**Block 3 Outputs – 4 supplementary agreement governance**

**Appendix 1 – Proposed GTAC amendments**

# additional agreements

## Supplementary Agreements

* 1. Any Shipper may at any time request First Gas to enter into a Supplementary Agreement (with such request to address each of the following criteria). First Gas will promptly evaluate that request against any of the following criteria:
		1. the amount of transmission capacity requested, including whether providing it would affect Available Operational Capacity to the extent of impeding or forestalling opportunities more beneficial to First Gas and other users of the Transmission System;
		2. whether the Shipper (or End-user) can demonstrate that it has a practical opportunity to bypass the Transmission System or use an alternative fuel that is cheaper than Gas;
		3. whether the Shipper (or End-user) can demonstrate that paying First Gas’ standard transmission fees would be uneconomic; and
		4. whether the Shipper (or End-user) is the sole user of the relevant Delivery Point or other transmission assets and those assets would cease to be useful were the End-user to cease using Gas.
	2. When evaluating any request to enter into a Supplementary Agreement against the criteria referred to in *section 7.1*, First Gas will use the information available to it at that time. If First Gas enters into a Supplementary Agreement (but not otherwise), it will publish on OATIS a summary of both the information provided by the Shipper under *section 7.1* and the analysis undertaken by First Gas pursuant to this *section 7.2* when evaluating the Supplementary Agreement request. Any decision whether to enter to a Supplementary Agreement, and the evaluation of any such request, is solely a matter for First Gas. First Gas shall maintain a publicly available Supplementary Agreement policy document.
	3. No Shipper has the right to require First Gas to enter into a Supplementary Agreement.
	4. A Supplementary Agreement may vary the terms and conditions of the Code in relation to some or all of the following (and only the following) matters:
		1. definitions of:
			1. the Receipt Point and/or Delivery Point;
			2. the End-user;
			3. Supplementary Capacity, including the MDQ and/or MHQ;
			4. the transmission fees payable, including whether (and, if so, how and when) First Gas may redetermine them;
			5. the term of the agreement, including rights of renewal;
		2. whether the Supplementary Capacity is constant or varies over time and/or whether and under what conditions it can be changed;
		3. termination by either party in the event a Force Majeure Event renders the End-user unable to use Gas, or restore its use of Gas within a defined period of time;
		4. whether a termination fee is required in the event such agreement is terminated before the intended expiry date and how that fee should be determined;
		5. making that agreement conditional on (or otherwise incorporate) any of the following:
			1. the relevant Interconnected Party entering into an ICA with First Gas (or amending an Existing Interconnection Agreement)
			2. the End-user entering into a TPA;
			3. First Gas obtaining any necessary statutory or regulatory approvals;
			4. the Shipper complying with its obligations under the DRR, Allocation Agreement or OBA; and
			5. the Allocation Agent providing First Gas with Daily Delivery Quantities and the Shipper agreeing to First Gas’ use of those Daily Delivery Quantities for the purposes of the agreement;
		6. whether or not to require the Shipper to make nominations to access the Supplementary Capacity (including by using the nominations processes set out in *section 4*);
		7. setting the priority of Supplementary Capacity in relation to DNC with Priority Rights; and
		8. requiring any End-user not directly connected to the Transmission System to have a TOU Meter at all times and, if First Gas so requires, facilitating First Gas’ retrieval of data from that TOU Meter remotely via telemetry or SCADA.
	5. A Supplementary Agreement will:
		1. survive expiry or termination of this Code and/or the Shipper’s TSA and shall continue in full force and effect for its term (subject to any early termination provisions); and
		2. incorporate the provisions of any replacement transmission code or regulations, provided that the terms of the Supplementary Agreement will prevail in the event of any inconsistency.
	6. Supplementary Agreements are not Confidential Information and First Gas will publish each in full on OATIS.