|  |
| --- |
| Interconnection Agreement for Delivery Points |

First Gas Limited (First Gas)

[ ] (the Interconnected Party)

September 2017

**TABLE OF CONTENTS**

[1 parties’ rights and obligations 3](#_Toc494117371)

[2 Technical Compliance 3](#_Toc494117372)

[3 metering and energy quantity reports 5](#_Toc494117373)

[4 gas delivery 8](#_Toc494117374)

[5 Energy allocation at A Delivery point 10](#_Toc494117378)

[6 gas quality 11](#_Toc494117379)

[7 odorisation 12](#_Toc494117380)

[8 health and safety 13](#_Toc494117381)

[9 Curtailment 14](#_Toc494117382)

[10 prudential 16](#_Toc494117383)

[11 fees and charges 18](#_Toc494117385)

[12 invoicing and payment 20](#_Toc494117386)

[13 ACCESS RIGHTS 22](#_Toc494117387)

[14 term and TERMINATION 23](#_Toc494117388)

[15 FORCE MAJEURE 26](#_Toc494117389)

[16 LIABILITIES 27](#_Toc494117390)

[17 regulatory change 29](#_Toc494117391)

[18 dispute resolution 30](#_Toc494117392)

[19 general AND LEGAL 31](#_Toc494117393)

[20 definitions and construction 33](#_Toc494117394)

[schedule one: Delivery Point details 40](#_Toc494117395)

[schedule two: technical requirements 41](#_Toc494117396)

[SCHEDULE three: amending agreement 44](#_Toc494117397)

**PARTIES:**

**First Gas Limited** (*First Gas*)

**[ ] Limited** (*the Interconnected Party*)

**BACKGROUND:**

1. First Gas owns and operates a Gas Transmission System.
2. As at the date of this Agreement, the Interconnected Party is taking Gas, supplied by one or more Shippers, from First Gas’ Pipeline at the existing Delivery Points.
3. The Parties have agreed to enter into this Agreement to set out the terms on which the Interconnected Party may continue to connect its Pipeline to, and take Gas from First Gas’ Pipeline at the existing Delivery Points and at Additional Delivery Points in future.

**AGREEMENT:**

# parties’ rights and obligations

* 1. First Gas will permit connection of the Interconnected Party’s Pipeline, and the Interconnected Party will connect its Pipeline to a Delivery Point, on and subject to the terms and conditions set out in this Agreement.
  2. Each Party will act as a Reasonable and Prudent Operator when exercising any of its rights, powers, obligations and duties under this Agreement.
  3. Subject to the terms of this Agreement and the Code*,* First Gas has absolute discretion as to how it conducts the operation of its Gas Transmission System.

# Technical Compliance

## General

* 1. Except as agreed otherwise in writing, First Gas will ensure that all Delivery Points, including Additional Delivery Points, comply with Schedules One and Two.
  2. First Gas will provide the Interconnected Party with a copy of its maintenance records for any Delivery Point on request (but not more than once per year).

## Additional Delivery Point

* 1. The Interconnected Party may request an Additional Delivery Point at any time during the term of this Agreement. The Parties shall execute an Amending Agreement in respect of that Additional Delivery Point before commencing any work in relation to it.
  2. In relation to any Additional Delivery Point, First Gas will:
     1. consult with the Interconnected Party to ensure that the design of that Additional Delivery Point meets its reasonable requirements;
     2. consider and respond to all reasonable comments or queries put forward by the Interconnected Party in relation to compliance with Schedule Two;
     3. determine whether Odorisation Facilities are required and if First Gas will own them in accordance with *section 7.5*;
     4. use commercially reasonable endeavours to obtain a site and/or other appropriate property rights as First Gas may require;
     5. use commercially reasonable endeavours to obtain any consents and approvals required; and
     6. design, construct, install and commission the Delivery Point, including:
        1. any new connection to its Pipeline; and/or
        2. Odorisation Facilities, where it will be the owner of those facilities.
  3. First Gas will on request supply the Interconnected Party with a producer statement and/or a certificate of electrical inspection confirming that an Additional Delivery Point is designed, constructed, operated and maintained in compliance with all applicable Laws.

## Interconnected Party’s Pipeline

* 1. The Interconnected Party shall ensure that its Pipeline is designed, constructed, operated and maintained in compliance with all applicable Laws and will not connect or continue to connect its Pipeline to, or take Gas at a Delivery Point unless it is safe to do so.
  2. The Interconnected Party will on request supply First Gas with a producer statement and/or a certificate of electrical inspection in respect of any Interconnected Party Equipment.

## Gas-on Date

* 1. Subject to *section 2.9*, the Interconnected Party shall not take Gas at an Additional Delivery Point until First Gas has notified the Interconnected Party in writing that the following conditions have been satisfied (the *Gas-on Date*):
     1. First Gas has completed commissioning that Delivery Point;
     2. Odorisation Facilities (if required) have been installed and commissioned;
     3. the Remote Monitoring Equipment is fully operational;
     4. First Gas has received all monies payable (if any) by the Interconnected Party (except where otherwise agreed in writing); and
     5. the requirements set out in *section 10* have been met,

provided that the Interconnected Party may take limited quantities of Gas at the Delivery Point, when and to the extent reasonably requested by First Gas to facilitate commissioning.

* 1. In respect of any Delivery Point in operation on the Commencement Date, the Gas-on Date shall be the Commencement Date.

## Excessive Flow

* 1. The Interconnected Party agrees that it will not take Gas, or allow Gas to be taken at a Delivery Point at a rate greater than the Maximum Design Flow Rate and, if it does so, it shall be liable for:
     1. the cost of repairs to, or replacement of any First Gas equipment damaged by that excessive flow; and
     2. the charge determined in accordance with *section 11.11*,

in addition to any liability for Loss pursuant to *section 11.12*.

## Low Flow

* 1. Where Gas is taken at a Delivery Point at rates less than the Minimum Design Flow Rate sufficiently often, or in quantities that in First Gas’ opinion makes the determination of energy quantities taken at that Delivery Point Inaccurate, First Gas shall notify the Interconnected Party and, after reasonable consultation, decide whether modifications to the Metering are necessary.
  2. Where the modifications referred to in *section 2.11* relate to a Delivery Point for which an Interconnection Fee is payable, First Gas may re-determine that fee to reflect any reasonable costs it incurs.

# metering and energy quantity reports

## Metering Required

* 1. First Gas will install metering as set out in Schedule One and use all reasonable endeavours to ensure that it operates at all times.

## Direct Gas Measurement Only

* 1. Metering shall determine Gas quantities by direct measurement only and not by difference or by other indirect means.

## Testing of Metering and Provision of Information

* 1. First Gas will:
     1. no earlier than 3 Months before Metering is placed into service, test each meter and other gas measurement device forming part of that Metering; and
     2. where the Metering includes a verification meter, conduct an in-situ verification test of each custody transfer meter as soon as practicable after Metering is placed into service,

to ensure that the Metering is Accurate. If the Metering is found to be Inaccurate, First Gas will service, repair, re-calibrate or replace it, then re-test it to establish that it is Accurate. First Gas will provide the Interconnected Party with written evidence of testing pursuant to this *section 3.3*.

* 1. First Gas shall use all reasonable endeavours, including by means of periodic testing in accordance with the Metering Requirements, to ensure that Metering is Accurate. The Interconnected Party shall be entitled to request, and First Gas shall provide:
     1. reasonable technical information relating to the Metering;
     2. a copy of First Gas’ planned maintenance schedules relating to Metering; and
     3. the results of any testing of Metering.

## Unscheduled Testing of Metering

* 1. The Interconnected Party may request First Gas to carry out an unscheduled test of any Metering. First Gas shall comply with that request, provided that it shall not be obliged to undertake such testing within 1 Month of its own scheduled testing or more frequently than once every 9 Months. First Gas will allow the Interconnected Party’s representative to be present during any unscheduled testing, and provide the Interconnected Party with the test results. Where the Metering is found to be:
     1. Accurate, the Interconnected Party will reimburse First Gas for all costs incurred by First Gas in undertaking the unscheduled testing; or
     2. Inaccurate, First Gas shall:
        1. bear all costs it incurred in undertaking the unscheduled testing (but not any costs incurred by the Interconnected Party or any other party); and
        2. at its cost and as soon as practicable, service, repair, recalibrate or replace the Metering (or relevant part thereof) to make it Accurate.

## Corrections for Inaccurate Metering

* 1. Where Metering is found to be Inaccurate, First Gasshall correct previously determined energy quantities in accordance with the Metering Requirements.

## Amendment of Metering Requirements

* 1. First Gas may amend the Metering Requirements at any time but the amended Metering Requirements shall apply to Metering only if both Parties agree in writing, such agreement not to be unreasonably withheld or delayed.

## Access to Data

* 1. First Gas shall, subject to *sections 3.9* to *3.12*, make available to the Interconnected Party at a Delivery Point from the Gas-on Date any of the following data (*Data*) as the Interconnected Party may request:
     1. for each meter stream that forms part of the Metering:
        1. uncorrected volume flow rate at flowing conditions;
        2. corrected volume flow rate;
        3. mass flow rate;
        4. energy flow rate;
        5. accumulating (totalising) uncorrected volume;
        6. accumulating (totalising) corrected volume;
        7. accumulating (totalising) mass;
        8. accumulating (totalising) energy;
        9. the pressure and temperature at the meter;
        10. density at flowing conditions; and
     2. in respect of Gas taken at that Delivery Point:
        1. Specific Gravity or Relative Density;
        2. Base Density;
        3. Gross Calorific Value;
        4. Nett Calorific Value;
        5. the concentration (in mole %) of Nitrogen, Carbon Dioxide and all hydrocarbon constituents of the Gas individually (including isomers of a constituent present in other than trace amounts) up to and including Pentanes;
        6. the concentration (in mole %) of all hydrocarbon constituents in the Gas with a molecular weight greater than that of Pentane, either collectively as Hexanes-plus or individually as total Hexanes, total Heptanes, total Octanes and Nonanes-plus, where the capabilities of the gas analyser for the Metering permits; and
        7. Gas quality information including hydrocarbon dewpoint and water content to the extent available,

provided that First Gas shall not be obliged to provide any Data that is not available to it or which it does not itself require for the purposes of this Agreement.

* 1. Pursuant to *section 3.8*, First Gas shall:
     1. reasonably determine the source from which any Data is obtained; and
     2. at its cost make the Data available at reasonably located termination points in a non-Hazardous area, in the manner and in accordance with the frequency, communications protocol and format (including units of measurement) as it may reasonably determine.
  2. The Interconnected Party shall be responsible for conveying the Data to any other location at its cost.
  3. First Gas shall use all reasonable endeavours to maintain the availability of Data, including while the Metering is undergoing repair, re-calibration, testing, servicing, upgrading, removal or replacement. The Interconnected Party shall not be relieved of any of its obligations under this Agreement due to the unavailability of any of the Data, for any reason.
  4. If First Gas upgrades or replaces Metering at a Delivery Point and is no longer able to provide any Data as a result, First Gas shall not be obliged to reimburse any costs previously incurred by the Interconnected Party in order to receive that Data.

## Energy Quantity Reports

* 1. First Gas shall produce daily delivery reports *(DDRs)* and hourly delivery reports *(HDRs)* separately:
     1. for each meter at a Delivery Point and for each Delivery Point in aggregate;
     2. not less frequently than each Business Day for all Days since the previous Business Day; and
     3. at the end of each Month including all Days in that Month,

in the format determined in accordance with the Code.

## OATIS Access

* 1. First Gas will provide the Interconnected Party with access to OATIS:
     1. to enable the Interconnected Party to view and/or download DDRs and/or HDRs; and
     2. as may be required for any other purpose relating to this Agreement, provided that the Interconnected Party shall be responsible at its cost for ensuring it can access OATIS and will do so on the terms and conditions of access to, and use of OATIS set out on OATIS.

# gas delivery

## Controlled Delivery Pressure

* 1. Where Schedule One stipulates that the Delivery Pressure at a Delivery Point is “Controlled” (*Controlled*):
     1. First Gas will determine the means of pressure control and over-pressure protection to be used, provided that First Gas shall not use a slam-shut valve for the purpose described in *paragraph 1.6(b)* of Schedule Two unless:
        1. where two pressure control streams are installed, the set-points of the respective slam-shut valves are such that if the valve in the working stream closes the valve in the standby stream should remain open; or
        2. where only one pressure control stream is installed, the Interconnected Party can tolerate an immediate and complete stoppage in the flow of Gas if a slam-shut valve or pressure regulating valve closes, and remain without Gas for the reasonable time First Gas may require to reinstate normal pressure control and the ability to take Gas;
     2. the normal range within which the Delivery Pressure may vary will be determined by the Pressure Control Settings;
     3. the Interconnected Party acknowledges and agrees that the Delivery Pressure may increase to the Maximum Delivery Pressure and that:
        1. it shall ensure that the MAOP of its Pipeline plus any over-pressure allowed under that Pipeline’s design code is not less than the Maximum Delivery Pressure; and
        2. First Gas shall have no liability whatsoever in respect of an increase in Delivery Pressure envisaged under this *section 4.1(c)* unless the Delivery Pressure exceeds the greater of the Maximum Delivery Pressure or the MAOP of the Interconnected Party’s Pipeline;
     4. either Party may at any time request a change in the Nominal Delivery Pressure and the other Party shall not unreasonably withhold or delay its agreement, provided that:
        1. the Interconnected Party shall not be required to agree to any request from First Gas to decrease the Nominal Delivery Pressure where that would (in its discretion) materially affect the Interconnected Party’s ability to take or utilise Gas;
        2. First Gas shall not be obliged to agree to any request of the Interconnected Party to increase the Nominal Delivery Pressure where that would (in its discretion) materially reduce First Gas’ ability capacity to provide transmission services to any delivery point;
        3. First Gas shall be entitled to make its agreement to any change in the Nominal Delivery Pressure conditional on changes to other Pressure Control Settings (including, where an increase in the Nominal Delivery Pressure is requested, to the applicable Maximum Delivery Pressure) that it reasonably considers to be necessary;
        4. in respect of any request to increase the Nominal Delivery Pressure, the Interconnected Party agrees in writing that the MAOP of its Pipeline is sufficient to allow the increase (and any consequent increase in the Maximum Delivery Pressure, as determined by First Gas);
        5. the requesting Party shall be responsible for the reasonable direct costs of any required modifications to the relevant Delivery Point, as determined by First Gas and, where First Gas is the requesting Party, First Gas shall also be responsible for any reasonable direct costs incurred by the Interconnected Party as a condition of its agreement to its request; and
        6. the relevant page of Schedule One is replaced to reflect any changes pursuant to this *section 4.1(d)*.

## Uncontrolled Delivery Pressure

* 1. Where Schedule One stipulates that the Delivery Pressure at a Delivery Point is “Uncontrolled”:
     1. First Gas provides no representation, warranty or undertaking as to what the Delivery Pressure will be at any time;
     2. First Gas will not be obliged to operate its Pipeline in order to provide any particular Delivery Pressure or Delivery Pressure range;
     3. the Interconnected Party agrees that First Gas shall have no liability whatsoever in relation to or for any variation in the Delivery Pressure at any time; and
     4. the Interconnected Party shall ensure that the MAOP of its Pipeline is not less than the MAOP of First Gas’ Pipeline.

# Energy allocation at A Delivery point

* 1. Subject to *section 5.3*, a Shipper’s Delivery Quantity at a Delivery Point will be:
     1. where only one Shipper is using the Delivery Point, the metered quantity for that Day; or
     2. where more than one Shipper is using the Delivery Point and:
        1. the Downstream Reconciliation Rules (*DRR*) apply, the quantity determined by the Allocation Agent under the DRR for that Day; or
        2. an Allocation Agreement applies, the quantity determined by the Allocation Agent under the applicable Allocation Agreement for that Day; and
  2. The Interconnected Party, where it is the sole End-user of Gas taken at a Delivery Point, has the right to determine the rules to be applied by the Allocation Agent under the Allocation Agreement at that Delivery Point to determine Shippers’ Delivery Quantities. The Allocation Agreement must ensure that not later than 1700 on the second Business Day after the Day on which the Allocation Agent receives any necessary information from First Gas, the Allocation Agent notifies First Gas via OATIS of each Shipper’s Delivery Quantities and Hourly Quantities.

## Operational Balancing Agreement

* 1. Subject to *section 5.4*, where it is the sole End-user of Gas taken at a Delivery Point, the Interconnected Party may determine that an OBA shall apply at that Delivery Point, provided it agrees that:
     1. it is an “OBA Party” and an “Interconnected Party” for the purposes of the Code;
     2. all provisions of the Code applicable to an OBA Party and an Interconnected Party are deemed to be incorporated into this Agreement and the Interconnected Party shall comply with all those provisions;
     3. it will use reasonable endeavours to ensure that the metered quantity of Gas taken at that Delivery Point on a Day matches the Scheduled Quantity for that Day; and
     4. to the extent the Interconnected Party fails to comply with this *section 5.3(c)*, it will be liable for and will pay the charges referred to in *section 11.10*.
  2. The Interconnected Party must give First Gas and all Shippers using a Delivery Point not less than 40 Business Days’ notice in writing before an OBA may commence at that Delivery Point.
  3. An Interconnected Party may terminate an OBA at a Delivery Point on expiry of not less than 40 Business Days’ notice in writing to First Gas and all Shippers using that Delivery Point, provided that (if applicable) all those Shippers must sign an Allocation Agreement before the OBA may terminate.
  4. Where an OBA applies at a Delivery Point, First Gas will provide the Interconnected Party with access to OATIS to manage Shippers’ Nominated Quantities at that Delivery Point in accordance with *section 4* of the Code.

# gas quality

* 1. Under the Code, First Gas requires all gas injected into the Transmission System to be Gas. The Interconnected Party acknowledges and agrees that, without limiting either Party’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, 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.
  2. As soon as practicable upon detecting or suspecting that Non-Specification Gas has flowed at a Delivery Point, the Interconnected Party will notify First Gas (except where First Gas has notified the Interconnected Party under *section 6.3*) and provide any details of which the Interconnected Party is aware in relation to:
     1. the reason why that gas was, or was suspected to be Non-Specification Gas;
     2. the likely period of time during which Non-Specification Gas was taken, or was suspected to have been taken at a Delivery Point; and
     3. the consequences or effects of having taken that Non-Specification Gas.
  3. Where First Gas becomes aware that Non-Specification Gas has entered, or is likely to enter the Transmission System, First Gas will notify all Shippers and Interconnected Parties who might receive any of that gas (including where it is mixed with Gas before reaching the relevant Delivery Points) via OATIS and, where available provide the information referred to in *section 6.2*.
  4. First Gas will install and maintain equipment at a Delivery Point to ensure that all Gas taken complies with the Gas Specification in respect of dust and/or compressor oil.
  5. Non-Specification Gas will be deemed to have been Non-Specification Gas at the time it was injected into the Transmission System unless it is shown that First Gas caused Gas to become Non-Specification Gas.
  6. Where First Gas did not cause gas to become Non-Specification Gas it shall have no liability to the Interconnected Party for any Loss incurred by the Interconnected Party arising out of, or in relation to the taking that gas at a Delivery Point.
  7. Nothing in this Agreement requires First Gas to monitor the quality of gas taken at a Delivery Point.

# odorisation

## Odorised Pipeline

* 1. The Odorisation Status of First Gas’ Pipeline at a Delivery Point at the Commencement Date is set out in Schedule One. First Gas will odorise Gas in an odorised Pipeline in accordance with the Code.
  2. In respect of a Delivery Point on an odorised Pipeline, as soon as reasonably practicable upon First Gas or the Interconnected Party becoming aware that Gas which does not meet the detectability requirements set out in New Zealand Standard 5263:2003 (*Insufficiently Odorised Gas*) has flowed, is flowing or is likely to flow through that Delivery Point, that Party will notify the other Party of the same and provide any details of which it is aware in relation to:
     1. the cause of that Insufficiently Odorised Gas; and
     2. the likely period of time during which Insufficiently Odorised Gas has flowed or is likely to flow;
  3. On becoming aware of Insufficiently Odorised Gas, First Gas will promptly take all reasonable steps to remedy the situation as soon as practicable.
  4. Notwithstanding any other provision of this Agreement, First Gas shall have no liability to the Interconnected Party whatsoever for any Loss incurred by the Interconnected Party arising from the occurrence of Insufficiently Odorised Gas.

## Unodorised Pipeline

* 1. Where First Gas’ Pipeline is an unodorised pipeline and either First Gas or the Interconnected Party determines that Gas taken at a Delivery Point must be odorised, First Gas may elect but shall not be required to be, the Odorisation Facilities owner. The provisions of *sections 7.1* to *7.4* shall then apply.
  2. Notwithstanding any other provision of this Agreement, First Gas may cease odorising Gas in any Pipeline or at any Delivery Point on expiry of not less than 18 Months’ written notice to the Interconnected Party and all Shippers.

# health and safety

* 1. If relation to a Delivery Point, each Party shall (as applicable) ensure that its personnel:
     1. comply with all applicable health and safety Law;
     2. comply with its own and other Party’s health and safety plan, as provided to each Party;
     3. take all practicable steps to identify and eliminate risks to health and safety or, where that is not practical, take all practicable steps to minimise such risk;
     4. immediately advise the other Party verbally of any incident affecting, or which may affect, that Delivery Point and which must be reported or notified to the relevant authority pursuant to the relevant Law, and as soon as possible afterwards, provide the other Party with:
        1. written details of the incident;
        2. a copy of any notice given to the relevant authority; and
        3. details of steps taken or to be taken to eliminate or minimise any risk associated with that incident; and
     5. provide all information and assistance reasonably requested by the other Party to ensure that no harm comes to any persons.
  2. For the purpose of this *section 8* “all practicable steps” shall be deemed to have been taken where the relevant Party has taken all those steps required under applicable Law.

# Curtailment

## Adverse Events

* 1. Subject to the balance of this *section 9*, First Gas will use reasonable endeavours to avoid curtailing the taking of Gas at a Delivery Point. First Gas may, without incurring any liability to the Interconnected Party, curtail the taking of Gas (or the ability to take Gas) at a Delivery Point to the extent it determines:
     1. an Emergency has occurred or is likely to occur;
     2. a Force Majeure Event has occurred;
     3. a Critical Contingency would otherwise occur;
     4. is necessary for the purposes of Congestion Management under the Code;
     5. the take of Gas is greater than the Maximum Design Flow Rate or the Physical MHQ;
     6. a Shipper’s TSA or Supplementary Agreement, or (if applicable) the Gas Transfer Agreement or Allocation Agreement expires or is terminated; or
     7. this Agreement expires or is terminated, either in total or in relation to that Delivery Point,

provided that in relation to the events described in parts (a) to (d) of this *section 9.1*, First Gas shall use reasonable endeavours to minimise the period of curtailment.

* 1. First Gas, where it requires to carry out Scheduled Maintenance that will curtail the taking of Gas, or the ability to take Gas at a Delivery Point (but not any Scheduled Maintenance which First Gas believes will not have that effect), will:
     1. use reasonable endeavours to undertake that Scheduled Maintenance at a time when the offtake of Gas is lowest;
     2. notify the Interconnected Party as early as practicable and not less than 30 Days’ prior to commencing work of the likely duration of that work and of the expected impact; and
     3. minimise the period of any curtailment,

provided that where any Scheduled Maintenance notified pursuant to this *section 9.2* is delayed prior to work commencing, First Gas must promptly notify the Interconnected Party of that delay on OATIS, but will not be required to re-start the 30 Days’ notice period.

* 1. Nothing in this Agreement will prevent First Gas from carrying out unscheduled Maintenance at a Delivery Point, including in relation to events referred to in *section 9.1(a)* or *(b)*, provided that First Gas must give the Interconnected Party as much notice as is reasonably practicable.
  2. Where it is the End-user of Gas taken at a Delivery Point, and intends to carry out maintenance or other work that will either significantly reduce, or significantly increase its take of Gas (but not, for the avoidance of doubt, other maintenance or work), the Interconnected Party shall:
     1. give First Gas as much notice as practicable before commencing that maintenance or other work; and
     2. advise First Gas of the likely duration of that maintenance or other work and the extent of the expected reduction or increase in its take of Gas.
  3. Where it is the End-user of Gas taken at a Delivery Point, the Interconnected Party shall reasonably assist First Gas’ Scheduled Maintenance, including by using Gas in the manner reasonably requested by First Gas.

## Curtailment of Nominated Quantities

* 1. First Gas may curtail Shippers’ Nominated Quantities at a Delivery Point, including where an OBA applies at that Delivery Point, in accordance with the Code.

## Operational Flow Order

* 1. If any of the events described in *section 9.1(a)* to *(g)* occurs, First Gas may give the Interconnected Party an Operational Flow Order, and the Interconnected Party 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 plant. First Gas will minimise the period of curtailment stipulated in an OFO to the extent practicable. First Gas will publish each OFO on OATIS.
  2. First Gas may instruct the Interconnected Party to curtail its take of Gas (or its ability to take Gas) at a Delivery Point as required to comply with the CCM Regulations, without incurring any liability to the Interconnected Party.

## Failure to Comply

* 1. The Interconnected Party agrees that in the event it fails to comply with an OFO:
     1. First Gas may curtail the Interconnected Party’s take of Gas itself; and
     2. the Interconnected Party shall indemnify First Gas for any Loss incurred by First Gas that results from that failure to comply and the limitation set out in *section 16.1* shall not apply in respect of the Interconnected Party’s liability under this indemnity.

## Relief from Charges

* 1. In relation to any curtailment under *section 9.1(a)* to *(d)* or *section 9.2,* the Interconnection Fee at a Delivery Point will not be payable for the period of that curtailment to the extent of the reduction in the normal or scheduled take of Gas, except to the extent that the Interconnected Party:
     1. caused or contributed to any event or circumstance giving rise to that curtailment, including in the circumstances referred to in *section 2.11*;
     2. was itself carrying out Maintenance or Scheduled Maintenance during the curtailment to the extent that its ability to take Gas was less than the curtailment;
     3. took Gas at a rate greater than the Nominated Quantity determined by First Gas pursuant to *section 9.6*; or
     4. failed to comply with an instruction from First Gas given under *section 9.7 or section 9.8*.

# prudential

* 1. At all times during the term of this Agreement and until the Interconnected Party has paid all outstanding amounts and all amounts payable or which may become payable in the 24 Months following expiry or termination of this Agreement, the Interconnected Party must comply, at its election, with one of the following:
     1. hold an acceptable credit rating in accordance with *section 10.2*;
     2. 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 10*, provided the party providing the Credit Support maintains an acceptable credit rating in accordance with *section 10.2*:
        1. an unconditional payment guarantee or letter of credit in favour of First Gas; or
        2. an unconditional third party payment guarantee in favour of First Gas; or
        3. a security bond in favour of First Gas.
  2. For the purposes of *section 10.1*, 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 Interconnected Party or third party Credit Support provider satisfies the criteria that would be applied in the granting of that credit rating).
  3. First Gas may require the Interconnected Party 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 10.2*).
  4. The amount secured by any Credit Support will be First Gas’ reasonable estimate of 3 Months of the Charges (plus GST), provided that either Party may review that amount (though not more frequently than quarterly) and require it to be adjusted up or down.
  5. The Interconnected Party shall as soon as practicable notify First Gas if:
     1. the Interconnected Party ceases to comply with *section 10.1*;
     2. the Interconnected Party believes that its financial position is likely to be materially adversely impaired such that its ability to pay the Charges will be consequently affected;
     3. a third party Credit Support provider (upon which its current satisfaction of the prudential requirements in this *section 10* depends) ceases to hold an acceptable credit rating in terms of *section 10.1*; or
     4. either it, or the third party Credit Support provider is placed on negative credit watch.
  6. If the Interconnected Party fails to pay First Gas any amount set out in any invoice issued by First Gas pursuant to this Agreement 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 Days’ prior written notice from First Gas, without limiting any other right it may have under this Agreement, First Gas may:
     1. make a claim under any Credit Support to the extent payment is due and the Interconnected Party shall procure that payment;
     2. require Credit Support, if Credit Support has not already been provided;
     3. require a change to the type of Credit Support provided; and/or
     4. require an increase to the level of Credit Support.
  7. Where First Gas makes a claim against any Credit Support, the Interconnected Party must procure replacement Credit Support within 10 Business Days so that the Credit Support requirements set out in *section 10.1* continue to be met.
  8. Where an Interconnected Party is required to provide new or additional Credit Support, it must do so within 20 Business Days of First Gas’ written request.
  9. If this Agreement is terminated, First Gas will release any associated Credit Support when and to the extent that the Interconnected Party has paid all outstanding amounts under this Agreement.

# fees and charges

## Fees Payable

* 1. Where, in respect of a Delivery Point in operation on the Commencement Date, an Interconnection Fee:
     1. has not previously been payable, First Gas will not charge any such fee during the term of this Agreement, except to the extent that Delivery Point becomes an Additional Delivery Point; or
     2. is payable, that fee, together with the procedure for adjusting or redetermining it, will be as recorded in Schedule One.
  2. In respect of any Additional Delivery Point, First Gas shall determine how it will recover its costs to design, construct, operate and maintain that Additional Delivery Point, which may include an Interconnection Fee (and, if applicable, a Termination Fee) payable by the Interconnected Party, determined in accordance with this *section 11*.
  3. If it elects to be the Odorisation Facilities owner, First Gas shall determine how it will recover its costs to design, construct, operate and maintain those facilities. Where it determines that a separate Odorisation Fee is payable by the Interconnected Party, First Gas will determine that fee (and any additional Termination Fee) in accordance with this *section 11*. The Odorisation Fee for a Delivery Point shall cease to be payable on expiry of the notice period referred to *section 7.6*, nor shall a Termination Fee be payable in respect of the relevant Odorisation Facilities in that event.

## Determination of Fees

* 1. In respect of an Additional Delivery Point, First Gas shall set out provisional Interconnection and Termination Fees (if payable) in the Amending Agreement to be executed by the Parties. First Gas will determine the provisional fees using the then-current Regulatory Settings and First Gas’ estimate of its cost to design, build, operate and maintain the Additional Delivery Point (*Estimated DP Cost*).
  2. Subject to *sections 11.6* and *11.7*, approximately 4 Months after the Gas-On Date, First Gas shall determine confirmed Interconnection and Termination Fees for each Year until the Expiry Date using the then-current Regulatory Settings and its actual cost to design, build, operate and maintain the Additional Delivery Point (*Actual RP Cost*). First Gas will notify the Interconnected Party of that Actual RP Cost (with reasonable supporting detail) and the confirmed fees for each Year until the Expiry Date, which shall replace the provisional fees set out in the Amending Agreement, in writing as soon as practicable. First Gas shall debit or credit the Interconnected Party (as the case may be) for the difference in the amount paid to that date based on the provisional Interconnection Fee and the amount that would have been paid based on the confirmed Interconnection Fee in First Gas’ next invoice.
  3. With effect from the first Reset Date after the Commencement Date, and from every subsequent Reset Date until the Expiry Date, First Gas will re-determine the Interconnection Fees and Termination Fees for each Year remaining until the Expiry Date using the then-current Regulatory Settings and the Actual DP Cost (the new fees to be effective from each Reset Date), and notify the Interconnected Party of those new fees in writing. No adjustment to any amounts previously paid by the Interconnected Party shall be made as a result of any re-determination of the Interconnection Fees.
  4. If, pursuant to any request by the Interconnected Party, First Gas agrees to make material modifications (as determined by First Gas) to a Delivery Point after execution of the relevant Amending Agreement, First Gas may re-determine the Interconnection Fees and the Termination Fees to reflect any actual and reasonable costs it incurs in relation to those modifications.
  5. When determining or redetermining any fees pursuant to this *section 11*, First Gas will not include any costs not directly related to the relevant Delivery Point. First Gas will round up all Interconnection Fees and Termination Fees to the nearest dollar per Day.
  6. Interconnected Fees (and Odorisation Fees) shall be payable from the Gas-on Date until the Expiry Date (inclusive), subject to early termination of this Agreement (in relation to a Delivery Point or in total) pursuantto *section 14.*

## Charges Payable as an OBA Party

* 1. In respect of any Delivery Point at which an OBA applies, the Interconnected Party shall pay all Balancing Charges (less any Balancing Credits), Daily Overrun Charges, Underrun Charges and Hourly Overrun Charges determined by First Gas in accordance with the Code.

## Over-Flow Charge

* 1. The Interconnected Party shall pay a charge for any Hour in which the energy quantity of Gas taken at a Delivery Point exceeds the Physical MHQ of that Delivery Point (*Over-Flow Charge*), equal to:

OFQ × Fee × 20

where:

*OFQ*, the Over-Flow Quantity, is the greater of:

* + - 1. HQ – Physical MHQ; and
      2. zero,

where:

*HQ* is the energy quantity of Gas taken in that Hour; and

*Fee* is thefee ($/GJ) for Daily Nominated Capacity (*DNC*) or, if no such fee is published for that Delivery Point, the fee determined by First Gas and notified to the Interconnected Party*.*

## Consequences of Overrun or Over-Flow

* 1. In addition to any Daily Overrun Charge, Hourly Overrun Charge or Over-Flow Charge it may be liable to pay, the Interconnected Party shall indemnify First Gas for any Loss incurred by First Gas that arises from any 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 Shipper) up to the Capped Amounts. First Gas shall use reasonable endeavours in the circumstances to mitigate its Loss. The Interconnected Party shall not be relieved of its indemnity under this *section 11.12* 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 Interconnected Party’s indemnity. The Interconnected Party’s indemnity under this *section 11.12* shall be without prejudice to any other rights and remedies available to First Gas.

# invoicing and payment

## Timing

* 1. First Gas shall invoice the Interconnected Party in respect of the previous (and any prior) Month, on or before:
     1. the 10th Day of each Month for the Charges and any other amounts (excluding Balancing Gas Charges) payable; and/or
     2. the 14th Day of each Month (or as soon thereafter as is practicable), for the Balancing Charges payable (if any),

provided that where the Balancing Gas Charges for a Month are less than the Balancing Gas Credits for that Month, First Gas will credit the difference against any Balancing Gas Charges payable the following Month.

## Goods and Services Tax

* 1. First Gas shall express all amounts payable to it under this Agreement 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 Interconnected Party under *section 12.1* shall specify the GST Amount and comply with the “tax invoice” requirements in the Goods and Services Tax Act 1985.

## Other Taxes

* 1. In addition to the Charges and GST payable pursuant to *section 11*, the Interconnected Party 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 services under this Agreement (including First Gas’ sale and purchase of Balancing Gas), or in respect of any goods or services provided pursuant to this Agreement (including any increase of that Tax). First Gas agrees that any decrease of any such Tax will be passed on to the Interconnected Party.

## Issuing of Invoices

* 1. First Gas may issue any invoice (together with any supporting information) under *section 12.1* by:
     1. e-mailing to the Interconnected Party’s e-mail address most recently (and specifically) notified in writing to First Gas; and/or
     2. posting the invoice as one or more PDF files on OATIS.

## Payment by the Interconnected Party

* 1. Subject to *sections 12.1* and *12.6* to *12.8*, the Interconnected Party shall pay to First Gas the aggregate amount stated on each 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:
     1. the 20th Day of the Month in which the invoice is issued; and
     2. 10 Business Days after the invoice is issued.

The Interconnected Party shall immediately notify First Gas of the invoice numbers and the respective amounts to which any payment relates.

## Disputed Invoices

* 1. Subject to *section 12.7*, if the Interconnected Party disputes any invoiced amount under *section 12.1* (*Invoice Dispute*), the Interconnected Party shall, within 10 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 Interconnected Party 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* shall apply.
  2. In the absence of any manifest error, the Interconnected Party must not dispute any invoice issued under *section 12.1*, and shall pay the invoiced amount in full in accordance with *section 12.5* without any deduction or set-off of any kind.

## Incorrect Invoices

* 1. If it shall be found at any time that the Interconnected Party has been overcharged or undercharged then, within 30 Days after that 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 Interconnected Party has paid the invoice(s) containing an overcharge or undercharge, First Gas will refund or pay the Interconnected Party the amount of that overcharge or undercharge, as appropriate, as a correction on its next invoice, provided that there shall be no right to re-open invoices if more than 18 Months has elapsed since the date of the invoice.

## Default Interest

* 1. Where the Interconnected Party defaults without reasonable excuse in the payment on the due date of any amount payable under this Agreement, 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).

# ACCESS RIGHTS

## Grant of Rights

* 1. First Gas grants the Interconnected Party a right to access a Delivery Point on the terms set out in this *section* *13* to the extent necessary for the Interconnected Party Gas to:
     1. maintain any Interconnected Party Equipment; and
     2. exercise any right the Interconnected Party may have under this Agreement.

## Exercise of Rights

* 1. The following procedures apply to the exercise of the right of access conferred by *section 13.1*:
     1. only “Approved Persons” may enter a Delivery Point, where Approved Persons means those of the Interconnected Party’s officers, agents, employees and contractors (including subcontractors) who are certified by virtue of having completed the set of competency requirements created by the Gas Association of New Zealand and authorised by both First Gas and the Interconnected Party to carry out the particular work on or in relation to the Interconnected Party Equipment;
     2. the Interconnected Party will take all reasonable steps to ensure that its Approved Persons cause as little inconvenience to First Gas as is reasonably practicable and comply at all times with First Gas’ standard safety, environmental and security policies and procedures, as notified to the Interconnected Party in writing;
     3. the Interconnected Party must obtain a Work Permit from First Gas before any Approved Persons enter a Delivery Point to carry out any hot work, electrical work or excavation. The Interconnected Party is not required to obtain a Work Permit to enter a Delivery Point to carry out general Maintenance on, or operational checks of the Interconnected Party Equipment;
     4. the Interconnected Party will give First Gas at least 48 hours’ written notice of its requirement for a Work Permit, and specify why it requires access to a Delivery Point. First Gas shall not unreasonably withhold or delay its consent to any request for a Work Permit;
     5. First Gas may withdraw or suspend the right of access of any Approved Person for any failure by that person to comply with the performance requirements referred to in *section 13.2(b)*;
     6. where relevant a Delivery Point will be dual locked so that First Gas and the Interconnected Party can each access it without requiring a key for the other Party’s lock;
     7. except where a First Gas representative is present, Approved Persons shall notify First Gas both when they enter and leave a Delivery Point;
     8. First Gas may temporarily withdraw or suspend any Approved Person’s access to a Delivery Point at any time and without notice during an Emergency (including when undertaking Maintenance required due to an Emergency), Force Majeure Event and/or Critical Contingency; and
     9. notwithstanding any other provision of this *section 13.2*, to respond to an Emergency the Interconnected Party will not be required to give First Gas prior written notice or obtain a Work Permit before entering a Delivery Point.

# term and TERMINATION

* 1. This Agreement will commence on the later of [ ] and the date it is signed by both Parties (*Commencement Date*).
  2. This Agreement will expire on the earlier of:
     1. 30 September [ ]; or
     2. in respect of an individual Delivery Point, the date determined pursuant to *section 14.3* or *section 14.6,* or the date on which the relevant Lease (if any) expires or is terminated*,*

(*Expiry Date).*

## Early Termination of Delivery Point

* 1. The Interconnected Party may terminate this Agreement in respect of a particular Delivery Point at the end of any Year provided that the Interconnected Party:
     1. notifies First Gas in writing not later than 1 December in that Year; and
     2. pays First Gas, prior to the end of that Year:
        1. the Interconnection Fee (if any) and the Odorisation Fee (if any) for the remainder of the current Year in accordance with this Agreement; and
        2. the Termination Fee(s) (if any),

whereupon the relevant page of Schedule One shall be deemed deleted from this Agreement.

## Termination for cause

* 1. Either Party may terminate this Agreement immediately on notice in writing to the other Party specifying the cause, if:
     1. either Party defaults in payment of any money payable under this Agreement (other than in relation to an Invoice Dispute) for a period of 10 Business Days; or
     2. the Interconnected Party fails to comply with the prudential requirements set out in *section 10* for a period of 60 Business Days; or
     3. the other Party defaults in the performance of any material covenants or obligations imposed upon it by this Agreement and has not remedied that default within 30 Days of notice from the terminating party; or
     4. 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
     5. 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
     6. a Force Majeure Event occurs and the other Party could not reasonably be expected to be in a position to perform its obligations under this Agreement within one Year.

## Suspension for Default

* 1. If the Interconnected Party is in breach of any material term or condition of this Agreement, First Gas shall be entitled to suspend its provision of services to the Interconnected Party for the duration of that non-compliance if, and to the extent that, in First Gas’ opinion, that action is necessary to protect other users of the Transmission System.

## Uneconomic Use

* 1. Subject to *section 14.7*, First Gas may terminate this Agreement in respect of a Delivery Point by written notice to the Interconnected Party if, after the later of the Commencement Date or the Gas-on Date:
     1. the Interconnected Party fails to take Gas at that Delivery Point for a continuous period of 12 Months or more;
     2. First Gas’ current revenue from shipping Gas to that Delivery Point in the preceding 12 Months was less than its reasonable estimate of the average annual operating and maintenance costs of that Delivery Point; or
     3. material expenditure is required to upgrade the Delivery which, in First Gas’ reasonable view, is not justified by the current revenue it obtains from that Delivery Point,

where, for the purposes of this *section 14.6,* if the Delivery Point is included within a Delivery Zone, “current revenue” will be the annual take of Gas at that Delivery Point divided by the aggregate annual take of Gas in the Delivery Zone and multiplied by the aggregate transmission charges for that Delivery Zone.

* 1. First Gas will not terminate this Agreement pursuant to *section 14.6* in respect of any Delivery Point where the Interconnected Party:
     1. continues to pay an Interconnection Fee sufficient to recover First Gas’ costs to operate and maintain that Delivery Point (as determined by First Gas);
     2. demonstrates that during the 12 Months in question its Gas-consuming plant was:
        1. shut down for maintenance or other work and unable to take Gas (or as much Gas as it previously did); or
        2. is an intermittent user of Gas and did not need any Gas (or as much Gas); or
     3. in the circumstances referred to in part (c) of *section 14.6*, agrees to pay for the required upgrade.

## Consequences of termination

* 1. Where First Gas is the terminating Party, it may:
     1. isolate its Pipeline from the Interconnected Party’s Pipeline;
     2. remove any or all of the Delivery Point equipment, including any Odorisation Facilities;
     3. require the Interconnected Party to disconnect its Pipeline from First Gas’ Pipeline and remove any Interconnected Party Equipment from the Delivery Point, for the purposes of which *section 13* shall apply; and
     4. where First Gas has terminated due to the Interconnected Party’s default, the Interconnected Party will pay in respect of each Delivery Point the amounts referred to in *section 14.3(b)*, as calculated by First Gas.
  2. Where the Interconnected Party is the terminating Party, it may:
     1. isolate its Pipeline from First Gas’ Pipeline;
     2. require First Gas to disconnect its Pipeline from the Interconnected Party’s Pipeline and (where relevant) remove any or all of the Delivery Point equipment, including any Odorisation Facilities from the Interconnected Party’s property,

for the purposes of which *section 13* shall apply.

* 1. The provisions of this Agreementshall continue in effect after expiry or termination of this Agreement to the extent they relate to any event or circumstance that occurred prior to the date of termination.

## Termination Without Prejudice to the Amounts Outstanding

* 1. The expiry or termination of this Agreement shall not:
     1. relieve the Interconnected Party or First Gas of its obligation to pay any amount outstanding under this Agreement; or
     2. relieve the Interconnected Party (to the extent an OBA applied at any Delivery Point) of its obligation to settle its Running Mismatch in accordance with the Code, which, at First Gas’ election (where First Gas is the terminating Party) but following consultation with the Interconnected Party, may be effected either in dollar terms or by making Gas available for the Interconnected Party to take, or taking Gas from, the Interconnected Party.

## Effects of Termination

* 1. Termination or expiry of this Agreementshall not prejudice any rights or obligations of a Party that existed prior to termination or expiry.
  2. The provisions of this Agreement shall continue in effect after termination or expiry to the extent they relate to an event or circumstance that occurred prior to the date of termination or expiry.

# FORCE MAJEURE

* 1. Notwithstanding the other provisions of this Agreement, but subject to s*ection 15.2*, a Party shall be relieved from liability under this Agreement 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 Agreement (*Affected Party*).
  2. A Force Majeure Event shall not relieve an Affected Party from liability:
     1. to pay money due under, or in connection with, this Agreement; or
     2. to give any notice which it may be required to give (other than a notice via OATIS where OATIS is affected by that Force Majeure Event),

provided that the Interconnected Party shall be relieved of its obligation to pay any Interconnection Fee and Odorisation Fee to the extent that the Interconnected Party is unable to take Gas at the relevant Delivery Point on account of that Force Majeure Event (as determined by First Gas).

* 1. If a Party seeks relief under *section* *15.1*, that Party shall, upon the occurrence of any failure due to a Force Majeure Event:
     1. as soon as reasonably 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;
     2. 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;
     3. as quickly as reasonably practicable, use due diligence and take all reasonable steps to rectify, remedy, shorten or mitigate the circumstances giving rise to the 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
     4. give notice as soon as reasonably practicable, but in any event within 48 hours to the other Party upon termination of the Force Majeure Event.
  2. 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 any agent or contractor of that Party, unless that act or omission is caused by or results from an event and/or circumstance which would be a Force Majeure Event if that person were the Party.
  3. The Interconnected Party will not be able to claim relief from liability under *section 15.1* solely as a result of the suspended performance, or non-performance, of the obligations of any Shipper using a Delivery Point, only to the extent that the suspended performance, or non-performance of that Shipper’s obligations relates to that Delivery Point.

## Information

* 1. On becoming aware there is a serious prospect of a Force Majeure Event, either Party must notify the other as soon as practicable of the particulars of which it is aware.
  2. The Party who declares a Force Majeure Event shall, as soon as practicable after its occurrence, provide the other Party with a full report on the details of the event, its causes, its effects and the actions taken by that Party 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.

# LIABILITIES

## Exclusion from a Party’s Liability

* 1. 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 any Loss suffered or incurred by that Other Party that arises out of or in connection with this Agreement (in contract, tort or generally at common law, equity or otherwise), except to the extent that 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 Agreement 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 a breach of this Agreement. The Liable Party shall not be liable to the extent that the Other Party has not mitigated its Loss to the fullest extent practicable.

## Limitation of a Party’s Liability

* 1. 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 Agreement (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):
     1. any loss of use, revenue, profit or savings by the Other Party;
     2. 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 11.12*; and
     3. 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 11.12*.
  2. 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 or in connection with this Agreement, whether or not the Loss was, or ought to have been, known by the Liable Party.

## Capped Liability

* 1. Subject to *section 16.5,* the maximum liability of a Party to the Other Party under this Agreement (excluding the Interconnected Party’s liability, if any, under *section 11.12*) will be the same as the liability of a Shipper to First Gas and the liability of First Gas to a Shipper under the Code (the *Capped Amounts*).

## Liability where First Gas is the Liable Party under multiple agreements

* 1. Where:
     1. First Gas is the Liable Party; and
     2. First Gas’ liability is wholly or partially caused or contributed to by a breach of any other interconnection agreement, any TSA and/or Supplementary Agreement or Existing Supplementary Agreement 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).

* 1. Where:
     1. First Gas is the Liable Party;
     2. First Gas is liable to the Interconnected Party and/or one or more third parties under any other interconnection agreement, any TSA and/or Supplementary Agreement or Existing Supplementary Agreement (each a *Coincident Agreement*); and
     3. the sum of First Gas’ liability to the Interconnected Party and to any third parties before the application of any monetary caps (*the Apparent Liability*) exceeds the relevant Capped Amount,

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 Agreement and/or all Coincident Agreements. For the avoidance of doubt, First Gas’ aggregated liability to the Interconnected Party together with its liability under all Coincident Agreements shall not exceed the relevant Capped Amount.

* 1. Where the Liable Party is not First Gas, the maximum aggregate liability of the Liable Party to First Gas under this Agreement or any Coincident Agreement shall not exceed the relevant Capped Amount.

## General

* 1. Each limitation or exclusion of this *section* *16* and each protection given to First Gas or the Interconnected Party 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.
  2. Nothing in this Agreement shall limit the right of either Party to enforce the terms of this Agreement by seeking equitable relief, including injunction and specific performance, in addition to all other remedies at law or in equity.
  3. By notice in writing, either Party may require the other Party to show that it has comprehensive liability insurance 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.

# regulatory change

* 1. If a Party becomes aware of, or anticipates the introduction of, a Regulatory Change that necessitates a change to this Agreement, that Party may submit a change request requesting one or more of those changes (a *Regulatory Change Request*).
  2. Neither Party (*Approving Party*) will withhold approval of any Regulatory Change Request submitted by the other Party, so long as:
     1. the changes requested are reasonably necessary to enable the Party requesting them to comply with the relevant Regulatory Change while continuing to perform its obligations under, and receive the intended benefit of, this Agreement;
     2. the Approving Party is technically and operationally capable of implementing the associated changes;
     3. any costs to be charged to the Interconnected Party under the Regulatory Change Request are reasonable in the circumstances; and
     4. the Regulatory Change Request is otherwise reasonable.
  3. Each Party will use commercially reasonable endeavours to prevent or mitigate (as applicable) the cost and impact of any Regulatory Change for which it seeks a change to this Agreement.

# dispute resolution

* 1. Subject to *sections 12.6* and *12.7*, in the event of any dispute of whatever nature arising between the Parties the disputing Party shall notify the other Party of that dispute in writing (*Dispute Notice*). On receipt of a Dispute Notice, the Parties shall use reasonable endeavours to resolve the dispute by negotiation.
  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:
     1. resolution by an independent expert agreeable to both parties; or
     2. where the Parties cannot agree upon an independent expert within 5 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).
  3. The arbitration will be conducted by an arbitrator appointed:
     1. jointly by the Parties; or
     2. 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.
  4. Nothing in this *section 18* affects either Party’s right to seek urgent interlocutory relief.

# general AND LEGAL

## Notices

* 1. Subject to *section* *19.2*,all legal notices to be provided under this Agreement must be in writing and shall be deemed served if personally delivered or sent by registered mail or email to:
     1. 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

* + 1. in the case of the Interconnected Party, the contact set out below (or other contact the Interconnected Party may notify to First Gas in writing).

[ ]  
[ ]  
[ ]

[ ]  
[ ]  
[ ],

Email: [ ]@abcde.co.nz

* 1. A notice sent:
     1. via OATIS; or
     2. 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):
        1. if sent prior to 1600 on any Business Day, be deemed served on that Business Day; or
        2. if sent after 1600 on any Business Day, shall be deemed served on the next Business Day; or
        3. by registered mail shall be deemed served on the earlier of the date of receipt or on the second Business Day after the notice was committed to post.

## Disclosure of Agreement

* 1. The Parties agree that this Agreement is not Confidential Information, that either Party may disclose it in full to any other person and that First Gas will publish the Agreement on OATIS.

## Waiver

* 1. No failure, delay or indulgence by a Party in exercising any power or right conferred on that Party by this Agreement will operate as a waiver of that power or right.

## Entire Agreement

* 1. This Agreement constitutes the entire agreement between the Parties in relation to the subject matter of this Agreement and supersedes all prior negotiations, representations and agreements between the Parties.

## Amendment

* 1. Except as otherwise expressly set out in this Agreement, no variation, modification or waiver of any provision of this Agreement shall be of any force or effect unless it is in writing and signed by both Parties.

## Severability

* 1. If any section or provision of this Agreement shall be 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 Agreement, which shall remain in full force and effect as if that illegal or unenforceable section or provision had not been included in this Agreement, but only if severance does not materially affect the purpose of, or frustrate, this Agreement, 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 Implied Terms

* 1. All terms and conditions relating to this Agreement that are implied by law or custom are excluded to the maximum extent permitted by law.

## Exclusion of Consumer Legislation

* 1. The Parties acknowledge and agree that, in relation to this Agreement:
     1. 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
     2. 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

* 1. This Agreement 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 this Agreement.

## Counterparts

* 1. This Agreement may be executed in two counterparts. Once the Parties have executed the counterparts, and each Party has received a copy of the signed counterpart which that Party did not execute, each counterpart will be deemed to be as valid and binding on the Party executing it as if it had been executed by both Parties.

## Assignment

* 1. Neither Party may assign or transfer any of its rights or obligations under this Agreement unless it has obtained the other Party’s prior written consent, which must not to be unreasonably withheld or delayed.
  2. Neither Party shall assign or transfer any of its rights and obligations under this Agreement, unless it believes that the assignee is capable of meeting that Party’s obligations under this Agreement.
  3. Where a Party (*Assignor*) assigns or transfers this Agreement, the Assignor shall remain liable to the other Party for the due performance of all obligations under this Agreement as primary obligor and not merely as surety or guarantor only, unless that other Party has given its prior written consent to the release of the assignor from its obligations.
  4. Prior to any assignment or transfer of this Agreement, the Assignor must obtain execution by the assignee of a deed of covenant, in favour of the other Party, binding the assignee to perform all the Assignor’s obligations under this Agreement.
  5. Notwithstanding any assignment, the assignor shall remain liable for any amounts payable by it under this Agreement up to the end of the Month during which the assignment takes effect.

## Governing Law

* 1. This Agreement shall be construed and interpreted in accordance with the law of New Zealand and the Parties submit to the non-exclusive jurisdiction of the New Zealand courts.

# definitions and construction

## Defined Terms

* 1. Subject to *section 20.2*, capitalised terms have
  2. the meaning given to those terms in the Code.

*Additional Delivery Point* means a Delivery point that:

* + 1. is built after the Commencement Date; or
    2. is in operation on the Commencement Date but which First Gas agrees to make material (in the opinion of First Gas) modifications to at any later date,

that is incorporated into this Agreement pursuant to an Amending Agreement;

*Agreement* means this interconnection agreement for Delivery Points, including the schedules and appendices (if any) annexed;

*Amending Agreement* means an agreement, substantially in the form attached at Schedule Three, that provides for an Additional Delivery Point;

*Balancing Charges* means any charges payable by the Interconnected Party in respect of any Delivery Point at which an OBA applies, determined in accordance with the Code;

*Balancing Credits* means any credits receivable by the Interconnected Party in respect of any Delivery Point at which an OBA applies, determined in accordance with the Code;

*Calorific Value* means the energy content of gas, expressed in units of Megajoules per standard cubic metre;

*Charges* means the amounts payable by the Interconnected Party under this Agreement, as determined by First Gas, that arise from:

* + 1. Interconnection Fees;
    2. Odorisation Fees; and
    3. Over-Flow Charges; and

to the extent the Interconnected Party is an OBA Party:

* + 1. Balancing Charges;
    2. Daily Overrun Charges;
    3. Underrun Charges; and
    4. Hourly Overrun Charges;

*Code* means the Gas Transmission Access Code, as amended or replaced;

*Commencement Date*has the meaning set out in *section 14.1*;

*Credit Support* means the credit support arrangements set out in *section 10.1(b)*;

*Delivery Point* means a facility that complies with the technical requirements in Schedule Two at which Gas is taken (or may be taken) from First Gas’ Pipeline into the Interconnected Party’s Pipeline, and includes any Additional Delivery Point, in each case the details of which are set out in Schedule One;

*Delivery Pressure*means the pressure at which Gas is taken, or made available to be taken at a Delivery Point;

*Delivery Quantity* means the quantity of Gas that a Shipper takes at a Delivery Point on a Day, as determined in accordance with *section 5*;

*Emergency* means a state of affairs, or an event or circumstance (or a series of events or circumstances) that a Party determines to be an emergency, irrespective of its cause or whoever may have caused or contributed to that emergency. An Emergency may exist where:

* + 1. either Party’s Pipeline or a Delivery Point experiences a loss of containment;
    2. a Party reasonably believes that the safe transportation of Gas in its own or the other Party’s Pipeline is significantly at risk;
    3. First Gas’ operation of its Pipeline is significantly disrupted; or
    4. Gas in First Gas’ Pipeline or at a Delivery Point is at a pressure, or is of a quality as to constitute a hazard to that Pipeline, Delivery Point or the Interconnected Party’s Pipeline;

*Expiry Date* has the meaning set out in *section 14.2*;

*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 Agreement, notwithstanding the exercise by that Party of reasonable care and, subject to the foregoing, shall include any 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-on Date* has the meaning set out in *section 2.8* or *section 2.9*;

*Hazardous* means, in relation to the installation of electrical or other equipment at a Delivery Point, any area or space defined as hazardous in accordance with AS/NZS2430;

*Hourly Quantity* means the quantity of Gas that a Shipper takes at a Delivery Point in an Hour, as determined in accordance with *section 5*;

*Interconnection Fee* means the fee referred to in Schedule One and determined in accordance with *section 11*;

*Interconnected Party* means the Party named as the Interconnected Party in this Agreement;

*Interconnected Party Equipment* means equipment owned and/or controlled by the Interconnected Party that is located at a Delivery Point, as referred to in Schedule One;

*Interconnection Point* means the point at which the Interconnected Party’s Pipeline physically connects to First Gas’ Pipeline at a Delivery Point, being the demarcation point between the Parties’ respective assets, as defined in Schedule One;

*Invoice Dispute* has the meaning set out in *section 12.6*;

*Lease* means an agreement under which First Gas leases from the Interconnected Party the land on which a Delivery Point is located;

*MAOP* means maximum allowable operating pressure;

*Maximum Design Flow Rate* means the maximum flow rate of Gas that a Delivery Point and Metering are designed to have flow through them and, in the case of Metering Accurately measure, as set out in Schedule One;

*Metering* means First Gas’ equipment at the location set out in Schedule One and complying with the Metering Requirements which measures the quantities of Gas taken from First Gas’ Pipeline at a Delivery Point;

*Metering Requirements* means First Gas’ document of that name posted on OATIS;

*Minimum Design Flow Rate* means the minimum flow rate of Gas that a Delivery Point and Metering are designed to have flow through them and, in the case of Metering Accurately measure, as set out in Schedule One;

*Nominal Delivery Pressure* means the setting of the active pressure regulator in the working pressure control stream at a Delivery Point;

*OBA Party* means, for any Delivery Point at which an Operational Balancing Agreement applies, the Interconnected Party;

*Odorisation Facilities* means all equipment and facilities used to odorise Gas taken at a Delivery Point;

*Odorisation Fee* means the fee referred to in Schedule One and determined in accordance with *section 11*;

*Operational Flow Order* or *OFO* means a notice issued by First Gas pursuant to*section 9.7*;

*Party* means each of First Gas and the Interconnected Party and *Parties* means them collectively;

*Physical MHQ* means the Hourly energy quantity corresponding to the Maximum Design Flow Rate of a Delivery Point, as set out in Schedule One;

*Pipeline* means, in relation to:

* + 1. First Gas, those parts of the Transmission System used to transport Gas to a Delivery Point; and
    2. the Interconnected Party, any pipeline owned and/or controlled by that Party that is connected to First Gas’ Pipeline at a Delivery Point and which:
       1. conveys Gas taken at a Delivery Point to an End-user; or
       2. is a Distribution Network (or part thereof);

*Pressure Control Settings* means the set-points of, respectively, the active regulator(s), monitor regulator(s), pressure relief valve(s) and slam-shut valve(s) at a Delivery Point, as set out in Schedule One;

*Regulatory Change* means the enactment or variation (including through a change in the previously settled interpretation) of any law, regulation or mandatory industry standard;

*Regulatory Change Request* has the meaning given to that term in *section 17.1*;

*Regulatory Settings* means inputs relating to First Gas’ allowable return on investment as determined by the Commerce Commission, including weighted average cost of capital, leverage, cost of debt and asset life;

*Remote Monitoring Equipment* has the meaning set out in *paragraph 1.3* of Schedule Two;

*Reset Date* means the date on which new Regulatory Settings become effective;

*Tax* has the meaning set out in *section 12.3*;

*Termination Fee* means, in respect of a Delivery Point where an Interconnection Fee is payable, the amount that represents the cost to First Gas of that Delivery Point that remains to be recovered at the end of any Year, as determined by First Gas; and

*Work Permit* means the relevant permit issued by First Gas to the Interconnected Party, under First Gas’ “Permit to Work Procedure”, allowing the Interconnected Party to carry out work on the Interconnected Party Equipment (if any) at a Delivery Point.

## Construction

* 1. In this Agreement, unless the context otherwise requires:
     1. “take” includes to cause or allow Gas to flow at a Delivery Point;
     2. “curtail” includes to reduce, either partly or to zero and to shut or close down;
     3. any reference to a "quantity of Gas” is a reference to the energy equivalent of Gas (expressed in GJ) unless otherwise stated;
     4. “scm” is a reference to “standard cubic metre”, namely a cubic metre of gas at standard temperature and pressure, i.e. 15 ⁰C and 1.01325 bar absolute;
     5. any reference to "metered quantity” is a reference to the quantity of Gas determined using data obtained from Metering;
     6. all sections of this Agreement apply to Non-Specification Gas;
     7. headings are for ease of reference only and shall not form any part of the context or affect the interpretation of this Agreement;
     8. words importing persons shall include corporations, limited liability companies, governments or agencies of a state, partnerships and unincorporated associations;
     9. 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;
     10. references to a document includes all valid amendments, variations or supplements to, or replacements of that document;
     11. references to a Party includes its respective successors and permitted assignees;
     12. the singular includes the plural and vice versa;
     13. any derivation of a defined term or “take” or “curtail shall have a corresponding meaning;
     14. any reference to any person doing any specific thing includes that party doing (or having the right or ability to do that thing), unless specified otherwise;
     15. any reference to a prohibition against doing something includes a reference to not permitting, suffering or causing that thing to be done;
     16. any reference to a range of sections includes the first and last sections referenced;
     17. all references to any time of the Day shall, unless expressly referring to New Zealand standard time (that is, GMT + 1200 hours), be references to New Zealand statutory time (that is, including adjustments for New Zealand daylight savings time;
     18. any reference to “includes”, “including” or similar shall imply no limitation; and
     19. any reference to “law” includes all statutes, regulations, codes of practice and local authority rules.

**EXECUTION:**

|  |  |
| --- | --- |
| **First Gas Limited** by: | **[ ] Limited** by: |
| \_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature of authorised signatory  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name of authorised signatory | \_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature of authorised signatory  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name of authorised signatory |

# 

# schedule one: Delivery Point details

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Delivery Point** | | **[name] (alpha-numeric ID)** | | |
| **Address** | |  | | |
| **Status as at Commencement Date** | | Existing | | |
| **Interconnection Fee** | | Determined by First Gas in accordance with *section 11* | | |
| **Termination Fee** | | Determined by First Gas in accordance with *section 11* | | |
| **Metering Location** | | At the Delivery Point | | |
| **Maximum Design Flow Rate** | | [ ] scm/hour | | |
| **Physical MHQ** | | [ ] GJ | | |
| **Minimum Design Flow Rate** | | [ ] scm/hour | | |
| **Delivery Pressure** | | Controlled / Uncontrolled | | |
| **Pressure Control Settings:** | |  | | |
|  | **Active** | **Monitor** | **Relief** | **Slam-shut** |
| Working Stream, bar g |  |  |  |  |
| Standby Stream, bar g |  |  |  |  |
| **Maximum Delivery Pressure** | | [ ] bar g (including allowable over-pressure) | | |
| **Gas Heating Required:** | | Yes | | |
| **MAOP of First Gas’ Pipeline** | | [ ] bar g | | |
| **MAOP of Interconnected Party’s Pipeline** | | [ ] bar g | | |
| **Delivery Point Owner** | | First Gas | | |
| **Delivery Point Land Tenure** | | [First Gas freehold / Lease] | | |
| **Interconnection Point** | | [The outlet flange of the valve designated HV-XXXX on First Gas’ [ ] Flowsheet - Piping & Instrument Diagram number [XXXXXX-AAAA-NNN-TT]] | | |
| **Interconnected Party Equipment** | |  | | |
| **Odorisation Status of First Gas’ Pipeline** | | Odorised / Unodorised | | |
| **Odorisation Fee** | | Determined by First Gas in accordance with *section 11* | | |

# schedule two: technical requirements

* 1. The design, construction, commissioning, operation and maintenance of each Delivery Point (including any Interconnected Party Equipment) shall conform with good gas industry engineering practice and comply with the requirements of recognised and applicable standards as well as all current and relevant laws, including:

(a) AS 2885.1: 2007 Pipelines - Gas and Liquid Petroleum, Part 1: Design and Construction;

(b) Gas Act 1992 and the Gas Regulations;

(c) Health and Safety at Work Act 2015;

(d) Health and Safety in Employment (Pipelines) Regulations;

(e) Resource Management Act 1991;

(f) Electrical (Safety) Regulations;

(g) AS/NZS 3000 – Wiring Rules;

(h) AS/NZS 60079.14 - Explosive Atmospheres: Electrical Installations, Design Selection and Erection; and

(i) mandatory Codes of Practice and Standards associated with any of the above.

* 1. Each Delivery Point must incorporate:
     1. appropriate security fencing to reasonably prevent unauthorised access;
     2. adequate means of access and egress for vehicles and personnel;
     3. adequate space to accommodate and permit the safe operation and maintenance of all equipment and structures;
     4. Metering;
     5. clear signs indicating Hazardous areas, and restricted access areas;
     6. only electrical equipment that complies with the NZ Electricity Act and Regulations;
     7. an above-ground isolation valve to allow First Gas to securely and safely isolate its Pipeline from the Interconnected Party’s Pipeline;
     8. suitable bonding of above-ground piping and associated metallic structures to ensure the electrical continuity of that piping and those structures, and a suitable earth bed to which that piping and those structures are connected;
     9. means to electrically isolate the Delivery Point from the Interconnected Party’s Pipeline, as well as a suitable surge diverter installed across each such isolating device;
     10. equipment to reasonably prevent any solid or liquid contaminants from affecting meters or other sensitive equipment or reaching the Interconnected Party’s Pipeline;
     11. a flow-restriction device (sonic nozzle or restriction orifice plate) to prevent over-speeding of any meter;
     12. a check (non-return) valve to prevent reverse flow through any meter where First Gas considers that could otherwise occur.
  2. At each Delivery Point there shall be equipment to enable First Gas to remotely monitor that Delivery Point and Metering, retrieve data and other information and (if required) control any of its equipment. That equipment may at First Gas’ discretion include a remote terminal unit for First Gas’ SCADA (“Supervisory, Control and Data Acquisition”) system, radio or other communications equipment, and related ancillary equipment (together, *Remote Monitoring Equipment*).
  3. There must be a secure, weather-proof, vermin-proof and adequately ventilated shelter or building, located in a non-Hazardous area, to house all First Gas equipment which First Gas considers requires that protection.
  4. Where the Delivery Pressure is Controlled, a Delivery Point shall incorporate equipment in accordance with *paragraph 1.6* for that purpose and to prevent over-pressurisation of the Interconnected Party’s Pipeline. Unless the Parties agree otherwise, that equipment shall comprise independent “working” and “standby” pressure control streams, where both streams shall comprise:
     1. primary means of pressure control; and
     2. means of over-pressure protection that is separate and independent and which shall operate in the event that the primary means of pressure control fails.
  5. Pursuant to *paragraph 1.5*, unless the Parties agree otherwise in writing:
     1. the primary means of pressure control shall comprise an active regulator in both the working stream and the standby stream; and
     2. the means of over-pressure protection shall comprise:
        1. a monitor regulator in both the working stream and the standby stream; and
        2. a small-capacity (“token”) pressure relief valve sized for leakage past the active and monitor regulators when the same are in the closed (“no flow”) position; or
        3. a slam-shut valve; or
        4. all of (i), (ii) and (iii).
  6. Subject to *paragraph 1.8*, where the Delivery Pressure is Controlled, a Delivery Point shall incorporate heating equipment sufficient to ensure that, in respect of its temperature, gas complies with the Gas Specification at the Interconnection Point. Unless the Parties agree otherwise, First Gas shall not be required to install secondary heating equipment to maintain the temperature of gas in the event that the primary heating equipment fails or is out of service for any reason.
  7. First Gas may elect not to install (or may remove existing) heating equipment at a Delivery Point where it reasonably believes that gas will be Gas at the Interconnection Point without that equipment.
  8. Where required to operate the Metering, Remote Monitoring Equipment and/or other critical equipment, an external supply of electricity (*Mains Supply*) shall be provided to a Delivery Point. An uninterruptible power supply (*UPS*) shall also be installed, incorporating batteries with sufficient storage capacity to supply the normal electricity requirements of all critical equipment for not less than four hours if the Mains Supply fails.
  9. First Gas may install means to remotely control the flow of Gas at a Delivery Point.

# SCHEDULE three: amending agreement

**PARTIES:**

**First Gas Limited** (*First Gas*)

**[ ] Limited** (*the Interconnected Party*)

**BACKGROUND:**

1. First Gas and the Interconnected Party are party to an Interconnection Agreement for Delivery Points dated [ ] as amended by an Amending Agreement dated [ ] (the *ICA*).
2. The Parties wish to amend the ICA as set out in this Amending Agreement.

**THE PARTIES AGREE** as follows:

## Unless the context otherwise requires, *sections 20.1* and *20.2* (Definitions) and *20.3* (Interpretation) of the ICA apply in respect of this Amending Agreement.

## With effect from the date this Amending Agreement is signed by both Parties, the Additional Delivery Point referred to in the schedule to this Amending Agreement shall be incorporated into the ICA by addition to Schedule One of the ICA.

## Except as set out in this Amending Agreement, the ICA remains in full force and effect.

## 

**EXECUTION**:

|  |  |
| --- | --- |
| **First Gas Limited** by:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature of authorised signatory  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name of authorised signatory | **[ ] Limited** by:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature of authorised signatory  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name of authorised signatory |

**Schedule to Amending Agreement**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Delivery Point** | | **[name] (alpha-numeric)** | | |
| **Address** | |  | | |
| **Metering Location** | | At the Delivery Point | | |
| **Maximum Design Flow Rate** | | [ ] scm/hour | | |
| **Physical MHQ** | | [ ] GJ | | |
| **Minimum Design Flow Rate** | | [ ] scm/hour | | |
| **Delivery Pressure** | | Controlled / Uncontrolled | | |
| **Pressure Control Settings:** | |  | | |
|  | **Active** | **Monitor** | **Relief** | **Slam-shut** |
| Working Stream, bar g |  |  |  |  |
| Standby Stream, bar g |  |  |  |  |
| **Maximum Delivery Pressure** | | [ ] bar g (incl. allowable over-pressure) | | |
| **Gas Heating Required:** | | Yes | | |
| **MAOP of First Gas’ Pipeline** | | [ ] bar g | | |
| **MAOP of Interconnected Party’s Pipeline** | | [ ] bar g | | |
| **Delivery Point Owner** | | First Gas | | |
| **Delivery Point Land Tenure** | | [First Gas freehold / Lease] | | |
| **Interconnection Point** | | [The outlet flange of the valve designated HV-XXXX on First Gas’ [ ] Flowsheet - Piping & Instrument Diagram number [XXXXXX-AAAA-NNN-TT]] | | |
| **Interconnected Party Equipment** | |  | | |
| **Odorisation Status of First Gas’ Pipeline** | | Odorised / Unodorised | | |

**Provisional Fees Payable by the Interconnected Party**

|  |  |  |  |
| --- | --- | --- | --- |
| **Year Ending 30 September:** | **Interconnection Fee (dollars/Day)** | **Odorisation Fee (dollars/Day)** | **Termination Fee (dollars)** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |