all Shippers agree in writing to appoint a replacement and First Gas considers that the replacement will properly fulfil the Gas Transfer Agent’s role. Any replacement Gas Transfer Agent appointed in accordance with this section 6.5 will retain that role unless all Shippers and First Gas appoint another replacement in accordance with this section 6.5. Any Shipper using a Receipt Point must agree to the Gas Transfer Agent at that Receipt Point.</p>	
	<p>Secondary Trading of Gas</p>	
6.6	<p>Subject to section 6.8, any Shipper, OBA Party or First Gas may buy or sell Gas in a Receipt Zone via a GTA, Gas Market or using any relevant functionality provided on OATIS, for any reason, including to manage their respective Running Mismatches.</p>	
6.7	<p>No Gas transfer or trade, 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.</p>	
6.8	<p>It is the responsibility of the buyer and seller in respect of any Gas trade to ensure that First Gas is notified of that trade (whether via a GTA, Gas Market or OATIS) before Running Mismatches for that Day are calculated. <u>First Gas shall provide means within OATIS for buyer and sellers to notify their Gas trades.</u></p>	
	<p>Delivery Quantities under an Operational Balancing Arrangement</p>	

6.9	Where an OBA applies at a Delivery Point, each Shipper's Delivery Quantity will be its Approved NQ.	
	Delivery Quantities under the Downstream Reconciliation Rules or an Allocation Agreement	
6.10	At a Delivery Point used by:	
(a)	only one Shipper, that Shipper's Delivery Quantity will be the metered quantity for that Day; and	
(b)	more than one Shipper and where the DRR apply, those Shippers' Delivery Quantities will be determined by the Allocation Agent under the DRR.	
6.11	At a Delivery Point where an Allocation Agreement applies, each Shipper must ensure that:	
(a)	the allocation methodology is acceptable to the Interconnected Party; and	
(b)	the Allocation Agreement stipulates that, within the times published by First Gas on OATIS, the Allocation Agent notifies First Gas via OATIS of each Shipper's Delivery Quantities and, in the case of a Dedicated Delivery Point, Hourly Quantities.	
	Supplementary and Interruptible Agreements	
6.12	If and when First Gas enters into a Supplementary Agreement or Interruptible Agreement in respect of an End-user located on a Distribution Network, it will advise the Allocation Agent of the existence of that agreement and its commencement date.	

6.13	Delivery Quantities under any Supplementary Agreement, Existing Supplementary Agreement or Interruptible Agreement shall be the quantities determined by, and notified to First Gas by the Allocation Agent under the DRR unless the relevant agreement specifies otherwise.	
	Finality of Allocation Results and Energy Quantities	
6.14	Except to the extent of any metering corrections, allocation corrections or manifest error, First Gas shall be entitled to rely on the Allocation Result and shall not be obliged to check or correct any Receipt Quantity or Delivery Quantity.	
	End-user Right to Allocation Agreement	
6.15	Each Shipper acknowledges and agrees that the End-user at any Dedicated Delivery Point has the right, subject to the terms of any existing Gas supply agreement it may have, to buy Gas from more than one Shipper and to determine when, and how much Gas it buys from each Shipper.	
6.16	If the End-user at a Dedicated Delivery Point wishes to commence buying Gas from a new Shipper while continuing to buy Gas from an existing Shipper, both Shippers shall become party to an Allocation Agreement consistent with section 6.15.	
	Title to Gas and Risk	
6.17	Each Shipper warrants that it shall have good title to all Gas that:	

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(a)	is injected on its behalf, or it injects at a Receipt Point;	
(b)	it takes at a Delivery Point; and/or	
(c)	it sells or transfers to another Shipper in accordance with this Code,	
	free of any lien, charge, encumbrance or adverse claim (as to title or otherwise) and, where it acts as an agent for another person in respect of any of the activities referred to in this section 6.17, that person warrants the same.	

7	ADDITIONAL AGREEMENTS	
	Supplementary Agreements	
7.1	Any Shipper may at any time request First Gas to enter into a Supplementary Agreement. First Gas will promptly evaluate that request against the following criteria:	
(a)	the amount of transmission capacity requested, including whether providing it would affect Available Operational Capacity to the extent of impeding or forestalling opportunities more beneficial to First Gas and other users of the Transmission System;	
(b)	whether the Shipper (or End-user) can demonstrate that it has a practical opportunity to bypass the Transmission System or use an alternative fuel that is cheaper than Gas;	
(c)	whether the Shipper (or End-user) can demonstrate that paying First Gas' standard transmission fees would be uneconomic; and	
(d)	whether the Shipper (or End-user) is the sole user of the relevant Delivery Point or other transmission assets and those assets would cease to be useful were the End-user to cease using Gas.	
7.2	When evaluating any request to enter into a Supplementary Agreement against the criteria referred to in section 7.1, First Gas will use the information available to it at that time.	
7.3	No Shipper has the right to require First Gas to enter into a Supplementary Agreement.	

7.4	A Supplementary Agreement may vary the terms and conditions of the Code in relation to some or all of the following (and only the following) matters:	
(a)	definitions of:	
(i)	the Receipt Point and/or Delivery Point;	
(ii)	the End-user;	
(iii)	Supplementary Capacity, including the MDQ and/or MHQ;	
(iv)	the transmission fees payable, including whether (and, if so, how and when) First Gas may redetermine them;	
(v)	the term of the agreement, including rights of renewal;	
(b)	whether the Supplementary Capacity is constant or varies over time and/or whether and under what conditions it can be changed;	
(c)	termination by either party in the event a Force Majeure Event renders the End-user unable to use Gas, or restore its use of Gas within a defined period of time;	
(d)	whether a termination fee is required in the event such agreement is terminated before the intended expiry date and how that fee should be determined;	
(e)	making that agreement conditional on:	
(i)	the relevant Interconnected Party entering into an ICA with First Gas (or amending an Existing Interconnection Agreement)	
(ii)	the End-user entering into a TPA;	

(iii)	First Gas obtaining any necessary statutory or regulatory approvals;	
(iv)	the Shipper complying with its obligations under the DRR, Allocation Agreement or OBA; and	
(v)	the Allocation Agent providing First Gas with Delivery Quantities and the Shipper agreeing to First Gas' use of those Delivery Quantities for the purposes of the agreement;	
(f)	whether or not to require the Shipper to make nominations in accordance with section 4 in order to access the Supplementary Capacity;	
(g)	setting the priority of Supplementary Capacity in relation to DNC with Priority Rights; and	
(h)	requiring any End-user not directly connected to the Transmission System to have a TOU Meter at all times and, if First Gas so requires, facilitating First Gas' retrieval of data from that TOU Meter remotely via telemetry or SCADA.	
7.5	A Supplementary Agreement will:	
(a)	survive expiry or termination of this Code and/or the Shipper's TSA and shall continue in full force and effect for its term (subject to any early termination provisions); and	
(b)	incorporate the provisions of any replacement transmission code or regulations, provided that the terms of the Supplementary Agreement will prevail in the event of any inconsistency.	

7.6	Supplementary Agreements are not Confidential Information and First Gas will publish each in full on OATIS.	
	Interruptible Agreements	
7.7	First Gas may, but shall not be obliged to enter into an Interruptible Agreement:	
(a)	to maximise use of the Transmission System in circumstances where it considers Available Operational Capacity is insufficient and/or the relevant End-user has an alternative fuel; or	
(b)	as a Congestion Management measure in accordance with section 10.	
7.8	No Shipper has the right to require First Gas to enter into an Interruptible Agreement.	
7.9	An Interruptible Agreement may vary the terms and conditions of the Code in relation to some or all of the following (and only the following) matters:	
(a)	definitions of:	
(i)	the Receipt Point and/or Delivery Point;	
(ii)	the End-user;	
(iii)	Interruptible Capacity, including the MDQ and MHQ;	
(iv)	the transmission fees payable, including whether (and, if so, how and when) First Gas may redetermine them; and	
(v)	the term of the agreement;	

(b)	the procedure for obtaining Interruptible Capacity (including by using nominations processes like those set out in section 4);	
(c)	making that agreement conditional on:	
(i)	the relevant Interconnected Party entering into an ICA with First Gas (or amending an Existing Interconnection Agreement);	
(ii)	the relevant End-user entering into a TPA;	
(iii)	the End-user, where not directly connected to the Transmission System, having a TOU Meter at all times and, if First Gas so requires, facilitating First Gas' monitoring of the End-user's offtake of Gas and retrieval of data from that TOU Meter remotely via telemetry or SCADA.	
(iv)	the Shipper complying with its obligations under the DRR, Allocation Agreement or OBA; and	
(v)	the Allocation Agent providing First Gas with Delivery Quantities and the Shipper agreeing to First Gas' use of those Delivery Quantities for the purposes of the agreement;	
(d)	enabling First Gas to curtail Interruptible Capacity at its sole discretion for any reason at any time, provided that where an Interruptible Agreement is a Congestion Management measure, it shall provide for First Gas to pay the Shipper the amounts set out in that agreement to the extent that First Gas curtails the Interruptible Capacity provided under it.	
7.10	An Interruptible Agreement will terminate automatically on expiry or termination of this Code and/or the Shipper's TSA.	

7.11	Interruptible Agreements are not Confidential Information and First Gas will publish each in full on OATIS.	
	Interconnection Agreements	
7.12	No new Receipt Point, Delivery Point or Bi-directional Point will be permitted without an Interconnection Agreement.	
7.13	Any ICA must (without limitation) stipulate:	
(a)	in relation to each Receipt Point, Delivery Point or Bi-directional Point it covers:	
(i)	the owner of such station and the land on which it is located, and of any other equipment and facilities located within the station;	
(ii)	definition of the physical point(s) at which the Interconnected Party's pipeline, Distribution Network, gas producing or gas consuming facility connects to the Transmission System;	
(iii)	the Maximum Design Flow Rate;	
(iv)	the Minimum Design Flow Rate; and	
(v)	the fees payable by the Interconnected Party, including whether (and, if so, how and when) First Gas may redetermine them;	
(b)	the requirement for Metering (including its location and ownership);	
(c)	that, for every Receipt Point, or Bi-directional Point when operating as a Receipt Point:	

(i)	the provisions of section 12.2 shall apply; and	
(ii)	injection of gas into the Transmission System that is not Gas shall constitute a failure by the Interconnected Party to act as an RPO;	<u>This clause could prevent Reasonable and Prudent Operators of Receipt Points from being able to sign up to a First Gas ICA.</u>
(d)	whether the pressure at which Gas is injected into or taken from the Transmission System is controlled (and if so, what the means of control are);	
(e)	for interconnections at or near <u>or upstream of the Bertrand Rd Offtake</u> , that First Gas will use reasonable endeavours <u>including buying or selling Balancing Gas</u> , to maintain the pressure in the Transmission System between 42 and 48 bar gauge (Target Taranaki Pressure), subject to a Critical Contingency, Force Majeure Event, Emergency, Maintenance or the aggregate Excess Running Mismatch of Shippers and/or OBA Parties, and that First Gas may only change the Target Taranaki Pressure using the process set out in section 17 of this Code and following not less than 12 Months' notice of any such change to Shippers and Interconnected Parties;	<u>The Maui receipt point also needs protection from backpressures higher than 48 barg at Bertrand Road.</u> <u>Both T_{shippers} and T_{OBAPS} need to be constrained to a level such that it is clear to Shippers and Interconnected Parties that the Ip multiplier under clause 8.13 will be applying if the 48barg limit of the TTP is exceeded.</u>
(f)	the data First Gas must make available to the Interconnected Party, and vice versa;	
(g)	the information that the Interconnected Party must make available concerning its planned and unplanned outages, and that First Gas may publish that information on OATIS;	<u>Ref Action Point 36, we understand that this will be considered by the GIC, rather than included in the Code / Interconnection Agreements. We are concerned that the requirement should not be applied until it can be seen to apply to all, that is, including parties operating under Existing Interconnection Agreements.</u>

(h)	that First Gas will produce and publish daily and hourly energy quantity reports for every Receipt Point, Delivery Point and Bi-directional Point irrespective of whether it owns the Metering;	
(i)	whether Gas injected into or taken from the Transmission System must be odorised and, if so, the party responsible for odorisation;	
(j)	the term of the agreement;	
(k)	whether the Interconnected Party must pay a termination fee if the ICA is terminated (either in its entirety or in respect of a specific Receipt Point, Delivery Point and Bi-directional Point) before its intended expiry date, in what circumstances, and how that fee will be determined;	
(l)	that construction of any new Receipt Point, Delivery Point or Bi-directional Point, or material upgrade of any such existing station is conditional on:	
(i)	compliance with First Gas' reasonable technical requirements;	
(ii)	approval of the design by First Gas' pipeline certifying authority before any construction begins; and	
(iii)	First Gas obtaining any necessary statutory or regulatory approvals;	
(m)	the method for allocating Gas quantities injected into or taken from the Transmission System, including an OBA;	
(n)	where it determines that an OBA will apply, that the Interconnected Party:	

(i)	must comply with its obligations as an OBA Party; and	
(ii)	Will be eligible for rebates of ERM Charges;	
(o)	where an OBA does not apply, that the Interconnected Party must comply with its obligations under the relevant GTA or Allocation Agreement (as the case may be);	
(p)	whether nominations (to be notified in accordance with section 4) are required for any Receipt Point, Delivery Point and Bi-directional Point (including where an OBA does not apply); and	
(q)	grounds for terminating the ICA (either in its entirety or in respect of a specific Receipt Point, Delivery Point and Bi-directional Point) and the consequences of termination (including requiring the Interconnected Party to disconnect from the Transmission System).	
7.14	An ICA may reference sections of terms of this Code and if so the ICA will:	
(a)	survive expiry or termination of this Code and continue in full force and effect for the term specified in the ICA (subject to any early termination provisions); and	
(b)	the relevant terms of this Code as may be amended from time to time will continue in full force and effect for the term of the ICA unless First Gas and the Interconnected Party agree to amend them.	
7.15	ICAs are not Confidential Information and First Gas will publish each in full on OATIS.	

8	BALANCING	
	Applicability	
8.1	The provisions of this section 8 apply in respect of the entire Transmission System, irrespective of:	
(a)	the number or location of Receipt Points and Delivery Points used by a Shipper; and	
(b)	the location of any Receipt Point or Delivery Point at which an OBA applies.	
	Primary Balancing Obligations	
8.2	Subject to section 8.16, each Shipper agrees to use reasonable endeavours to ensure that each Day the aggregate of its Receipt Quantities matches the aggregate of its Delivery Quantities, provided that:	
(a)	each Shipper shall use reasonable endeavours to minimise its Running Mismatch; and	
(b)	in order to comply with this section 8.2(a), the Shipper's Receipt Quantities and Delivery Quantities on a Day may be different,	
	(the Shipper's Primary Balancing Obligation).	
8.3	First Gas will ensure, subject to section 8.16, that where an OBA applies the ICA requires the OBA Party to use reasonable endeavours to ensure that each Day the metered quantity of Gas at the Receipt Point or Delivery Point matches the Scheduled Quantity, provided that:	

(a)	each OBA Party shall use reasonable endeavours to minimise its Running Mismatch; and	
(b)	in order to comply with this section 8.3(a), the metered quantity of Gas and the Scheduled Quantity may be different on a Day,	
	(the OBA Party's Primary Balancing Obligation).	
8.4	First Gas will use reasonable endeavours to ensure that each Day the aggregate quantity of Gas it purchases for operational purposes (including fuel and UFG but excluding Balancing Gas) matches the aggregate quantity of Gas it uses for those purposes, provided that:	
(a)	First Gas shall use reasonable endeavours to minimise its Running Mismatch; and	
(b)	in order to comply with this section 8.4(a), the quantities of Gas that First Gas purchases and uses on a Day may be different,	
	(First Gas' Primary Balancing Obligation).	
	Line Pack <u>and Pressure</u> Management	
8.5	First Gas will use reasonable endeavours to maintain Line Pack between the upper and lower Acceptable Line Pack Limits. First Gas will determine limits which it considers sufficient for it to provide all DNC and Supplementary Capacity while complying with its Security Standard Criteria and any other obligations it has under this Code including the Target Taranaki Pressure constraint .	

8.6	Where First Gas determines that a breach of the relevant Acceptable Line Pack Limit or Pressure Limit is likely without any preventative action, First Gas will (except during a Critical Contingency, Force Majeure Event or Emergency) take steps to ensure that Line Pack remains within the Acceptable Line Pack Limits, including by:	
(a)	where practical, moving Gas from one part of the Transmission System to another; and/or	This clause should not be deleted.
(b)	issuing a Low Line Pack Notice or a High Line Pack Notice; and/or	
(c)	Issuing a Low Pressure Notice or a High Pressure notice; and/or	
(d)	buying or selling Gas to manage Line Pack or pressure (Balancing Gas).	
8.7	When buying or selling Balancing Gas, First Gas will (without limiting any of its other obligations under this Code) use reasonable endeavours to undertake that transaction in the most cost effective, efficient and transparent manner, including via a Gas Market.	
	Allocation of Balancing Gas Costs and Credits	
8.8	If First Gas buys Balancing Gas on a Day (Dayn) it will, to each party (Shipper, OBA Party and First Gas) with negative Running Mismatch at the end of the previous Day (Dayn-1):	
(a)	allocate a charge (Balancing Gas Charge) equal to:	

(i)	where the quantity of Balancing Gas purchased (BGP) exceeds $NRMALL_{n-1}$:	
	Balancing Gas Purchase Price \times $NRMP_{n-1}$; or	
(ii)	where BGP is less than $NRMALL_{n-1}$:	
	Balancing Gas Purchase Price \times BGP \times $NRMP_{n-1} \div NRMALL_{n-1}$,	
	where:	
	$NRMALL_{n-1}$ is the aggregate of all parties' negative Running Mismatches at 2400 on Day $n-1$;	
	$NRMP_{n-1}$ is the negative Running Mismatch of a party at 2400 on Day $n-1$; and	
	Balancing Gas Purchase Price is the weighted average price (\$/GJ) paid by First Gas for the quantity of Balancing Gas purchased on Day n , which may include a component designed to recover any fixed costs payable by First Gas under any Balancing Gas procurement arrangement; and	
(b)	transfer title to a quantity of Gas at 2400 on Day n equal to:	
(i)	where BGP exceeds $NRMALL_{n-1}$:	
	$NRMP_{n-1}$; or	
(ii)	where BGP is less than $NRMALL_{n-1}$:	
	BGP \times $NRMP_{n-1} \div NRMALL_{n-1}$,	
	where:	

	NRMP,n-1, BGP and NRMALL,n-1 each has the meaning set out part (a) of this section 8.8.	
8.9	If First Gas sells Balancing Gas on a Day (Dayn) it will, to each party (Shipper, OBA Party and First Gas) with positive Running Mismatch at the end of the previous Day (Dayn-1):	
(a)	allocate a credit from the sale of Balancing Gas (Balancing Gas Credit) for Dayn equal to:	
(i)	where the quantity of Balancing Gas (BGS) sold exceeds PRMALL,n-1:	
	Balancing Gas Sale Price × PRMP,n-1; or	
(ii)	where BGS is less than PRMALL,n-1:	
	Balancing Gas Sale Price × BGS × PRMP,n-1 ÷ PRMALL,n-1,	
	where:	
	PRMALL,n-1 is the aggregate of all parties' positive Running Mismatches at 2400 on Dayn-1;	
	PRMP,n-1 is the positive Running Mismatch of a party at 2400 on Dayn-1; and	
	Balancing Gas Sale Price is the weighted average price (\$/GJ) paid by First Gas for the quantity of Balancing Gas sold on Dayn, which may include a component designed to recover any fixed costs payable by First Gas under any Balancing Gas procurement arrangement; and	
(b)	take title to a quantity of Gas at 2400 on Dayn equal to:	

(i)	where BGS exceeds PRMALL,n-1:	
	PRMP,n-1; or	
(ii)	where BGS is less than PRMALL,n-1:	
	$BGS \times PRMP,n-1 \div PRMALL,n-1,$	
	where:	
	PRMP,n-1, BGS and PRMALL,n-1 each has the meaning set out part (a) of this section 8.9.	
8.10	First Gas' determination of Balancing Gas Charges and/or Balancing Gas Credits, and of transfers of title to the corresponding quantities of Gas are subject to the effect of any Wash-up on Running Mismatches. First Gas will apply any changes to Balancing Gas Charges and/or Balancing Gas Credits, and to transfers of title to the corresponding quantities of Gas, as prior Month adjustments on its next Balancing Gas invoice following receipt of any Wash-up.	
	Excess Running Mismatch Charges	
8.11	Each Shipper and OBA Party shall pay a charge to First Gas for each Day on which it has Excess Running Mismatch (ERM) calculated in accordance with section 8.12 or section 8.13, irrespective of whether First Gas buys or sells Balancing Gas on or in respect of that Day.	
8.12	For any Day on which a Shipper or OBA Party has negative Excess Running Mismatch (Negative ERM), that Shipper or OBA Party will pay to First Gas a charge equal to:	
	$Negative\ ERM \times FNERM \times IN$	

	where:	
	FNERM is a fee determined by First Gas in accordance with section 8.14 and published on OATIS; and	
	IN is 1, except on any Day on which First Gas issues:	
(a)	a Low Line Pack Notice <u>or Low Pressure Notice</u> , when it is 5; and	
(b)	a High Line Pack Notice <u>or a High Pressure Notice</u> , when it is zero.	
8.13	For any Day on which a Shipper or OBA Party has positive Excess Running Mismatch (Positive ERM), that Shipper or OBA Party will pay to First Gas a charge equal to:	
	Positive ERM × FPERM × IP	
	where:	
	FPERM is a fee determined by First Gas in accordance with section 8.14 and published on OATIS; and	
	IP is 1, except on any Day on which First Gas issues:	
(a)	a Low Line Pack Notice <u>or a Low-Pressure Notice</u> , when it is zero; and	
(b)	a High Line Pack Notice <u>or a High-Pressure Notice</u> , when it is 5.	
8.14	The fees referred to in sections 8.12 and 8.13 respectively will be:	
(a)	FNERM:	

(b)	FPERM:	
	provided that where it reasonably believes these fees are not providing an appropriate incentive to remove ERM, First Gas may increase FNERM or FPERM on expiry of not less than 5 Business Days' notice to all Shippers and OBA Parties. First Gas may also reduce FNERM or FPERM subject to the same notice.	
	Publication of Running Mismatches	
8.15	The Mismatch and Running Mismatch of any person will not be Confidential Information. First Gas will, as soon as practicable after determining them, publish the Running Mismatch of each Shipper, OBA Party and of First Gas itself on OATIS.	
	Park or Loan	
8.16	First Gas may offer "park and loan" service to Shippers and OBA Parties, allowing a party to store Parked Gas or take Loaned Gas. Where it elects to do so, those services will comply with the provisions of sections 8.17 to 8.22.	
8.17	First Gas may determine:	
(a)	the aggregate quantity of Gas which Shippers and/or OBA Parties may temporarily accumulate in the Transmission System (Parked Gas); and/or	
(b)	the aggregate quantity of Line Pack which Shippers and/or OBA Parties may temporarily draw down (Loaned Gas),	
	and will publish those quantities on OATIS.	

8.18	A Shipper or OBA Party must apply to First Gas in advance to either store Parked Gas or take Loaned Gas on that Day. First Gas will publish on OATIS the procedures to be used:	
(a)	to apply to store Parked Gas or take Loaned Gas; and	
(b)	by First Gas in responding to that application,	
	which may include deadlines by which applications must be lodged and approved.	
8.19	Applications to store Parked Gas or take Loaned Gas will be processed on a "first come, first served" basis, provided that First Gas may:	
(a)	introduce procedures to allocate quantities of Parked Gas and/or Loaned Gas should requests to park Gas and/or take Loaned Gas exceed the quantities determined pursuant to section 8.17;	
(b)	allow a Shipper or OBA Party to both store Parked Gas in one period of a Day and take Loaned Gas in another period of the same Day, provided that:	
(i)	those periods do not overlap; and	
(ii)	the Shipper or OBA Party makes separate applications to store Parked Gas and take Loaned Gas; and	
(c)	link its approval of requests to take Loaned Gas on a Day to requests to store Parked Gas on that same Day.	

8.20	To the extent that First Gas approves any application to store Parked Gas or take Loaned Gas on any Day it will exclude the approved quantity of Parked Gas or Loaned Gas from its calculation of the Shipper's or OBA Party's Mismatch and Running Mismatch for (only) that Day.	
8.21	First Gas will from to time determine and notify on OATIS the prices payable to store Parked Gas and take Loaned Gas.	
8.22	Nothing in sections 8.16 to 8.21 will limit First Gas' obligations to provide transmission capacity and maintain Line Pack between Acceptable Operating Limits.	
	OBA Party's Running Mismatch	
8.23	Where an OBA applies at a Delivery Point, the OBA Party's Mismatch (including Running Mismatch and any ERM) will be deemed to exist in the Receipt Zone and not at the Delivery Point.	
	Gas Trades to adjust Running Mismatch	
8.24	In respect of any Gas trade on a Day, First Gas will make the required adjustments to the Running Mismatch of the seller and buyer, respectively, at the end of that Day. First Gas will provide means within OATIS for buyer and sellers to notify their Gas trades.	

9	CURTAILMENT	
	Adverse Events	
9.1	Subject to the balance of this section 9, First Gas will use reasonable endeavours to avoid curtailing any Shipper’s DNC or Supplementary Capacity. However, First Gas may curtail the injection of Gas (or the ability to inject Gas) at a Receipt Point, the flow of Gas through the Transmission System or the taking of Gas (or the ability to take Gas) at a Delivery Point to the extent that it determines to be necessary, where:	
(a)	First Gas detects or suspects that an Emergency is occurring or is imminent;	
(b)	a Force Majeure Event has occurred;	
(c)	a breach of any Security Standard Criteria and/or a Critical Contingency would otherwise occur;	
(d)	First Gas’ ability to receive Gas at any Receipt Point or make Gas available at any Delivery Point is impaired or the safe and reliable operation of the Transmission System is at risk;	
(e)	an Interconnected Party’s ICA expires or is terminated; and/or	
(f)	a Shipper’s TSA, Supplementary Agreement, GTA or Allocation Agreement expires or is terminated,	
	provided that where the need for curtailment arises due to Congestion, the provisions of section 10 shall apply.	
	Maintenance	

9.2	Where it intends to carry out scheduled Maintenance that will reduce its ability to receive Gas at a Receipt Point and/or make Gas available at a Delivery Point (but not any scheduled Maintenance which will not have that effect), First Gas will:	
(a)	publicly notify that scheduled Maintenance on OATIS as early as practicable and not less than 20 Business Days' prior to commencing work, together with the likely duration of the work;	
(b)	advise the expected impact on transmission capacity and/or any other effects; and	
(c)	use reasonable endeavours to undertake that scheduled Maintenance in a manner and at a time that minimises its impact.	
	Where any scheduled Maintenance notified pursuant to this section 9.2 is delayed prior to work commencing, First Gas will promptly notify that delay on OATIS, but will not be required to re-start the 20 Business Days' notice period.	
9.3	First Gas may carry out unscheduled Maintenance, including in relation to events referred to in section 9.1(a) to (d), as may be necessary, provided that it gives each affected Shipper as much notice as is reasonably practicable in each case.	
9.4	Each Shipper directly affected by scheduled or unscheduled Maintenance will reasonably facilitate that work as and when requested by First Gas.	
	Operational Flow Order	

9.5	<p>Subject to section 9.6, if any of the events described in section 9.1(a) to (f) occurs, First Gas may issue an OFO to a Shipper (or more than one, depending on the circumstances) at a Delivery Point (or more than one), being a notice instructing that Shipper to reduce its offtake of Gas. The Shipper shall use its best endeavours to comply with that OFO in the shortest practicable time consistent with (where relevant) the safe shut down of affected End-users. First Gas will minimise the period of curtailment stipulated in an OFO to the extent practicable. First Gas will publish each OFO on OATIS as soon as practicable.</p>	
9.6	<p>Where it has the right to do so (and except in the case where section 9.1(f) applies), First Gas will issue the OFO referred to in section 9.5 to the Interconnected Party at the Delivery Point rather than to the Shipper(s) using that point. First Gas will publish that OFO on OATIS as soon as practicable.</p>	
	<p>Curtailment of NQs after OFO Issued</p>	
9.7	<p>Pursuant to section 9.5, where First Gas instructs all Shippers using a Delivery Point to (collectively) reduce their offtake of Gas to a Daily quantity less than the aggregate of their most recent Approved NQs, First Gas will:</p>	
(a)	<p>notify each Shipper of the proportionate reduction required, being that Daily quantity divided by the Aggregate of all Shippers' most recent Approved NQs, subject to the limitations set out in sections 4.16 and 4.17; and</p>	
(b)	<p>reduce each Shipper's most recent Approved NQ in OATIS according to that proportionate reduction.</p>	

9.8	Pursuant to section 9.6, First Gas will:	
(a)	notify the Interconnected Party to reduce its offtake of Gas to the Daily quantity that First Gas shall stipulate; and	
(b)	reduce each Shipper's most recent Approved NQ in OATIS proportionate to that Daily quantity divided by the Aggregate of all Shippers' most recent Approved NQs,	
	subject to the limitations set out in sections 4.16 and 4.17.	
9.9	Where the Delivery Point(s) referred to in section 9.5 is part of a Delivery Zone and there are no Approved NQs for that Delivery Point alone, for the purposes of sections 9.7(a) and 9.8(b), First Gas will determine the proportionate reduction in Shippers' Approved NQs for that Delivery Zone using the best information available to it at the time, which may include Shippers' Delivery Quantities in the most recent Month.	
	Critical Contingency	
9.10	In the event of a Critical Contingency, First Gas may instruct any Shipper to curtail its take of Gas at any Delivery Point (or its ability to take Gas) as required to comply with the instructions of the CCO.	
	Failure to Comply	
9.11	Each Shipper agrees that if it fails to comply with an Operational Flow Order:	
(a)	First Gas may (to the extent practicable) curtail the Shipper's take of Gas itself; and	

(b)	<p>the Shipper shall indemnify First Gas for any Loss incurred by First Gas (except to the extent that First Gas contributed to that Loss) that results from that failure to comply and the limitation set out in section 16.1 shall not apply in respect of the Shipper’s liability under this indemnity.</p>	
	<p>Relief from Charges</p>	
9.12	<p>In respect of any curtailment under this section 9, First Gas shall excuse each affected Shipper of any fixed charge (including Transmission Charge, Non-standard Transmission Charge or Priority Rights Charge) that would otherwise be payable by that Shipper, in proportion to the reduction in that Shipper’s DNC or Supplementary Capacity, except to the extent that the Shipper caused or contributed to any event or circumstance which gave rise to the curtailment or failed to comply with any instruction from First Gas given under section 9.5 or section 9.10.</p>	

10	CONGESTION MANAGEMENT	
	Determination of Congestion	
10.1	First Gas will use reasonable endeavours to predict Congestion before it occurs, including by monitoring Security Standard Criteria on those parts of the Transmission System where Congestion is most likely to occur.	
10.2	First Gas will notify Shippers as soon as practicable of its intention to initiate Congestion Management.	
	Congestion Management	
10.3	First Gas will, to the extent necessary:	
(a)	where Congestion would result from aggregate NQs:	
(i)	estimate the amount by which those NQs exceed the Available Operational Capacity;	
(ii)	curtail requests for Interruptible Capacity (if any);	
(iii)	curtail requests for Supplementary Capacity (if any), where the relevant Supplementary Agreement allows; and	
	after approving NQs to the extent Shippers have exercised their Priority Rights:	
(iv)	to the extent there is Available Operational Capacity, approve further NQs in accordance with section 10.4; or	
(v)	if Available Operation Capacity is still insufficient, curtail NQs on a pro-rata basis in proportion to the NQs it cannot approve, subject to the limitations set out in sections 4.16 and 4.17; or	

(b)	where Congestion is in effect due to the aggregate offtake of Gas:	
(i)	estimate the reduction in current offtake required;	
(ii)	determine (where visible to First Gas) whether any Shipper is exceeding its MHQ and instruct any that Shipper (by means of an OFO if necessary) to reduce its offtake accordingly;	
(iii)	curtail Interruptible Capacity (if any);	
(iv)	curtail Supplementary Capacity (if any), where the relevant Supplementary Agreement allows; and	
	if Available Operational Capacity is still insufficient, after allowing for the extent to which Shippers have exercised their Priority Rights, curtail Shipper's then current Approved NQs in accordance with section [], subject to the limitations set out in sections 4.16 and 4.17.	
10.4	First Gas will determine the further quantities of NQ referred to in section 10.3(a)(iv) as a Shipper's NQ divided by the sum of all Shippers' NQs multiplied by the remaining Available Operational Capacity.	
	Over-Nomination	
10.5	Each Shipper warrants that for any Congested Delivery Point its NQs will represent its best estimate of its End-users' requirements and that it will not inflate those NQs with the intention of securing a greater share of the Available Operational Capacity.	
	Critical Contingency	

10.6	The CCM Regulations will take precedence over Congestion Management and accordingly, if the CCO declares a Critical Contingency, First Gas' Congestion Management actions will end.	
	Notification of New Load	
10.7	First Gas will ensure that any ICA it enters into after the date of this Code with any person who owns Distribution Networks:	
(a)	clearly sets out the capacity of any Delivery Point supplying any of that person's Distribution Networks; and	
(b)	requires that person to consult First Gas before connecting new End-users to any of its Distribution Network that would exceed the capacity of the relevant Delivery Point.	
10.8	Each Shipper, before agreeing to supply Gas to any potential End-user, or substantially increased quantities of Gas to any existing End-user, must:	
(a)	ascertain there is sufficient Available Operational Capacity;	
(b)	notify First Gas of the expected maximum daily offtake, maximum hourly offtake and annual offtake of that potential or existing End-user where:	
(i)	that expected maximum daily offtake is greater than either 400 GJ or 10% of the current peak Daily offtake of the relevant Delivery Point; and/or	
(ii)	that expected maximum hourly offtake is greater than 40 GJ or 10% of the current peak Hourly offtake of the relevant Delivery Point; and/or	

(iii)	that expected annual offtake is greater than 20,000 GJ; and	
(c)	notify First Gas of the Day on which that potential or existing End-user wishes to commence taking Gas, or increased quantities of Gas.	
	No Liability	
10.9	First Gas will have no liability to any person for:	
(a)	not predicting Congestion; or	
(b)	the period of notice prior to initiating Congestion Management; or	
(c)	initiating Congestion Management; or	
(d)	its inability to secure sufficient, or any Interruptible Load; or	
(e)	Available Operational Capacity being insufficient to supply new End-users or the increased offtake of existing End-users.	
10.10	Nothing in this section 10 shall limit First Gas' rights to curtail its provision of transmission services in accordance with section 9.	

11	FEES AND CHARGES	
	Daily Nominated Capacity Charges	
11.1	Each Shipper 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:	
	$DNCFEE \times DNC$	
	where:	
	DNCFEE is the applicable fee for Daily Nominated Capacity (\$/GJ of DNC) (subject to section 11.15); and	
	DNC is the Shipper's Daily Nominated Capacity (GJ) for the applicable Delivery Zone or Individual Delivery Point.	
11.2	Subject to section 3.24(b), a Shipper allocated PRs for a Congested Delivery Point pursuant to section 3.19 shall pay a charge for those PRs (Priority Rights Charge), equal to:	
	$PC \times NA$	
	where:	
	PC is the lowest price (\$ per PR) bid for any PRs allocated at that Congested Delivery Point in accordance with section 3.19; and	
	NA is the total number of PRs allocated to the Shipper in accordance with section 3.19,	

	provided that the Shipper's liability to pay that Priority Rights Charge will cease at the end of the PR Term and/or be reduced to the extent it sells any PRs to another Shipper pursuant to section 3.20, with effect from the Day the sale of those PRs becomes effective.	
11.3	Subject to section 3.24(b), a Shipper who purchases PRs for a Congested Delivery Point pursuant to section 3.20 shall pay a Priority Rights Charge for those PRs, equal to:	
	$PC \times NP$	
	where:	
	PC has the meaning set out in section 11.2; and	
	NP means the number of PRs purchased by the Shipper,	
	provided that the Shipper's liability to pay a Priority Rights Charge in respect of any PRs its purchases will commence only on the Day that purchase becomes effective and will cease at the end of the PR Term and/or be reduced to the extent it sells any PRs to another Shipper pursuant to section 3.20, with effect from the Day that the sale of those PRs becomes effective.	
	Daily Overrun and Underrun Charges	
11.4	Subject to section 11.12, a Shipper shall pay, in respect of a Delivery Zone or Individual Delivery Point and Day:	
(a)	a charge for any Daily Overrun Quantity (Daily Overrun Charge), equal to:	
	$DOQ \times DNCFEE \times F$	

	where:	
	DOQ is the Shipper's Daily Overrun Quantity, which is equal to the greater of:	
(i)	DQDNC - DNC; and	
(ii)	Zero; and	
(b)	a charge for any Daily Underrun Quantity (Daily Underrun Charge), equal to:	
	$UQ \times DNCFEE \times (F - 1)$	
	where:	
	UQ is the Shipper's Daily Underrun Quantity, which is equal to the greater of:	
(i)	DNC - DQDNC; and	
(ii)	zero,	
	where, for both part (a) and part (b) of this section 11.4:	
	DNCFEE has the meaning referred to in section 11.1;	
	DNC is the Shipper's Daily Nominated Capacity;	
	DQDNC is the Shipper's Delivery Quantity (GJ) shipped using DNC; and	
	F is, for each:	
(i)	Delivery Zone and Dedicated Delivery Point not in a Delivery Zone: 2; and	
(ii)	Congested Delivery Point: 10,	

	<p>provided that where it considers the current value of F is not providing Shippers with an appropriate incentive to maximise the accuracy of their NQs, First Gas will notify, and consult with Shippers concerning the value of F that would, in its view, better achieve that outcome. Subject to Shippers providing compelling evidence as to why it should not do so, First Gas may (but not sooner than six Months after the date of its notification) increase the relevant value of F to its preferred value. First Gas may decrease the current value of F on expiry of 20 Business Days' notice to Shippers.</p>	
	<p>Hourly Overtime Charges</p>	
11.5	<p>Subject to sections 11.6 and 11.12, a Shipper using a Dedicated Delivery Point (whether included in a Delivery Zone or not) shall pay a charge for any Hour in which its Hourly Quantity exceeds the MHQ for that Dedicated Delivery Point (Hourly Overtime Charge), equal to:</p>	
	<p>$HOQ \times DNCFEE \times M$</p>	
	<p>where:</p>	
	<p>HOQ is the Shipper's Hourly Overtime Quantity and is equal to the greater of:</p>	
(i)	<p>$HQDNC - (DQDNC \times \text{Specific HQ/DQ})$; or</p>	
(ii)	<p>where an Agreed Hourly Profile applies, $HQDNC - HQAHP$; and</p>	
(iii)	<p>zero,</p>	
	<p>where:</p>	

	HQDNC is the Shipper’s Hourly Quantity shipped using DNC in that Hour, which shall be:	
(i)	where the Shipper is the sole user of the Dedicated Delivery Point, the metered quantity for that Hour; or	
(ii)	where the Dedicated Delivery Point is used by more than one Shipper, the Hourly Quantity determined pursuant to section 6.11(b);	
	DQDNC is the Shipper’s Delivery Quantity shipped using DNC on that Day, which shall be:	
(i)	where the Shipper is the sole user of the Dedicated Delivery Point, the metered quantity for that Day; or	
(ii)	where the Dedicated Delivery Point is used by more than one Shipper, the Delivery Quantity determined pursuant to section 6.11(b);	
	HQAHP is the hourly quantity for that Hour from the Agreed Hourly Profile (if any);	
	DNCFEE has the meaning referred to in section 11.1; and	
	M is 5 where the Dedicated Delivery Point is affected by Congestion, and 2 in all other cases,	

	<p>provided that where it considers the current value of M is not providing Shippers with an appropriate incentive to avoid exceeding the allowable HQ, First Gas will notify, and consult with Shippers concerning the value of M that would, in its view, better achieve that outcome. Subject to Shippers providing compelling evidence as to why it should not do so, First Gas may (but not sooner than six Months after the date of its notification) increase the relevant value of M to its preferred value. First Gas may decrease the current value of M on expiry of 20 Business Days' notice to Shippers.</p>	
11.6	<p>The Hourly Overrun Charge referred to in section 11.5 shall not be payable for any Day on which the Hourly metered quantity is less than 200 GJ.</p>	
	<p>Over-Flow Charge</p>	
11.7	<p>Notwithstanding section 4.3 but subject to section 11.8, a Shipper using a Dedicated Delivery Point (whether included in a Delivery Zone or not) shall pay a charge for any Hour in which its Hourly Quantity at a Dedicated Delivery Point exceeds the Physical MHQ of that Dedicated Delivery Point (Over-Flow Charge), equal to:</p>	
	<p>$OFQ \times DNCFEE \times 20$</p>	
	<p>where:</p>	
	<p>OFQ is the Shipper's Over-Flow Quantity and is the greater of:</p>	
(i)	<p>HQDNC – Physical MHQ; and</p>	
(ii)	<p>zero,</p>	
	<p>where:</p>	

	HQDNC is the Shipper’s Hourly Quantity shipped using DNC in that Hour, which shall be:	
(i)	where the Shipper is the sole user of the Dedicated Delivery Point, the metered quantity for that Hour; or	
(ii)	where the Dedicated Delivery Point is used by more than one Shipper, the Hourly Quantity determined pursuant to section 6.11(b); and	
	DNCFEE has the meaning referred to in section 11.1.	
11.8	The Over-Flow Charge referred to in section 11.7 will not be payable by any Shipper where there is an Interconnection Agreement at the Dedicated Delivery Point that requires the Interconnected Party to pay that charge.	
	Other Consequences of Overrun	

11.9	<p>Subject to section 11.12, in addition to any Daily Overrun Charge, Hourly Overrun 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 or Hourly Overrun or Over-Flow (where that Loss shall include any Transmission Charges and/or Non-standard Transmission Charges that First Gas may be required to waive or rebate to any other Shippers) up to the Capped Amounts. First Gas shall use reasonable endeavours in the circumstances to mitigate its Loss. The Shipper shall not be relieved of its indemnity under this section 11.9 should its Daily or Hourly Overrun or Over-Flow result in a Critical Contingency being declared, nor shall the limitations expressed in section 16.1 apply in respect of the Shipper’s indemnity. The Shipper’s indemnity under this section 11.9 shall be without prejudice to any other rights and remedies available to First Gas.</p>	
	<p>Non-standard Transmission Charges</p>	
11.10	<p>Each Shipper shall pay the Non-standard Transmission Charges in respect of any Supplementary Agreements and/or Interruptible Agreements to which it is a Party.</p>	
	<p>Congestion Management Charge</p>	
11.11	<p>In addition to the Daily Nominated Capacity Charge, each Shipper with DNC at a Beneficiary DP shall pay a charge for each Day on which First Gas makes payment under an Interruptible Agreement pursuant to section 10.11 (Congestion Management Charge) equal to:</p>	
	<p>$CMCTOTAL \times DNCSHIPPER \div DNCTOTAL$</p>	

	where:	
	CMCTOTAL is the relevant aggregate amount payable by First Gas pursuant to section 10.11;	
	DNCSHIPPER is the Shipper’s DNC at that Beneficiary DP on that Day; and	
	DNCTOTAL is the aggregate DNC of all Shippers at that Beneficiary DP on that Day.	
	OBA at a Delivery Point	
11.12	At any Delivery Point where an OBA applies, the relevant ICA shall provide that:	
(a)	any Daily Overrun Charge, Daily Underrun Charge, Hourly Overrun Charge or Overflow Charge is payable by the OBA Party; and	
(b)	the indemnity referred to in section 11.9 shall be provided by the OBA Party,	
	and not by any Shipper using that Delivery Point.	
	Credit of Certain Transmission Charges and Priority Rights Charges	
11.13	Each Month, First Gas will credit each Shipper a share of the total transmission-related incentive charges and Priority Rights Charges payable by all Shippers in respect of the previous Month, equal to:	
	$(TICTOTAL + PRCTOTAL) \times DNCCSHIPPER \div DNCCTOTAL$	
	where:	

	TICTOTAL is the total of Daily Overrun Charges, Underrun Charges, Hourly Overrun Charges and Over-Flow Charges payable by all Shippers;	
	PRCTOTAL is the total of Priority Rights Charges payable by all Shippers;	
	DNCCSHIPPER is the total of DNC Charges paid by the Shipper; and	
	DNCCTOTAL is the total of DNC Charges paid by all Shippers.	
	Credit of Excess Running Mismatch Charges	
11.14	Each Month, First Gas will credit each Shipper a share of the total Excess Running Mismatch Charges payable by all Shippers in respect of the previous Month, equal to:	This mechanism should be reflected in section 7 to allow credits for Interconnected Parties who carry balancing charges.
	$(ERMN + ERMP) \times TPSHIPPER \div TPTOTAL$	
	where:	
	ERMN is the total charges for Negative ERM payable by all Shippers;	
	ERMP is the total charges for Positive ERM payable by all Shippers;	
	TPSHIPPER is the aggregate of a Shipper's Delivery Quantities (including under all that Shipper's Supplementary Agreements, Existing Supplementary Agreements and Interruptible Agreements, if any) excluding all that Shipper's Delivery Quantities at Delivery Points where an OBA applies; and	

	TPTOTAL is the aggregate of all Shippers' Delivery Quantities (including under all Supplementary Agreements, Existing Supplementary Agreements and Interruptible Agreements) excluding all Shippers' Delivery Quantities at Delivery Points where an OBA applies.	
	Redetermination of Transmission Fees	
11.15	First Gas will determine standard transmission fees annually using its then current Gas Transmission Pricing Methodology (GTPM), in compliance with the then current price-quality path set by the Commerce Commission and, as far as practicable, the Commission's "Pricing Principles".	
11.16	By 30 June each Year, First Gas will notify Shippers and publish on OATIS the standard transmission fees it will use to calculate Transmission Charges in the following Year.	
11.17	Each Shipper agrees that First Gas' statutory information disclosures are sufficient to establish First Gas' compliance with the requirements referred to in section 11.15 and that neither the GTPM nor the setting of any transmission fees will be subject to any dispute under this Code.	
	Transmission Services Invoice	
11.18	On or before the 10th Day of each Month (or as soon thereafter as practicable), First Gas shall invoice each Shipper for the Transmission Charges and Non-standard Transmission Charges (if any) payable by that Shipper in respect of the previous (and any prior) Month.	

	Balancing Gas and Park and Loan Invoice	
11.19	For each Month, each Shipper and OBA Party shall pay to First Gas all amounts payable by it pursuant to, and determined by First Gas in accordance with, section 8.	
11.20	On or before the 14th Day of each Month (or as soon thereafter as is practicable), First Gas shall:	
(a)	invoice each Shipper and OBA Party for the net cost of Balancing Gas incurred by that party; or	
(b)	issue a credit note to each Shipper and OBA Party for the net credit of Balancing Gas attributed to that party,	
	in respect of the previous (and any prior) Month.	
	Contents of Transmission Service Invoice	
11.21	To support any invoice to a Shipper under section 11.18, First Gas shall notify the Shipper of:	
(a)	all Delivery Quantities in the previous Month;	
(b)	each Transmission Charge and Non-standard Transmission Charge payable for each Day of the previous Month;	
(c)	any Congestion Management Charges;	
(d)	any credit or debit of Transmission Charges for a prior Month required due to a Wash-up;	

(e)	any credit of Daily Overrun Charges, Underrun Charges, Hourly Overrun Charges and Over-Flow Charges and Priority Rights Charges;	
(f)	any credit of ERM Charges;	
(g)	any charges outstanding in respect of any prior Month; and	
(h)	the GST Amount.	
	Contents of Balancing Gas Invoice	
11.22	To support any invoice to a Shipper or OBA Party under section 11.20, First Gas shall notify that party in respect of each Day, and in aggregate for the Month:	
(a)	any Balancing Gas Charges payable and/or Balancing Gas Credits receivable;	
(b)	the party's Mismatch;	
(c)	the party's Running Mismatch;	
(d)	the aggregate Running Mismatch of all parties with negative Running Mismatch;	
(e)	the aggregate Running Mismatch of all parties with positive Running Mismatch;	
(f)	the quantity of Balancing Gas First Gas purchased and/or sold, together with the prices paid and/or received for that Gas;	
(g)	the aggregate of all parties' allocations of Balancing Gas Charges and Credits;	
(h)	the party's allocation of Balancing Gas debits and/or credits (in GJ);	
(i)	the party's Excess Running Mismatch and charges for Excess Running Mismatch;	

(j)	the aggregate quantities of Gas sold to, or purchased from all parties to settle Excess Running Mismatch;	
(k)	the quantity of Gas sold to, or purchased from the party to settle its Excess Running Mismatch;	
(l)	any credit or debit of Balancing Gas Charges for a prior Month required due to a Wash-up;	
(m)	any credit or debit of Excess Running Mismatch Charges for a prior Month required due to a Wash-up;	
(n)	any charges or credits outstanding in respect of any prior Month; and	
(o)	the GST Amount.	
	Goods and Services Tax	
11.23	First Gas shall express all amounts payable to it by any party as excluding GST, which shall be due and payable at the same time as the payment to which it relates is due (GST Amount). Any invoices provided to the Shipper under sections 11.18 and 11.20 shall specify the GST Amount and shall comply with the "tax invoice" requirements in the Goods and Services Tax Act 1985.	
	Other Taxes	

11.24	<p>In addition to the fees, charges and GST payable pursuant to this section 11, each Shipper shall pay to First Gas an amount equal to any new or increased tax, duty, impost, levy or charge (but excluding income tax and rates) (each a Tax) directly or indirectly imposed by the Government or any other regulatory authority that directly relates to First Gas' provision of transmission services under this Code (including First Gas' sale and purchase of Balancing Gas), or in respect of any goods or services provided pursuant to this Code (including any increase of that Tax). First Gas will pass on any decrease of any such Tax to the relevant Shippers.</p>	
	<p>Issuing of Invoices</p>	
11.25	<p>First Gas may issue any invoice (together with any supporting information) under section 11.18 or 11.20 by:</p>	
(a)	<p>e-mailing to a Shipper's e-mail address most recently (and specifically) notified in writing to First Gas; and/or</p>	
(b)	<p>posting the invoice as one or more PDF files on OATIS, accessible only by the Shipper.</p>	
	<p>Payment by a Shipper</p>	
11.26	<p>Subject to sections 11.27, 11.28 and 11.29, and to receiving invoices under sections 11.18 and/or 11.20, each Shipper shall pay to First Gas the aggregate amount stated on each the invoice by direct credit to First Gas' bank account stated on the invoice (or to any other bank account notified by First Gas in writing) by the later of:</p>	
(a)	<p>the 20th Day of the Month in which the invoice is issued; and</p>	

(b)	10 Business Days after the invoiced is issued.	
	Each Shipper shall no later than one Business Day after a payment is made notify First Gas of the invoice numbers and the respective amounts to which any payment by the Shipper relates.	
	Disputed Invoices	
11.27	Subject to section 11.28, if a Shipper disputes any invoiced amount under section 11.18 (Invoice Dispute), that Shipper shall, within 10 Business Days from the date it received the invoice, notify First Gas in writing identifying the amount in dispute and giving full reasons for the dispute (Invoice Dispute Notice). The disputing Shipper shall pay the undisputed portion of the invoice. If the Invoice Dispute has not been resolved by negotiation between the Parties within 10 Business Days of First Gas receiving the Invoice Dispute Notice, section 18 will apply.	
11.28	In the absence of any manifest error, a Shipper shall pay the invoiced amount in full in accordance with section 11.26 without any deduction or set-off of any kind.	
	Incorrect Invoices	

<p>11.29</p>	<p>If it is found at any time that a Shipper has been overcharged or undercharged then, within 20 Business Days after such error has been discovered and the correct amount has been agreed by the Parties or determined pursuant to section 18, First Gas shall issue a credit note or debit note (as appropriate) in accordance with the Goods and Services Tax Act 1985. If the Shipper has paid the invoice(s) containing an overcharge or undercharge First Gas will refund or pay that Shipper the amount of that overcharge or undercharge, as appropriate, as a correction on its next invoice to the Shipper, provided that there shall be no right to re-open invoices if more than 26 months has elapsed since the date of the invoice.</p>	
	<p>Default Interest</p>	
<p>11.30</p>	<p>Where a Shipper or First Gas defaults without reasonable excuse in the payment on the due date of any money payable under this Code, then interest shall be payable on the amount unpaid from the due date for payment until the date payment is made, at a rate equal to the Bill Rate plus 5% per annum, calculated on a Daily basis (compounded monthly).</p>	

12	GAS QUALITY	
12.1	Each Shipper (and First Gas) shall ensure that any contract it has with a third party for the sale or purchase of gas includes a requirement that all gas sold or purchased must be Gas.	
12.2	First Gas shall ensure that any ICA it enters into at a Receipt Point requires the Interconnected Party to:	
(a)	ensure that all gas it injects into the Transmission System is Gas; and	
(b)	promptly demonstrate that it has adequate facilities, systems, procedures and monitoring to comply with part (a) of this section 12.2 on request by First Gas.	
12.3	Without limiting First Gas's or a Shipper's obligation to act as a Reasonable and Prudent Operator or to mitigate its Loss arising out of or in relation to Non-Specification Gas that enters, or is in, the Transmission System, each Party acknowledges that should Non-Specification Gas enter, or be in, the Transmission System, First Gas is unlikely to be able to prevent that gas from reaching a Delivery Point.	
12.4	If First Gas becomes aware that Non-Specification Gas has flowed, or suspects that it is likely to flow at a Receipt Point or Delivery Point, it will notify all Shippers via OATIS as soon as practicable and provide any details of which it is aware in relation to:	
(a)	the reason why that gas was or may be Non-Specification Gas;	

(b)	the likely period of time during which Non-Specification Gas was or may be injected into, or taken from the Transmission System; and	
(c)	the nature and extent of the deviation from the Gas Specification.	
12.5	Where an Interconnected Party Shipper becomes aware that Non-Specification Gas has flowed, or suspects that it is likely to flow at a Receipt Point or a Delivery Point, it will notify First Gas as soon as practicable and, to the extent available, provide the information referred to in section 12.4. First Gas will then notify all Shippers of that event (or suspected event) via OATIS together with the information provided to it.	
12.6	Subject to section 12.7, First Gas, upon receiving a reasonable written request from a Shipper, shall exercise the rights referred to in section 12.2(b). First Gas shall have no liability to the requesting Shipper in connection with the exercise by First Gas under this section 12.6, of First Gas' rights under section 12.2(b). First Gas will publish a report on OATIS setting out its findings.	
12.7	First Gas shall not be obliged to exercise the rights referred to in section 12.2(b) pursuant to a request from any Shipper more frequently than once every 9 Months.	
12.8	Nothing in this section 12 requires First Gas to monitor the quality of gas injected into the Transmission System.	
12.9	First Gas will install and maintain equipment at Delivery Points to ensure that all Gas taken complies with the Gas Specification in respect of dust and/or compressor oil.	

12.10	Unless it is shown that it caused the Non-Specification Gas, First Gas shall have no liability to any Shipper for any Loss incurred by that Shipper arising out of or in relation to that Shipper taking Non-Specification Gas at a Delivery Point.	
12.11	Where it did cause gas to become Non-Specification Gas, First Gas shall indemnify each Shipper for any Loss incurred by that Shipper arising out of or in relation to that Shipper taking Non-Specification Gas at a Delivery Point, except to the extent that:	
(a)	a Shipper's Loss arose from that Shipper causing or contributing to the injection of Non-Specification Gas into the Transmission System; and/or	
(b)	the Shipper has not mitigated its Loss to the fullest extent practicable.	
12.12	First Gas' indemnity under section 12.11 will be subject to the limitations and exclusions set out in sections 16.1 to 16.4, 16.6 and 16.7.	
12.13	Any claim made by a Shipper under section 12.11 shall be without prejudice to any other rights or remedies available to that Shipper.	

13	ODORISATION	
	Requirement	
13.1	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 unodorised pipeline, unless all Shippers and First Gas agree in writing.	
13.2	Where First Gas odorises Gas in a pipeline in accordance with section 13.1, it will inject such quantities of a suitable odorant into the Gas to ensure that, in normal circumstances, the odorised Gas meets the detectability requirements set out in New Zealand Standard 5263:2003: Gas Detection and Odourisation.	
13.3	First Gas will conduct spot checks on each odorised pipeline (but not at all Delivery Points on any such pipeline) to test whether Gas taken from that pipeline meets the detectability requirements set out in New Zealand Standard 5263:2003. If it becomes aware that such Gas does not meet those requirements, notwithstanding that normal quantities of odorant have been injected, First Gas will notify all Shippers as soon as practicable and take reasonable steps to remedy the situation.	
13.4	Each Month, First Gas will publish on OATIS the results of any odorisation spot checks completed in the previous Month.	

GAS TRANSMISSION ACCESS CODE

13.5	Notwithstanding sections 13.1 to 13.4, First Gas may cease odourising Gas in a pipeline upon the expiry of 18 months' written notice to all Shippers and Interconnected Parties.	

14	PRUDENTIAL REQUIREMENTS	
14.1	At all times during the term of its TSA and until the Shipper has paid all outstanding amounts and all amounts payable or which may become payable in the 26 months following expiry or termination of that TSA, each Shipper must comply, at its election, with one of the following:	
(a)	hold an acceptable credit rating in accordance with section 14.2;	
(b)	arrange for a third party to provide one or a combination of the following securities (each a Credit Support), for the amount required in accordance with this section 14, provided the party providing the Credit Support maintains an acceptable credit rating in accordance with section 14.2:	
(i)	an unconditional payment guarantee or letter of credit in favour of First Gas; or	
(ii)	an unconditional third party payment guarantee in favour of First Gas; or	
(iii)	a security bond in favour of First Gas.	
14.2	For the purposes of section 14.1, an acceptable credit rating means a long term credit rating of at least Baa3 (Moody's Investor Services Inc.), BBB- (Standard & Poors Ratings Group), B (AM Best), B (Fitch) or an equivalent credit rating or other reference from a reputable person which is acceptable to First Gas, (including confirmation from an auditor that, in its opinion, the relevant Shipper or third party Credit Support provider satisfies the criteria that would be applied in the granting of that credit rating).	

14.3	First Gas may require the Shipper or third party Credit Support provider, as the case may be, to provide evidence of the existence of an acceptable credit rating (as set out in section 14.2).	
14.4	The amount secured by any Credit Support shall be:	
(a)	\$100,000 (plus GST), in respect of Balancing Gas Charges; plus	
(b)	First Gas' reasonable estimate of 3 months of the Shipper's Transmission Charges` and Non-standard Transmission Charges (if any) (plus GST), provided that either Party may periodically review that amount (though not more frequently than quarterly) and require it to be adjusted up or down.	
14.5	Where it has complied with the requirements of this section 14, a Shipper shall as soon as practicable notify First Gas should any of the following occur:	
(a)	the Shipper ceases to comply with the requirements of section 14.1;	
(b)	the Shipper believes that its financial position is likely to be materially adversely impaired such that its ability to pay its Transmission Charges and Non-standard Transmission Charges and/or Balancing Charges will be consequently affected; or	
(c)	the Shipper becomes aware that a third party Credit Support provider (upon which its current satisfaction of the prudential requirements in this section 14 depends) ceases to hold an acceptable credit rating in terms of section 14.1.	

14.6	If a Shipper fails to pay First Gas any amount set out in any invoice issued by First Gas pursuant to this Code on the due date for payment (otherwise than for manifest error or as a result of an invoice dispute or dispute) then on the expiry of 5 Business Days' prior written notice from First Gas, without limiting any other right First Gas may have under this Agreement, First Gas may:	
(a)	make a claim under any Credit Support to the extent payment is due and the Shipper shall procure that payment;	
(b)	require Credit Support from the Shipper, if Credit Support has not already been provided by the Shipper;	
(c)	require a change to the type of Credit Support provided for the Shipper; and	
(d)	require an increase to the level of Credit Support held for the Shipper.	
14.7	Where First Gas makes a claim against any Credit Support, the Shipper must procure replacement Credit Support within 10 Business Days to ensure that the Credit Support requirements set out in section 14.1 continue to be met.	
14.8	Where a Shipper is required to provide new or additional Credit Support, it must do so within 20 Business Days of First Gas' written request.	
14.9	If a Shipper's TSA or this Code is terminated, First Gas will release any associated Credit Support when and to the extent that the Shipper has paid all outstanding amounts under its TSA.	

14.10	If required by First Gas in writing, the Shipper will show evidence of comprehensive liability insurance cover with a reputable insurer covering third party property damage and personal liability for which the Shipper may be legally liable under or in connection with this Code, up to the Capped Amounts, except to the extent that that insurance is not permitted by law.	

15	FORCE MAJEURE	
15.1	Notwithstanding the other provisions of this Code but subject to section 15.2, a Party shall be relieved from liability under this Code to the extent that a Force Majeure Event results in or causes a failure by that Party in the performance of any of its obligations under this Code (an Affected Party).	
15.2	A Force Majeure Event shall not relieve an Affected Party from liability:	
(a)	to pay money due under, or in connection with, this Code;	
(b)	to give any notice which it may be required to give; or	
(c)	for any Mismatch and Running Mismatch that may arise out of or in connection to, or before, during or after, the Force Majeure Event,	
	provided that a Shipper shall be relieved of its obligation to pay any fixed transmission charge (including Transmission Charge, Non-standard Transmission Charge or Priority Rights Charge), to the extent that First Gas cannot provide transmission services up to that Shipper's DNC and/or Supplementary Capacity on account of that Force Majeure Event (as determined by First Gas).	
15.3	If a Party seeks relief under section 15.1, that Party shall, upon the occurrence of any failure due to a Force Majeure Event:	

(a)	as soon as practicable but in any event within 48 hours give notice to the other Party of the occurrence of the event or circumstance claimed to be a Force Majeure Event and provide to the other Party full particulars relating to the event or circumstance and the cause of that failure. The notice shall also contain an estimate of the period of time required to remedy the failure;	
(b)	render the other Party reasonable opportunity and assistance to examine and investigate the event or circumstance and the matters which caused the event or circumstance and failure;	
(c)	as quickly as practicable, use due diligence and take all reasonable steps to rectify, remedy, shorten or mitigate the circumstances giving rise to Force Majeure Event so as to minimise any Loss or other effects of the suspension of obligations suffered or incurred, or likely to be suffered or incurred by the Party; and	
(d)	give notice as soon as practicable, but in any event within 48 hours to the other Party upon termination of the Force Majeure Event.	
15.4	A Party will not be able to claim relief from liability under section 15.1 solely as a result of the act or omission of:	
(a)	any agent or contractor of that Party; or	
(b)	in the case of a Shipper, any person selling or supplying Gas to that Shipper,	
	unless that act or omission is caused by or results from events and/or circumstances which would be a Force Majeure Event if that person were the Affected Party.	

15.5	A Shipper will not be able to claim relief from liability under section 15.1 as a result of the suspended performance, or non-performance, of the obligations of any of its customers, howsoever caused	
15.6	Subject to section 9.10, if Congestion occurs due a Force Majeure Event, First Gas will allocate Available Operational Capacity in accordance with section 10.3.	
	Information	
15.7	On becoming aware of any serious prospect of a forthcoming Force Majeure Event, a Shipper must notify First Gas as soon as practicable of the particulars of which it is aware.	
15.8	Any Shipper who declares a Force Majeure Event shall, as soon as practicable after its occurrence, provide First Gas with a full report on the details of the event, its causes, its effects on the Shipper and the actions taken by the Shipper to rectify, remedy, shorten or mitigate the event or circumstance which gave rise to the Force Majeure Event. First Gas will publish that report on OATIS.	
15.9	If First Gas declares a Force Majeure Event it shall, as soon as practicable publish on OATIS a full report on the details of the event, its causes, its effects and the actions taken by First Gas to rectify, remedy, shorten or mitigate the event or circumstance which gave rise to the Force Majeure Event.	

16	LIABILITIES	
	Exclusion from a Party’s Liability	
16.1	<p>Subject to any further limitations contained in this section 16, a Party (Liable Party) will not be liable to the other Party (Other Party) in respect of Loss suffered or incurred by the Other Party that arises out of or in connection with this Code (in contract, tort or generally at common law, equity or otherwise), except to the extent that Loss arose from an act or omission of the Liable Party that constituted a failure by it to comply with a provision of this Code to the standard of a Reasonable and Prudent Operator. The Liable Party shall only be liable to the Other Party to the extent that the Other Party did not cause or contribute to that Loss by breaching an obligation set out in this Code. The Liable Party shall not be liable to the extent that the Other Party has not mitigated its Loss to the fullest extent practicable.</p>	
	Limitation of a Party’s Liability	
16.2	<p>If the Liable Party is liable to the Other Party in respect of any Loss suffered or incurred by the Other Party that arises out of or in connection with this Code (in contract, tort or generally at common law, equity or otherwise), other than for payment of amounts due pursuant to section 11, the Liable Party will only be liable for direct Loss suffered or incurred by the Other Party excluding (and the Liable Party shall not be liable for):</p>	
(a)	<p>any loss of use, revenue, profit or savings by the Other Party;</p>	

(b)	the amount of any damages awarded against the Other Party in favour of a third party, except where the Liable Party is liable to make a payment under section 11.9; and	
(c)	the amount of any money paid by the Other Party by way of settlement to a third party, except where the Liable Party is liable to make a payment under section 11.9.	
16.3	The Liable Party shall in no circumstances be liable for any indirect or consequential Loss arising directly or indirectly from any breach of its (or any of the other Party's) obligations under this Code, whether or not the Loss was, or ought to have been, known by the Liable Party.	
	Capped Liability	
16.4	Subject to sections 16.5 to 16.8, the maximum liability of a Party to the Other Party (in each case excluding liability, if any, that arises under section 11.9) will be:	
(a)	in relation to any single event or series of related events, \$10,000,000 (ten million dollars); and	
(b)	in any Year, \$30,000,000 (thirty million dollars), irrespective of the number of events in that Year.	
	For the purposes of this section 16.4, an event is part of a series of related events only if that event or events factually arise from the same cause.	

16.5	The amounts referred to in section 16.4(a) and (b) (the Capped Amounts) shall each be adjusted annually on 1 October of each Year by multiplying each Capped Amount for the previous Year by the following adjustment factor:	
	Adjustment Factor =	
	where:	
	CPI _n means the most recently published CPI Index for the June quarter in the preceding Year; and	
	CPI _(n -1) means the most recently published CPI Index for the June quarter in the Year that is 2 years prior to the Year in which the adjustment is being made.	
	The adjusted Capped Amounts calculated pursuant to this section 16.5 shall be rounded to the nearest whole number.	
	The adjusted Capped Amounts shall not be retrospectively adjusted in the event the Government Statistician (or his/her replacement as the case may be) later revises the previously published values of the CPI Index.	
	The first adjustment will take place on 1 October in the Year following the first Year of this Code.	
	Liability where First Gas is the Liable Party under multiple agreements	
16.6	Where:	
(a)	First Gas is the Liable Party; and	

(b)	First Gas' liability is wholly or partially caused or contributed to by a breach of this Code, any TSA and/or any ICA by one or more third parties (Liable Third Parties), and First Gas recovers (using reasonable endeavours to pursue and seek recovery of those amounts) any amount from those Liable Third Parties in respect of that breach,	
	then First Gas' liability shall be limited to the aggregate of the amount so recovered plus any First Gas-caused liability (where the First Gas-caused liability is any amount for which First Gas is liable as a result of failing to act as a Reasonable and Prudent Operator, which in any event shall be limited to the Capped Amounts).	
16.7	Where:	
(a)	First Gas is the Liable Party;	
(b)	First Gas is liable to one or more third parties under this Code, any TSA and/or any ICA (each TSA and ICA being a Coincident Agreement); and	
(c)	the sum of First Gas' liability to the Other Party and to any third parties before the application of any monetary caps (the Apparent Liability) exceeds the relevant Capped Amount,	

	<p>then the maximum aggregate liability of First Gas to the Other Party shall be reduced to an amount determined and notified to the Other Party by First Gas, which amount shall reflect the proportion that First Gas' liability to the Other Party bears to the Apparent Liability taking into account any differences between the respective monetary caps under this Code and/or all Coincident Agreements. For the avoidance of doubt, First Gas' aggregated liability to the Other Party together with its liability under this Code and all Coincident Agreements shall not exceed the relevant Capped Amount.</p>	
16.8	<p>Where the Liable Party is not First Gas, the maximum aggregate liability of the Liable Party to First Gas under this Code or any Coincident Agreement shall not exceed the relevant Capped Amount.</p>	
	<p>General</p>	
16.9	<p>Each limitation or exclusion of this section 16 and each protection given to First Gas or a Shipper or its respective officers, employees, or agents by any provision of this section 16 is to be construed as a separate limitation or exclusion applying and surviving even if for any reason any of the provisions is held inapplicable in any circumstances and is intended to be for the benefit of and enforceable by each of the Party's officers, employees, and agents.</p>	
16.10	<p>Nothing in this Code or a TSA shall limit the right of either Party to enforce the terms of this Code or that TSA by seeking equitable relief, including injunction and specific performance, in addition to all other remedies at law or in equity.</p>	

16.11	If First Gas is the subject of a claim by a Shipper or third party (the Claimant) where the claim (or any part of it) arises because of a purported breach of this Code or a TSA by another Shipper (the Defending Party), the following procedure shall apply:	
(a)	First Gas shall immediately give notice of the claim to the Defending Party;	
(b)	First Gas will not make any payment or admission of liability in respect of the claim without the prior written consent of the Defending Party. The Defending Party will not unreasonably withhold or delay its consent under this section 16.11(b);	
(c)	the Defending Party may elect to defend in the name of First Gas any third party claim involving any litigation. The Defending Party must notify First Gas of its election within 10 Business Days of receiving notice of the claim. First Gas shall provide or procure to be provided such assistance as the Defending Party may require provided that the Defending Party first agrees in writing to:	
(i)	indemnify First Gas against any liabilities resulting from that claim and/or defence of that claim except to the extent that First Gas has caused those liabilities; and	
(ii)	pay any reasonable costs incurred by First Gas in providing assistance in defending the claim,	
	except that First Gas shall not be required to render any assistance to the Defending Party pursuant to this section 16.11(c) (other than allowing a defence in First Gas' name) in circumstances where First Gas believes that its reputation could be damaged or impaired by that assistance;	

(d)	if the Defending Party elects to defend a claim under <i>section 16.11(c)</i> then it may choose its own counsel for its defence. The costs of counsel will be met by the Defending Party;	
(e)	First Gas will not take any active steps which could be expected to directly result in the occurrence of an event for which an indemnity is payable under section 16.11(c)(i); and	
(f)	the Defending Party shall not be required to make any payment in respect of any claim under this section 16.11 based on a contingent liability until the contingent liability becomes an actual liability and is due and payable.	
16.12	A Shipper shall not make any claim, demand or commence proceedings directly against another Shipper in relation to that other Shipper's breach of this Code, its TSA or negligence in relation to any matter pertaining to or dealt with in that agreement. Neither a Shipper nor First Gas shall make any claims, demands or commence proceedings against each other in relation to any matter dealt with by this Code or a TSA (including a claim that First Gas or a Shipper has been negligent in relation to any matter pertaining to or dealt with in this Code or that TSA) except in accordance with this Code or that TSA. Nothing shall prevent:	
(a)	First Gas from exercising its rights and remedies under any ICA; or	
(b)	a transferor, transferee or Gas Transfer Agent from exercising its rights and remedies under a GTA.	

16.13	Prior to First Gas making any claim against any Liable Third Parties, First Gas shall first consult any Shipper who is a Claimant and provide an opportunity for that Shipper to have its Loss included in First Gas' claim(s).	
16.14	If required by either Party in writing, the other Party will show evidence of comprehensive liability insurance cover with a reputable insurer covering third party property damage and personal liability for which the other Party may be legally liable under or in relation to this Agreement, up to the Capped Amounts, except to the extent that such insurance is not permitted by law.	
16.15	For the purposes of this section 16, any reference to a breach of, or liability under this Code or a TSA shall include any breach of, or liability under a Supplementary Agreement or Interruptible Agreement.	

17	CODE CHANGES	
	Amendment of Code	
17.1	Subject to the balance of this section 17, First Gas, any Shipper or any Interconnected Party with an ICA (each an Interested Party) may apply to amend this Code (a Change Requestor).	
17.2	Notwithstanding section 17.1, provided all Interested Parties agree in writing, the Code may be changed other than as set out in this section 17.	
	Draft Change Request	
17.3	A Change Requestor shall notify its wish to amend the Code by submitting the following documentation to both First Gas and GIC (Draft Change Request):	
(a)	a description of the proposed change;	
(b)	the reasons for, and the intended effect and impact of the proposed change;	
(c)	a marked-up version of the Code showing any proposed amendments; and	
(d)	the provisional date on which the amended Code would take effect if approved,	
	provided that no Change Request may be notified in the period from 24 December to 2 January in any Year, inclusive.	
17.4	First Gas will publish any Draft Change Request on OATIS within 3 Business Days of receiving it.	

17.5	Within 10 Business Days following First Gas’ publication of a Draft Change Request, any Interested Party may request the Change Requestor to provide additional, relevant information in relation to the proposed change.	
17.6	The Change Requestor shall provide both First Gas and GIC with the additional information requested pursuant to section 17.5 as soon as practicable and in any case not later than 5 Business Days following the request being made.	
17.7	Within 20 Business Days following First Gas’ publication of a Draft Change Request, any Interested Party may notify both First Gas and GIC:	
(a)	whether it supports the proposed change in principle;	
(b)	of any specific objections it has; and/or	
(c)	of any conditions that would attach to its support for the proposed change,	
	in each case including reasons.	
17.8	First Gas will publish any request pursuant to section 17.5, the Change Requestor’s response pursuant to section 17.6, and all Interested Parties’ views notified pursuant to section 17.7 on OATIS within 2 Business Days of receiving the same.	
	Change Request	
17.9	Not later than 25 Business Days following First Gas’ publication of a Draft Change Request, the Change Requestor may submit to both First Gas and GIC the following information (Change Request):	

(a)	the information referred to in section 17.3, amended as required to reflect Interested Parties' responses pursuant to section 17.7; and	
(b)	its responses to any substantive specific objections raised,	
	and if it does not do so the proposed Change Request will be treated as formally withdrawn.	
17.10	First Gas will publish any Change Request on OATIS within 3 Business Days of receiving it.	
	GIC Recommendation	
17.11	Following submission of a Change Request in accordance with section 17.9, GIC, after appropriate consultation with the Gas industry, will provide a written recommendation stating whether or not it approves that Change Request. The GIC recommendation will consider whether the proposed change better achieves the objectives set out in section 43ZN of the Gas Act 1992 and the objectives set out in Government Policy Statements on gas prepared under section 43ZO of the Gas Act 1992 than the current Code. In doing so, the GIC may also suggest any further Code changes or actions by any Party that it considers relevant.	
17.12	Subject to section 17.14, a Change Request approved by GIC (Recommended Change Request) will become effective on the date specified in the approval. A Change Request the GIC does not support will be deemed to have been declined and will lapse.	

17.13	Where it approves a Recommended Change Request, First Gas will notify all Interested Parties thereof via OATIS within 2 Business Days, and publish an amended Code on OATIS which shall be effective from the later of the publication date and any effective date set out in the Recommended Change Request.	
17.14	First Gas may decline to approve a Recommended Change Request if:	
(a)	it considers that the Change Requestor has breached, or that First Gas would otherwise breach its obligation to act as a Reasonable and Prudent Operator; or	
(b)	the proposed Code change would:	
(i)	require First Gas to incur expenditure it could not recover; or	
(ii)	be likely to adversely affect First Gas' current or future provision of transmission services, pricing structure or revenue recovery,	
	provided that First Gas must publish its reasons on OATIS within 5 Business Days of receiving GIC's decision pursuant to section 17.11.	
	Correction Amendments	
17.15	If an Interested Party believes this Code needs to be amended either:	
(a)	as a result of any law change, or the order of any Court with competent jurisdiction;	
(b)	to correct a typographical or other error; or	

(c)	to update a reference to an external source including any act or standard,	
	that Interested Party may submit a notice to both First Gas and GIC (Correction Request) setting out:	
(d)	the proposed amendments to the Code;	
(e)	the explanation for each proposed amendment; and	
(f)	the date on which the proposed amendments will take effect (not to be not sooner than 20 Business Days after the Correction Request is notified) (the Code Correction Date).	
17.16	A Correction Request shall be deemed to have amended the Code unless an Interested Party submits a notice of objection to both First Gas (which First Gas will promptly publish on OATIS) and GIC prior to the Code Correction Date.	
17.17	In the absence of any notice of objection pursuant to section 17.16, First Gas shall publish marked up and clean copies of the Code incorporating the changes set out in the Correction Request on OATIS and the amended Code shall take effect on the Code Correction Date.	
17.18	If a notice of objection is submitted pursuant to section 17.16, the Correction Request shall be deemed to have been withdrawn (and the Interested Party who submitted it may submit a Draft Change Request).	
	Urgent Code Change	

17.19	First Gas may make a temporary change to the Code in accordance with this section 17.19 and section 17.20 if it believes that such change is necessary to respond to unforeseen circumstance which threaten the integrity of, or the proper commercial operation of the Transmission System (Urgent Code Change).	
17.20	First Gas will notify all Interested Parties and GIC of any Urgent Code Change and in relation to any Urgent Code Change must publish the following information on OATIS:	
(a)	the required amendments to the Code;	
(b)	the explanation of each required amendment; and	
(c)	the date on which the required Code amendments will take effect (not be earlier than the first Business Day after the Urgent Code Change is published on OATIS).	
17.21	Subject to section 17.22, the Code amendments implemented via any Urgent Code Change shall expire 6 Months after the date they take effect and, if First Gas wishes them to be permanent it may submit a Code Change Request accordingly (at any time).	
17.22	GIC may at any time revoke an Urgent Code Change that it considers to be manifestly unreasonable or contrary to the interests of users of the Transmission System.	

18	DISPUTE RESOLUTION	
18.1	Subject to sections 11.27 and 11.28, any dispute of whatever nature between a Shipper and First Gas, either Party may notify the other in writing that it wishes to attempt resolution of the dispute in accordance with this section 18 (Dispute Notice). On receipt of a Dispute Notice, the Parties shall each use reasonable endeavours to resolve the dispute by negotiation.	
18.2	If the dispute is not resolved by negotiation within 15 Business Days (or such other period as the Parties may agree in writing) of the date of the Dispute Notice, then the Parties shall submit the dispute to:	
(a)	resolution by an independent expert agreeable to both parties; or	
(b)	where the Parties cannot agree upon an independent expert within 10 Business Days after the expiry of the negotiation period referred to above, arbitration pursuant to the Arbitration Act 1996 (excluding paragraphs 4 and 5 of the Second Schedule to that Act).	

18.3	The arbitration will be conducted by an arbitrator appointed:	
(a)	jointly by the Parties; or	
(b)	if the Parties cannot agree on an arbitrator within 25 Business Days of the date of the Dispute Notice, by the President of the Arbitrators and Mediators' Institute of New Zealand upon the application of either Party.	
18.4	Nothing in this section 18 affects either Party's right to seek urgent interlocutory relief.	

19	TERM AND TERMINATION	
	Term of TSA	
19.1	Each TSA will commence on the Commencement Date and expire on the Expiry Date, unless terminated earlier in accordance with this section 19.	
	Term of Code	
19.2	Subject to section 7.5, the terms and conditions of this Code expire at 2400 on 30 September [2022].	
	Shipper May Terminate	
19.3	A Shipper may give First Gas written notice to terminate its TSA at any time, and the termination date will be 2400 on the later of:	
(a)	the date for termination set out in the Shipper's notice of termination;	
(b)	the expiry of all PRs held by the Shipper (if any);	
(c)	the date the sale of all PRs held by the Shipper (if any) becomes effective; and	
(d)	the date which is three months after the date First Gas receives the Shipper's notice of termination.	
	Termination for Default	
19.4	Either Party may terminate a TSA immediately on notice in writing to the other Party specifying the cause, if:	

(a)	any money payable under this Code remains unpaid (other than pursuant to section 11.27) for a period of 10 Business Days; or	
(b)	a Shipper fails to comply with the prudential requirements set out in section 14 for a period of 60 Business Days; or	
(c)	the other Party defaults in the performance of any material covenants or obligations imposed upon it under this Code and has not remedied that default within 20 Business Days of notice from the terminating party; or	
(d)	a resolution is passed or an order made by a court for the liquidation of the other Party, except for the purposes of solvent reconstruction or amalgamation; or	
(e)	the other Party makes or enters into or endeavours to make or enter into any composition, assignment or other arrangement with or for the benefit of that Party's creditors; or	
(f)	a Force Majeure Event occurs such that the other Party could not be expected to be in a position to perform its obligations under this Code for a period of six Months or more.	
	Suspension for Default	
19.5	If First Gas becomes aware that a Shipper is in breach of any material term or condition of this Code, First Gas shall be entitled to suspend any transmission services provided to that Shipper for the duration of any non-compliance if, and to the extent that, in First Gas' opinion, that action is necessary to protect other Shippers or their use of the Transmission System.	

	Termination Without Prejudice to the Amounts Outstanding	
19.6	The expiry or termination of a TSA shall not:	
(a)	relieve a Shipper or First Gas of its obligation to pay any money outstanding under this Code; or	
(b)	relieve a Shipper of any obligation to settle the Shipper's Running Mismatch in accordance with section 8, which, at First Gas' election (where First Gas is the terminating Party) but following consultation with that Shipper, may be done either in dollar terms or by making Gas available for that Shipper to take, or taking Gas from, that Shipper.	
	Effects of Termination	
19.7	Termination, suspension or expiry of a TSA shall not prejudice any rights or obligations of a Party that existed prior to termination, suspension or expiry.	
19.8	The provisions of this Code shall continue in effect after expiry or termination of the relevant TSA to the extent they relate to an event or circumstance that occurred prior to the date of expiry or termination of that TSA.	

20	GENERAL AND LEGAL	
	Notices	
20.1	Subject to section 20.2, all legal notices to be provided under this Code or any TSA (excluding all notifications of an operational nature required to be provided via OATIS, except where First Gas declares that OATIS is not operational in whole or in part) must be in writing and shall be deemed served if personally delivered or sent by registered mail or email to:	
(a)	in the case of First Gas, the contact set out below (or other contact First Gas may notify in writing):	
	Transmission Manager – Commercial	
	First Gas Limited	
	Level 6, Resimac House	
	45 Johnston Street	
	PO Box 865	
	Wellington 6011,	
	Email: []@firstgas.co.nz; and	
(b)	in the case of a Shipper, the contact set out in its TSA (or other contact the Shipper may notify to First Gas in writing).	
20.2	Any legal notice sent:	
(a)	via OATIS; or	
(b)	by email shall (unless the sender receives an automatic response stating that the recipient’s email address does not exist or the email has not been successfully sent):	

(i)	if sent prior to 1600 on any Business Day, be deemed served on that Business Day; or	
(ii)	if sent after 1600 on any Business Day, shall be deemed served on the next Business Day; or	
(c)	by registered mail shall be deemed served on the earlier of the date of receipt or on the second Business Day after the same was committed to post.	
	A notice concerning breach of this Code or any TSA must be sent by email.	
	Confidential Information	
20.3	Confidential Information means:	
(a)	information provided to First Gas for the purposes of setting Prudential Requirements;	
(b)	a Shipper's bids for Priority Rights prior to a PR Auction;	
(c)	a Shipper's Transmission Charges, including the information used to calculate them;	
(d)	the substance, but not the fact or existence, of any dispute between a Shipper and First Gas where the substance relates to Confidential Information or the Parties agree in writing that it is confidential;	
(e)	documents or other information made available during a dispute resolution process.	
(f)	information provided by a Shipper in response to a First Gas tender for Gas;	

(g)	advice which is protected by legal professional privilege;	
(h)	information provided by a Shipper in relation to a customer or potential customer of that Shipper, including in relation to the availability of or provision of transmission capacity, that could be of value to any of the Shipper's competitors; and	
(i)	any other material a Party wishes to disclose to First Gas on the basis that it is Confidential Information and which First Gas agrees (prior to actual disclosure of the information) is Confidential Information,	
	and 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 it.	
20.4	First Gas may use or disclose Confidential Information to the extent that:	
(a)	the information is in the public domain, other than by a First Gas breach of this Code;	
(b)	the information was already known to First Gas and was not then subject to any obligation of confidentiality;	
(c)	disclosure to First Gas professional advisor(s) or consultant(s) on a need to know basis is required, including for the purposes of analysing any request relating to the availability or provision of transmission services;	

(d)	disclosure is necessary to maintain the safety and reliability of the Transmission System, or is required to give effect to the relevant TSA to which the Confidential Information relates;	
(e)	use or disclosure is required by law (including information disclosure requirements and/or the listing rules of a recognised stock exchange) or any order of a competent court;	
(f)	the other Party has consented in writing to the use or disclosure;	
(g)	the information is obtained from a third party, whom First Gas believes, in good faith, to be under no obligation of confidentiality;	
(h)	disclosure is to First Gas' auditors; or	
(i)	disclosure is required pursuant to the resolution of any dispute under this Code.	
	Information on OATIS	
20.5	First Gas will provide each Shipper with access to OATIS as may be required for any purpose relating to this Code.	
20.6	Each Shipper is solely responsible for ensuring it can access OATIS. The Shipper agrees to the terms and conditions of access to and use of OATIS, as set out on OATIS.	
20.7	First Gas will use OATIS to publish operational and other information required under this Code. Schedule Two is a summary of the information, as at the date of this Code, that First Gas will publish on OATIS. The Parties acknowledge and agree that:	

(a)	Schedule Two is not necessarily an exclusive list of the information First Gas may publish;	
(b)	First Gas will be under no obligation to continue to publish information that (in its reasonable opinion) is no longer relevant, useful or necessary but will give all Shippers and Interconnected Parties 10 Business Days' before discontinuing publication of any information;	
(c)	First Gas may amend Schedule Two at any time to reflect changes in the Code, without the need for a Change Request, provided it notifies all Shippers and Interconnected Parties; and	
(d)	to the extent a Shipper fails to comply with its obligations under this Code as a direct result of First Gas not publishing information that the Shipper needs in order to do so (excluding any information not generated by First Gas itself and which is not made available to First Gas to publish) then, to the extent of that failure, the Shipper shall be relieved of liability.	
	Waiver	
20.8	No failure, delay or indulgence by a Party in exercising any power or right conferred on that Party by a TSA will operate as a waiver of that power or right.	
	Entire Agreement	
20.9	Each TSA constitutes the entire agreement between the Parties from the Commencement Date in relation to the subject matter of that TSA and supersedes all prior negotiations, representations and agreements between the Parties.	

	Exclusion of Implied Terms	
20.10	All terms and conditions relating to a TSA that are implied by law or custom are excluded to the maximum extent permitted by law.	
	Severability	
20.11	If any section or provision of this Code is held to be illegal or unenforceable by any judgment of any Court or tribunal having competent jurisdiction, that judgment shall not affect the remaining provisions of this Code, which shall remain in full force and effect as if that illegal or unenforceable section or provision had not been included in this Code, but only if severance does not materially affect the purpose of, or frustrate, this Code, in which case the severed section or provision shall be modified to the extent necessary to render it legal, valid and enforceable and to reflect the economic and operational effect of the severed section or provision to the maximum extent practicable.	
	Exclusion of Consumer Legislation	
20.12	The Parties acknowledge and agree that, in relation to a TSA:	
(a)	the Parties are in trade and agree to contract out of the provisions of the Consumer Guarantees Act 1993, and it is fair and reasonable to do so; and	
(b)	the provisions of sections 9, 12A, 13 and 14(1) of the Fair Trading Act 1986 shall not apply to the obligations of the Parties, and that it is fair and reasonable that the Parties contract out of those provisions.	
	Contractual Privity	

20.13	A TSA shall not, and is not intended to, confer any benefit on, or create any obligation enforceable at the suit of, any person who is not a Party to that TSA.	
	Assignment	
20.14	A Shipper must not assign or transfer any of its rights or obligations under a TSA unless it has obtained First Gas' prior written consent, which must not be unreasonably withheld or delayed.	

Signed for and on behalf of
First Gas Limited by:

Signed for and on behalf of
the Shipper by:

Signature of authorised signatory

Signature of authorised signatory

Name of authorised signatory

Name of authorised signatory

SCHEDULE TWO: INFORMATION TO BE PUBLISHED

Section	Item	Frequency of Publication
1.1	Acceptable Line Pack Limits (upper and lower)	As required for operational purposes
1.1	Critical Contingency Management Plan	As required (e.g. after any change)
1.1	Intra-Day Nominations Deadlines	As required (e.g. after any change to the number of cycles)
1.1	Metering Requirements	As required (e.g. after any change)
1.1	Line Pack to provide Running Mismatch Tolerance for Shippers and First Gas	Periodically
1.1	Line Pack to provide Running Mismatch Tolerance for OBA Parties	Periodically
1.1	Security Standard Criteria	As required
2.11	Uneconomic / discontinued transmission services	As required
3.2	Receipt Zones	Annually or as required
3.3	Delivery Zones and likely Congested Delivery Points	Annually, by 1 September
3.5	Need for Interruptible Load; amount of Interruptible Load required	As required
3.8	Criteria for Interruptible Load	As required
3.9	Notification of insufficient Interruptible Load	As required
3.10	First Gas' direct request for Interruptible Load	As required
3.11	Notification of Beneficiary Delivery Points	After execution of Interruptible Agreement
3.17	Scheduled PR Auction	As required
3.18	PR Auction Terms and Conditions Number of PRs on offer; PR Term; Reserve Price for PRs;	Minimum 10 Business Days before a PR Auction
3.19	Publication of the number of PRs allocated to each Shipper after a PR Auction	After each PR auction and before the relevant PR Allocation Day
3.20	Publication of the number of PRs traded by Shippers and the PR sale price; Amendment of Shipper PR holdings following any trade	Promptly following any trade
3.23	Notification of Congestion arising during a year; Confirmation of a PR Auction date; Exclusion of Congested Delivery Point from a Delivery Zone	As required
3.24	Notification that Congestion no longer exists; Update Shippers' holdings of PRs on OATIS for any PRs cancelled; Notify the Delivery Zone in which the former Congested Delivery Point will be included	As required
4.11	Intra-Day Cycle times, including deadlines for NQs and First Gas approval	As required

5.5	Daily Delivery Reports; Hourly Delivery Reports	For Metering that First Gas monitors by telemetry (including SCADA), as soon as practicable and not later than (on the next Business Day after a Day): Unvalidated data by 1000; and Validated data by 1200
5.9	Gas composition data	By 1200 each Business Day, data for the most recent Business Day and each Day since that Day (if any)
7.5	Supplementary Agreements	As soon as practicable following execution
7.10	Interruptible Agreements	As soon as practicable following execution
7.14	Interconnection Agreements	As soon as practicable following execution
8.6	Low Line Pack Notice; High Line Pack Notice	Where practical, if Line Pack is decreasing or increasing excessively fast
8.12	Negative ERM fee (F_{NERM})	As required
8.13	Positive ERM fee (F_{PERM})	As required
8.14	Running Mismatches of Shippers, OBA Parties and First Gas	As soon as practicable after determination
8.17	Parked Gas and/or Loaned Gas quantities	Following their determination
8.19	Procedures for parties applying to Park or take Loaned Gas	As required
8.21	Prices payable to Park Gas and take Loaned Gas	As required
9.2	Notice of scheduled Maintenance that affects receipt or delivery of Gas	Not less than 30 Days' notice (to the affected parties)
9.5, 9.6	Operational Flow Orders	As soon as practicable after issuance
11.1	Daily Nominated Capacity Fees	Prior to 1 September annually
11.5	Specific HQ/DQ for all Dedicated Delivery Points	Annually
11.7	Physical MHQ for all Dedicated Delivery Points	Annually
12.4, 12.5	Notification of Non-Specification Gas	As required
12.6	Report on Interconnected Party's compliance with Gas Specification	As required
13.4	Odourisation spot check results	Monthly
15.3	First Gas declares a Force Majeure Event	As soon as practicable after the event
15.8	Shipper Report on Force Majeure Event	As soon as practicable after report received.
15.9	First Gas report on Force Majeure Event	As soon as practicable
16.4	Adjusted Capped Amounts	Following annual CPI adjustment
17.4	Publication of Draft Change Request	Within 3 business days of receipt
17.8	Publication of questions, responses and views about Draft Change Request	Within 2 business days of receipt
17.10	Publication of Change Request	Within 3 business days of receipt
17.13	First Gas' approval of Change Request approved by GIC	Within 5 business days of GIC decision
17.14	First Gas' decision not to approve a Change Request approved by GIC, with reasons	Within 5 business days of decision
17.16	Publication of notice of objection	As soon as practicable after receipt
17.17	Publication of Code incorporating Correction Request	As soon as practicable following expiry of objection period.

<i>17.20</i>	Notification of Urgent Code Change	As soon as practicable
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SCHEDULE THREE: REQUIREMENTS OF GAS TRANSFER AGREEMENTS

1 Definitions

In this Schedule Three:

Inputs means the data required to perform the calculations required by the Gas Transfer Rules; and

Outputs means the quantities of Gas transferred after application of the relevant Gas Transfer Rules.

2 General Requirements

2.1 A GTA must:

- (a) be in writing, executed by the transferor and transferee;
- (b) be provided to the Gas Transfer Agent for its consideration and execution and be executed by the Gas Transfer Agent no less than 2 hours before the Gas to which that GTA refers is to be injected into, transferred within or taken from the Transmission System, except that where Gas is to be injected, transferred or taken on a Day that is not a Business Day, the GTA must be provided to the Gas Transfer Agent no less than 8 hours before;
- (c) provide unambiguous rules for determining the quantity of Gas transferred by the transferor to the transferee;
- (d) specify the order of priority between two or more of the transferor's GTAs for the same Receipt Point in the event of any inconsistency between those agreements; and
- (e) provide for all Inputs to be provided to the Gas Transfer Agent by the times published by First Gas on OATIS).

2.2 A GTA must set out Gas Transfer Rules which:

- (a) acknowledge (either explicitly or implicitly) that, except where this Schedule Three allows a transferor to go into negative Mismatch, the total quantity of Gas available on a Day for transfer by the transferor:
 - (i) at any Receipt Point where an OBA applies, is the transferor's [Scheduled Quantity Approved](#) ~~NQ~~ at that point plus or minus any earlier traded quantities; and
 - (ii) at all other Receipt Points, is the metered quantity;

- (b) are compatible with the transferor's other GTAs in respect of the same Receipt Point; and
- (c) are not conditional on allocated quantities at any Delivery Point.

3 **Specific Requirements**

3.1 A GTA must:

- (a) specify that if the quantity of Gas available to the transferor to transfer (as determined by, or calculated by reference to, the Inputs) is insufficient to meet the proposed transfer:
 - (i) the transferor will go into negative Mismatch to complete the transfer if the transferor is a Shipper; and
 - (ii) the transfer will not be completed to the extent of the insufficiency if the transferor is not a Shipper;
- (b) set out default rules to be applied by the Gas Transfer Agent where:
 - (i) the Inputs are not provided or received in full and within the required times or if they contain any deficiency;
 - (ii) the Inputs cannot be calculated for any reason other than a Force Majeure Event;
 - (iii) the Outputs cannot be calculated for any reason other than a Force Majeure Event;
 - (iv) the quantity of Gas available to the transferor is less than the combined quantities claimed for transfer by the transferee(s) and the transferor is not eligible to go into negative Mismatch to complete the transfer;
 - (v) the quantity of Gas available to be allocated is a metered quantity, and the total quantity claimed by the transferee or transferees does not equal that metered quantity;
 - (vi) there is a dispute between the parties to the GTA (or any two of them) as to the Inputs, Outputs or the interpretation of the GTA affecting the determination or calculation of those Inputs or Outputs, where those default rules must ensure:
 - A the determination of the Outputs by the 12th Day of the Month following the Month in which the relevant Gas was injected into, transferred within or taken from the Transmission System; and

- B that under no circumstances will First Gas (as the owner and operator of the Transmission System) be involved in the dispute; and
- (c) set out “*Fall Back Default Rules*” the Gas Transfer Agent shall apply, including those set out below, if a default rule referred to in *paragraph 3.1(b)* above fails:
- (i) where any of the default rules in relation to *paragraphs 3.1(b)(i), (ii), (iii) or (vi)* of this Schedule Three fails, the Gas Transfer Agent shall determine that no transfer of Gas to the transferee has occurred;
 - (ii) where the default rule in relation to *paragraph 3.1(b)(iv)* of this Schedule Three fails, the Gas Transfer Agent shall complete the transfer to the extent of the Gas available but on a pro rata basis, across each transferee’s nominations; or
 - (iii) where the default rule in relation to *paragraph 3.1(b)(v)* of this Schedule Three fails, the Gas Transfer Agent shall:
 - A transfer the metered quantity to the transferee, if there is only one transferee; or
 - B split the metered quantity equally between the transferees, if there is more than one transferee