

## MEMORANDUM

TO: GTAC Stakeholders  
FROM: First Gas  
DATE: 31 July 2018  
RE: Block 2 Support Materials – 1 Existing Terms of Interconnection

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This memo provides a summary of the proposed common and essential terms of interconnection under the GTAC. These terms will be standard provisions in all Interconnection Agreements (ICAs) entered into between First Gas and interconnected parties under the GTAC and can be supplemented by other terms covering additional issues (such as land access, health and safety, capital expenditure, and interconnection fees).

The purpose of this document is to help stakeholders understand how common and essential terms will be recorded in the GTAC and to highlight any differences between those terms and the terms of existing agreements under the VTC and MPOC. This document provides support for the discussions on the common and essential terms of interconnection at the upcoming workshops on 7 and 8 August.

### Status of Existing ICAs under the GTAC

Maui Pipeline Operating Code (MPOC) ICAs will terminate upon termination of the MPOC. ICAs under the Vector Transmission Code (VTC) have express termination dates and will remain in force until those termination dates occur, at which time counterparties will be offered the terms of a GTAC ICA.

First Gas intends to respect existing contract arrangements and any modifications to existing VTC ICAs will focus on operability issues. If a party wishes to transition to the new interconnection arrangements under the GTAC prior to the expiry of its existing ICA, we will assist in that process.

### Summary of Terms of Interconnection

The following tables summarise the proposed common and essential terms of interconnection under the GTAC, alongside a summary of the terms of existing ICAs between First Gas and Interconnected Parties. Receipt point ICAs are covered in the first table and delivery point ICAs are covered in the second table. To keep this summary concise, we have not repeated rows for delivery point ICAs that are the same across existing codes and the GTAC as for receipt points. This summary has been produced in a way that respects the confidentiality requirements in existing agreements and therefore does not identify any individual agreements that are not already publicly available.

The specific interconnection terms have also been released (see our memo released 24 July comprising '*Block 1 Outputs – 1 GTAC ICAs*' and '*Block 1 Outputs – 1 GTAC ICAs - Appendix 1*').

Where the proposed approach for GTAC ICAs represents a change from the current approach under the VTC or MPOC we highlight the rationale for that change in ***bold, italics***. We consider that these terms substantially improve on the terms offered under either the MPOC or VTC by:

- Enabling commercial terms for investment and cost recovery to be negotiated between interconnecting parties and First Gas – a clear improvement on the MPOC
- Enabling First Gas to release more information on gas quality which we think will be beneficial to the industry – an improvement on both the VTC and MPOC
- Providing more flexibility on balancing, peaking and allocation – an improvement on the MPOC
- Providing greater standardisation of curtailment rules – an improvement on the VTC
- Keeping pace with industry change – an improvement on the VTC.

We look forward to discussing the common and essential terms of interconnection at the workshops on 7 and 8 August.

## RECEIPT POINT ICAS

### Overview of the position of current ICAs against the proposed common and essential terms

The table below outlines whether the identified common and essential terms are addressed in current Interconnection Agreements as they relate to Receipt Points. Due to confidentiality restrictions, the table below is necessary general in nature, and there are some variations between specific agreements given they have been progressively entered into over a period of many years.

#	Common and essential term requirements	MPOC ICAs	Position in current VTC Receipt Point ICAs	GTAC ICA common and essential terms (ICA CET)
1.	<u>Applicable technical standards</u> <i>Applicable technical standards for gas and metering should be specified. For example, NZS 5442, NZS 5259, and the Metering Standards Document.</i>	<p>Schedule 1 of the MPOC refers to technical standards that primarily relate to:</p> <ul style="list-style-type: none"> <li>the design, construction, operation and maintenance of stations; and</li> <li>technical and testing requirements for metering.</li> </ul> <p>Schedule 1 applies through provisions in sections 2, 5 and 16 of the MPOC.</p> <p>Section 17 of the MPOC requires Parties who inject gas into the transmission system to comply with NZS:5442 (Gas Specification)</p>	<p>The VTC ICAs refer to technical standards for both gas specification, and gas metering (either directly or via the Metering Requirements).</p>	<p>The technical standards are expressly incorporated via specific reference to detailed gas metering requirements (section 4), which refer to the Metering Requirements (and thereby applicable gas metering technical standards). In the case of gas specification, the Gas definition from the GTAC applies, which refers to gas specification technical standards.</p> <p>The design, construction, operation and maintenance of stations are not considered common and essential terms, providing greater flexibility.</p>
2.	<u>Gas Quality</u> <i>The responsibility for monitoring and reporting gas quality should be set out, including any rights of inspection and audit.</i> <i>All IPs should have the same obligation in regard to the quality of gas they inject. Matters that should be addressed include:</i> <ul style="list-style-type: none"> <li>any restrictions on the injection of non-specification gas</li> <li>notification of non-specification gas incidents</li> </ul>	<p>First Gas will not enter into a contract to allow an interconnected party to inject any gas that does not meet the Gas Specification (section 2.7 MPOC).</p> <p>Section 17.2 MPOC requires each injecting party to:</p>	<ul style="list-style-type: none"> <li>All gas that is injected into the Transmission System is to meet the gas specification.</li> <li>The VTC ICAs contain provisions relating to which party is responsible for Gas monitoring and testing, and typically specify who is responsible for associated</li> </ul>	<p>Section 6 requires IPs to inject only specification gas.</p> <p>Responsibility for monitoring and testing sits with IP (with First Gas to be able to request demonstration of compliance).</p> <p>Gas specification issues are monitored by the IP and, if non-specification gas issues arise, they</p>

#	Common and essential term requirements	MPOC ICAs	Position in current VTC Receipt Point ICAs	GTAC ICA common and essential terms (ICA CET)
	<ul style="list-style-type: none"> <li>costs of monitoring and testing the gas injected</li> </ul> <p><i>In addition, there should be no secrecy about non-specification gas incidents. All non-specification incidents should be publicly notified by First Gas.</i></p>	<ul style="list-style-type: none"> <li>ensure that all gas that it injects complies with the Gas Specification; and</li> <li>monitor, in accordance with the Gas Specification, all such gas to demonstrate such compliance.</li> </ul> <p>Injecting party is required to notify First Gas if it detects or suspects non-specification gas is flowing. First Gas is then required to notify all Shippers and interconnected parties (section 17.5 and 17.6 MPOC).</p> <p>Section 17.15 sets out the required monitoring frequencies for the various gas characteristics and components set out in the Gas Specification.</p> <p>Injecting party to pay all costs of monitoring and testing the gas it injects (section 17.18 MPOC).</p> <p>First Gas can periodically seek a demonstration of compliance with the Gas Specification from an injecting party.</p>	<p>costs. This is typically the Interconnected Party (IP). Any rights of inspection or compliance are typically held by First Gas.</p> <ul style="list-style-type: none"> <li>Due to confidentiality requirements, not all non-specification gas incidents may be able to be publicly notified (although notification to affected parties is often provided for).</li> </ul>	<p>are notified by the IP to First Gas. First Gas will make gas quality event/information available on OATIS to both shippers and IPs.</p> <p><b><i>Improvement on current position by providing more transparency on gas quality issues and events</i></b></p>
3.	<p><u>Metering</u></p> <p><i>The responsibility for testing and monitoring measurement equipment, and for reporting of metered quantities and correcting for errors set out, including any rights to witness tests and audit results.</i></p>	<p>The technical, testing and monitoring requirements for metering are set out in Part 2 and 3 of Schedule 1 MPOC (applied through section 16 MPOC) and apply to Metering Owners irrespective of whether the</p>	<ul style="list-style-type: none"> <li>Ownership of the Metering, and responsibility for metering, reporting on metered quantities and correcting for errors, is typically specified in the VTC ICAs. Typically, the IP is the</li> </ul>	<p>These matters are covered in section 4, which contains equivalent provisions to those found in the VTC and MPOC.</p>

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		<p>interconnection point operates in a receipt, delivery or bidirectional manner.</p> <p>These parts also set out the information to be made available by Metering Owners to First Gas</p> <p>Part 4 of Schedule 1 deals with how to correct for the effects of inaccurate metering, including the applicable timeframes and correction methodologies.</p> <p>The Metering Owner shall retain records of all testing for not less than 5 years and provide the Pipeline Owner with test results on request.</p> <p>Section 16.6 MPOC allows First Gas or the interconnected party to request a special metering testing every 60 Days.</p>	<p>metering owner and has these responsibilities.</p> <ul style="list-style-type: none"> <li>• Rights in relation to witnessing tests and receiving information are typically included in the ICAs. Typically, this is the other Party (i.e., First Gas, who does not own the metering).</li> </ul>	
4.	<u>Peaking</u>	<p>First Gas will not enter into any contract to allow an interconnected party to exceed a Peaking Limit except as provided for by an Operational Profile Notice (OPN) (sections 2.9 and 13.2 MPOC).</p> <p>OPNs are sought by an interconnected party in advance and enable First Gas to grant a temporary increase to a Peaking Limit for operational reasons.</p>	Principally addressed in the associated VTC arrangements	<p>These matters continue to be addressed in the GTAC itself, the ICA CET provisions mirroring the relevant provisions of the GTAC.</p> <p>IP peaking proposed to be addressed in ICA CET by way of AIPs (see section 5.4).</p> <p><b><i>AIPs likely to provide a more flexible tool for IPs to manage peaking than the current MPOC OPN approach, as well as better information for First Gas as TSO.</i></b> (note this is subject to ongoing</p>

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		In the Receipt Point context OPNs are typically required when scheduled maintenance at production facilities means that a greater hourly quantity of gas is to be injected immediately prior or subsequent to the maintenance.		discussion in the upcoming Workshops.)
5.	<u>Flow to nominations</u>	<p>A Receipt Point interconnected party is required to inject or off-take a quantity of Gas on a Day equivalent to the Scheduled Quantity (sum of Approved Nominations) for that point.</p> <p>The implications of not flowing to nominations (“cash-out”) are also set out in section 12 MPOC.</p>	Not addressed unless there is a nominations provision in the ICA.	Receipt point IPs that elect OBA are to approve/curtail/reject NQs.
6.	<u>Pressure</u> <i>Commitment for the TSP to maintain the pipeline pressure within a defined range.</i>	<p>Each Receipt Point interconnected party must inject Gas against the prevailing pressure in the Maui Pipeline at that location (section 2.18 MPOC).</p> <p>MPOC requires the “Target Taranaki Pressure” (TTP) to be between 42 and 48 bar gauge, except as may be required because of certain exceptions (section 2.19 MPOC).</p> <p>First Gas is to use reasonable endeavours to manage TTP to be as low as practicable (section 2.5(c) MPOC).</p> <p>TTP can only be changed by MPOC Change Request process</p>	While pipeline pressure is addressed in some VTC ICAs, they typically do not require First Gas to maintain the pipeline pressure within a defined range. The basic requirement is that the IP is to inject against the prevailing pressure at that location on the transmission system	Pipeline injection pressure addressed in the ICA CET section 3. First Gas’ TTP obligations are included in section 3.2 of the ICA CET (which mirror the TTP provision in the GTAC). TTP carries over the approach in the MPOC

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		with 12-months prior notice (section 2.19 MPOC).		
7.	<u>TSO Instructions and curtailment</u> <i>The TSP may rely on a Shipper to get an IP to curtail or shutdown a gas flow, or for that instruction to be given to the party in the physical supply chain: the IP. In either case, it is in the interests of the TSP, Shippers and IPs that the same arrangements apply to all.</i>	<p>First Gas may curtail nominations and SQ in certain circumstances e.g. maintenance, FM or contingency event etc. In these circumstances First Gas may also give the interconnected party an OFO to curtail or shutdown the transfer of gas (section 15.1 MPOC).</p> <p>An interconnected party may also take similar curtailment action to reduce its own SQ in such circumstances (section 15.2 MPOC).</p> <p>Failure to comply with an OFO entitles First Gas to suspend injections or off-takes of Gas at that interconnection point (section 2.23 MPOC).</p>	<p>The VTC ICAs typically provide for curtailment/shutdown of gas flows in specified circumstances, including FM, emergency, critical contingency and maintenance. First Gas has the associated ability to issue an OFO.</p> <p>VTC provisions are also relevant.</p>	<p>These matters are addressed in the ICA CET section 9.</p> <p>GTAC provisions are also relevant.</p> <p><b><i>Inclusion as a standard term eliminates the risk of different curtailment rules applying under different contracts. Consequences of failing to comply with OFOs strengthened under GTAC</i></b></p>
8.	<u>Changes</u> <i>Changes to the GTAC need to flow through to ICAs.</i>	<p>The MPOC has a dedicated Change Request process set out in section 29.</p> <p>As the MPOC is incorporated into ICAs with interconnected parties, any changes to the MPOC will subsequently apply or “flow through” to those interconnected parties.</p>	<p>The VTC ICAs typically do not contain an express mechanism which requires changes to the Code to flow through to the ICAs. As a result, contract provisions can depend on the date of the agreement</p>	<p>The ICA CET expressly provide for GTAC changes to flow through into the ICA CET (including interconnection agreements which incorporate the ICA CET) – see ICA CET section 20.4.</p> <p>Interconnected parties can also initiate, and/or are involved in, the Change Request process.</p> <p><b><i>This is an improvement over the current arrangements under the VTC as it facilitates consistency</i></b></p>

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		Interconnected parties can also initiate, and/or are involved in, the Change Request process.		<b><i>with underlying GTAC arrangements if they change over time.</i></b>
9.	<u>Liability</u>	<p>The MPOC contains provisions addressing and allocating liability between the parties. These provisions set out a robust regime for liability allocation between the parties based on consistent principles.</p> <p>In certain limited circumstances an interconnected party may have to make a payment to the Incentives Pool Trustee (section 14 and 19.3 MPOC).</p>	The VTC ICAs contain provisions addressing and allocating liability between the parties. These provisions set out a robust regime for liability allocation between the parties based on consistent principles.	The equivalent provisions are included in section 16 of the ICA CET. Subject to the upcoming Workshop, the intention is for these to be consistent with the underlying GTAC provisions and existing ICA provisions.
10.	<u>Liability for non-specification gas</u>	<p>The MPOC contains provisions in relation to the injection of specification gas and what happens if non-specification gas is injected.</p> <p>MPOC sections 17.22 and 17.23 provide an indemnification regime for losses associated with non-specification gas.</p> <p>This is subject to the limitations and exclusions set out in section 28 MPOC.</p>	The VTC ICAs contain provisions in relation to the injection of specification gas, and typically include obligations addressing what happens if non-specification gas is injected. Note also the reference to liability provisions above.	Provisions relating to liability for non-specification gas (and addressing non-specification gas issues) are included in the ICA CET sections 6 and 16. These provisions are to cover the same areas as the corresponding provisions under the current arrangements.
11.	<u>Fees and charges</u>	The fees and charges an interconnected party is required to pay under the MPOC include:	The VTC ICAs provide for the interconnected parties to pay specified fees and charges in relation to pipeline interconnection	Specific fees payable by individual IPs are individual terms, with fees set in accordance with First Gas interconnection policy.



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		<ul style="list-style-type: none"> <li>• an amount equal to the product of the Cash-Out Buy Price and the Cash-Out Quantity;</li> <li>• any Peaking Charges in accordance with section 13.4; and</li> <li>• any Throughput Charges for traded Operational Imbalance in accordance with section 12.15;</li> </ul> <p>Costs associated with physically connecting with the Maui Pipeline are not expressly addressed under the MPOC.</p>		<p><b><i>This is an improvement on the MPOC in providing greater flexibility for First Gas to construct facilities and recover costs via an interconnection fee.</i></b></p> <p>OBA Charges (balancing charges and ERM charges) and overflow charges to reflect those same charges as included in the GTAC and are to be common and essential terms. See ICA CET sections 11.10-11.13.</p>
12.	<u>Confidentiality</u>	<p>The MPOC contains a customary confidentiality provision</p> <p>A limited subset of interconnecting parties are permitted special terms and conditions within their ICAs (section 2.1 MPOC)</p> <p>Those ICAs containing special terms and conditions are made publicly available on OATIS.</p> <p>An Interconnected Party is also subject to the other rights and obligations set out in the wider MPOC confidentiality provisions in section 24.</p> <p>The definition of Confidential Information in the MPOC includes any other information identified by</p>	<p>The VTC ICAs vary in their approach to confidentiality. The provisions range from full confidentiality through to allowing disclosure of the agreement. The trend has been towards providing greater transparency in more recent agreement</p>	<p>Confidentiality addressed in ICA CET sections 19.3 to 19.5.</p> <p>A typical confidentiality regime, which mirrors that in the GTAC, is included in sections 19.3 and 19.4. This is a change from some existing arrangements.</p> <p><b><i>This improves on the VTC approach and may also improve on MPOC approach of allowing parties to claim confidentiality over information that has industry benefit in being released</i></b></p> <p>Section 19.5 expressly provides for publication of all new ICAs on OATIS. <b><i>This is an improvement of the current arrangements as all</i></b></p>

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		the interconnected party (acting reasonably) to be confidential.		<b><i>new ICAs are to be publicly available and therefore fully transparent to all industry participants.</i></b>
13.	<u>Receipt Point nominations and gas scheduling</u>	<p>As MPOC is premised on the OBA allocation methodology there are significant clauses in sections 8, 9, 10 and 15 especially pertaining to Receipt Point nominations.</p> <p>Interconnected Party under the MPOC has an active role in confirming, amending, rejecting nominations or scheduled quantities within certain timeframes in each Nomination Cycle.</p>	Typically, the VTC ICAs have limited provisions relating to nominations and/or gas scheduling. Typically, the ICAs require (or envisage) agreements which control the use of the Transmission System (e.g., a TSA) and the scheduling of gas at the receipt point (e.g., a GTA).	<p>Receipt point nomination and approval arrangements for OBA Parties addressed in the GTAC and under the ICA CET (see section 5.2).</p> <p>The continuing requirement for GTAs and receipt point energy allocation more broadly is addressed in ICA CET section 5.</p>
14.	<u>Rights in relation to OBA/allocation</u>	Under the MPOC, Gas quantities at all interconnected points (whether receipt or delivery) are allocated to Shippers in accordance with the defined OBA Principles. OBA is mandatory under the MPOC (section 10 MPOC).	Typically, the VTC ICAs require (or envisage) the Interconnected Party (or a Shipper) having an agreement which relates to the transportation of Gas (e.g., a TSA) and the allocation of gas at the receipt point (e.g., a GTA) and at a delivery point (i.e., an allocation agreement). There is no right to OBA under the VTC or the VTC ICAs.	<p>IPs will be able to elect OBA (see ICA CET sections 5.2 and 5.3).</p> <p><b><i>The ability for IPs to elect OBA or other allocation approach is an improvement over the current arrangements in providing greater choice to interconnected parties.</i></b></p>
15.	<u>Termination</u>	<p>The interconnected party may terminate its ICA with 90-Days' notice (section 22.9 MPOC).</p> <p>Termination may also occur through mutual agreement or failure to remedy a material</p>	<p>All VTC ICAs are for a specified term (which vary between the particular IPs).</p> <p>The VTC ICAs provide for the termination of the agreement in</p>	ICA CET section 14.4 to provide for mutual termination rights for breach.

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		breach within the timeframes set out in section 22 MPOC.	specified circumstances, including for breach.	
16.	<u>Interconnection change requests</u>	<p>The MPOC has a dedicated Change Request process set out in section 29.</p> <p>As the MPOC is incorporated into ICAs with interconnected parties, any changes to the MPOC will subsequently apply or “flow through” to those interconnected parties.</p> <p>Interconnected parties can also initiate, and/or are involved in, the Change Request process.</p>	The VTC ICAs do not contain specific provisions to this effect (however, VTC ICAs typically cannot be amended unless both parties agree in writing).	<p>An IP has the ability to make a change request under the GTAC.</p> <p>Any change to GTAC Schedules 5 or 6 flow through into the new ICAs incorporating common and essential terms by virtue of ICA CET section 20.4.</p> <p><b><i>This is an improvement over the current arrangements under the VTC as IPs can make change requests, and it facilitates consistency between ICAs and underlying GTAC arrangements if they change over time by way of change request.</i></b></p>
17.	<u>Agency</u>	<p>Some MPOC ICAs have been entered into by agents on behalf of Joint Venture principals.</p> <p>Section 8.4 MPOC does set out the requirements for a Shipper to appoint an agent or grant authorisations to a third party (including an interconnected party) to give notice of nominations and forecasts on its behalf.</p>	Agency arrangements are not typically specifically addressed in the VTC ICAs.	<p>Agency arrangements (if any) are individual in nature, and not addressed in the ICA CETs.</p> <p>There is no change in this regard from the current arrangements.</p>
18.	<u>Force Majeure</u>	The MPOC has customary provisions which address Force Majeure situations. These typically provide for the party suffering FM to have relief from its	The VTC ICAs have customary provisions which address Force Majeure situations. These typically provide for the party suffering FM to have relief from its	The ICA CETs have customary FM provisions (see ICA CET section 15). These will also be consistent

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		obligations, and specify the parties' obligations to notify and address FM situations.	obligations, and specify the parties' obligations to notify and address FM situations.	with the FM provisions included in the GTAC.
19.	<u>Terms of allocation</u> (Note this overlaps to some degree with number 14 above)	Under the MPOC, Gas quantities at all interconnected points are allocated to Shippers in accordance with the defined OBA Principles. OBA is mandatory under the MPOC (section 10 MPOC).	Typically, the VTC ICAs do not address the obligations of parties in relation to transporting Gas on the Transmission System. Typically the VTC ICAs require (or envisage) agreements which control the use of the Transmission System (e.g., TSAs) and the allocation of gas at the receipt point (e.g., a GTA) and at a delivery point (i.e., an allocation agreement).	These matters continue to be addressed in the ICA CET.  The continuing requirement for GTAs and receipt point energy allocation more broadly is addressed in ICA CET section 5.  Note that the availability of OBA allocation is an improvement over the current arrangements.
20.	<u>Status of obligations in critical contingency events</u>	Critical contingency circumstances not specifically mentioned in the MPOC. Such conditions are likely to constitute an Emergency, FM Event or Contingency Event under the MPOC.	The VTC ICAs typically address the obligations of the parties when critical contingency or similar events occur. They provide for the curtailment or shut down of gas flow in these situations.	ICA CET sections 9.1 and 9.9 address the obligations of the parties when critical contingency or similar events occur.

## DELIVERY POINT ICAS

### Overview of the position of current ICAs against the proposed common and essential terms

The table below outlines whether the identified common and essential terms are addressed in current Interconnection Agreements as they relate to Delivery Points. Due to confidentiality restrictions, the table below is necessary general in nature, and there are some variations between specific agreements given they have been progressively entered into over a period of many years.

To avoid duplication, this table only includes provisions where the treatment materially differs from the position contained in the table relating to the Receipt Point ICAs. Accordingly, the number in the left hand column references the corresponding number in the Receipt Point ICAs table.

#	Common and essential term requirements	MPOC ICAs	Position in current VTC Delivery Point ICAs	GTAC ICA common and essential terms (ICA CET)
2.	<p><u>Gas Quality</u></p> <p><i>The responsibility for monitoring and reporting gas quality should be set out, including any rights of inspection and audit.</i></p> <p><i>All IPs should have the same obligation in regard to the quality of gas they inject. Matters that should be addressed include:</i></p> <ul style="list-style-type: none"> <li><i>any restrictions on the injection of non-specification gas</i></li> <li><i>notification of non-specification gas incidents</i></li> <li><i>costs of monitoring and testing the gas injected</i></li> </ul> <p><i>In addition, there should be no secrecy about non-specification gas incidents. All non-specification incidents should be publicly notified by First Gas.</i></p>	<p>The obligations set out in section 17 MPOC (Gas Quality) predominately relate to Receipt Point Parties who are injecting gas (see Receipt Point table above).</p> <p>A Delivery Point interconnected party is also required to notify First Gas if it detects or suspects non-specification gas is flowing. First Gas is then required to notify all Shippers and interconnected parties (section 17.5 and 17.6 MPOC).</p> <ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>The VTC ICAs typically do not require monitoring of, or reporting on, gas quality at the Delivery Point. However, First Gas addresses that gas injected into the Transmission System is to meet the gas specification in its VTC Receipt Point ICAs.</li> <li>Non-specification gas event notification is typically not specifically addressed.</li> <li>All injection-specific matters are not applicable at Delivery Points.</li> </ul>	<p>Under the ICA CET (section 6), it is proposed that delivery point IPs will notify First Gas of a non-specification gas issue and provide First Gas with relevant information. If First Gas is so notified, or itself become aware of a non-specification gas issue, it will provide details of that issue on OATIS to both shippers and IPs.</p>
3.	<p><u>Metering</u></p> <p><i>The responsibility for testing and monitoring measurement equipment, and for reporting of metered quantities and correcting for errors set out, including any rights to witness tests and audit results.</i></p>	<p>The technical, testing and monitoring requirements for metering are set out in Part 2 and 3 of Schedule 1 MPOC (applied through section 16 MPOC) and apply to Metering Owners irrespective of whether the interconnection point</p>	<ul style="list-style-type: none"> <li>Ownership of the Metering, and responsibility for metering, reporting on metered quantities and correcting for errors, is typically specified in the VTC ICAs. Typically, First Gas is the delivery point metering owner and has these responsibilities.</li> </ul>	<p>These matters are addressed in ICA CET section 4, which covers these matters in detail and in a similar way. Flexibility retained on ownership, location and operation of metering.</p>

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		<p>operates in a receipt, delivery or bidirectional manner.</p> <p>These parts also set out the information to be made available by Metering Owners to First Gas</p> <p>Part 4 of Schedule 1 deals with how to correct for the effects of inaccurate metering, including the applicable timeframes and correction methodologies.</p> <p>The Metering Owner shall retain records of all testing for not less than 5 years and provide the Pipeline Owner with test results on request.</p> <p>Section 16.6 MPOC allows First Gas or the interconnected party to request a special metering testing every 60-Days.</p> <p>Methanex's ICAs with First Gas contain special conditions in relation to the location and operation of their metering systems (e.g. low flows).</p>	<ul style="list-style-type: none"> <li>Rights in relation to witnessing tests and receiving information are typically included in the VTC ICAs. Typically, this is the other Party (i.e., the IP, who does not own the metering).</li> </ul>	
6.	<p><u>Pressure</u></p> <p><i>Commitment for the TSP to maintain the pipeline pressure within a defined range.</i></p>	<p>MPOC requires TTP to be between 42 and 48 bar gauge, except as may be required because of certain exceptions (section 2.19 MPOC).</p> <p>First Gas is to use reasonable endeavours to manage TTP to be as low as practicable (section 2.5(c) MPOC).</p> <p>TTP can only be changed by MPOC Change Request process with 12-</p>	<p>The VTC ICAs typically contain provisions addressing pipeline/delivery pressure in respect of Delivery Points. These provisions typically relate to whether the delivery point has a controlled or uncontrolled delivery pressure (and associated mechanisms relating to those requirements).</p>	<p>The ICA CET section 3 also includes provisions on whether a Delivery Point has controlled or uncontrolled delivery pressure, and the implications for excessive or low flows through the Delivery Point.</p>

#	Common and essential term requirements	MPOC ICAs	Position in current VTC Delivery Point ICAs	GTAC ICA common and essential terms (ICA CET)
		<p>months prior notice (section 2.19 MPOC).</p> <p>Under section 18.2 MPOC First Gas will make gas available for off-take from the Maui Pipeline at not less than the Minimum Pressure, unless the Parties have agreed to a lower pressure at such point</p>		
7.	<p><u>TSO Instructions and curtailment</u></p> <p><i>The TSP may rely on a Shipper to get an IP to curtail or shutdown a gas flow, or for that instruction to be given to the party in the physical supply chain: the IP. In either case, it is in the interests of the TSP, Shippers and IPs that the same arrangements apply to all.</i></p>	<p>First Gas may curtail nominations and SQ in certain circumstances e.g. maintenance, FM or contingency event etc. In these circumstances First Gas may also give the interconnected party an OFO to curtail or shutdown the transfer of gas (section 15.1 MPOC).</p> <p>An interconnected party may also take similar curtailment action to reduce its own SQ in such circumstances (section 15.2 MPOC).</p> <p>Failure to comply with an OFO entitles First Gas to suspend injections or off-takes of Gas at that interconnection point (section 2.23 MPOC).</p>	<p>The VTC ICAs typically provide for curtailment/shutdown of gas flows in specified circumstances, including FM, emergency, critical contingency and maintenance. First Gas has the associated ability to issue an OFO.</p> <p>VTC provisions are also relevant.</p>	<p>These matters are addressed in the ICA CET section 9.</p> <p>GTAC provisions also remain relevant.</p>
10.	<p><u>Liability for non-specification gas</u></p>	<p>The MPOC contains provisions in relation to the injection of specification gas and what happens if non-specification gas is injected.</p> <p>Sections 17.22 and 17.23 provide an indemnification regime for losses associated with non-specification gas.</p>	<p>Some VTC ICAs exclude First Gas' liability for Non-Specification Gas while some others do not directly address this (although note the requirement relating to the injection of Specification Gas by injecting parties, above).</p>	<p>These matters are addressed in the ICA CET section 6.</p> <p>These provisions require:</p> <ul style="list-style-type: none"> <li>where the IP is an End-user, that any contracts the IP has to purchase gas includes a requirement that such gas to meet the gas specification;</li> </ul>

#	Common and essential term requirements	MPOC ICAs	Position in current VTC Delivery Point ICAs	GTAC ICA common and essential terms (ICA CET)
		This is subject to the limitations and exclusions set out in section 28.		<ul style="list-style-type: none"> <li>First Gas to ensure that any new Receipt Point ICAs it enters into will ensure that gas injected complies with the Gas Specification; and</li> <li>reporting and information provision in relation to non-specification gas events</li> </ul> <p>These provisions are to reflect the corresponding provisions of the GTAC. They represent a change from the current arrangements.</p>