**Block 1 Outputs – 1 Interconnection Agreements**

Appendix 1 - Proposed GTAC amendments

*Existing Interconnection Agreement* means an interconnection agreement in effect as at the date of this Code and which commenced or had a specified commencement date before the date of this Code, but excluding an interconnection agreement which terminated on termination of any code replaced by this Code;

*Interconnected Party* means a party whose gas producing or gas processing facility, pipeline, Distribution Network or gas consuming facility is physically connected to the Transmission System, irrespective of whether there is an ICA, an Existing Interconnection Agreement or no interconnection agreement at that point;

*Interconnection Agreement* or *ICA* means an interconnection agreement between First Gas and an Interconnected Party, entered into, or with a specified commencement date, on or after the date of this Code, which sets out the terms and conditions applicable to that party’s connection to the Transmission System at a Receipt Point, Delivery Point or Bi-directional Point (but not including any Existing Interconnection Agreement);

# INTERCONNECTION AGREEMENTS

* 1. No new Receipt Point, Delivery Point or Bi-directional Point on the Transmission System will be permitted without First Gas and the new Interconnected Party entering into an Interconnection Agreement (it being acknowledged that as of the date of this Code some existing points are the subject of an Existing Interconnection Agreement or may not have an interconnection agreement). First Gas will deal with any person seeking to become an Interconnected Party (and all existing Interconnected Parties) on an arms’ length basis and not prefer or give any priority to any prospective or existing Interconnected Party except as expressly provided for in this Code.
  2. Any ICA entered into, or with a specified commencement date, on or after the date of this Code:
     1. that relates to a Receipt Point is to contain at least the provisions set out in Schedule Five;
     2. that relates to a Delivery Point is to contain at least the provisions set out in Schedule Six;
     3. specify the interconnection fee and if applicable any odorisation, termination or other fee or charge, payable by the Interconnected Party pursuant to the ICA;
     4. may contain other terms or provisions, provided they are not inconsistent with the provisions set out in Schedule Five (in the case of a Receipt Point) or Schedule Six (in the case of a Delivery Point); and
     5. the individual provisions of each ICA may be ordered, numbered, set out and typographically conformed or corrected in the manner determined by First Gas and the relevant Interconnected Party.
  3. Where this Code confers rights or places obligations on an Interconnected Party under an ICA, or an ICA refers to or incorporates sections or terms of this Code (including those common provisions specified in Schedule Five or Schedule Six to be included in ICAs), the relevant ICA will:
     1. be deemed to be amended automatically if, when and to the extent those rights or obligations in this Code, or those sections or terms of the Code referred to or incorporated in that ICA (including those common provisions specified in Schedule Five or Schedule Six) are changed, amended or supplemented in accordance with this Code (including pursuant to *section 17* of this Code); and
     2. survive expiry or termination of this Code and continue in full force and effect for the term specified in that ICA (subject to any early termination provisions) and the relevant terms of this Code incorporated into ICAs will continue in full force and effect for the term of that ICA unless First Gas and the Interconnected Party agree to amend them.
  4. The existence and terms of ICAs entered into pursuant to *section 8* are not Confidential Information (and are not otherwise confidential). First Gas may make available each such ICA (and any amendment) in full on OATIS and may otherwise disclose such ICA (and any amendment) to any other person.

# schedule Five: Common Receipt Point Interconnection Agreement Provisions

# parties’ rights and obligations

* 1. First Gas will permit connection of the Interconnected Party’s Pipeline First Gas’ Pipeline at a Receipt 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 the Transmission System.

# Technical Compliance

## General

* 1. Except as agreed otherwise in writing, the Interconnected Party will ensure that all Receipt Points and Additional Receipt Points comply with Schedule Two (Technical Requirements).

# injection of gas

*[Note: a new section 3.2 has been included below and a consequential change made to section 3.1(b). For clarity, it was thought important to show how TTP would be addressed in the RP ICA at this stage]*

## Injection Pressure

* 1. The Interconnected Party acknowledges and agrees that:
     1. it is solely responsible for achieving the pressure required to inject Gas at any Receipt Point, up to the MAOP of First Gas’ Pipeline;
     2. [except as provided in *section 3.2*, ]First Gas shall not be obliged to operate its Pipeline within any particular pressure range to facilitate the injection of Gas at any Receipt Point; and
     3. it shall not cause the MAOP of First Gas’ Pipeline to be exceeded, and shall indemnify First Gas for any Loss First Gas may suffer if it does so.

## Target Taranaki Pressure

* 1. [If the Receipt Point is on the “400 line” between Oaonui and the Turangi Mixing Station, then subject to or except as may be required as a result of a Critical Contingency, Force Majeure Event, Emergency or any Maintenance, First Gas will use its reasonable endeavours to:
     1. maintain the Target Taranaki Pressure in the “400 line” between Oaonui and the Turangi Mixing Station at or near the Bertrand Road Offtake between a lower limit of 42 bar gauge and an upper limit of 48 bar gauge (including, if the Target Taranaki Pressure is outside these limits, to bring the Target Taranaki Pressure back within those limits); and
     2. manage the Target Taranaki Pressure to be as low as practicable within the specified range while maintaining sufficient Line Pack to meet its obligations under this Code and Interconnection Agreements.

If necessary in order for First Gas to comply with its obligations under this *section 3.2* in relation to maintaining the Target Taranaki Pressure under the upper limit of the Target Taranaki Pressure, First Gas may exercise its rights to adjust or curtail any Approved NQ or Supplementary Capacity. Any proposed change to the specified range of the Target Taranaki Pressure shall be subject to a Change Request made in accordance with the Code (any such change to the specified pressure range not to be effective earlier than 12 Months following its approval).]

## Rate of Injection

* 1. Subject to *section 3.4*, the Interconnected Party will use reasonable endeavours to inject Gas at a Receipt Point at a constant rate. For the purposes of this *section 3.2*, “constant rate” means an average Hourly energy quantity equivalent to 1/24th of the most recent quantity of Gas the Interconnected Party has agreed with Shippers to inject on that Day, whether under a Gas Transfer Agreement or an OBA.
  2. *Section 3.3* will not apply where an Agreed Injection Profile is in effect.

## Excessive Flow

* 1. The Interconnected Party agrees that it will not inject Gas at a Receipt Point at a rate greater than the then-current Maximum Design Flow Rate and, if it does so, it shall be liable for:
     1. the cost of any damage to any First Gas Equipment or First Gas’ Pipeline;
     2. the charge determined in accordance with *section 11.11*; and
     3. any Loss pursuant to *section 11.12*.

## Low Flow

* 1. If Gas is injected at a Receipt Point at rates less than the then-current Minimum Design Flow Rate to the extent that, in First Gas’ reasonable opinion, the Accuracy of the metered quantities at that Receipt Point is unduly affected, First Gas shall notify the Interconnected Party accordingly. Unless the Interconnected Party can reasonably demonstrate to First Gas that those low Gas injection rates were extraordinary occurrences and are unlikely to occur again, or that the Metering is Accurate even at those low injection rates, First Gas may require the Interconnected Party at its cost to modify the Metering to improve the Accuracy of metered quantities at low flow rates, and:
     1. the Interconnected Party shall then implement appropriate modifications as soon as practicable; and
     2. during the time required to modify the Metering, First Gas’ shall be entitled to suspend the Interconnected Party’s right to inject Gas at that Receipt Point.

# metering and energy quantity reports

## Metering Required

* 1. The Metering Owner shall install Metering as set out in Schedule One and use 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. The Metering Owner shall use reasonable endeavours, including by means of periodic testing in accordance with the Metering Requirements, to ensure that Metering is Accurate. The other Party may request, and the Metering Owner shall then provide:
     1. reasonable technical information relating to the Metering at a Receipt Point;
     2. a copy of its planned maintenance schedules relating to any Metering; and
     3. the results of any testing of any Metering.
  2. In relation to any new Metering, the Metering Owner shall:
     1. no earlier than 3 Months before that Metering is placed into service, test each custody transfer meter and other gas measurement device forming part of that Metering; and
     2. where the Metering includes a verification meter, conduct an in-situ verification test of each custody transfer meter as soon as practicable after that Metering is placed into service,

to ensure that the Metering is Accurate. If the Metering is found to be Inaccurate, the Metering Owner will service, repair, re-calibrate or replace it, then re-test it to establish that it is Accurate. The Metering Owner will provide the other Party with written evidence of testing pursuant to this *section 4.4*.

## Unscheduled Testing of Metering

* 1. The Party who is not the Metering Owner (the *Requesting Party*) may request the Metering Owner to carry out an unscheduled test of any Metering. The Metering Owner 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. The Metering Owner will allow the Requesting Party’s representative to be present during any unscheduled testing, and provide the Requesting Party with the test results. Where the Metering is found to be:
     1. Accurate, the Requesting Party will reimburse the Metering Owner for all direct costs it incurs in undertaking the unscheduled testing; or
     2. Inaccurate, the Metering Owner shall:
        1. bear all costs it incurred in undertaking the unscheduled testing (but not any costs incurred by the Requesting 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 any Metering is found to be Inaccurate, Gas quantities previously measured by, or determined using data from that Metering shall be corrected in accordance with the Metering Requirements. If the Party who is not the Metering Owner installs its own check metering at a Receipt Point, it shall:
     1. promptly provide data from that check metering to the Metering Owner on request; and
     2. retain all data from that check metering for a period of not less than 3 years.

## Amendment of Metering Requirements

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

## Access to Data

* 1. The Metering Owner shall, subject to *sections 4.9* to *4.12*, make available to the other Party at a Receipt Point any of the following data (*Data*) that other 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;
     2. in respect of Gas injected at that Receipt 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 of each such constituent’s isomers that are present in the Gas 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 the Metering Owner shall not be obliged to provide any Data that is not required for the purposes of this Agreement.

* 1. Pursuant to *section 4.8*, the Metering Owner 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 such frequency, communications protocol and format (including units of measurement) as it may reasonably determine.
  2. The recipient of Data pursuant to *section 4.8* shall be responsible for conveying that Data to any other location at its cost.
  3. The Metering Owner shall use reasonable endeavours to maintain the availability of Data, including while the Metering is undergoing repair, re-calibration, testing, servicing or replacement. The Interconnected Party shall not be relieved of any of its obligations under this Agreement due to the unavailability of any Data, for any reason.
  4. Subject to *section 4.13*, if the Metering Owner upgrades or replacing the Metering at a Receipt Point and is no longer be able to provide any of the Data previously received by the other Party, it shall not be obliged to reimburse any costs incurred by that Party in order to receive that Data.

## Energy Quantity Reports

* 1. For each Receipt Point, First Gas shall, in accordance with the Code produce daily delivery reports *(DDRs)* and hourly delivery reports *(HDRs)* for each meter at that Receipt Point and for the Receipt Point in aggregate, and the Metering Owner shall make available to First Gas (in accordance with *section 4.9* or otherwise) such of the Data as First Gas shall notify it that it requires for that purpose.

## 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 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.

# energy allocation at A receipt point

## Gas Transfer Agreement

* 1. Subject to *section 5.2*, a Shipper’s Receipt Quantity at a Receipt Point will be the quantity determined by the Gas Transfer Agent pursuant to the relevant Gas Transfer Agreement.

## Operational Balancing Agreement

* 1. The Interconnected Party may determine that an Operational Balancing Agreement (*OBA*) will apply at any Receipt Point, provided that it must give First Gas and all Shippers receiving Gas at that Receipt Point not less than 40 Business Days’ notice in writing before the OBA may commence. At the commencement of the OBA the Interconnected Party shall become an OBA Party in respect of that Receipt Point, and shall comply with all provisions of this Agreement and the Code that apply to an OBA Party.
  2. The Interconnected Party may terminate an OBA at a Receipt Point on the expiry of not less than 40 Business Days’ notice in writing to First Gas and all Shippers receiving Gas at that Receipt Point, provided that all those Shippers must sign a Gas Transfer Agreement before the OBA terminates.

## Agreed Injection Profile

* 1. If in relation to a Receipt Point and a Day the Interconnected Party:
     1. plans to, or is undertaking scheduled maintenance or other work; or
     2. experiences an unplanned Gas production outage,

that will reduce its ability to inject Gas in accordance with *section 3.2* on that Day, but nevertheless reasonably expects that in other periods of that Day it will be able to inject the quantities of Gas requested by Shippers (albeit in contravention of *section 3.2*) it may request an Agreed Injection Profile (*AIP*) at that, or another, Receipt Point as a means of avoiding having to curtail Shippers’ Receipt Quantities.

* 1. The Interconnected party must use the relevant functionality provided on OATIS to request an AIP and may do so in any nominations cycle.
  2. An AIP can only be requested in advance. An AIP may be for part of a Day and/or a full Day (or Days) up to a maximum of 7 Days. An AIP must commence at a time corresponding to the start of a nominations cycle. Any AIP that starts on a Day must include all Hours from the time it starts until the end of that Day.
  3. No AIP may reduce the amount of Gas injected on a Day below the metered quantity of Gas already injected at that Receipt Point on a Day.
  4. First Gas will approve any requested AIP except where that would:
     1. require it to curtail any Shipper’s:
        1. request, in the same nominations cycle, for DNC; and/or
        2. previously approved DNC or Supplementary Capacity;
     2. exceed the Physical MHQ of the relevant Receipt Point; or
     3. unduly increase the risk of breaching an Acceptable Line Pack Limit.
  5. First Gas may curtail any previously approved AIP where it determines that is necessary to avoid breaching an Acceptable Line Pack Limit or having to curtail DNC or Supplementary Capacity.
  6. The Interconnected Party may cancel a previously approved AIP only via OATIS, provided that it may not, on a Day, cancel an AIP that starts on that Day in respect of that Day. The Interconnected Party may, on any Day, cancel a previously approved AIP in respect of all subsequent Days to which it applies.
  7. Where it is an OBA Party, an AIP shall not relieve the Interconnected Party of its obligations to:
     1. manage Shippers’ Nominated Quantities in accordance with the Code; and
     2. comply with its Primary Balancing Obligation.

# gas quality

* 1. The Interconnected Party shall at its cost monitor, in accordance with *section 6.10*, the quality of all gas it injects at a Receipt Point. Nothing in this Agreement requires First Gas to monitor the quality of gas injected by the Interconnected Party at any Receipt Point.
  2. The Interconnected Party shall not knowingly inject Non-Specification Gas (except for the shortest practicable time necessary to terminate its injection of gas after becoming aware that it has been injecting Non-Specification Gas).

## Non-Specification Gas

* 1. First Gas shall promptly notify the Interconnected Party if it detects or reasonably suspects that Non-Specification Gas has been injected or is being injected.
  2. On becoming aware that it has injected or is injecting Non-Specification Gas (including pursuant to *section 6.3*), the Interconnected Party shall immediately halt further injection of gas until it has investigated the matter.
  3. Where it finds that it did inject, or was injecting Non-Specification Gas, the Interconnected Party shall:
     1. notify First Gas as soon as practicable, together with the following information:
        1. the reason why Non-Specification Gas was injected;
        2. the likely time during which Non-Specification Gas was injected and the estimated quantities of Non-Specification Gas injected; and
        3. the extent to which, in terms of the gas characteristics and components referred to in *section 6.10*, the gas it injected was Non-Specification Gas;
     2. assist First Gas to the maximum extent practicable to mitigate the effects of any Non-Specification Gas injected; and
     3. remedy the cause of the injection of Non-Specification Gas before injecting any further gas at that Receipt Point, and take all practicable steps to prevent further injection of Non-Specification Gas.

## Demonstration of Gas Quality

* 1. Upon First Gas’ written request at any time, the Interconnected Party shall promptly demonstrate to First Gas that it has sufficient facilities, monitoring and procedures in place to ensure that all gas it injects at a Receipt Point complies with the Gas Specification.
  2. If the Interconnected Party fails to comply with *section 6.6* within a reasonable time, First Gas may:
     1. require the Interconnected Party to immediately cease injecting gas until it does comply with *section 6.6*; and/or
     2. subject to the relevant provisions of *section 13*, enter that Receipt Point, or any facility owned or operated by the Interconnected Party that is a source of gas injected at that Receipt Point, at any reasonable time to undertake such reasonable inspections, inquiries, sampling or testing of gas to determine the Interconnected Party’s compliance with *section 6.6*.
  3. The Interconnected Party shall pay all First Gas’ reasonable costs incurred in exercising its rights under *section 6.7(b)*.
  4. First Gas shall have no liability to the Interconnected Party, and the Interconnected Party shall not be relieved of its obligations under this Agreement, by reason only that First Gas exercised its rights in accordance with this *section 6*.

## Monitoring of Gas Quality

* 1. Without limitation, the Interconnected Party shall monitor the quality of the gas it injects as set out in the following table:

|  |  |  |
| --- | --- | --- |
| **Characteristic or Component to Measure and/or Determine** | | **Required Measurement and/or Determination Frequency** |
| (a) | Wobbe Index | continuously |
| (b) | Relative Density | continuously |
| (c) | Hydrocarbon dewpoint | continuously |
| (d) | Water | continuously |
| (e) | Hydrogen Sulphide | as required but not less than quarterly |
| (f) | Total Sulphur (as S, excluding Sulphur due to odorant) | as required but not less than quarterly |
| (g) | Oxygen | continuously |
| (h) | Hydrogen | as required but not less than quarterly |
| (i) | Temperature | continuously |

To the extent the Interconnected Party can demonstrate to First Gas with reasonable supporting evidence that:

* + 1. none of the characteristics or components in the above table can exceed; or
    2. one or more of the components (e) to (h) in the above table does not occur at all, or occurs only at a much lower concentration compared to,

the relevant limit set out in the Gas Specification, the Interconnected Party may measure and/or determine that characteristic or component less frequently than stipulated in the above table, provided that its monitoring is sufficient to demonstrate compliance with the Gas Specification.

* 1. First Gas may disclose any exceptions to the testing frequencies set out in *section 6.10* to any other person, including by publishing that information on OATIS.
  2. Where it also produces the gas it injects, the Interconnected Party shall test for each of the components (e) to (h) in *section 6.10* following any material change in the source of its gas, including in the proportions of gas obtained from any new reservoir and/or production zones in any reservoir.
  3. The Interconnected Party shall determine the values of the characteristics or components (d) to (i) in *section 6.10* by direct measurement or testing. When so doing the Interconnected Party shall use only:
     1. industry standard equipment and facilities and suitably qualified and competent persons; and
     2. either the relevant test method suggested in the Gas Specification or such other method as will produce results that are no less accurate or reproducible.
  4. The Interconnected Party may determine the value of characteristic (c) in *section 6.10* by calculation from the composition of gas injected, provided that:
     1. it obtains First Gas’ approval (not to be unreasonably withheld); and
     2. the method it uses is sufficiently accurate to meet the requirements of the Gas Specification.

## No Contaminants

* 1. During both normal operations and when pigging or otherwise cleaning its Pipeline, the Interconnected Party shall ensure that all gas it injects at a Receipt Point is free of both dust and other solid and liquid matter, including hydrocarbon liquids, wax, gums, compressor oil and unsaturated hydrocarbons to an extent that might damage or interfere with the proper operation of any First Gas Equipment or First Gas’ Pipeline, either immediately or over time.

## Provide Gas Testing Results

* 1. The Interconnected Party shall on request promptly provide First Gas with copies of any data from monitoring, measuring or testing of gas undertaken pursuant to this *section 6*, including for up to 5 years prior to the date of the request.First Gas may disclose such information to any other person, including by publishing that information on OATIS.
  2. The Interconnected Party agrees that any injection by it of Non-Specification Gasshall constitute a failure to act as a Reasonable and Prudent Operator.

# odorisation

## Odorised Pipeline

* 1. If First Gas’ Pipeline is stipulated as “Odorised” in Schedule One, there must be appropriate Odorisation Facilities at that Receipt Point to ensure that all Gas injected complies with the detectability requirements set out in New Zealand Standard 5263:2003: Gas Detection and Odorisation. First Gas will specify the odorant that must be used.

## Ownership of Odorisation Facilities

* 1. In respect of any Additional Receipt Point on an Odorised Pipeline, First Gas may elect, but shall not be obliged to own the required Odorisation Facilities. The design, construction, operation and maintenance of Odorisation Facilities shall be the responsibility of the owner of the Odorisation Facilities.

## Odorisation Facilities

* 1. The Odorisation Facilities may include:
     1. an odorant storage vessel not exceeding 5 cubic metres capacity;
     2. a primary means of odorisation (e.g. an odorant injection pump);
     3. a control system to regulate the injection of odorant;
     4. a secondary means of odorisation in case the primary means fails;
     5. an internally-bunded shelter for the items in *sections 7.5(a) to (d)*;
     6. a flare system in a non-Hazardous area to safely dispose of odorant vapour; and
     7. a suitably sealed and bunded area where odorant is off-loaded in bulk from a vehicle to the odorant storage vessel.

## Services to Odorisation Facilities

* 1. Where First Gas owns the Odorisation Facilities, the Interconnected Party shall provide it with the services it reasonably requires, free of any charge, including:
     1. 24 Volt DC and 230 Volt AC power supplies;
     2. a suitable signal representing the flow rate or quantities of Gas to be odorised;
     3. a supply of Gas at a pressure not exceeding 10 bar gauge;
     4. a water supply adjacent to the shelter referred to in *section 7.5(e)* suitable for a personnel safety shower;
     5. suitable cabling and any related facilities to convey the data referred to in *section 7.7* to the Remote Monitoring Equipment,

at agreed termination points at the boundary of the Odorisation Facilities. The Interconnected Party shall also provide reasonable all-weather access to the Odorisation Facilities for vehicles and personnel for the purposes of *section 7.3*.

## Remote Monitoring of Odorisation Facilities

* 1. Irrespective of whether it owns any Odorisation Facilities, the Interconnected Party shall enable First Gas to remotely monitor:
     1. the status or availability of the primary means of odorisation including, where that is an odorant injection pump, direct indication of operation such as stroke rate or speed;
     2. odorant flow rate and/or the volumes of odorant being injected;
     3. odorant storage vessel inventory or liquid level;
     4. odorant storage vessel vapour space pressure and the status of any pressure-relief device;
     5. the Gas supply pressure to the Odorisation Facilities;
     6. the electricity supply to the Odorisation Facilities;
     7. the operating status of the odorant vapour flare; and
     8. any alarm conditions and other parameters it reasonably considers to be relevant.

## No Injection Without Odorisation

* 1. The owner of Odorisation Facilities will use reasonable endeavours to maintain odorisation at all times.
  2. Where a Party becomes aware that odorisation has failed, it will notify the other Party immediately. For the purposes of this *section 7.9*, a failure of odorisation shall include excessive odorisation as well as a total or partial failure of odorisation.
  3. The Interconnected Party shall cease injecting Gas as soon as practicable on becoming aware of (or being informed of) any odorisation failure. The owner of the Odorisation Facilities will investigate and restore normal odorisation as soon as practicable, whereupon the Interconnected Party may resume injecting Gas.
  4. Notwithstanding any other provision of this Agreement, First Gas may cease odorising Gas in any Pipeline or at any Receipt Point on expiry of not less than 18 Months’ written notice to the Interconnected Party and all Shippers.

# Curtailment

## Adverse Events

* 1. Subject to the balance of this *section 9*, First Gas will use reasonable endeavours to avoid curtailing the injection of Gas at a Receipt Point. First Gas may curtail the injection of Gas (or the ability to inject Gas) at a Receipt Point to the extent it determines to be necessary, where:
     1. an Emergency is occurring or is imminent;
     2. a Force Majeure Event has occurred;
     3. a Critical Contingency would otherwise occur;
     4. a Shipper’s GTA expires or is terminated, or a Shipper is otherwise not entitled to receive Gas at that Receipt Point; or
     5. this Agreement expires or is terminated, either in total or in relation to that Receipt Point,

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

## Maintenance

* 1. Where it requires to carry out scheduled Maintenance that will curtail the Interconnected Party’s ability to inject Gas (but not any scheduled Maintenance which it believes will not have that effect), First Gas will:
     1. notify the Interconnected Party as early as practicable (but not less than 20 Business Days prior to commencing work) of the likely duration of that work;
     2. advise the Interconnected Party of the expected impact on its ability to inject Gas at that Receipt Point and/or any other effects;
     3. consult the Interconnected Party and use reasonable endeavours to undertake that scheduled Maintenance at an agreed time; and
     4. minimise the period of any curtailment.

Where the start of any scheduled Maintenance notified pursuant to this *section 9.2* is delayed, First Gas will promptly notify the Interconnected Party of that delay on OATIS, but will not be required to re-start the 20 Business Days’ notice period.

* 1. First Gas may carry out unscheduled Maintenance at a Receipt Point in relation to events referred to in *section 9.1(a)*, *(b)* or *(c)*, but must give the Interconnected Party as much notice as practicable.
  2. The Interconnected Party shall reasonably facilitate First Gas’ scheduled or unscheduled Maintenance, as and when requested by First Gas.
  3. The Interconnected Party, where it intends to carry out maintenance or other work that will significantly reduce (or increase) its injection of Gas (but not any other maintenance or work), 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 in its injection of Gas.

## Operational Flow Order

* 1. If any of the events described in *section 9.1(a)* to *(e)* occurs, First Gas may give the Interconnected Party an Operational Flow Order, which the Interconnected Party shall use its best endeavours to comply with in the shortest practicable time. 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. If the Interconnected Party is a Gas producer and needs a quantity of Gas to shut down its production plant with minimal risk of damage to that plant, it shall notify First Gas of that requirement and of the specific quantity of Gas required. If First Gas subsequently issues an OFO to the Interconnected Party, it will if practicable allow for such quantity of Gas to be injected.

## Curtailment of Nominated Quantities

* 1. Pursuant to *section 9.6*, First Gas will curtail each Shipper’s most recent Approved Nominated Quantity at that Receipt Point in OATIS, including where an OBA applies, in accordance with the OFO and the Code.

## Critical Contingency

* 1. In the event of a Critical Contingency, the Interconnected Party shall curtail its injection of Gas (or its ability to inject Gas) at a Receipt Point as required to comply with the instructions of the Critical Contingency Operator.

## Failure to Comply

* 1. The Interconnected Party agrees that if it fails to comply with an OFO:
     1. First Gas may curtail the Interconnected Party’s injection of Gas itself; and
     2. the Interconnected Party shall be deemed not to have acted as a Reasonable and Prudent Operator and shall indemnify First Gas for any Loss incurred by First Gas (except to the extent that First Gas contributed to that Loss and/or did not use reasonable endeavours to mitigate its Loss).

## Relief from Charges

* 1. In relation to any curtailment under *section 9.1(a)* to *(c)* or *section 9.2,* the Interconnection Fee and the Odorisation Fee (if any) at a Receipt Point will not be payable for the period of that curtailment to the extent of the reduction in the normal or intended injection 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 *sections 3.4* or *3.5*;
     2. was itself carrying out maintenance or other work to the extent that its ability to inject Gas was less than the curtailment; or
     3. failed to comply with an instruction from First Gas under *section 9.6* or from the Critical Contingency Operator under *section 9.9*.

# fees and charges

## OBA Charges

* 1. To the extent it is an OBA Party, the Interconnected Party shall be liable for and shall pay to First Gas:
     1. Balancing Gas Charges; and
     2. charges for Excess Running Mismatch;

(together, *OBA 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 metered quantity at a Receipt Point exceeds the Physical MHQ of that Receipt Point (*Over-Flow Charge*), equal to:

Fee × OFQ × 20

where:

*Fee* is First Gas’ highest published fee for Daily Nominated Capacity on the Transmission System (expressed in $/GJ) in the current Year;

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

* + - 1. the Hourly metered quantity – Physical MHQ; and
      2. zero.

## Excessive Flow Causing Loss

* 1. In addition to any Over-Flow Charge and/or amount under *section 3.4(a)* it may be liable to pay, the Interconnected Party shall indemnify First Gas for any Loss incurred by First Gas that arises from its Over-Flow (where that Loss shall include any Interconnection Fees, Transmission Charges and/or Non-standard Transmission Charges which First Gas may be required to waive or rebate as a result) up to the Capped Amounts. First Gas shall use reasonable endeavours in the circumstances to mitigate its Loss. The Interconnected Party shall:
     1. not be relieved of liability under the indemnity in this *section 11.12*; and
     2. be deemed not to have acted as a Reasonable and Prudent Operator,

if its Over-Flow result in a Critical Contingency being declared.

## Credits Receivable as an OBA Party

* 1. To the extent it is an OBA Party, First Gas will credit the Interconnected Party in accordance with the Code:
     1. any Balancing Gas Credits due to it; and
     2. a share of the total Excess Running Mismatch Charges payable by all Receipt Point OBA Parties in respect of the previous Month, equal to:

ERMCOBRP × MQIP ÷ ∑MQOBRP

where:

*ERMCOBRP* is the aggregate of the charges for Negative ERM and Positive ERM payable by all OBA Parties at Receipt Points that Month;

*MQIP* is the aggregate of the metered quantities for that Month of all Receipt Points under this Agreement at which an OBA applies; and

*∑MQOBRP* is the aggregate of the metered quantities for that Month of all Receipt Points at which an OBA applies.

# TERMINATION

## Termination for cause

* 1. Either party may terminate this Agreement immediately on notice in writing to the other Party specifying the cause, if:
     1. 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

# 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 obligations imposed on it by this Agreement (*Affected Party*).
  2. Notwithstanding *section 15.1*, a Force Majeure Event shall not relieve an Affected Party from liability:
     1. to pay money due under this Agreement; or
     2. to give any notice required to be given pursuant to this Agreement (other than a notice via OATIS where OATIS is affected by such 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 inject Gas at the relevant Receipt Point on account of that Force Majeure Event (as determined by First Gas).

* 1. If an Affected 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 such 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 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 such act or omission is caused by or results from events and/or circumstances which would be a Force Majeure Event if such 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 Receipt Point, only to the extent that such suspended performance, or non-performance of that Shipper’s obligations relates to that Receipt Point.

## Information

* 1. 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 used reasonable endeavours to mitigate its Loss.

## 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 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 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 or any TSA by one or more third parties (*Liable Third Parties*), and First Gas recovers (using reasonable endeavours to pursue and seek recovery of those amounts, or pursuant to *section 16.11*) 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 which First Gas caused or contributed to as a result of failing to act as a Reasonable and Prudent Operator, which in any event shall be limited to the Capped Amounts).

* 1. Where:
     1. First Gas is the Liable Party; and
     2. First Gas is liable to one or more interconnected parties under any other interconnection agreement and/or Shippers under any TSA (each such interconnection agreement or TSA being a *Coincident Agreement*); and
     3. the sum of First Gas’ liability to the Interconnected Party and to any other interconnected parties and Shippers 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 Interconnected Party shall be reduced to an amount determined and notified to the Interconnected Party by First Gas, which amount shall reflect the proportion that First Gas’ liability to the Interconnected Party bears to the Apparent Liability, provided that the aggregate of First Gas’ liability to the Interconnected Party and 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 Agreements shall not exceed the 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.

## Subrogated Claims

* 1. If First Gas is the subject of a claim by a Shipper or third party (the *Claimant*) where the claim (or any part of it) arises because of a purported breach of this Agreement by the Interconnected Party, the following procedure shall apply:
     1. First Gas shall immediately give notice of the claim to the Interconnected Party;
     2. First Gas will not make any payment or admission of liability in respect of the claim without the prior written consent of the Interconnected Party. The Interconnected Party will not unreasonably withhold or delay its consent under this *section 16.10(b)*;
     3. the Interconnected Party may elect to defend in the name of First Gas any third party claim involving any litigation. The Interconnected Party must notify First Gas of its election within 10 Business Days of receiving notice of the claim. First Gas shall provide or procure to be provided such assistance as the Interconnected Party may require provided that the Interconnected Party first agrees in writing to:
        1. indemnify First Gas against any liabilities resulting from that claim and/or defence of that claim except to the extent that First Gas has caused those liabilities; and
        2. pay any reasonable costs directly incurred by First Gas in providing assistance in defending the claim,

except that First Gas shall not be required to render any assistance to the Interconnected Party pursuant to this *section 16.10(c)* (other than allowing a defence in First Gas’ name) in circumstances where First Gas has reasonable grounds to refuse such assistance;

* + 1. if the Interconnected Party elects to defend a claim under *section 16.10(c)* then it may choose its own counsel for its defence. The costs of counsel will be met by the Interconnected Party;
    2. First Gas will not take any active steps which could be expected to directly result in the occurrence of an event for which an indemnity is payable under *section 16.10(c)(i)*; and
    3. the Interconnected Party shall not be required to make any payment in respect of any claim under this *section 16.10* based on a contingent liability until the contingent liability becomes an actual liability and is due and payable.
  1. If the Interconnected Party (*Claiming Party*) suffers a Loss arising from an act or omission of a Shipper in breach of its TSA or another interconnected party in breach of its interconnection agreement (each such Shipper or interconnected party being a *Breaching Party*) then:
     1. the Interconnected Party may elect to pursue its claim in the name of First Gas. The Interconnected Party must notify First Gas of its election. First Gas shall provide or procure to be provided such assistance as the Interconnected Party may require provided that the Interconnected Party first agrees in writing to:
        1. indemnify First Gas against any liabilities resulting from that claim and/or pursuit of that claim except to the extent that First Gas has directly caused those liabilities; and
        2. pay any reasonable costs directly incurred by First Gas in providing assistance in pursuing the claim,

except that First Gas shall not be required to render any assistance to the Interconnected Party pursuant to this *section 16.11(a)* (other than allowing proceedings to be commenced and prosecuted in First Gas’ name) in circumstances where First Gas has reasonable grounds to refuse suchassistance;

* + 1. if the Interconnected Party elects to pursue a claim under *section 16.11(a)* then it may choose its own counsel. The costs of counsel will be met by the Interconnected Party;
    2. the Interconnected Party’s Loss shall be deemed to be First Gas’ Loss for the purposes of the TSA or interconnection agreement between First Gas and the Breaching Party;
    3. a breach of the Breaching Party’s obligations under its TSA or interconnection agreement shall be deemed to be a breach by First Gas of this Agreement; and
    4. First Gas will not take any active steps which could be expected to directly result in the occurrence of an event for which an indemnity is payable under *section 16.11(a)(i)*.
  1. The Interconnected Party shall not make any claim, demand or commence proceedings directly against any Shipper in relation to that Shipper’s breach of its TSA or negligence in relation to any matter pertaining to or dealt with in the Code, or against any other interconnected party in relation to that party’s breach of its interconnection agreement. Neither the Interconnected Party nor First Gas shall make any claims, demands or commence proceedings against each other in relation to any matter dealt with by this Agreement (including a claim by either Party that the other Party has been negligent in relation to any such matter) except in accordance with this Agreement. Nothing shall prevent First Gas from exercising its rights and remedies under any TSA.
  2. Prior to First Gas making any claim against any Liable Third Party, First Gas shall first consult the Interconnected Party and provide an opportunity for the Interconnected Party to have its Loss included in First Gas’ claim(s). The Interconnected Party’s Loss shall be deemed to be First Gas’ Loss for the purposes of any claim against a Liable Third Party.
  3. If requested by either Party in writing, the other Party will show evidence of comprehensive liability insurance cover with a reputable insurer covering third party property damage and personal liability for which the other Party may be legally liable under or in relation to this Agreement, up to the Capped Amounts*,* except to the extent that such insurance is not permitted by law.
  4. For the purposes of this *section 16*, any reference to a breach of, or liability under a TSA shall include any breach of, or liability under a Supplementary Agreement or Interruptible Agreement.

# general AND LEGAL

## 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. *[Note: Section 19.3 to be updated to reflect proposed new section 8.4 of the Code. New mutual confidentiality language below for consideration]*
  2. *[Each Party shall keep confidential and not disclose any information made available to it by, on behalf of, or at the request of, the other Party in relation to this Agreement or that relates to the business or operations of such other Party.*
  3. *A Party may disclose such information to the extent that:*
     1. *the information is in the public domain, other than by a breach of this Agreement by such Party;*
     2. *the information was already known to the Party and was not then subject to any obligation of confidentiality;*
     3. *disclosure to such Party’s professional advisor(s) or consultant(s) on a need to know basis is required;*
     4. *disclosure is necessary by First Gas to maintain the safety and reliability of the Transmission System, or is required to give effect to the Code, a TSA, a supplementary agreement or an interconnection agreement;*
     5. *this Agreement or the Code contemplates or requires the disclosure or provision of the information (or information or analysis derived from such information) on OATIS or otherwise contemplates or requires the disclosure of such information;*
     6. *use or disclosure is required by law (including information disclosure requirements and/or the listing rules of a recognised stock exchange) or any order of a competent court;*
     7. *the other Party has consented in writing to the use or disclosure;*
     8. *the information is obtained from a third party, whom such Party believes, in good faith, to be under no obligation of confidentiality;*
     9. *disclosure is to such Party’s auditors; or*
     10. *disclosure is required pursuant to the resolution of any dispute under this Agreement.]*

# definitions and construction

*[Note: Sections 20.1 and 20.4 have both been updated to reflect the meshing/change request consistency discussed at the Workshop. Also note that the section 20.2 definitions are those from the current ICA documents – they will change or be added to as any changes to the underlying ICA documents occur]*

## Defined Terms

* 1. Subject to *section 20.2*, capitalised terms used but not defined in this Agreement are to have the meaning given to those terms in the Code (including as such terms may be amended from time to time in accordance with the requirements of the Code and thereafter read with any necessary changes for the context).
  2. In this Agreement:

*Additional Receipt Point* means a receipt point that:

* + 1. is built after the Commencement Date; or
    2. is in operation on the Commencement Date but which is later modified to the extent that First Gas (in its reasonable opinion) needs to make material modifications to its Pipeline and/or any First Gas Equipment,

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

*Agreed Injection Profile* or *AIP* means an schedule of Hourly Gas injection quantities for a Receipt Point requested by the Interconnected Party and approved by First Gas;

*Agreement* means this “Interconnection Agreement for Receipt 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 Receipt Point;

*Capped Amounts* has the meaning described in *section 16.4*;

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

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

*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, including where:

* + 1. a Party reasonably believes that the safe transportation of Gas in its own or the other Party’s Pipeline is significantly at risk;
    2. Gas in the Interconnected Party’s Pipeline or at a Receipt Point is at a pressure, or is of a quality that constitutes a hazard to that Pipeline, Receipt Point or First Gas’ Pipeline;
    3. First Gas’ ability to receive Gas at a Receipt Point is impaired; or
    4. the rate of injection of Gas at a Receipt Point exceeds its Maximum Design Flow Rate, Physical MHQ or the flow rate specified in an Operational Flow Order;

*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 such Party in the performance of any obligations imposed on it by this Agreement, notwithstanding the exercise by such Party of reasonable care and, subject to the foregoing, shall include any such event or circumstance which causes a Critical Contingency to be determined and/or any action or inaction of a Party necessary to comply with the CCM Regulations which causes a failure or inability of the kind described above;

*First Gas Equipment* means equipment owned and/or controlled by First Gas and located at a Receipt Point, as described in Schedule One;

*Hazardous* means, in relation to an area or space, where that area or space is hazardous or potentially hazardous in respect of the electrical equipment that may be installed there, as defined in AS/NZS2430;

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

*MAOP* means maximum allowable operating pressure;

*Maximum Design Flow Rate* means the maximum flow rate of Gas that a Receipt 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 the equipment at the location set out in Schedule One and complying with the Metering Requirements which measures the quantities of Gas injected into First Gas’ Pipeline at a Receipt Point;

*Metering Owner* means the Party set out in Schedule One;

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

*Nominated Quantity* and *Nominated Quantities* mean, in respect of a Day and a Receipt Point, the quantity of Gas that a Shipper (or Shippers) request the Interconnected Party, where it is an OBA Party, to inject into First Gas’ Pipeline for that Shipper (or those Shippers);

*OBA Charges* has the meaning set out in *section 11.10*;

*Odorisation Facilities* means the equipment and facilities, in accordance with section 7, to odorise Gas injected at a Receipt 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*9.7*;

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

*Physical MHQ* means the Hourly energy equivalent of the Maximum Design Flow Rate of a Receipt Point, as set out in Schedule One;

*Pipeline* means:

* + 1. in relation to First Gas, that part of the Transmission System which connects to a Receipt Point; and
    2. in relation to the Interconnected Party, the high-pressure pipeline that conveys Gas to a Receipt Point;

*Reasonable and Prudent Operator* or *RPO* means, in relation to the performance of obligations under this Agreement, the application by the relevant Party of that degree of diligence, prudence and foresight reasonably and ordinarily exercised by experienced operators engaged in the same line of business under the same or similar circumstances and conditions having due consideration to the interests of the other users of the Transmission System;

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

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

*Target Taranaki Pressure* means the pressure calculated by First Gas at or near the Bertrand Road Offtake to be sufficient to:

* + 1. deliver Shippers’ Nominated Quantities;
    2. provide, using reasonable endeavours, a reasonable quantity of Gas for use in connection with an event or circumstance that First Gas believes, acting as a Reasonable and Prudent Operator, has detrimentally affected the transmission of Gas through the Transmission System or depleted Line Pack to an unacceptable level, or could do so, and includes an Emergency and a Critical Contingency; and/or
    3. provide, using reasonable endeavours, a reasonable quantity of Gas to allow for delivery having regard to relevant Agreed Hourly Profiles and/or relevant Running Mismatch Tolerances; *[Note: this is a new definition which reflects the Workshop discussion]*

## Code Amendments and Precedence

* 1. The Interconnected Party may exercise any rights, and is to comply with any obligations, conferred or placed on it by the Code (including by way of references to particular categories of interconnected parties or interconnected parties generally). Where the Code confers rights or places obligations on the Interconnected Party, or this Agreement refers to or incorporates sections or terms of the Code (including those common provisions specified in Schedule Five or Schedule Six of the Code), this Agreement will be deemed to be amended automatically if, when and to the extent those rights or obligations, or sections or terms of the Code (including those common provisions specified in Schedule Five or Schedule Six of the Code), are changed, amended or supplemented in accordance with the Code (including pursuant to *section 17* of the Code). At the request of a Party, the other Party shall enter into an agreement which records the relevant changes, amendments or additions to this Agreement accordingly (and each Party shall take such actions and execute such documents as is required to do so) promptly after the date of any such request. In the event of any conflict or ambiguity between a provision of this Agreement (where and to the extent the Code confers rights or places obligations on the Interconnected Party, or this Agreement refers to or incorporates sections or terms of the Code) and the Code, the Code shall prevail. In the event the Code expires or is terminated during the term of this Agreement (and not replaced):
     1. this Agreement will survive that expiry or termination and continue in full force and effect until the Expiry Date (subject to earlier termination in accordance with *section 14*); and
     2. the relevant terms of the Code incorporated into this Agreement will continue in full force and effect for the term of this Agreement unless First Gas and the Interconnected Party agree to amend them.

# schedule two: technical requirements

* 1. The design, construction, commissioning, operation and maintenance of each Receipt Point (including any First Gas Equipment) shall conform with good gas industry engineering practice and shall comply with the requirements of recognised and applicable standards as well as all current and relevant laws, including:
     1. AS 2885.1: 2007 Pipelines - Gas and Liquid Petroleum, Part 1: Design and Construction;
     2. Gas Act 1992 and associated regulations;
     3. Health and Safety at Work Act 2015;
     4. Health and Safety in Employment (Pipelines) Regulations;
     5. Resource Management Act 1991;
     6. Electrical (Safety) Regulations;
     7. AS/NZS 3000 – Wiring Rules;
     8. AS/NZS 60079.14 - Explosive Atmospheres: Electrical Installations, Design Selection and Erection; and
     9. mandatory Codes of Practice and Standards associated with any of the above.
  2. A Receipt 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 restricted access and Hazardous areas, supplemented by secure barriers where required;
     6. only electrical equipment that complies with the NZ Electricity Act and Regulations;
     7. an above-ground isolation valve (specified by First Gas) 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 such piping and structures, and a suitable earth bed to which such piping and structures are connected;
     9. means to electrically isolate First Gas’ Pipeline from a Receipt Point, as well as a suitable surge diverter installed across each such isolating device;
     10. equipment to reasonably prevent any solid or liquid contaminants from reaching First Gas’ Pipeline;
     11. a flow-restriction device (sonic nozzle or a restriction orifice plate) to prevent over-speeding of any meter and/or ensure that the relevant Maximum Design Flow Rate is not exceeded;
     12. a check (non-return) valve to prevent reverse flow through a Receipt Point.
  3. A Receipt Point shall incorporate equipment to enable First Gas to remotely monitor that Receipt Point, Metering and Odorisation Facilities (if any), retrieve data and other information and (if required) control any First Gas Equipment. Such equipment may include:
     1. a remote terminal unit for First Gas’ SCADA (“Supervisory, Control and Data Acquisition”) system, radio or other communications equipment, and related ancillary equipment; or
     2. such other suitable equipment as First Gas may reasonably require,

(the *Remote Monitoring Equipment*).

* 1. There must be a secure, weather-proof, vermin-proof and adequately ventilated shelter or building, located in a non-Hazardous area, to house such of its Equipment as First Gas reasonably considers requires such protection.
  2. Where the risk assessment referred to in *section 2.4(b)* indicates that means to prevent over-pressurisation of First Gas’ Pipeline are required then, unless First Gas agrees otherwise, such means shall comprise “working” and “standby” pressure control streams, both of which streams shall include:
     1. primary means of pressure control; and
     2. separate and independent means of over-pressure protection, which shall operate in the event that the primary means of pressure control fails.
  3. Pursuant to *paragraph 1.5*:
     1. the primary means of pressure control in both the working stream and the standby stream shall comprise an active regulator or pressure control valve ; 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 and/or control valves when the same are in the closed (“no flow”) position; or
        3. a slam-shut valve; or
        4. all of (i), (ii) and (iii).
  4. Where required by First Gas to operate its Remote Monitoring Equipment, any other Equipment and Odorisation Facilities (if any), an external supply of electricity (*Mains Supply*) shall be provided. An uninterruptible power supply (*UPS*) shall also be installed, incorporating batteries with sufficient storage capacity to supply the normal electricity requirements of such First Gas’ equipment for not less than four hours if the Mains Supply fails.
  5. First Gas may require means to remotely control the flow of Gas at a Receipt Point.

# Schedule Six: Delivery Point Interconnection Agreement Provisions

# parties’ rights and obligations

* 1. First Gas will permit connection of the Interconnected Party’s 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 the Transmission System.

# Technical Compliance

## General

* 1. Except as agreed otherwise in writing, First Gas will ensure that all Delivery Points and Additional Delivery Points comply with Schedule Two.

# gas delivery

## Controlled Delivery Pressure

* 1. Where Schedule One states that the Delivery Pressure at a Delivery Point is “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 both duty and standby pressure control streams are installed, the set-points of the respective slam-shut valves are such that if the slam-shut valve in the working stream closes the slam-shut 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 either a slam-shut valve or pressure regulating valve closes, and remain without Gas for the reasonable time that 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 and the performance characteristics of the pressure control equipment;
     3. the Interconnected Party acknowledges and agrees that the Maximum Delivery Pressure may occur during normal operation 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 3.1(c)* unless the Delivery Pressure exceeds the greater of the Maximum Delivery Pressure or the MAOP of the Interconnected Party’s Pipeline.

## Change in Controlled Delivery Pressure

* 1. Either Party may request a change in the Nominal Delivery Pressure at a Delivery Point and the other Party shall not unreasonably withhold or delay its consent, provided that:
     1. the Interconnected Party shall not be required to agree to any request to decrease the Nominal Delivery Pressure where that would (in its reasonable opinion) materially affect its ability to take or utilise Gas;
     2. First Gas shall not be obliged to agree to any request to increase the Nominal Delivery Pressure where that would (in its reasonable opinion) materially reduce its ability to provide transmission services (or additional transmission services);
     3. First Gas may make its agreement to any change in the Nominal Delivery Pressure conditional on changes to other Pressure Control Settings that it reasonably considers to be necessary including, where an increase in the Nominal Delivery Pressure is requested, to the applicable Maximum Delivery Pressure;
     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 that increase, and any consequent increase in the Maximum Delivery Pressure reasonably determined by First Gas;
     5. the requesting Party shall be responsible for the reasonable direct costs of any required modifications to that 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. Schedule One shall be amended to reflect any changes pursuant to this *section 3.2(d)*.

## Uncontrolled Delivery Pressure

* 1. Where Schedule One states that the Delivery Pressure at a Delivery Point is “Uncontrolled”:
     1. First Gas will provide 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 to provide any particular Delivery Pressure or Delivery Pressure range;
     3. the Interconnected Party shall ensure that the MAOP of its Pipeline is not less than the MAOP of First Gas’ Pipeline; and
     4. First Gas shall have no liability to the Interconnected Party whatsoever in relation to or arising from the Delivery Pressure provided that the Maximum Delivery Pressure does not exceed the MAOP of First Gas’ Pipeline.

## Excessive Flow

* 1. The Interconnected Party agrees that it will not take Gas at a Delivery Point at a rate greater than the then-current 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;
     2. the charge determined in accordance with *section 11.11*; and
     3. any Loss pursuant to *section 11.12*.

## Low Flow

* 1. If Gas is taken at a Delivery Point at rates less than the then-current Minimum Design Flow Rate to the extent that, in First Gas’ reasonable opinion, the Accuracy of the metered quantities at that Delivery Point is unduly affected, First Gas shall notify the Interconnected Party accordingly. Unless the Interconnected Party can reasonably demonstrate to First Gas that those low Gas takes were extraordinary occurrences and are unlikely to occur again, First Gas may:
     1. notify the Interconnected Party that it intends to modify the Metering to improve the Accuracy of metered quantities at low flow rates; and
     2. require the Interconnected Party to pay First Gas’ actual and reasonable costs to implement those modifications (reasonable evidence of which First Gas shall provide to the Interconnected Party), including via an Interconnection Fee or an increase in the current Interconnection Fee.

# metering and energy quantity reports

## Metering Required

* 1. First Gas will install Metering as set out in Schedule One and use 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 shall use reasonable endeavours, including by means of periodic testing in accordance with the Metering Requirements, to ensure that Metering is Accurate. The Interconnected Party may request, and First Gas shall then provide:
     1. reasonable technical information relating to the Metering at a Delivery Point;
     2. a copy of First Gas’ planned maintenance schedules relating to any Metering; and
     3. the results of any testing of any Metering.
  2. In relation to any new Metering, First Gas will:
     1. no earlier than 3 Months before that Metering is placed into service, test each custody transfer meter and other gas measurement device forming part of that Metering; and
     2. where the Metering includes a verification meter, conduct an in-situ verification test of each custody transfer meter as soon as practicable after that Metering is placed into service,

to ensure that the Metering is Accurate. If the Metering is found to be Inaccurate, 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 4.4*.

## 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 direct costs First Gas incurs 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 any Metering is found to be Inaccurate, First Gasshall correct previously determined energy quantities in accordance with the Metering Requirements and, where applicable, correct any previously invoiced amounts. If the Interconnected Party installs its own check metering downstream of a Delivery Point, it shall:
     1. promptly provide data from that check metering to First Gas on request; and
     2. retain all data from that check metering for a period of not less than 3 years.

## Amendment of Metering Requirements

* 1. First Gas may amend the Metering Requirements at any time but the amended Metering Requirements shall apply to the-existing 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 4.9* to *4.12*, make available to the Interconnected Party at a Delivery Point any of the following data (*Data*) 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. hydrocarbon dewpoint and water content if available,

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

* 1. Pursuant to *section 4.8*, 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) 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 reasonable endeavours to maintain the availability of Data, including while the Metering is undergoing repair, re-calibration, testing, servicing or replacement. The Interconnected Party shall not be relieved of any of its obligations under this Agreement due to the unavailability of any Data, for any reason.
  4. If First Gas upgrades or replaces the Metering at a Delivery Point and is no longer able to provide any Data previously received by the Interconnected Party, First Gas shall not be obliged to reimburse any costs 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 for each meter at a Delivery Point and for the aggregate quantities of Gas taken at that Delivery Point 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 HDRs; and
     2. as 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.

# Energy allocation at Delivery points

## Downstream Reconciliation Rules

* 1. At each non-Dedicated Delivery Point used by:
     1. more than one Shipper, each Shipper’s Daily Delivery Quantity will be determined by the Allocation Agent under the Downstream Reconciliation Rules and the Code; or
     2. only one Shipper, that Shipper’s Daily Delivery Quantity will be the metered quantity for that Day.

## Allocation Agreement

* 1. At each Dedicated Delivery Point other than where an Operational Balancing Agreement (*OBA*) applies there shall be an Allocation Agreement, irrespective of the number of Shippers using that Dedicated Delivery Point.
  2. Subject to *section 5.4*, where a Dedicated Delivery Point is used by:
     1. only one Shipper, First Gas shall be the Allocation Agent and that Shipper’s Daily and Hourly Delivery Quantities will be the respective metered quantities; or
     2. more than one Shipper, each Shipper’s Daily and Hourly Delivery Quantities will be the respective qualities determined by the Allocation Agent under the applicable Allocation Agreement.
  3. The End-user of Gas taken at a Dedicated Delivery Point shall have the right to determine the rules to be applied by the Allocation Agent to determine Shippers’ Daily and Hourly Delivery Quantities. The Allocation Agreement must ensure that the Allocation Agent notifies First Gas via OATIS of each Shipper’s Daily and Hourly Delivery Quantities within the times published by First Gas on OATIS.

## Operational Balancing Agreement

* 1. The Interconnected Party may determine that an OBA will apply at a Delivery Point, provided that it must give First Gas and all Shippers using that Delivery Point not less than 40 Business Days’ notice in writing before the OBA may commence. At the commencement of the OBA:
     1. that Delivery Point will become an Individual Delivery Point; and
     2. the Interconnected Party shall be an OBA Party in respect of that Delivery Point, and shall comply with all provisions of this Agreement and the Code that apply to an OBA Party.
  2. Subject to *section 5.3(b)*, an Interconnected Party may terminate an OBA at a Delivery Point on the expiry of not less than 40 Business Days’ notice in writing to First Gas and all Shippers using that Delivery Point.

# gas quality

* 1. Where it is an End-user, the Interconnected Party shall ensure that any contract for the purchase of gas it has with any party includes a requirement that all such gas must comply with the Gas Specification.
  2. First Gas shall ensure that any ICA it enters into at a Receipt Point requires the Interconnected Party to:
     1. ensure that all gas it injects into the Transmission System complies with the Gas Specification; and
     2. on request by First Gas, promptly demonstrate that it has adequate facilities, systems, procedures and monitoring to comply with *section 6.2(a)*.
  3. 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 that enters, or is in First Gas’ Pipeline, First Gas is unlikely to be able to prevent that gas from reaching a Delivery Point.
  4. If First Gas becomes aware that Non-Specification Gas has flowed at a Receipt Point, or suspects that it may flow at a Delivery Point, it will notify all Shippers and the Interconnected Party via OATIS as soon as practicable and provide any details of which it is aware in relation to:
     1. the reason why that gas was, or may be Non-Specification Gas;
     2. the likely period of time during which Non-Specification Gas was, or may be taken at a Delivery Point; and
     3. the nature and extent of the deviation from the Gas Specification.
  5. If the Interconnected Party becomes aware or suspects that Non-Specification Gas has flowed at a Delivery Point, it will notify First Gas as soon as practicable and, to the extent it can, provide the information referred to in *section 6.4*. First Gas will then promptly notify all Shippers of that event (or suspected event) via OATIS together with the information provided to it.
  6. Subject to *section 6.7*, First Gas, upon receiving a reasonable written request from the Interconnected Party, shall exercise the rights referred to in *section 6.2(b)* and publish a report on OATIS setting out its findings. First Gas shall have no liability to the Interconnected Party in connection with the exercise by First Gas under this *section 6.6*, of its rights under *section 6.2(b)*.
  7. First Gas shall not be obliged to exercise the rights referred to in *section 6.2(b)* pursuant to a request from the Interconnected Party (or any other Interconnected Party or Shipper) more frequently than once every 9 Months.
  8. First Gas will install and maintain equipment at each Delivery Point to ensure that all Gas taken complies with the Gas Specification in respect of dust and/or compressor oil.

# odorisation

## Odorised Pipeline

* 1. If First Gas’ Pipeline is stipulated as “Odorised” in Schedule One, Gas in that Pipeline must be odorised to comply with the detectability requirements set out in New Zealand Standard 5263:2003: Gas Detection and Odorisation.
  2. If either Party becomes aware that insufficiently odorised Gas has flowed or is flowing at a Delivery Point on an Odorised Pipeline, it will promptly notify the other Party. First Gas will investigate and, as soon as practicable:
     1. restore odorisation of Gas in accordance with *section 7.1*; and
     2. notify the Interconnected Party of the reason for the insufficiently odorised Gas, the likely period of time during which insufficiently odorised Gas flowed, and any other relevant information.
  3. 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. The design, construction, operation and maintenance of Odorisation Facilities shall be the responsibility of their owner.
  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.

# 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 curtail the taking of Gas (or the ability to take Gas) at a Delivery Point to the extent it determines to be necessary, where:
     1. an Emergency is occurring or is imminent;
     2. a Force Majeure Event has occurred;
     3. a breach of any Security Standard Criteria and/or a Critical Contingency would otherwise occur;
     4. a Shipper’s TSA or Supplementary Agreement, or the Allocation Agreement expires or is terminated; or
     5. 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 this *section 9.1(a)* or *(b)*, First Gas shall use reasonable endeavours to minimise the period of curtailment.

## Maintenance

* 1. 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 it believes will not have that effect), First Gas will:
     1. notify the Interconnected Party as early as practicable (but not less than 20 Business Days’ prior to commencing work) of the likely duration of that work;
     2. advise the Interconnected Party of the expected impact on its ability to take Gas at that Delivery Point and/or any other effects; and
     3. consult the Interconnected Party and use reasonable endeavours to undertake that scheduled Maintenance at an agreed time.

Where the start of any scheduled Maintenance notified pursuant to this *section 9.2* is delayed, First Gas will promptly notify the Interconnected Party of that delay on OATIS, but will not be required to re-start the 20 Business Days’ notice period.

* 1. First Gas may carry out unscheduled Maintenance at a Delivery Point in response to events referred to in *section 9.1(a)*, *(b)* or *(c)*, but must give the Interconnected Party as much notice as practicable.
  2. The Interconnected Party shall reasonably facilitate First Gas’ scheduled or unscheduled Maintenance, as and when requested by First Gas.
  3. The Interconnected Party, where it intends to carry out maintenance or other work that will significantly reduce (or increase) its take of Gas (but not any other maintenance or work), 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.

## Operational Flow Order

* 1. Subject to *section 9.7*, if any of the events described in *section 9.1(a)* to *(e)* occurs, First Gas may give the Interconnected Party an Operational Flow Order, which the Interconnected Party shall use its best endeavours to comply with in the shortest practicable time. First Gas will minimise the period of curtailment stipulated in an OFO to the extent practicable. First Gas will publish each OFO on OATIS as soon as practicable.
  2. If the Interconnected Party conveys Gas taken at a Delivery Point to an End-user who needs a quantity of Gas to shut down its plant with minimal risk of damage to that plant (but not any product produced by that plant), or the Interconnected Party is such an End-user, the Interconnected Party shall notify First Gas of that requirement and of the specific quantity of Gas required. If First Gas subsequently issues an OFO to the Interconnected Party, it will if practicable allow for such quantity of Gas to be taken.

## Curtailment of Nominated Quantities after OFO Issued

* 1. Pursuant to *section 9.6*, First Gas will curtail each Shipper’s most recent Approved Nominated Quantity at that Delivery Point in OATIS, including where an OBA applies, in accordance with the OFO and the Code.

## Critical Contingency

* 1. In the event of a Critical Contingency, the Interconnected Party shall curtail its take of Gas (or its ability to take Gas) at a Delivery Point as required to comply with the instructions of the Critical Contingency Operator.

## Failure to Comply

* 1. The Interconnected Party agrees that if 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 be deemed not to have acted as a Reasonable and Prudent Operator and shall indemnify First Gas for any Loss incurred by First Gas (except to the extent that First Gas contributed to that Loss and/or did not use reasonable endeavours to mitigate its Loss).

## Relief from Charges

* 1. In relation to any curtailment under *section 9.1(a)* to *(c)* or *section 9.2,* the Interconnection Fee and Odorisation Fee at a Delivery Point (if any) will not be payable for the period of that curtailment to the extent of the reduction in the normal or intended 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 3.4* or *3.5*;
     2. was itself carrying out maintenance or other work to the extent that its ability to take Gas was less than the curtailment; or
     3. failed to comply with an instruction from First Gas under *section 9.6* or from the Critical Contingency Operator under *section 9.9*.

# fees and charges

## OBA Charges

* 1. For any Delivery Point at which an OBA applies, the Interconnected Party shall be liable for and shall pay to First Gas:
     1. Daily Overrun Charges;
     2. Daily Underrun Charges; and
     3. Hourly Overrun Charges,

and in addition, shall be liable for and shall pay to First Gas:

* + 1. Balancing Gas Charges; and
    2. charges for Excess Running Mismatch;

(together, *OBA 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 metered quantity at a Delivery Point exceeds the Physical MHQ of that Delivery Point (*Over-Flow Charge*), equal to:

Fee × OFQ × 20

where:

*Fee* is the higher of the fee for (as applicable) Daily Nominated Capacity or Supplementary Capacity (expressed in $/GJ in each case) for that Delivery Point in the current Year, as notified by First Gas to the Interconnected Party; and

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

* + - 1. the Hourly metered quantity – Physical MHQ; and
      2. zero*.*

## Excessive Flow Causing Loss

* 1. In addition to any Daily Overrun Charge, Hourly Overrun Charge, Over-Flow Charge and/or amount under *section 3.4(a)* it may be liable to pay, the Interconnected Party shall indemnify First Gas for any Loss incurred by First Gas that arises from its Daily or Hourly Overrun or Over-Flow (where that Loss shall include any Interconnection Fees, Transmission Charges and/or Non-standard Transmission Charges which First Gas may be required to waive or rebate as a result) up to the Capped Amounts. First Gas shall use reasonable endeavours in the circumstances to mitigate its Loss. The Interconnected Party shall:
     1. not be relieved of liability under the indemnity in this *section 11.12*; and
     2. be deemed not to have acted as a Reasonable and Prudent Operator,

if its Daily or Hourly Overrun or Over-Flow result in a Critical Contingency being declared.

## Credits Receivable as an OBA Party

* 1. If it is also an OBA Party, First Gas will credit the Interconnected Party in accordance with the Code:
     1. any Balancing Gas Credits due to it;
     2. a share of the total incentive charges payable by all Delivery Point OBA Parties in respect of the previous Month, equal to:

TICOBDP × MQIP ÷ ∑MQOBDP

where:

*TICOBDP* is the total of Daily Overrun Charges, Daily Underrun Charges and Hourly Overrun Charges payable by all OBA Parties at Delivery Points that Month;

*MQIP* is the aggregate of the metered quantities for that Month of all Delivery Points under this Agreement at which an OBA applies; and

*∑MQOBDP* is the aggregate of the metered quantities for that Month of all Delivery Points at which an OBA applies; and

* + 1. a share of the total Excess Running Mismatch Charges payable by all Delivery Point OBA Parties in respect of the previous Month, equal to:

ERMCOBDP × MQIP ÷ ∑MQOBDP

where:

*ERMCOBDP* is the aggregate of the charges for Negative ERM and Positive ERM payable by all OBA Parties at Delivery Points that Month; and

*MQIP* and *∑MQOBDP* each have the same meaning as in this *section 11.13(b)*.

# term and TERMINATION

## Termination for cause

* 1. Either Party may terminate this Agreement immediately on notice in writing to the other Party specifying the cause, if:
     1. 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

# 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 an Affected 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 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 because 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. 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 used reasonable endeavours to mitigate its Loss.

## 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 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 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 or any TSA by one or more third parties (*Liable Third Parties*), and First Gas recovers (using reasonable endeavours to pursue and seek recovery of those amounts, or pursuant to *section 16.11*) 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 which First Gas caused or contributed to as a result of failing to act as a Reasonable and Prudent Operator, which in any event shall be limited to the Capped Amounts).

* 1. Where:
     1. First Gas is the Liable Party; and
     2. First Gas is liable to one or more interconnected parties under any other interconnection agreement and/or Shippers under any TSA (each such interconnection agreement or TSA being a *Coincident Agreement*); and
     3. the sum of First Gas’ liability to the Interconnected Party and to any other interconnected parties and Shippers 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 Interconnected Party shall be reduced to an amount determined and notified to the Interconnected Party by First Gas, which amount shall reflect the proportion that First Gas’ liability to the Interconnected Party bears to the Apparent Liability, provided that the aggregate of First Gas’ liability to the Interconnected Party and 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.

## Subrogated Claims

* 1. If First Gas is the subject of a claim by a Shipper or third party (the *Claimant*) where the claim (or any part of it) arises because of a purported breach of this Agreement by the Interconnected Party, the following procedure shall apply:
     1. First Gas shall immediately give notice of the claim to the Interconnected Party;
     2. First Gas will not make any payment or admission of liability in respect of the claim without the prior written consent of the Interconnected Party. The Interconnected Party will not unreasonably withhold or delay its consent under this *section 16.11(b)*;
     3. the Interconnected Party may elect to defend in the name of First Gas any third party claim involving any litigation. The Interconnected Party must notify First Gas of its election within 10 Business Days of receiving notice of the claim. First Gas shall provide or procure to be provided such assistance as the Interconnected Party may require provided that the Interconnected Party first agrees in writing to:
        1. indemnify First Gas against any liabilities resulting from that claim and/or defence of that claim except to the extent that First Gas has caused those liabilities; and
        2. pay any reasonable costs directly incurred by First Gas in providing assistance in defending the claim,

except that First Gas shall not be required to render any assistance to the Interconnected Party pursuant to this *section 16.10(c)* (other than allowing a defence in First Gas’ name) in circumstances where First Gas has reasonable grounds to refuse such assistance;

* + 1. if the Interconnected Party elects to defend a claim under *section 16.10(c)* then it may choose its own counsel for its defence. The costs of counsel will be met by the Interconnected Party;
    2. First Gas will not take any active steps which could be expected to directly result in the occurrence of an event for which an indemnity is payable under *section 16.10(c)(i)*; and
    3. the Interconnected Party shall not be required to make any payment in respect of any claim under this *section 16.10* based on a contingent liability until the contingent liability becomes an actual liability and is due and payable.
  1. If the Interconnected Party (*Claiming Party*) suffers a Loss arising from an act or omission of a Shipper in breach of its TSA or another interconnected party in breach of its interconnection agreement (each such Shipper or interconnected party being a *Breaching Party*) then:
     1. the Interconnected Party may elect to pursue its claim in the name of First Gas. The Interconnected Party must notify First Gas of its election. First Gas shall provide or procure to be provided such assistance as the Interconnected Party may require provided that the Interconnected Party first agrees in writing to:
        1. indemnify First Gas against any liabilities resulting from that claim and/or pursuit of that claim except to the extent that First Gas has directly caused those liabilities; and
        2. pay any reasonable costs directly incurred by First Gas in providing assistance in pursuing the claim,

except that First Gas shall not be required to render any assistance to the Interconnected Party pursuant to this *section 16.11(a)* (other than allowing proceedings to be commenced and prosecuted in First Gas’ name) in circumstances where First Gas has reasonable grounds to refuse suchassistance;

* + 1. if the Interconnected Party elects to pursue a claim under *section 16.11(a)* then it may choose its own counsel. The costs of counsel will be met by the Interconnected Party;
    2. the Interconnected Party’s Loss shall be deemed to be First Gas’ Loss for the purposes of the TSA or interconnection agreement between First Gas and the Breaching Party;
    3. a breach of the Breaching Party’s obligations under its TSA or interconnection agreement shall be deemed to be a breach by First Gas of this Agreement; and
    4. First Gas will not take any active steps which could be expected to directly result in the occurrence of an event for which an indemnity is payable under *section 16.11(a)(i)*.
  1. The Interconnected Party shall not make any claim, demand or commence proceedings directly against any Shipper in relation to that Shipper’s breach of its TSA or negligence in relation to any matter pertaining to or dealt with in the Code, or against any other interconnected party in relation to that party’s breach of its interconnection agreement. Neither the Interconnected Party nor First Gas shall make any claims, demands or commence proceedings against each other in relation to any matter dealt with by this Agreement (including a claim by either Party that the other Party has been negligent in relation to any such matter) except in accordance with this Agreement. Nothing shall prevent First Gas from exercising its rights and remedies under any TSA.
  2. Prior to First Gas making any claim against any Liable Third Party, First Gas shall first consult the Interconnected Party and provide an opportunity for the Interconnected Party to have its Loss included in First Gas’ claim(s). The Interconnected Party’s Loss shall be deemed to be First Gas’ Loss for the purposes of any claim against a Liable Third Party.
  3. If requested by either Party in writing, the other Party will show evidence of comprehensive liability insurance cover with a reputable insurer covering third party property damage and personal liability for which the other Party may be legally liable under or in relation to this Agreement, up to the Capped Amounts*,* except to the extent that such insurance is not permitted by law.
  4. For the purposes of this *section 16*, any reference to a breach of, or liability under a TSA shall include any breach of, or liability under a Supplementary Agreement or Interruptible Agreement.

# general AND LEGAL

## 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. *[Note: Section 19.3 to be updated to reflect proposed new section 8.4 of the Code. New mutual confidentiality language below for consideration]*
  2. *[Each Party shall keep confidential and not disclose any information made available to it by, on behalf of, or at the request of, the other Party in relation to this Agreement or that relates to the business or operations of such other Party.*
  3. *A Party may disclose such information to the extent that:*
     1. *the information is in the public domain, other than by a breach of this Agreement by such Party;*
     2. *the information was already known to the Party and was not then subject to any obligation of confidentiality;*
     3. *disclosure to such Party’s professional advisor(s) or consultant(s) on a need to know basis is required;*
     4. *disclosure is necessary by First Gas to maintain the safety and reliability of the Transmission System, or is required to give effect to the Code, a TSA, a supplementary agreement or an interconnection agreement;*
     5. *this Agreement or the Code contemplates or requires the disclosure or provision of the information (or information or analysis derived from such information) on OATIS or otherwise contemplates or requires the disclosure of such information;*
     6. *use or disclosure is required by law (including information disclosure requirements and/or the listing rules of a recognised stock exchange) or any order of a competent court;*
     7. *the other Party has consented in writing to the use or disclosure;*
     8. *the information is obtained from a third party, whom such Party believes, in good faith, to be under no obligation of confidentiality;*
     9. *disclosure is to such Party’s auditors; or*
     10. *disclosure is required pursuant to the resolution of any dispute under this Agreement.]*

# definitions and construction

*[Note: Sections 20.1 and 20.4 have both been updated to reflect the meshing/change request consistency discussed at the Workshop. Also note that the section 20.2 definitions are those from the current ICA documents – they will change or be added to as any changes to the underlying ICA documents occur]*

## Defined Terms

* 1. Subject to *section 20.2*, capitalised terms used but not defined in this Agreement are to have the meaning given to those terms in the Code (including as such terms may be amended from time to time in accordance with the requirements of the Code and thereafter read with any necessary changes for the context).
  2. In this Agreement:

*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;

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

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

*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 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;

*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, including where:

* + 1. a Party reasonably believes that the safe transportation of Gas in its own or the other Party’s Pipeline is significantly at risk;
    2. 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;
    3. First Gas’ ability to make Gas available for the Interconnected Party to take at a Delivery Point is impaired; or
    4. the take of Gas at a Delivery Point exceeds its Maximum Design Flow Rate or Physical MHQ, or the quantity specified in an Operational Flow Order;

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

*Hazardous* means, in relation to an area or space, where that area or space is hazardous or potentially hazardous in respect of the electrical equipment that may be installed there, as defined in accordance with AS/NZS2430;

*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;

*Interconnection Fee* means the fee for a Delivery Point referred to in Schedule One, determined and notified by First Gas in accordance with *section 11*;

*Interconnected Party Equipment* means equipment owned and/or controlled by the Interconnected Party (other than its Pipeline) at a Delivery Point, as described in Schedule One;

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

*MAOP* means maximum allowable operating pressure;

*Maximum Delivery Pressure*has the meaning set out in Schedule One;

*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;

*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;

*Odorisation Facilities* means all equipment and facilities used to odorise Gas taken at a Delivery Point in accordance with *section 7.1*;

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

*OBA Charges* has the meaning set out in section 11.10;

*Operational Flow Order* or *OFO* means a notice issued by First Gas pursuant to *section 9.6* requiring the Interconnected Party to reduce its take of Gas at a Delivery Point as set out in that notice;

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

*Physical MHQ* means the Hourly energy quantity equivalent of 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 convey Gas to a Delivery Point; and
    2. the Interconnected Party, the pipeline which connects to a Delivery Point and:
       1. conveys Gas taken at that 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) (or pressure control valve(s)), monitor regulator(s) (or pressure control valve(s)), pressure relief valve(s) and slam-shut valve(s) at a Delivery Point, as set out in Schedule One;

*Reasonable and Prudent Operator* or *RPO* means, in relation to the performance of obligations under this Agreement, the application by the relevant Party of that degree of diligence, prudence and foresight reasonably and ordinarily exercised by experienced operators engaged in the same line of business under the same or similar circumstances and conditions having due consideration to the interests of the other users of the Transmission System;

## Code Amendments and Precedence

* 1. The Interconnected Party may exercise any rights, and is to comply with any obligations, conferred or placed on it by the Code (including by way of references to particular categories of interconnected parties or interconnected parties generally). Where the Code confers rights or places obligations on the Interconnected Party, or this Agreement refers to or incorporates sections or terms of the Code (including those common provisions specified in Schedule Five or Schedule Six of the Code), this Agreement will be deemed to be amended automatically if, when and to the extent those rights or obligations, or sections or terms of the Code (including those common provisions specified in Schedule Five or Schedule Six of the Code), are changed, amended or supplemented in accordance with the Code (including pursuant to *section 17* of the Code). At the request of a Party, the other Party shall enter into an agreement which records the relevant changes, amendments or additions to this Agreement accordingly (and each Party shall take such actions and execute such documents as is required to do so) promptly after the date of any such request. In the event of any conflict or ambiguity between a provision of this Agreement (where and to the extent the Code confers rights or places obligations on the Interconnected Party, or this Agreement refers to or incorporates sections or terms of the Code) and the Code, the Code shall prevail. In the event the Code expires or is terminated during the term of this Agreement (and not replaced):
     1. this Agreement will survive that expiry or termination and continue in full force and effect until the Expiry Date (subject to earlier termination in accordance with *section 14*); and
     2. the relevant terms of the Code incorporated into this Agreement will continue in full force and effect for the term of this Agreement unless First Gas and the Interconnected Party agree to amend them.

# 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 comply with the Gas Specification in respect of its temperature 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.