

# Interconnection Agreement for Delivery Points

First Gas Limited (First Gas)

[ ] (the Interconnected Party)

~~December 2017~~

[\[September 2018\]](#)

**TABLE OF CONTENTS**

<b>1</b>	<del><b>PARTIES' RIGHTS AND OBLIGATIONS</b></del> <b><u>3</u></b>	<b><u>DEFINITIONS AND CONSTRUCTION</u></b>
<b>3</b>		
<b>2</b>	<del><b>TECHNICAL COMPLIANCE</b></del> <b><u>3</u></b>	<b><u>DELIVERY POINT INTERCONNECTION</u></b>
<b>10</b>		
<b>3</b>	<b>GAS DELIVERY</b>	<b><u>512</u></b>
<b>4</b>	<b>METERING AND ENERGY QUANTITY REPORTS</b>	<b><u>715</u></b>
<b>5</b>	<b>ENERGY ALLOCATION AT DELIVERY POINTS</b>	<b><u>1019</u></b>
<b>6</b>	<b>GAS QUALITY</b>	<b><u>1120</u></b>
<b>7</b>	<b>ODORISATION</b>	<b><u>1222</u></b>
<b>8</b>	<b>HEALTH AND SAFETY</b>	<b><u>1322</u></b>
<b>9</b>	<b>CURTAILMENT</b>	<b><u>1423</u></b>
<b>10</b>	<b>PRUDENTIAL</b>	<b><u>1626</u></b>
<b>11</b>	<b>FEES AND CHARGES</b>	<b><u>1828</u></b>
<b>12</b>	<b>INVOICING AND PAYMENT</b>	<b><u>2131</u></b>
<b>13</b>	<b>ACCESS RIGHTS</b>	<b><u>2333</u></b>
<b>14</b>	<b>TERM AND TERMINATION</b>	<b><u>2434</u></b>
<b>15</b>	<b>FORCE MAJEURE</b>	<b><u>2737</u></b>
<b>16</b>	<b>LIABILITIES</b>	<b><u>2838</u></b>
<b>17</b>	<b>REGULATORY CHANGE</b>	<b><u>3243</u></b>
<b>18</b>	<b>DISPUTE RESOLUTION</b>	<b><u>3243</u></b>
<b>19</b>	<b>GENERAL AND LEGAL</b>	<b><u>3344</u></b>
<b>20</b>	<del><b>DEFINITIONS AND CONSTRUCTION</b></del>	<del><b><u>37</u></b></del>
	<b><u>ICA</u> SCHEDULE ONE: DELIVERY POINT DETAILS</b>	<b><u>4450</u></b>
	<b><u>ICA</u> SCHEDULE TWO: TECHNICAL REQUIREMENTS</b>	<b><u>4551</u></b>
	<b><u>ICA</u> SCHEDULE THREE: AMENDING AGREEMENT</b>	<b><u>4854</u></b>

**PARTIES:**

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

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

**BACKGROUND:**

- A First Gas owns and operates the Transmission System.
- B As at the date of this Agreement, the Interconnected Party is connected to First Gas' Pipeline at the existing Delivery Points.
- C The Parties have agreed to enter into this Agreement to set out the terms on which the Interconnected Party may continue to connect to, and take Gas from, First Gas' Pipeline at the existing Delivery Points, and at any Additional Delivery Points in future.

**AGREEMENT:**

1 ~~PARTIES' RIGHTS AND OBLIGATIONS~~ **DEFINITIONS AND CONSTRUCTION**

**Defined Terms**

1.1 Subject to section 1.2, capitalised terms used but not defined in this Agreement are to have the meaning given to those terms in the Code with any necessary changes for the context (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).

1.2 In this Agreement:

Additional Delivery Point means a Delivery Point that:

- (a) is built and commissioned after the Commencement Date; or
- (b) 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,

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

Agreement means this "Interconnection Agreement for Delivery Points", including the schedules and appendices (if any) annexed;

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

Capped Amounts means the amounts specified in section 16.4(a) and (b) (as adjusted in accordance with section 16.5 as applicable);

Charges means all amounts payable by the Interconnected Party under this Agreement (except OBA Charges), including any Interconnection Fee or Odourisation Fee (each of which may be specified in \$/Day or some other basis) and any Termination Fee;

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

Commencement Date means the later of [•] and the date this Agreement is signed by both Parties;

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

Delivery Point means a station or facility, including any associated land and equipment, that complies with the technical requirements in ICA 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 which complies with the technical requirements set out in ICA Schedule Two, in each case which is the subject of this Agreement and the details of which are set out in ICA Schedule One;

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

Emergency means an event or circumstance (or a series of events or circumstances) which First Gas determines to be an emergency, irrespective of its cause or whoever (including First Gas) may have caused or contributed to that emergency. An Emergency exists where First Gas considers:

- (a) the safety of the Transmission System or the safe transportation of Gas is significantly at risk, including as a result of circumstances upstream or downstream of the Transmission System;
- (b) Gas is at a pressure, or is of a quality, that constitutes a hazard to persons, property or the environment, including where Gas in First Gas' Pipeline, the Interconnected Party's Pipeline or at a Delivery Point is at a pressure, or is of a quality, that constitutes a hazard to First Gas' Pipeline, the Delivery Point or the Interconnected Party's Pipeline;
- (c) First Gas' ability to make Gas available at a Delivery Point (or to make gas available at a Delivery Point) is impaired;
- (d) First Gas' ability to maintain safe pressures within a pipeline is affected or threatened, including where the take of Gas at a Delivery Point exceeds its Maximum Design Flow Rate, Physical MHQ or the quantity specified in an Operational Flow Order; or

(e) there is an emergency under, or for the purposes of, the Code or any other interconnection agreement;

Expiry Date has the meaning set out in section 14.2;

Force Majeure Event means an event or circumstance beyond the reasonable control of a Party which results in or causes a failure or inability by that Party in the performance of any obligations imposed on it by this Agreement, notwithstanding the exercise by that Party of reasonable care and, subject to the foregoing, shall include any event or circumstance which causes a Critical Contingency to be determined and/or any action or inaction of a Party necessary to comply with the CCM Regulations which causes a failure or inability of the kind described above and includes any such event or circumstance that constitutes a force majeure event under, or for the purposes of, the Code or any other interconnection agreement;

Gas-on Date means the date on which the Interconnected Party may first take Gas at a Delivery Point (or, subject to section 2.12, an Additional Delivery Point), but not where small quantities of Gas are taken solely for commissioning purposes;

Gross Calorific Value has the meaning set out in NZS 5259:2015 "Gas Measurement";

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;

ICA Schedule One means ICA Schedule One to this Agreement, including as amended or updated pursuant to this Agreement and including any amendment to ICA Schedule One in respect of an Additional Delivery Point or Odourisation Facilities incorporated into this Agreement;

Interconnection Fee means the interconnection fees referred to as such in ICA Schedule One (including as amended, updated or added to pursuant to this Agreement) or determined and notified by First Gas in accordance with section 11 or otherwise in accordance with this Agreement (as applicable);

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

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

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

Invoice Dispute has the meaning set out in section 12.6;

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

MAOP means maximum allowable operating pressure;

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

Metering means the equipment at the location set out in ICA Schedule One and complying with the Metering Requirements, which measures the quantities of Gas taken from First Gas' Pipeline at a Delivery Point in accordance with the requirements of this Agreement;

Metering Owner means the Party identified as such in ICA Schedule One;

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

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

OBA Charges has the meaning set out in section 11.10;

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

Odourisation Facilities Owner means the owner of Odourisation Facilities as set out in ICA Schedule One;

Odourisation Fee means the odourisation fees referred to as such in ICA Schedule One (including as amended, updated or added to pursuant to this Agreement) or determined and notified by First Gas in accordance with section 11 or otherwise in accordance with this Agreement (as applicable);

Operational Flow Order or OFO means a notice issued by First Gas pursuant to section 9.6 requiring the Interconnected Party to take such actions as it is able to take 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 ICA Schedule One;

Pipeline means, in relation to:

- (a) First Gas, those parts of the Transmission System used to convey Gas to a Delivery Point; and
- (b) the Interconnected Party, the pipeline which connects to a Delivery Point and:
  - (i) conveys Gas taken at that Delivery Point to an End-user; or
  - (ii) 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 ICA 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 regard to the other interconnected parties and Shippers who also use the Transmission System to inject, convey or receive Gas and First Gas;

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

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

Regulatory Settings means inputs relating to First Gas' allowable return on investment as determined by the Commerce Commission, including weighted average cost of capital, leverage, cost of debt and asset life (or any such amended or replacement inputs and/or regulatory settings as apply from time to time);

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

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

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

- (a) deliver Shippers' approved Nominated Quantities;
- (b) 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 or may detrimentally affect the transmission of Gas through the Transmission System or has or may deplete

Line Pack to an unacceptable level, and includes an Emergency and a Critical Contingency; and/or

- (c) 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;

Tax has the meaning set out in section 12.3;

Termination Fee means, in respect of any Delivery Point or Odourisation Facilities for which an Interconnection Fee and/or Odourisation Fee is payable, the amount that represents the cost to First Gas of such Delivery Point and/or Odourisation Facilities (as applicable) that remains to be recovered at the end of any Year, referred to as the termination fee in ICA Schedule One (including as amended, updated or added to pursuant to this Agreement) or determined and notified by First Gas in accordance with section 11 or otherwise in accordance with this Agreement (as applicable); and

Work Permit means the relevant permit issued by First Gas to the Interconnected Party under First Gas' current "Permit to Work Procedure" pursuant to section 13.2.

#### **Code Amendments and Precedence**

- 1.3 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 :

- (a) 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
- (b) 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.



**Construction**

1.4 In this Agreement, unless the context otherwise requires:

- (a) "take" includes to cause or allow Gas to flow at a Delivery Point and other grammatical forms of "take" shall be construed accordingly;
- (b) "curtail" includes to reduce, either partly or to zero, to interrupt or to shut or close down;
- (c) any reference to a "quantity of Gas" or an "energy quantity" is a reference to GJ of Gas unless otherwise stated;
- (d) "scm" is a reference to "standard cubic metre", namely a cubic metre of gas at standard temperature and pressure, i.e. 15 °C and 1.01325 bar absolute;
- (e) any reference to "metered quantity" is a reference to the quantity of Gas determined using data obtained from Metering;
- (f) all sections of this Agreement (excluding the definition of Non-Specification Gas and section 6) apply to Non-Specification Gas as if it were Gas;
- (g) headings are for ease of reference only and shall not form any part of the context or affect the interpretation of this Agreement;
- (h) references to persons shall be deemed to include references to individuals, companies, corporations, firms, partnerships, joint ventures, associations, organisations, trusts, states or agencies of state, government departments and local and municipal authorities in each case whether or not having separate legal personality;
- (i) a reference to any enactment, regulation, New Zealand Standard, the Code or any section of the Code, is a reference to that enactment, regulation, New Zealand Standard, the Code, or section of the Code, as amended, substituted or replaced from time to time;
- (j) any reference to a document includes all valid amendments, variations or supplements to, or replacements of, such document;
- (k) references to a Party includes its respective successors and permitted assignees;
- (l) the singular includes the plural and vice versa;
- (m) any derivation of a defined term or "take" or "curtail" shall have a corresponding meaning;

- (n) any reference to a prohibition against doing something includes a reference to not permitting, suffering or causing that thing to be done;
- (o) any reference to a range of sections includes the first and last sections referenced;
- (p) all references to any time of the Day shall, unless expressly referring to New Zealand standard time, be references to New Zealand statutory time (that is, including adjustments for New Zealand daylight savings time);
- (q) a reference to dollars or \$ is a reference to New Zealand Dollars;
- (r) any reference to "includes", "including" or similar shall imply no limitation; and
- (s) any reference to "law" includes all statutes, regulations, codes of practice, New Zealand Standards, and local authority rules.

## 2 DELIVERY POINT INTERCONNECTION

### Parties' Rights and Obligations

- 2.1 ~~1.1~~ 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.
- 2.2 ~~1.2~~ Each Party will act as a Reasonable and Prudent Operator when exercising or performing any of its rights, powers, obligations and duties under this Agreement.
- 2.3 ~~1.3~~ 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.

## ~~2~~ **TECHNICAL COMPLIANCE**

### **General**

#### Technical Compliance

- 2.4 ~~2.1~~ Except as agreed otherwise in writing, First Gas (or, if not owned by First Gas, the Interconnected Party as the owner of the Delivery Point) will ensure that all Delivery Points and Additional Delivery Points comply with ~~Schedules~~ ICA Schedule One and ICA Schedule Two.
- 2.5 ~~2.2 First Gas will provide the Interconnected~~ Unless otherwise agreed with the Interconnected Party, First Gas (or, if not owned by First Gas, the Interconnected Party as the owner of the Delivery Point) will at its cost operate and maintain the Delivery Points under this Agreement. First Gas (or, if not owned by First Gas, the Interconnected Party as the owner of the Delivery Point) will provide the other Party with a copy of its maintenance records for any Delivery Point or Additional Delivery Point on request (but not more than once per ~~year~~ Year).
- Additional Delivery Point(s)**
- 2.6 ~~2.3~~ The Interconnected Party may request ~~an~~ one or more Additional Delivery ~~Point~~ Points at any time during the term of this Agreement. The Parties must execute an Amending Agreement in respect of ~~that~~ any such Additional Delivery Point before

First Gas will commence any work in relation to it. The Parties acknowledge and agree that they will determine the content of and may enter into a separate agreement or agreements in relation to the planning, design, construction and connection of the Additional Delivery Point, land access arrangements, and any ancillary matters. If requested by First Gas, the Interconnected Party shall lease land to First Gas for the purposes of interconnection pursuant to the Lease.

2.7 ~~2.4~~ In relation to any Additional Delivery Point, First Gas shall:

- (a) consult with the Interconnected Party to ensure that the design of that Additional Delivery Point meets its reasonable requirements;
- (b) consider and respond to all reasonable comments or queries put forward by the Interconnected Party in relation to compliance with ICA Schedule Two;
- (c) if the Interconnected Party requires Gas taken at that Delivery Point to be odourised, advise whether First Gas will build, own and operate the Odourisation Facilities;
- (d) use commercially reasonable endeavours to obtain a site and/or other appropriate property rights that it may require;
- (e) use commercially reasonable endeavours to obtain any consents and approvals ~~required~~ it may require; ~~and~~
- (f) be responsible for and use commercially reasonable endeavours to design, construct, operate and maintain that Additional Delivery Point, including any new connection to its Pipeline and any Odourisation Facilities it will own; and
- ~~(g)~~ consult with, and have reasonable regard to the views of, the Interconnected Party in relation to the planning, construction and commissioning of the Additional Delivery Point.

2.8 ~~2.5~~ First Gas will on request supply the Interconnected Party with a producer statement and/or a certificate of electrical inspection confirming that an Additional Delivery Point is designed, constructed, operated and maintained in compliance with all applicable laws.

#### **Interconnected Party's Pipeline**

2.9 ~~2.6~~ The Interconnected Party shall ensure that its Pipeline is designed, constructed, operated and maintained in compliance with all applicable laws and will not connect or continue to connect its Pipeline to, or take Gas at, a Delivery Point unless it is safe to do so.

2.10 ~~2.7~~ The Interconnected Party shall not install any Interconnected Party Equipment at a Delivery Point without First Gas' consent, and will on request supply First Gas with a producer statement and/or a certificate of electrical inspection confirming that any Interconnected Party Equipment complies with all applicable ~~Laws~~ laws and is suitable for use at a Delivery Point.

### **Gas-on Date**

2.11 ~~2.8~~ In respect of any Delivery Point in operation on the Commencement Date, the Gas-on Date shall be the Commencement Date.

2.12 ~~2.9~~ In respect of an Additional Delivery Point, the Interconnected Party shall not take Gas until First Gas has notified the Interconnected Party in writing that the following conditions have been satisfied:

- (a) the foregoing requirements of section 2 have been met and First Gas has completed commissioning that Delivery Point, including any Odourisation Facilities;
- (b) the Remote Monitoring Equipment is fully operational;
- (c) First Gas has received all monies payable (if any) by the Interconnected Party (except where otherwise agreed in writing); and
- (d) any adjustment to the Credit Support required by First Gas has been made,

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

## **3 GAS DELIVERY**

### **Controlled Delivery Pressure**

3.1 Where ICA Schedule One states that the Delivery Pressure at a Delivery Point is "Controlled":

- (a) 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 ICA Schedule Two unless:
  - (i) where both duty and standby pressure control streams are installed, and 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
  - (ii) 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;
- (b) 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; and
- (c) the Interconnected Party acknowledges and agrees that the Maximum Delivery Pressure may occur during normal operation and that:

- (i) 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
- (ii) 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**

3.2 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:

- (a) 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;
- (b) 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);
- (c) 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;
- (d) 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;
- (e) 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
- (f) [ICA](#) Schedule One shall be amended to reflect any changes pursuant to this ~~section 3.2(d)~~[3.2](#).

**Uncontrolled Delivery Pressure**

3.3 Where [ICA](#) Schedule One states that the Delivery Pressure at a Delivery Point is "Uncontrolled":

- (a) First Gas will provide no representation, warranty or undertaking as to what the Delivery Pressure will be at any time;

- (b) First Gas will not be obliged to operate its Pipeline to provide any particular Delivery Pressure or Delivery Pressure range;
- (c) the Interconnected Party shall ensure that the MAOP of its Pipeline is not less than the MAOP of First Gas' Pipeline; and
- (d) 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.

#### **Target Taranaki Pressure**

3.4 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:

- (a) 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
- (b) 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 the Code and interconnection agreements.

If necessary in order for First Gas to comply with its obligations under this section 3.4 in relation to maintaining the Target Taranaki Pressure under the upper limit of the Target Taranaki Pressure, First Gas may take gas balancing action or exercise any rights to adjust or curtail any gas flow and/or relevant nominations (including pursuant to section 9). Any proposed change to the specified limits 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 limits not to be effective earlier than 12 Months following its approval).

#### **Excessive Flow**

3.5 ~~3.4~~ 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~~ If it does so, ~~the Interconnected Party~~ shall be liable for:

- (a) the cost of repairs to, or replacement of, any of First Gas' pipeline or equipment damaged by that excessive flow;
- (b) the charge determined in accordance with *section 11.11*; and
- (c) any Loss pursuant to *section 11.12*.

#### **Low Flow**

3.6 ~~3.5~~ 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~~ adversely affected, First Gas

shall notify the Interconnected Party accordingly. Unless the Interconnected Party can reasonably demonstrate to First Gas that those low Gas takes occurred during plant start-up and shut-down or were extraordinary occurrences and are unlikely to occur again, or that the Metering is Accurate even at those low Gas take rates, First Gas may:

(a) if the Interconnected Party is the Metering Owner, require the Interconnected Party at its cost to modify the Metering to improve the Accuracy of the metered quantities at low flow rates, and:

(i) the Interconnected Party shall then implement appropriate modifications as soon as practicable; and

(ii) during the time required to modify the Metering, First Gas shall be entitled to suspend the Interconnected Party's right to take Gas at that Delivery Point; or

(b) if First Gas is the Metering Owner:

(i) ~~(a)~~ notify the Interconnected Party that it intends to modify the Metering to improve the Accuracy of metered quantities at low flow rates; and

(ii) ~~(b)~~ 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 the payment of an Interconnection Fee or an increase in the current Interconnection Fee.

### **Outage Notification**

3.7 The Interconnected Party shall as soon as reasonably practicable notify First Gas of any scheduled or unscheduled outages affecting such Interconnected Party in relation to its take of Gas at the Delivery Point. Such notice shall include:

(a) whether it is, or is expected to be, a full or partial outage and the likely duration of that outage;

(b) for scheduled outages, when such outage is expected to commence;

(c) in a reasonable amount of detail, the reason for that outage; and

(d) the extent of the expected reduction in the take of Gas.

## **4 METERING AND ENERGY QUANTITY REPORTS**

### **Metering Required**

4.1 ~~First Gas~~ Except where First Gas has elected otherwise pursuant to section 5.2 of the Code, the Metering Owner will install Metering in respect of Delivery Points as set out in ICA Schedule One and use reasonable endeavours to ensure that it operates at all times. The Metering Owner is to ensure that the design, construction, installation,

operation and maintenance of the Metering complies with the Metering Requirements.

#### **Direct Gas Measurement Only**

- 4.2 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**

- 4.3 ~~First Gas~~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 ~~Interconnected~~other Party may request, and ~~First Gas~~the Metering Owner shall then provide to the other Party:

- (a) reasonable technical information relating to the Metering at a Delivery Point;
- (b) a copy of ~~First Gas~~its planned maintenance schedules relating to any Metering; and
- (c) the results of any testing of any Metering.

and First Gas may publish on OATIS a summary of the results of any testing (whether scheduled or unscheduled) of any Metering.

- 4.4 In relation to any new Metering, ~~First Gas~~the Metering Owner will:

- (a) 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
- (b) 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~~the Metering Owner will service, repair, re-calibrate or replace it, then re-test it to establish that it is Accurate. ~~First Gas~~The Metering Owner will provide the ~~Interconnected~~other Party with written evidence of testing pursuant to this *section 4.4.*

#### **Unscheduled Testing of Metering**

- 4.5 The ~~Interconnected~~ Party who is not the Metering Owner (the Requesting Party) may request ~~First Gas~~(including, in the case where First Gas is the Requesting Party, at the request of a Shipper pursuant to the Code) the Metering Owner to carry out an unscheduled test of any Metering. ~~First Gas~~The Metering Owner shall comply with that request, provided that it shall not be ~~obliged~~required to undertake ~~such testing~~any unscheduled test of Metering within ~~1~~one Month ~~of its own~~before or one Month after any scheduled testing or in any event more frequently than once every ~~9~~three Months. ~~First Gas~~The Metering Owner will allow the ~~Interconnected~~Requesting Party's representative (or a requesting Shipper's representative) to be present during any unscheduled testing, and provide the ~~Interconnected~~Requesting Party (or



a requesting Shipper) with the test results as soon as reasonably practicable (and in any event within 5 Business Days of such test results being available to the Metering Owner). Where the Metering is found to be:

- (a) Accurate, the ~~Interconnected~~Requesting Party will reimburse ~~First Gas~~the Metering Owner for all direct costs ~~First Gas~~the Metering Owner incurs in undertaking the unscheduled testing; or
- (b) Inaccurate, ~~First Gas~~the Metering Owner shall:
  - (i) bear all costs it incurred in undertaking the unscheduled testing (but not any costs incurred by the ~~Interconnected~~Requesting Party or any other party); and
  - (ii) 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**

4.6 Where any Metering is found to be Inaccurate, ~~First Gas shall correct quantities previously measured by, or determined energy quantities using data from, that Metering shall be corrected~~ in accordance with the Metering Requirements and, where applicable, correct any previously invoiced amounts and apply any Wash-ups in accordance with the Code. If the ~~Interconnected~~ Party who is not the Metering Owner installs its own check metering at, or upstream or downstream (as applicable) of a Delivery Point (which where practicable it shall be entitled to do in its discretion), it shall:

- (a) promptly provide data from that check metering to ~~First Gas~~the Metering Owner on request; and
- (b) retain all data from that check metering for a period of not less than 3 years.

#### **Amendment of Metering Requirements**

4.7 First Gas may amend the Metering Requirements at any time ~~but~~in accordance with the amended terms of the Metering Requirements (and they shall apply to the existing Metering only if both Parties agree in writing, such agreement not to be unreasonably withheld or delayed thereafter apply as amended).

#### **Access to Data**

4.8 ~~First Gas~~The Metering Owner shall, subject to *sections 4.9 to 4.12, 4.11*, make available to the ~~Interconnected~~other Party at a Delivery Point any of the following data (*Data*) the ~~Interconnected~~other Party may request:

- (a) for each meter stream that forms part of the Metering for that Delivery Point:
  - (i) uncorrected volume flow rate at flowing conditions;
  - (ii) corrected volume flow rate;
  - (iii) mass flow rate;

- (iv) energy flow rate;
  - (v) accumulating (totalising) uncorrected volume;
  - (vi) accumulating (totalising) corrected volume;
  - (vii) accumulating (totalising) mass;
  - (viii) accumulating (totalising) energy;
  - (ix) the pressure and temperature at the meter;
  - (x) density at flowing conditions; and
- (b) in respect of Gas taken at that Delivery Point:
- (i) Specific Gravity or Relative Density;
  - (ii) Base Density;
  - (iii) Gross Calorific Value;
  - (iv) Nett ~~Calorific Value~~ calorific value;
  - (v) 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;
  - (vi) 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
  - (vii) hydrocarbon dewpoint and water content if available,

provided in each case that ~~First Gas~~ the Metering Owner shall not be obliged to provide any Data that ~~it does~~ is not ~~require~~ required for the purposes of this Agreement or the Code.

4.9 Pursuant to *section 4.8*, ~~First Gas~~ the Metering Owner shall:

- (a) reasonably determine the source from which any Data is obtained; and
- (b) at its cost make the Data available to the other Party at reasonably located termination points in a non-Hazardous area, and in the manner and in accordance with the frequency, communications protocol and format (including units of measurement) it may reasonably determine.

- 4.10 The ~~Interconnected Party~~ recipient of Data pursuant to section 4.8 shall be responsible for conveying the Data to any other location at its cost.
- 4.11 ~~First Gas~~ 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.
- 4.12 If ~~First Gas~~ the Metering Owner 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~~ provides Data in a different format, the Metering Owner shall not be obliged to reimburse any costs incurred by the ~~Interconnected~~ other Party in order to receive that Data.

#### **Energy Quantity Reports**

- 4.13 For each Delivery Point, First Gas shall, in accordance with the Code, 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.~~ The Metering Owner (if it is not First Gas) shall make available to First Gas (in accordance with section 4.9 or otherwise) such of the Data as First Gas shall notify that it requires for that purpose.

#### **OATIS Access**

- 4.14 First Gas will provide the Interconnected Party with access to OATIS:
- (a) to enable the Interconnected Party to view and/or download *DDRs* and /or *HDRs*; and
  - (b) as required for any other purpose relating to this Agreement or the Code,
- provided that the Interconnected Party shall be responsible at its cost for ensuring it can access OATIS and ~~will do~~ does so on the terms and conditions of access to, and use of, OATIS ~~set out on OATIS.~~ as set out on OATIS. The Parties acknowledge that from time to time First Gas may not be able to provide access to OATIS where it is unavailable due to any unanticipated technical failure or other events or circumstances outside its control.

## **5 ENERGY ALLOCATION AT DELIVERY POINTS**

#### **Downstream Reconciliation Rules**

- 5.1 At each non-Dedicated Delivery Point which is the subject of this Agreement used by:
- (a) 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
  - (b) only one Shipper, that Shipper's Daily Delivery Quantity will be the metered quantity for that Day.

### **Allocation Agreement**

- 5.2 At each Dedicated Delivery Point which is the subject of this Agreement (other than where an Operational Balancing ~~Agreement~~Arrangement (OBA) applies) there shall be an Allocation Agreement, irrespective of the number of Shippers using that Dedicated Delivery Point.
- 5.3 ~~Subject to section 5.4, where a~~Where any such Dedicated Delivery Point ~~is used by:~~
- (a) is reasonably expected to be used by only one Shipper, First Gas (or, if agreed by First Gas and the Interconnected Party, the Interconnected Party) shall be the Allocation Agent and that Shipper's Daily Delivery Quantities and Hourly Delivery Quantities will be the respective metered quantities; ~~or~~and
  - (b) is, or is reasonably expected to be, used by more than one Shipper, each Shipper's Daily Delivery Quantities and Hourly Delivery Quantities will be the respective ~~qualities~~quantities determined by the Allocation Agent under the applicable Allocation Agreement.
- 5.4 The ~~End-user of Gas taken~~Interconnected Party at any such a Dedicated Delivery Point shall have the right to determine the rules to be applied by the Allocation Agent to determine Shippers' Daily Delivery Quantities and Hourly Delivery Quantities. The Interconnected Party is to ensure that the Allocation Agreement ~~must ensure that~~requires the Allocation Agent ~~notifies to notify~~ First Gas via OATIS of each Shipper's Daily Delivery Quantities and Hourly Delivery Quantities within the times published by First Gas on OATIS.

### **Operational Balancing ~~Agreement~~Arrangement**

- 5.5 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:
- (a) that Delivery Point will become an Individual Delivery Point; and
  - (b) 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 (including the Primary Balancing Obligation).
- 5.6 Subject to ~~section 5.3(b)~~,the Interconnected Party ensuring an Allocation Agreement is put in place that complies with the requirements of section 5.3, 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.

### **NQ approval**

- 5.7 The Interconnected Party shall approve, curtail or reject NQs in accordance with the Code.

## **6 GAS QUALITY**

- 6.1 Where it is an End-user, the Interconnected Party shall ensure that any contract for the purchase of gas that is transported on the Transmission System it has with any ~~party~~ person includes a requirement that all such gas must comply with the Gas Specification.
- 6.2 First Gas shall ensure that any new ICA in respect of a Receipt Point it enters into ~~at a Receipt Point, or which has a specified commencement date, on or after the date of this Agreement~~ requires the Interconnected Party under that ICA to:
- (a) ensure that all gas it injects into the Transmission System complies with the Gas Specification;
  - (b) indemnify First Gas for any Loss incurred by First Gas arising out of or in relation to the injection of Non-Specification Gas at a Receipt Point into the Transmission System; and
  - (c) ~~(b)~~ on request by First Gas, promptly demonstrate to First Gas that it has adequate facilities, systems, procedures and monitoring to comply with *section 6.2(a)*.
- Nothing in this Agreement requires First Gas to monitor the quality of gas in, or injected into, the Transmission System or taken at a Delivery Point.
- 6.3 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, each Party acknowledges that, should Non-Specification Gas enter, or be in, First Gas' Pipeline, First Gas is unlikely to be able to prevent that gas from reaching a Delivery Point.
- 6.4 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 interconnected parties (including the Interconnected Party) via OATIS as soon as practicable and provide a summary of any details of which it is aware in relation to:
- (a) the reason why that gas was ~~7~~ or may be Non-Specification Gas;
  - (b) the likely period of time during which Non-Specification Gas was ~~7~~ or may be injected at a Receipt Point, or taken at a Delivery Point; and
  - (c) the nature and extent of the deviation from the Gas Specification.
- 6.5 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 and interconnected parties (including the Interconnected Party) of that event (or suspected event) via OATIS together with a summary of the information provided to it.

- 6.6 Subject to *section 6.7*, First Gas, upon receiving a ~~reasonable~~ written request from the Interconnected Party (acting reasonably), shall exercise the rights referred to in *section 6.2(b,c)* and publish a summary report on OATIS setting out its findings. First Gas shall have no liability to the Interconnected Party in connection with the ~~exercise-~~ by manner in which First Gas ~~under this section 6.6, of exercises~~ its rights ~~under referred to in section 6.2(b)-c) pursuant to section 6.6.~~
- 6.7 First Gas shall not be obliged to exercise the rights referred to in *section 6.2(b)c) in respect of a Receipt Point* pursuant to a request from the Interconnected Party (~~or any other Interconnected Party or Shipper~~) ~~more frequently than once every 9 Months~~ where such request is not reasonable in the circumstances or First Gas considers (whether as a result of its prior exercise of such rights or otherwise) that exercising such rights will not provide it with any new relevant information.
- 6.8 First Gas will, where it owns the Delivery Point, install and maintain equipment at each Delivery Point under this Agreement to ensure that all Gas taken complies with the Gas Specification in respect of dust and/or compressor oil.

## 7 ODORISATION

### Odorised Pipeline

- 7.1 If First Gas' Pipeline to a Delivery Point is stipulated as "Odorised" in ICA Schedule One, Gas in that part of the Pipeline must be odorised to comply with the detectability requirements set out in New Zealand Standard 5263:2003: Gas Detection and Odorisation.
- 7.2 If either Party becomes aware that insufficiently odorised Gas has flowed or is flowing at a Delivery Point on ~~an Odorised~~ Pipeline stipulated as "Odorised" in ICA Schedule One, it will promptly notify the other Party, ~~and~~ First Gas will investigate and use its reasonable endeavours to as soon as practicable:
- (a) restore odorisation of Gas in accordance with *section 7.1*; and
  - (b) 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.
- 7.3 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~~

- 7.4 The design, construction, operation and maintenance of Odorisation Facilities shall be the responsibility of their owner.
- 7.5 Notwithstanding any other provision of this Agreement, First Gas may cease odorising (or cease requiring the odorisation of) 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.

## 8 HEALTH AND SAFETY

8.1 At any Delivery Point, each Party shall (as applicable) ensure that its personnel:

- (a) comply with all applicable health and safety law;
- (b) comply with its own and other Party's health and safety plan, as provided to each Party, and cooperate with such other Party in relation to its health and safety plan and ensure that their respective health and safety plans and activities are coordinated where they both access or use the same site;
- (c) take all practicable steps to identify and eliminate risks to health and safety or, where elimination of a risk is impractical, take all practicable steps to minimise it;
- (d) immediately advise the other Party verbally of any incident affecting, or which may affect, that Delivery Point and which must be reported or notified to the relevant authority pursuant to the relevant law, and as soon as possible afterwards, provide the other Party with:
  - (i) written details of the incident;
  - (ii) a copy of any notice given to the relevant authority; and
  - (iii) details of steps taken or to be taken to eliminate or minimise any risk associated with that incident; and
- (e) provide all information and assistance reasonably requested by the other Party to ensure that no harm comes to any persons.

8.2 For the purposes of this *section 8* "all practicable steps" shall be deemed to have been taken where the relevant Party has taken all those steps required under applicable law.

## 9 CURTAILMENT

### Adverse Events

9.1 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. However, 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:

- (a) an Emergency is occurring or is imminent;
- (b) a Force Majeure Event has occurred or is continuing;
- (c) a breach of any Security Standard Criteria and/or a Critical Contingency would otherwise occur;

- (d) a Shipper's TSA or Supplementary Agreement, [Existing Supplementary Agreement, GTA](#), or the Allocation Agreement, expires or is terminated [or is not executed](#); ~~or~~
- (e) this Agreement expires or is terminated, either in total or in relation to that Delivery Point;
- (f) [it is performing, or is to perform, scheduled or unscheduled Maintenance pursuant to section 9.2 or section 9.3; and/or](#)
- (g) [it does so to maintain the Target Taranaki Pressure pursuant to this Agreement and/or section 3.33 of the Code.](#)

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**

9.2 Where it ~~requires~~ [is necessary or desirable for First Gas](#) to carry out scheduled Maintenance that will curtail the taking of Gas, or the ability to take Gas at a Delivery Point (but not [in respect of](#) any scheduled Maintenance which it believes will not have that effect), First Gas will:

- (a) 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;
- (b) advise the Interconnected Party of the expected impact on its ability to take Gas at that Delivery Point and/or any other effects; and
- (c) consult the Interconnected Party and use reasonable endeavours to undertake that scheduled Maintenance [in a manner and](#) at ~~an agreed~~ time [that minimises its impact](#).

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.

9.3 First Gas may carry out unscheduled Maintenance at [or in relation to](#) a Delivery Point, [including](#) in ~~response~~ [relation](#) to events referred to in *section 9.1(a), (b) or (c)*, but must give the Interconnected Party as much notice as [reasonably](#) practicable [in each case](#).

9.4 The Interconnected Party shall reasonably facilitate First Gas' scheduled or unscheduled Maintenance, as and when requested by First Gas, [including using reasonable endeavours to take delivery of small quantities of Gas in the manner requested by First Gas](#).

### **Interconnected Party maintenance**

9.5 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:



- (a) give First Gas as much notice as practicable (and in any event not less than 20 Business Days' notice unless operational circumstances do not permit such period of notice) before commencing that maintenance or other work; ~~and~~
- (b) 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;
- (c) unless otherwise agreed by First Gas (having regard to the usual quantity of Gas injection by the Interconnected Party), provide to First Gas at the same time as it provides notice to First Gas under section 9.5(a) shut-down and start-up gas profiles for the duration of the maintenance or other work; and
- (d) if the shut-down or start-up gas profiles previously provided to First Gas materially change (or are expected to materially change), the Interconnected Party shall promptly provide First Gas with a further notice specifying the changed shut-down and start-up gas profiles.

**Operational Flow Order**

- 9.6 ~~Subject to section 9.7, if~~ if any of the events described in section 9.1(a) to (eg) ~~occurs~~ occur, First Gas may give the Interconnected Party an Operational Flow Order, ~~which the~~ The Interconnected Party shall use its best endeavours to take such actions as it is able to take to comply with that OFO 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.
- 9.7 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~~**

- 9.8 Pursuant to section 9.6, First Gas ~~will~~ may curtail each Shipper's most recent Approved ~~Nominated Quantity~~ NQ at that Delivery Point in OATIS, including where an OBA applies, in accordance with the OFO and the Code.

**Critical Contingency**

- 9.9 In the event of a Critical Contingency, First Gas may instruct the Interconnected Party ~~shall~~ to 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, ~~and~~ the requirements of the CCM Regulations (and the Interconnected Party shall do so and shall otherwise comply with any other instructions of the Critical Contingency Operator and the requirements of the CCM Regulations). OFOs are to be consistent (or amended to be consistent) with any instructions from the Critical Contingency Operator (including any shut down profile required by the Critical Contingency Operator).

**Failure to Comply**

- 9.10 The Interconnected Party agrees that if it fails to comply with an OFO in accordance with section 9.6:
- (a) First Gas may curtail the Interconnected Party's take of Gas itself; ~~and~~
  - (b) for the purposes of the definition of "Reasonable and Prudent Operator", this section 9 and section 16, any such failure shall constitute a failure by the Interconnected Party ~~shall be deemed not to have acted~~ to act as a Reasonable and Prudent Operator; and
  - (c) the Interconnected Party 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 to the fullest extent reasonably practicable).

**Relief from Charges**

- 9.11 In relation to any curtailment under *section 9.1(a) to (c)* or *section 9.2*, the Interconnection Fee and the Odourisation Fee (if any) 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:
- (a) caused or contributed to any event or circumstance giving rise to that curtailment, including in the circumstances referred to in ~~section 3.4~~ sections 3.5 or 3.5.3.6;
  - (b) was itself carrying out maintenance or other work ~~to the extent~~ such that its ability to take Gas was ~~less than~~ (or would have been) reduced to or less than the level of Gas injection that was (or would otherwise have been) available given the curtailment; and/or
  - (c) failed to comply with an instruction from First Gas ~~under section 9.6~~ or from the Critical Contingency Operator under section 9.6 or section 9.9.

**10 PRUDENTIAL**

- 10.1 At all times during the term of this Agreement and until the Interconnected Party has paid all outstanding amounts and all amounts payable or which may become payable in the ~~24~~ 26 Months following expiry or termination of this Agreement, the Interconnected Party must, at its election, comply with one of the following:
- (a) hold an acceptable credit rating in accordance with *section 10.2*; or
  - (b) arrange for a third party to provide one or a combination of the following securities (each a *Credit Support*), for the amount required in accordance with this *section 10*, provided the party providing the Credit Support maintains an acceptable credit rating in accordance with *section 10.2*:

- (i) an unconditional payment guarantee or letter of credit in favour of First Gas; or
- (ii) an unconditional third party payment guarantee in favour of First Gas; or
- (iii) a security bond in favour of First Gas.

10.2 For the purposes of *section 10.1*, an acceptable credit rating means a long term credit rating of at least Baa3 (Moody's Investor Services Inc.), BBB- (Standard & Poors Ratings Group), B (AM Best), B (Fitch) or an equivalent credit rating or other reference from a reputable person which is acceptable to First Gas, (including confirmation from an auditor that, in its opinion, the relevant Interconnected Party or third party Credit Support provider satisfies the criteria that would be applied in the granting of that credit rating).

10.3 First Gas may require the Interconnected Party or third party Credit Support provider, as the case may be, to provide evidence of the existence of an acceptable credit rating (as set out in *section 10.2*).

10.4 The amount secured by any Credit Support will be First Gas' reasonable estimate of 3 Months' of the Charges and (if applicable) the OBA Charges (plus GST) together with an amount reasonably determined by First Gas (including to protect the interests of other users of the Transmission System) which reflects the unrecovered capital cost to First Gas to construct and commission its equipment and facilities at or in respect of the relevant Delivery Point, provided that either Party may review that amount (though not more frequently than quarterly) and require it to be adjusted up or down.

10.5 The Interconnected Party shall as soon as practicable notify First Gas if:

- (a) the Interconnected Party ceases to comply with *section 10.1*;
- (b) the Interconnected Party believes that its financial position is likely to be materially adversely impaired such that its ability to pay the Charges and the OBA Charges will consequently be affected;
- (c) a third party Credit Support provider (upon which its current satisfaction of the prudential requirements in this *section 10* depends) ceases to hold an acceptable credit rating in terms of *section 10.1*; or
- (d) either it, or the third party Credit Support provider, is placed on negative credit watch.

10.6 If the Interconnected Party fails to pay First Gas any amount set out in any invoice issued by First Gas pursuant to this Agreement on the due date for payment (other than as a result of an Invoice Dispute ~~or dispute~~) then on the expiry of 5 Business Days' prior written notice from First Gas, without limiting any other right it may have under this Agreement, First Gas may:

- (a) make a claim under any Credit Support to the extent payment is due and the Interconnected Party shall procure that payment;
  - (b) require Credit Support from the Interconnected Party, if Credit Support has not already been provided;
  - (c) require a change to the type of Credit Support provided; and/or
  - (d) require an increase in the level of Credit Support held for the Interconnected Party.
- 10.7 Where First Gas makes a claim against any Credit Support, the Interconnected Party must procure replacement Credit Support within 10 Business Days so that the Credit Support requirements set out in *section 10.1* continue to be met.
- 10.8 Where an Interconnected Party is required to provide new or additional Credit Support, it must do so within 20 Business Days of First Gas' written request.
- 10.9 If this Agreement is terminated, First Gas will release any associated Credit Support when and to the extent that the Interconnected Party has paid all outstanding amounts under this Agreement.

## 11 FEES AND CHARGES

### Interconnection and Odourisation Fees

- 11.1 The Interconnected Party is to pay the Interconnection Fee and Odourisation Fee for each Delivery Point (as applicable) during the term of this Agreement in accordance with this Agreement. Where, in respect of a Delivery Point and/or Odourisation Facility in operation on the Commencement Date, an ~~Interconnection Fee~~ interconnection or odourisation or termination fee or charge:
- (a) has not previously been payable, First Gas will not charge ~~any such fee an~~ Interconnection Fee or Odourisation Fee or Termination Fee (as applicable) during the term of this Agreement, except to the extent that Delivery Point becomes an Additional Delivery Point or new Odourisation Facilities are constructed; or
  - (b) is payable, that ~~fee~~ interconnection or odourisation or termination fee or charge, together with the procedure for adjusting or redetermining it, will be as recorded in ~~Schedule One~~ ICA Schedule One (and such fees shall be payable as an Interconnection Fee, Odourisation Fee and/or Termination Fee (as applicable) from the Commencement Date).
- 11.2 In respect of any Additional Delivery Point, First Gas shall determine how it will recover its costs to design, construct, operate and maintain, and for any required modifications or additions to, that Additional Delivery Point, including via an Interconnection Fee (and, if applicable, a Termination Fee) payable by the Interconnected Party and determined in accordance with this ~~section 11.11~~ section 11.11 and the other applicable provisions of this Agreement.

- 11.3 If ~~it~~First Gas owns, or elects to own, Odourisation Facilities, and recover its costs to design, construct, operate and maintain them via a separate Odourisation Fee (and, if applicable, a Termination Fee) payable by the Interconnected Party, First Gas may determine that fee (and any associated Termination Fee) ~~as described in this section~~ in accordance with this section 11 and the other applicable provisions of this Agreement (which are to apply mutatis mutandis to the determination of such fees).

**Determination of Fees**

- 11.4 In respect of an Additional Delivery Point and/or any Odourisation Facilities owned or to be owned by First Gas, First Gas shall set out provisional Interconnection ~~and~~Fees and Odourisation Fee (and any associated Termination Fees in respect of such Additional Receipt Point and/or Odourisation Facilities) in the Amending Agreement to be executed by the Parties. First Gas will determine those provisional fees using the then-current Regulatory Settings and First Gas' reasonable estimate of the cost to First Gas to design, build, operate and maintain that Additional Delivery Point ~~(and/or any Odourisation Facility (in each case, Estimated DP-Cost)).~~ Such provisional fees shall, subject to section 11.5, be payable in accordance with the terms of this Agreement.
- 11.5 Subject to *sections 11.6 and 11.7*, no later than 6 Months after the Gas-On Date for an Additional Delivery Point and/or any Odourisation Facilities, First Gas shall determine confirmed Interconnection Fees, Odourisation Fees and any respective Termination Fees for each Year or part thereof until the Expiry Date using the then-current Regulatory Settings and the actual cost to First Gas to design, build, operate and maintain the Additional Delivery Point ~~(and/or any Odourisation Facilities (in each case, Actual DP-Cost)).~~ First Gas will promptly notify the Interconnected Party in writing of that Actual ~~RP~~DP-Cost (together with reasonable supporting detail) and the confirmed fees for each Year or part thereof until the Expiry Date, which shall replace the provisional fees set out in the Amending Agreement. The amendments to ICA Schedule One in respect of the Additional Delivery Point and/or Odourisation Facilities given effect to by the Amending Agreement shall be deemed to be updated to reflect such Actual Cost and the confirmed fees determined by First Gas in accordance with this section 11.5. First Gas shall, in its next invoice, debit or credit the Interconnected Party (as the case may be) for the difference between the aggregate amount paid by it based on the provisional Interconnection Fee and Odourisation Fee (as applicable) and the aggregate amount that ~~it~~would have paid been payable based on the confirmed Interconnection Fee and Odourisation Fee (as applicable) in respect of the prior Months during which the provisional fees applied.
- 11.6 With effect from the first Reset Date after the Gas-on Date for any such Additional Delivery Point and/or any Odourisation Facilities and every subsequent Reset Date until the Expiry Date, First Gas will re-determine the Interconnection Fees, Odourisation Fees and any applicable Termination Fees for each Year remaining until the Expiry Date using the then-current Regulatory Settings and the Actual-~~DP~~DP Cost (the new fees to be effective from each Reset Date), and notify the Interconnected Party of those new fees in writing (together with reasonable supporting detail). The amendments to ICA Schedule One in respect of the Additional Delivery Point and/or Odourisation Facilities given effect to by the Amending Agreement shall be deemed to be updated to reflect the new fees notified by First Gas. No adjustment to any

amounts previously paid by the Interconnected Party shall be required after any re-determination of Interconnection Fees or Odourisation Fees.

- 11.7 If, pursuant to any request by the Interconnected Party, First Gas agrees to make material modifications (as determined by First Gas) to a Delivery Point after the Commencement Date or the execution of the relevant Amending Agreement (as applicable), First Gas may re-determine the Interconnection Fees, Odourisation Fees and the Termination Fees to reflect any actual and reasonable costs it expects to incur as a result of those modifications First Gas shall notify any re-determined fees to the Interconnected Party and they shall apply in respect of this Agreement accordingly.
- 11.8 When determining or redetermining any fees pursuant to this *section 11*, First Gas will not include any costs not directly related to the relevant Delivery Point or Odourisation Facilities. First Gas will round up all Interconnection Fees, Termination Fees and Odourisation Fees to the nearest dollar per Day.
- 11.9 Interconnection Fees and any Odourisation Fees shall be payable from the relevant Gas-on Date until the Expiry Date (inclusive), subject to early termination of this Agreement (in relation to a Delivery Point or in total) pursuant to *section 14*, provided that if First Gas gives notice under *section 7.5* the relevant Odourisation Fee shall cease to be payable on expiry of the required notice period and no Termination Fee (if and to the extent applicable) shall be payable in respect of those Odourisation Facilities.

**OBA Charges**

- 11.10 For any Delivery Point at which an OBA applies, the Interconnected Party shall be liable for and shall pay to First Gas:

- (a) Daily Overrun Charges;
- (b) Daily Underrun Charges; ~~and~~
- (c) Hourly Overrun Charges; and
- (d) Peaking Charges,

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

- (e) ~~(d)~~ Balancing Gas Charges; and
- (f) ~~(e)~~ charges for Excess Running Mismatch~~;~~

(a) through (f), together, *OBA Charges*) determined by First Gas in accordance with the Code.

**Over-Flow Charge**

- 11.11 The Interconnected Party shall pay a charge (Over-Flow Charge) for any Hour in which the metered quantity of Gas 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; ~~(or the Over-Flow Quantity;)~~ is the greater of:

- (i) the Hourly metered quantity – Physical MHQ; and
- (ii) zero.

**Excessive Flow Causing Loss**

11.12 In addition to any Daily Overrun Charge, Hourly Overrun Charge, Over-Flow Charge, Peaking Charge and/or amount payable under ~~section 3.4(a) it may be liable to pay~~ 3.5(a), 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 or Excess Peaking (where that Loss shall include any ~~Interconnection Fees~~ interconnection fees or charges, Transmission Charges and/or Non-standard Transmission Charges ~~which that~~ 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 to the fullest extent reasonably practicable. ~~The Interconnected Party shall:~~

~~(a) not be relieved of liability under the indemnity in this section 11.12; and~~

~~(b) 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;~~

**Balancing Gas Credits Receivable as an OBA Party**

11.13 If ~~it~~ the Interconnected Party is ~~also~~ an OBA Party in respect of a Delivery Point, First Gas will credit the Interconnected Party in respect of such Delivery Point in accordance with the Code: ~~(a) any Balancing Gas Credits due to it;~~

~~(b) a share of the total incentive charges payable by all Delivery Point OBA Parties in respect of the previous Month, equal to:~~

$$TIC_{OB DP} \times MQ_{IP} \div \sum MQ_{OB DP}$$

~~where:~~

~~TIC<sub>OB DP</sub> is the total of Daily Overrun Charges, Daily Underrun Charges and Hourly Overrun Charges payable by all OBA Parties at Delivery Points that Month;~~

~~MQ<sub>IP</sub> is the aggregate of the metered quantities for that Month of all Delivery Points under this Agreement at which an OBA applies; and~~

~~$\Sigma MQ_{OBDDP}$  is the aggregate of the metered quantities for that Month of all Delivery Points at which an OBA applies; and~~

~~(c) a share of the total Excess Running Mismatch Charges payable by all Delivery Point OBA Parties in respect of the previous Month, equal to:~~

$$\text{ERMC}_{OBDDP} \times MQ_{IP} \div \Sigma MQ_{OBDDP}$$

~~where:~~

~~$ERMC_{OBDDP}$  is the aggregate of the charges for Negative ERM and Positive ERM payable by all OBA Parties at Delivery Points that Month; and  $MQ_{IP}$  and  $\Sigma MQ_{OBDDP}$  each have the same meaning as in this section 11.13(b).~~

## 12 INVOICING AND PAYMENT

### Timing

12.1 First Gas shall invoice the Interconnected Party in respect of the previous (and any prior) Month, on or before:

- (a) the 10<sup>th</sup> Day of each Month for the Charges ~~payable~~ and any other amounts payable by the Interconnected Party under this Agreement (excluding OBA Charges); and ~~or~~
- (b) the 14<sup>th</sup> Day of each Month (or as soon thereafter as is practicable), for the OBA Charges payable (if ~~applicable~~ any),

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

### Goods and Services Tax

12.2 First Gas shall express all amounts payable to it under this Agreement as excluding GST, which shall be due and payable at the same time as the payment to which it relates is due (*GST Amount*). Any invoices provided to the Interconnected Party under *section 12.1* shall specify the GST Amount and comply with the "tax invoice" requirements in the Goods and Services Tax Act 1985.

### Other Taxes

12.3 In addition to the Charges, OBA Charges and GST payable, the Interconnected Party shall pay to First Gas an amount equal to any new or increased tax, duty, impost, levy or charge (but excluding income tax and rates) (each a *Tax*) directly or indirectly imposed by the Government or any other regulatory authority that directly relates to First Gas' provision of services under this Agreement (including First Gas' sale and purchase of Balancing Gas), or in respect of any goods or services provided pursuant to this Agreement. First Gas will pass on any decrease of any such Tax to the Interconnected Party.



### Issuing of Invoices

12.4 First Gas may issue any invoice (together with any supporting information) under *section 12.1* by:

- (a) e-mailing to the Interconnected Party's e-mail address most recently (and specifically) notified in writing to First Gas; and/or
- (b) posting the invoice as one or more PDF files on OATIS [accessible only by the Interconnected Party](#).

### Payment by the Interconnected Party

12.5 Subject to *sections 12.1* and *12.6* to *12.8*, the Interconnected Party shall pay to First Gas the aggregate amount stated on each invoice by direct credit to First Gas' bank account stated on the invoice (or to any other bank account notified by First Gas in writing) by the later of:

- (a) the 20<sup>th</sup> Day of the Month in which the invoice is issued [\(or, if such Day is not a Business Day, the next Business Day\)](#); and
- (b) 10 ~~Business~~ Days after the invoice is issued [\(or, if such Day is not a Business Day, the next Business Day\)](#).

The Interconnected Party shall no later than one Business Day after it makes a payment notify First Gas of the invoice numbers and the respective amounts to which that payment relates.

### Disputed Invoices

12.6 ~~Subject to section 12.7, if~~ If the Interconnected Party ~~disputes~~ [wishes to dispute](#) any invoiced amount under *section 12.1* (*Invoice Dispute*), the Interconnected Party shall, within 10 [Business](#) Days from the date it received the invoice, notify First Gas in writing identifying the amount in dispute and giving full reasons for the dispute (*Invoice Dispute Notice*). The Interconnected Party shall pay the undisputed portion of the invoice. If the Invoice Dispute has not been resolved by negotiation between the Parties within 10 Business Days of First Gas receiving the Invoice Dispute Notice, *section 18* shall apply. [Where either Party has to pay money to the other Party as a result of the determination of an Invoice Dispute, then in addition to such payment, interest shall be payable on the amount payable from the due date for payment until the date such payment is made, at a rate equal to the Bill Rate plus 2% per annum, calculated on a Daily basis \(compounded Monthly\).](#)

12.7 ~~In the absence of any manifest error,~~ [Except to the extent provided in section 12.6,](#) the Interconnected Party shall pay each invoiced amount in full in accordance with *section 12.5* without any [withholding,](#) deduction or set-off of any kind.

### Incorrect Invoices

12.8 If it shall be found at any time that the Interconnected Party has been overcharged or undercharged then, within 20 Business Days after that error has been discovered and the correct amount has been agreed by the Parties or determined pursuant to *section 18*, First Gas shall issue a credit note or debit note (as appropriate) in accordance with the Goods and Services Tax Act 1985. If the Interconnected Party

has paid the invoice(s) containing an overcharge or undercharge, First Gas will issue a credit note or debit note (where required) and refund or pay the Interconnected Party the amount of that overcharge or undercharge, as appropriate, as a correction on its next invoice, provided that there shall be no right to re-open invoices ~~for Charges~~ if more than ~~18~~26 Months ~~(or, in respect of invoices for OBA Charges, 26 Months)~~ have elapsed since the date of the invoice.

#### **Default Interest**

- 12.9 Where the Interconnected Party defaults without ~~reasonable~~lawful excuse in the payment on the due date of any amount payable under this Agreement, then interest shall be payable on the amount unpaid from the due date for payment until the date payment is made, at a rate equal to the Bill Rate plus 5% per annum, calculated on a Daily basis (compounded Monthly).

### **13 ACCESS RIGHTS**

#### **Grant of Rights**

- 13.1 First Gas grants the Interconnected Party a right to access a Delivery Point on the terms set out in this *section 13* to the extent necessary for the Interconnected Party Gas to:

- (a) maintain any Interconnected Party Equipment; and /or
- (b) exercise any right the Interconnected Party may have under this Agreement.

#### **Exercise of Rights**

- 13.2 The following procedures apply to the exercise of the ~~right~~rights of access conferred by *section 13.1*:
- (a) only "Approved Persons" may enter a Delivery Point, where Approved Persons means those of the Interconnected Party's officers, agents, employees and contractors (including subcontractors) who are certified by virtue of having completed the set of competency requirements created by the Gas Association of New Zealand and /or authorised by both First Gas and the Interconnected Party to carry out ~~that type of~~ work on or in relation to ~~its~~First Gas Pipeline;
  - (b) the Interconnected Party will take reasonable steps to ensure that its Approved Persons cause as little inconvenience to First Gas as is reasonably practicable and comply at all times with First Gas' standard safety, environmental and security policies and procedures, as notified to the Interconnected Party in writing from time to time;
  - (c) the Interconnected Party must obtain a Work Permit from First Gas before any Approved Persons enter a Delivery Point to carry out any hot work, electrical work or excavation. The Interconnected Party shall not be required to obtain a Work Permit to enter a Delivery Point to carry out general Maintenance or operational checks on its Pipeline or any Interconnected Party Equipment;
  - (d) the Interconnected Party will give First Gas at least 48 hours' written notice of its requirement for a Work Permit, ~~and specify why it~~ (and such Work Permit

will be issued within that time period unless there is good reason that it should not be so issued). Such notice of requirement is to specify why the Interconnected Party requires access to a Delivery Point. First Gas shall not unreasonably withhold or delay its consent to any request for a Work Permit;

- (e) First Gas may withdraw or suspend the right of access of any Approved Person for any failure by that person to comply with the performance requirements referred to in *section 13.2(b)*;
- (f) where relevant a Delivery Point will be dual locked so that First Gas and the Interconnected Party can each access it without requiring a key for the other Party's lock;
- (g) except where a First Gas representative is present, Approved Persons shall notify First Gas both when they enter and leave a Delivery Point;
- (h) First Gas may temporarily withdraw or suspend any Approved Person's access to a Delivery Point for work to be undertaken in the ordinary course at any time and without notice during an Emergency (including when undertaking Maintenance or other work required due to an Emergency), Force Majeure Event and/or Critical Contingency; and
- (i) notwithstanding any other provision of this *section 13.2*, to respond to or address an Emergency and/or Critical Contingency, the Interconnected Party will not be required to give First Gas prior written notice or obtain a Work Permit before entering a Delivery Point and appropriately qualified persons other than Approved Persons may access a Delivery Point.

## 14 TERM AND TERMINATION

14.1 ~~This~~The term of this Agreement will commence on the ~~later of [ ] and the date it is signed by both Parties~~ (Commencement Date).

14.2 This Agreement will expire on the earlier of:

- (a) 30 September [ ]; or
- (b) in respect of an individual Delivery Point, the date determined pursuant to *section 14.3* or *section ~~14.6, 14.7~~*, or the date on which the relevant Lease (if any) expires or is terminated,

(Expiry Date).

### Early Termination of Delivery Point

14.3 The Interconnected Party may terminate this Agreement in respect of a particular Delivery Point at the end of any Year provided that it:

- (a) notifies First Gas in writing not later than ~~1 December in that~~three Months before the end of such Year; and

- (b) pays First Gas, prior to the end of that Year:
- (i) the aggregate Interconnection Fee (if any) and the aggregate Odorisation Fee (if any) for the remainder of the current Year in accordance with this Agreement; and
  - (ii) the Termination Fee(s) payable where termination occurs in such Year (if any),

whereupon the relevant part or page of ICA Schedule One ~~shall be deemed deleted from this Agreement~~ that applies in respect of such Delivery Point shall no longer apply (provided the foregoing requirements have been timely complied with by the Interconnected Party).

**Termination for ~~cause~~breach**

- 14.4 Either Party may terminate this Agreement immediately on notice in writing to the other Party specifying the cause, if 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 20 Business Days of notice from the terminating Party.

**Other termination**

- 14.5 Either Party may terminate this Agreement immediately on notice in writing to the other Party specifying the cause if:

- (a) ~~either~~the other Party defaults in payment of any money payable under this Agreement (other than in relation to an Invoice Dispute) for a period of more than 10 Business Days and has not remedied that default within 20 Business Days of notice from the terminating Party; or
- (b) the Interconnected Party fails to comply with the prudential requirements set out in *section 10* for a period of 60 Business Days and has not remedied that default within 20 Business Days of notice from the terminating Party; or ~~(e) — 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~~
- (c) ~~(d)~~ a resolution is passed or an order made by a court for the liquidation of the other Party, except for the purposes of solvent reconstruction or amalgamation; or
- (d) ~~(e)~~ the other Party makes or enters into, or endeavours to make or enter into any composition, assignment or other arrangement with or for the benefit of that Party's creditors; or
- (e) ~~(f)~~ a Force Majeure Event occurs and the other Party could not ~~reasonably~~ be expected to be in a position to perform its obligations under this Agreement ~~within one Year~~ for a period of six Months or more.

### **Suspension for Default**

14.6 ~~14.5~~ If First Gas becomes aware that the Interconnected Party is in breach of any material term or condition of this Agreement, First Gas shall be entitled to suspend its provision of services to the Interconnected Party for the duration of that non-compliance if, and to the extent that, in First Gas' reasonable opinion, that action is necessary to protect other users or their use of the Transmission System.

### **Uneconomic Use**

14.7 ~~14.6~~ Subject to ~~section 14.7, 14.8~~, First Gas may terminate this Agreement in respect of any Delivery Point by written notice to the Interconnected Party ~~in respect of which~~ if:

- (a) the Interconnected Party does not commence taking Gas within 6 Months of the Gas-on Date or fails to take Gas for a continuous period of least 12 Months; or
- (b) First Gas' DNC Charges for the preceding 12 Months were less than its reasonable estimate of future average annual operating and maintenance costs; and/or
- (c) material expenditure is required for a necessary upgrade, which First Gas reasonably considers is not justified by the DNC Charges it obtains,

where, for the purposes of this ~~section 14.6, 14.7~~ in relation to Delivery Zones, DNC Charges for those 12 Months will be the aggregate DNC Charges for the relevant Delivery Zone multiplied by the metered quantity of that Delivery Point and divided by the aggregate metered quantity of that Delivery Zone.

14.8 ~~14.7~~ In the circumstances described in ~~section 14.6, 14.7~~, First Gas will consult the Interconnected Party to ~~ascertain~~ determine whether ~~the~~ it considers there is any reasonable likelihood of ~~future Gas~~ demand for transmission services being sufficient to generate DNC Charges at least equal to First Gas' reasonable estimate of the future average annual operating and maintenance costs of that Delivery Point (*Ongoing DP Cost*). If the Interconnected Party is unaware of any such future demand, and either ~~no longer requires~~ does not require the Delivery Point to be kept open or is unwilling to pay the fee determined by First Gas to cover the Ongoing DP Cost ~~(including any necessary upgrade costs)~~, First Gas may close the Delivery Point down on the expiry of 20 Business Days' notice and terminate this Agreement in respect of that Delivery Point accordingly.

### **Consequences of termination**

14.9 ~~14.8~~ Where First Gas is the terminating Party, it may:

- (a) isolate or disconnect any Delivery Point from the Interconnected Party's Pipeline;
- (b) remove all or part of any Delivery Point;

- (c) require the Interconnected Party to isolate or disconnect its Pipeline from any Delivery Point and remove any Interconnected Party Equipment from that Delivery Point, ~~for the purposes of which section 13 shall apply;~~

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

Where First Gas has terminated due to the Interconnected Party's default, the Interconnected Party shall pay the amounts referred to in *section 14.3(b)* ~~for in~~ respect of the relevant Delivery Point(s) ~~and First Gas may invoice the Interconnected Party accordingly pursuant to section 12.~~

14.10 ~~14.9~~ Where the Interconnected Party is the terminating Party, it may:

- (a) isolate or disconnect its Pipeline from any Delivery Point;
- (b) require First Gas to isolate or disconnect any Delivery Point from the Interconnected Party's Pipeline and/or (if applicable) remove that Delivery Point (including any Odourisation Facilities) from the Interconnected Party's property,

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

#### **Termination Without Prejudice to Amounts Outstanding**

14.11 ~~14.10~~ The expiry or termination of this Agreement shall not relieve the Interconnected Party:

- (a) or First Gas of its obligation to pay any amount outstanding under this Agreement; or
- (b) if it was an OBA Party, of its obligation to settle its Running Mismatch in accordance with the Code or this Agreement, which, at First Gas' election but following consultation with the Interconnected Party, may be effected either in dollar terms or by First Gas making Gas available for the Interconnected Party to take, or taking Gas from, the Interconnected Party.

#### **Effects of Termination**

14.12 ~~14.11~~ Termination, suspension or expiry of this Agreement shall not prejudice any rights or obligations of a Party that existed prior to termination, suspension or expiry.

14.13 ~~14.12~~ The provisions of this Agreement shall continue in effect after its termination or expiry to the extent they relate to an event or circumstance that occurred prior to the date of termination or expiry.

### **15 FORCE MAJEURE**

15.1 Notwithstanding the other provisions of this Agreement, ~~7~~ but subject to *section 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*).

15.2 A Force Majeure Event shall not relieve an Affected Party from liability:

- (a) to pay money due under, or in connection with, this Agreement; or
- (b) to give any notice which it may be required to give (other than a notice via OATIS where OATIS is affected by ~~that~~such Force Majeure Event)
- (c) if it is an OBA Party, for any Mismatch and Running Mismatch that may arise out of or in connection with, or before, during or after, the Force Majeure Event,

provided that the Interconnected Party shall be relieved of its obligation to pay any Interconnection Fee and Odourisation 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).

15.3 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:

- (a) 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 known to it at that time. The notice shall also contain an estimate of the period of time required to remedy ~~the~~such failure;
- (b) render the other Party reasonable opportunity and assistance to examine and investigate the event or circumstance and the matters which caused the event or circumstance and failure;
- (c) ~~as quickly as 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
- (d) 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.

15.4 A Party will not be able to claim relief from liability under *section 15.1* solely ~~because~~as a result of the act or omission of any agent or contractor of that Party, unless ~~that~~such act or omission is caused by or results from ~~an event~~events and/or ~~circumstance~~circumstances which would be a Force Majeure Event if ~~that~~such person were the Affected Party.

15.5 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**

- 15.6 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~~ setting out in reasonable detail the particulars 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 (or a summary of it) on OATIS.

## **16 LIABILITIES**

### **Exclusion from a Party's Liability**

- 16.1 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 (whether in contract, tort (including negligence) 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~~ mitigated its Loss to the fullest extent reasonably practicable.

### **Limitation of a Party's Liability**

- 16.2 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 (whether in contract, tort (including negligence) 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):

- (a) any loss of use, revenue, profit or savings by the Other Party;
- (b) the amount of any damages awarded against the Other Party in favour of a third party, except where the Liable Party is liable to make a payment under *section 11.12*; and
- (c) the amount of any money paid by the Other Party by way of settlement to a third party, except where the Liable Party is liable to make a payment under *section 11.12*.

- 16.3 The Liable Party shall in no circumstances be liable for any indirect or consequential Loss arising directly or indirectly from any breach of its (or any of the other Party's) obligations under this Agreement, whether or not the Loss was, or ought to have been, known by the Liable Party.

### **Capped Liability**

- 16.4 Subject to ~~section 16.5~~, sections 16.5 to 16.8, 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)-:~~

- (a) in relation to any single event or series of related events, \$12,500,000; and
- (b) in any Year, \$37,500,000, irrespective of the number of events in that Year.

For the purposes of this section 16.4, an event is part of a series of related events only if that event or events factually arise from the same cause. The limitations in this section 16.4 shall not apply in respect of or include the payment of any Charges or OBA Charges.

16.5 The amounts referred to in section 16.4(a) and (b) shall each be adjusted annually on 1 October of each Year by multiplying each Capped Amount for the previous Year by the following adjustment factor:

$$\text{Adjustment Factor} = \frac{\text{CPI}_n}{\text{CPI}_{(n-1)}}$$

where:

CPI<sub>n</sub> means the most recently published CPI Index for the June quarter in the preceding Year; and

CPI<sub>(n-1)</sub> means the most recently published CPI Index for the June quarter in the Year that is 2 years prior to the Year in which the adjustment is being made.

The adjusted Capped Amounts calculated pursuant to this section 16.5 shall be rounded to the nearest whole number.

The adjusted Capped Amounts shall not be retrospectively adjusted in the event the Government Statistician (or his/her replacement as the case may be) later revises the previously published values of the CPI Index.

The first adjustment will take place on 1 October in the Year following the first Year of this Agreement.

**Liability where First Gas is the Liable Party ~~under multiple agreements~~**

16.6 ~~16.5~~ Where:

- (a) First Gas is the Liable Party; and
- (b) First Gas' liability is or may be wholly or partially caused or contributed to by a breach of any ~~other interconnection agreement~~ 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~~ Interconnected Parties or Shippers (Liable Third Parties),

then First Gas' liability shall be limited to the aggregate of the amount ~~so recovered~~ received by First Gas in payment from any such Liable Third Party (including under any indemnity from the Liable Third Party) in respect of any such breach by the Liable Third Party which gave rise to such liability for First Gas (less any reasonable costs and expenses, including legal costs and expenses on a solicitor and own client basis, incurred by First Gas in connection with pursuing any such recovery) 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). First Gas is to use its reasonable endeavours to pursue and seek recovery from the Liable Third Party of any damages payable to First Gas as a result of a breach by the Liable Third Party of the relevant TSA and/or ICA.

16.7 ~~16.6~~ Where:

- (a) First Gas is the Liable Party; and
- (b) First Gas is or may be liable to one or more ~~interconnected parties~~ Interconnected Parties under any other ~~interconnection agreement~~ Interconnection Agreement and/or Shippers under any TSA (each such ~~interconnection agreement~~ Interconnection Agreement or TSA being a *Coincident Agreement*); and
- (c) the sum of First Gas' liability (including under any indemnity) to the Interconnected Party and to any other ~~interconnected parties~~ 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.

16.8 ~~16.7~~ Where the Liable Party is not First Gas, the maximum aggregate liability of the Liable Party to First Gas under this Agreement ~~or~~ and any *Coincident Agreement* shall not exceed the ~~relevant~~ Capped Amount.

**General**

16.9 ~~16.8~~ 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.

16.10 ~~16.9~~ 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**

16.11 ~~16.10~~ If First Gas is the subject of a claim by a Shipper or ~~third party (the Claimant)~~ any Interconnected Party 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:

- (a) First Gas shall immediately give notice of the claim to the Interconnected Party;
- (b) First Gas will not make any payment or admission of liability in respect of the claim without the prior written consent of the Interconnected Party. The Interconnected Party will not unreasonably withhold or delay its consent under this *section 16.11(b)*;
- (c) 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:
  - (i) indemnify First Gas against any liabilities resulting from that claim and/or defence of that claim except to the extent that First Gas has caused those liabilities; and
  - (ii) pay any reasonable costs 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~~16.11(c)* (other than allowing a defence in First Gas' name) in circumstances where First Gas has reasonable grounds to refuse such assistance;

- (d) if the Interconnected Party elects to defend a claim under *section ~~16.10~~16.11(c)* then it may choose its own counsel for its defence. The costs of counsel will be met by the Interconnected Party;
- (e) First Gas will not take any active steps which could be expected to directly result in the occurrence of an event for which an indemnity is payable under *section ~~16.10~~16.11(c)(i)*; and
- (f) the Interconnected Party shall not be required to make any payment in respect of any claim under this *section ~~16.10~~16.11* based on a contingent liability until the contingent liability becomes an actual liability and is due and payable.

~~16.11 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:~~

- ~~(a) — 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:~~
- ~~(i) — 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~~
- ~~(ii) — 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 such assistance;~~
- ~~(b) — 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;~~
- ~~(c) — 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;~~
- ~~(d) — 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~~
- ~~(e) — First Gas will not take any active steps which could be expected to directly result in the occurrence of an event for which an indemnity is payable under *section 16.11(a)(i)*.~~

16.12 The Interconnected Party shall not make any claim, demand or commence proceedings directly against any Shipper [or another Interconnected Party](#) in relation to that Shipper's [or other Interconnected Party's](#) breach of its TSA [or ICA \(as applicable\)](#) 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~~ [a TSA or ICA](#). 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, [GTA or Allocation Agreement](#).

16.13 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 any](#) 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 if applicable.~~

16.14 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.

16.15 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.;~~

(a) a TSA shall include a reference to any Supplementary Agreement, Existing Supplementary Agreement or Interruptible Agreement (and a reference to a Shipper shall include a reference to a shipper under any such agreement);

(b) a breach of, or liability under, a TSA shall include any breach of, or liability under, a Supplementary Agreement, Existing Supplementary Agreement or Interruptible Agreement;

(c) an ICA or Interconnection Agreement shall include a reference to this Agreement, any Existing Interconnection Agreement and any other interconnection agreement (and a reference to an Interconnected Party shall include a reference to an interconnected party under any such agreement); and

(d) a breach of, or liability under, an ICA or Interconnection Agreement shall include any breach of, or liability under, this Agreement, any Existing Interconnection Agreement and any other interconnection agreement.

## 17 REGULATORY CHANGE

17.1 If a Party (Submitting Party) becomes aware of, or anticipates the introduction of, a Regulatory Change that necessitates a change to this Agreement, that Party may submit a change request requesting one or more of those changes (a *Regulatory Change Request*).

17.2 ~~Neither~~The other Party (*Approving Party*) will not withhold approval of any Regulatory Change Request submitted by the ~~other~~Submitting Party, so long as:

(a) the changes requested are reasonably necessary to enable the Submitting Party ~~requesting them~~ to comply with the relevant Regulatory Change while continuing to perform its obligations under, and receive the intended benefit of, this Agreement;

(b) the Approving Party is technically and operationally capable of implementing the associated changes;

- (c) any costs to be charged to either Party pursuant to the Regulatory Change Request are reasonable in the circumstances; and
- (d) the Regulatory Change Request is otherwise reasonable.

17.3 Each Party will use commercially reasonable endeavours to prevent or mitigate (as applicable) the cost and impact of any Regulatory Change for which it seeks a change to this Agreement.

[17.4 The Parties shall enter into and execute an amendment or variation agreement in respect of this Agreement which records and gives effect to an approved Regulatory Change Request.](#)

## 18 DISPUTE RESOLUTION

18.1 Subject to *sections 12.6 and 12.8*, in the event of any dispute of whatever nature arising between the Parties the disputing Party shall notify the other Party of that dispute in writing (*Dispute Notice*). On receipt of a Dispute Notice, the Parties shall use reasonable endeavours to resolve the dispute by negotiation.

18.2 If the dispute is not resolved by negotiation within 15 Business Days (or such other period as the Parties may agree in writing) of the date of the Dispute Notice, then the Parties shall submit the dispute to:

- (a) resolution by an independent expert agreeable to both parties; or
- (b) where the Parties cannot agree upon an independent expert within 5 Business Days after the expiry of the negotiation period referred to above, arbitration pursuant to the Arbitration Act 1996 (excluding paragraphs 4 and 5 of the Second Schedule to that Act).

18.3 The arbitration will be conducted by an arbitrator appointed:

- (a) jointly by the Parties; or
- (b) if the Parties cannot agree on an arbitrator within 25 Business Days of the date of the Dispute Notice, by the President of the Arbitrators and Mediators' Institute of New Zealand upon the application of either Party.

18.4 Nothing in this *section 18* affects either Party's right to seek urgent interlocutory relief.

## 19 GENERAL AND LEGAL

### Notices

19.1 Subject to *section 19.2*, all legal notices to be provided under this Agreement (~~which excludes~~excluding OFOs and all operational notifications ~~of an operational nature~~ required to be provided ~~under this Agreement~~ via OATIS, except where First Gas declares that OATIS is not operational) must be in writing and shall be deemed

served if personally delivered (including via courier) or sent by registered mail or email to:

- (a) in the case of First Gas, the contact set out below (or other contact First Gas may notify in writing):

Transmission Manager – Commercial  
First Gas Limited  
Level 6, ~~Resimac House~~ Midland Chambers  
45 Johnston Street  
PO Box 865  
Wellington 6011,

Email: ~~[ ]~~ Commercial.analyst@firstgas.co.nz; and

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

[ ]  
[ ]  
[ ]  
[ ]  
[ ]  
[ ],

Email: [ ]@abcde.co.nz

19.2 Any legal notice sent (excluding OFOs and other operational notices):

~~(a) via OATIS; or~~

(a) ~~(b)~~ by email shall expressly and prominently state that it is a formal notice for the purposes of this section 19 and (unless the sender receives an automatic response stating that the recipient's email address does not exist or that the email has not been successfully sent):

- (i) if sent prior to 1600 on any Business Day, be deemed served on that Business Day; or  
(ii) if sent after 1600 on any Business Day, shall be deemed served on the next Business Day.

except in the case of a notice given under section 15.3, which shall be deemed served at the time received by the recipient; or

(b) ~~(e)~~ by registered mail shall be deemed served on the earlier of the date of receipt or on the second Business Day after the notice was committed to post.

A notice concerning breach of this Agreement must be sent by email.

**Confidential Information and Disclosure of Agreement**

19.3 Subject to section 19.4 and section 19.5, 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.

19.4 A Party may disclose such information to the extent that:

- (a) the information is in the public domain, other than by a breach of this Agreement by such Party;
- (b) the information was already known to the Party and was not then subject to any obligation of confidentiality;
- (c) disclosure to such Party's professional advisor(s) or consultant(s) on a need to know basis is required;
- (d) 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;
- (e) 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;
- (f) 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;
- (g) the other Party has consented in writing to the use or disclosure;
- (h) the information is obtained from a third party, whom such Party believes, in good faith, to be under no obligation of confidentiality;
- (i) disclosure is to such Party's auditors; or
- (j) disclosure is required pursuant to the resolution of any dispute under this Agreement.

Notwithstanding anything in this Agreement to the contrary, no Party shall be required to disclose information that it is precluded from disclosing by law or third party contractual confidentiality obligations.

19.5 ~~19.3~~ The Parties agree that ~~the existence and terms of~~ this Agreement ~~is~~are 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 (and are not otherwise confidential).~~ First Gas will promptly after the date of first gas flow under this Agreement make available this Agreement (and any amendment) in full on OATIS and may otherwise disclose such ICA (and any amendment) to any other person.



### **Records**

19.6 ~~19.4~~ Each Party shall maintain proper books and records in relation to matters which are the subject of this Agreement for a period of not less than seven years (including test results and monitoring data for a period of not less than seven years after the date it was collected).

### **Waiver**

19.7 ~~19.4~~ No failure, delay or indulgence by a Party in exercising any power or right conferred on that Party by this Agreement will operate as a waiver of that power or right.

### **Entire Agreement**

19.8 ~~19.5~~ This Agreement constitutes the entire agreement between the Parties in relation to the subject matter of this Agreement and supersedes all prior negotiations, representations and agreements between the Parties in relation to its subject matter.

### **Amendment**

19.9 ~~19.6~~ Except as otherwise expressly set out in this Agreement, no variation, modification or waiver of any provision of this Agreement shall be of any force or effect unless it is in writing and signed by both Parties.

### **Severability**

19.10 ~~19.7~~ If any section or provision of this Agreement shall be held to be illegal or unenforceable by any judgment of any Court or tribunal having competent jurisdiction, that judgment shall not affect the remaining provisions of this Agreement, which shall remain in full force and effect as if that illegal or unenforceable section or provision had not been included in this Agreement, but only if severance does not materially affect the purpose of, or frustrate, this Agreement, ~~in which case.~~ In that event the severed section or provision shall be modified to the extent necessary to render it legal, valid and enforceable and to reflect the economic and operational effect of the severed section or provision to the maximum extent practicable.

### **Exclusion of Implied Terms**

19.11 ~~19.8~~ All terms and conditions relating to this Agreement that are implied by law or custom are excluded to the maximum extent permitted by law.

### **Exclusion of Consumer Legislation**

19.12 ~~19.9~~ The Parties acknowledge and agree that, in relation to this Agreement:

- (a) the Parties are in trade and agree to contract out of the provisions of the Consumer Guarantees Act 1993, and it is fair and reasonable to do so; and
- (b) the provisions of sections 9, 12A, 13 and 14(1) of the Fair Trading Act 1986 shall not apply to the obligations of the Parties under this Agreement, and that it is fair and reasonable that the Parties contract out of those provisions.

### **Contractual Privity**

[19.13](#) ~~19.10~~ This Agreement shall not, and is not intended to, confer any benefit on, or create any obligation enforceable at the suit of, any person who is not a Party to this Agreement.

### **Counterparts**

[19.14](#) ~~19.11~~ This Agreement may be executed in two counterparts. Once the Parties have executed the counterparts, and each Party has received a copy of the signed counterpart which that Party did not execute, each counterpart will be deemed to be as valid and binding on the Party executing it as if it had been executed by both Parties.

### **Transfers**

[19.15](#) ~~19.12~~ Neither Party shall transfer, whether by way of assignment, novation or otherwise, any of its rights or obligations under this Agreement unless it has obtained the other Party's prior written consent, which must not to be unreasonably withheld or delayed.

[19.16](#) ~~19.13~~ Neither Party shall transfer, whether by way of assignment, novation or otherwise, any of its rights and obligations under this Agreement, unless it believes that the transferee is capable of meeting that Party's obligations under this Agreement.

### **Assignment**

[19.17](#) ~~19.14~~ Where this Agreement is transferred by way of assignment pursuant to *section* ~~19.12~~ [19.15](#) and ~~19.13~~, [19.16](#), the transferring Party (*Assignor*) assigns or transfers this Agreement, the Assignor shall remain liable to the other Party for the due performance of all obligations arising under this Agreement prior to the date of assignment as primary obligor and not merely as surety or guarantor only. Where the Assignor is the Interconnected Party then, notwithstanding any other term of the assignment, the Interconnected Party shall continue to pay directly to First Gas any amounts payable under this Agreement up to and including the last Day of the Month during which the assignment takes effect.

[19.18](#) ~~19.15~~ Prior to any assignment or transfer of this Agreement, the Assignor must obtain execution by the assignee of a deed of covenant, in favour of the other Party, binding the assignee to perform all the Assignor's obligations under this Agreement.

### **Novation**

[19.19](#) ~~19.16~~ Where this Agreement is transferred by way of novation pursuant to *sections* ~~19.12~~ [19.15](#) and ~~19.13~~, [19.16](#), the transferring Party (*Exiting Party*), the other Party (*Counterparty*) and the party to whom this Agreement is to be novated (*Incoming Party*) must enter into a deed of novation, the terms of which shall be agreed between them, but which shall contain as a minimum ~~require~~ requirement that:

- (a) with effect from the date of novation:
  - (i) the Incoming Party shall be substituted for the Exiting Party under this Agreement;

- (ii) the Exiting Party shall then be released from all of its obligations and liabilities under this Agreement; and
- (iii) the Incoming Party shall:
  - A. be bound by, comply with and be liable to the Counterparty under, all the provisions of this Agreement; and
  - B. enjoy all the rights and benefits of the Exiting Party under this Agreement; and
- (b) the Exiting Party shall retain all of its rights, and be liable to the Counterparty for all of its obligations under this Agreement up to the date of novation, provided that where the Exiting Party is the Interconnected Party then, notwithstanding any other term of the novation, the Interconnected Party shall continue to pay directly to First Gas any amounts payable under this Agreement up to and including the last Day of the Month during which the novation takes effect.

### **Governing Law**

19.20 ~~19.17~~ This Agreement shall be construed and interpreted in accordance with the law of New Zealand and the Parties submit to the non-exclusive jurisdiction of the New Zealand courts.

## ~~20~~ **DEFINITIONS AND CONSTRUCTION**

### **Defined Terms**

~~20.1~~ Subject to ~~section 20.2~~, capitalised terms have the meaning given to those terms in the Code.

~~20.2~~ In this Agreement:

*Additional Delivery Point* means a Delivery Point that:

- ~~(a)~~ is built after the Commencement Date; or
- ~~(b)~~ is in operation on the Commencement Date but which First Gas agrees to make material (in the opinion of First Gas) modifications to at any later date,

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

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

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

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

~~Charges means all amounts payable by the Interconnected Party under this Agreement except OBA Charges;~~

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

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

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

~~Delivery Point means a facility that complies with the technical requirements in Schedule Two at which Gas is taken (or may be taken) from First Gas' Pipeline into the Interconnected Party's Pipeline, and includes any Additional Delivery Point, in each case 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:~~

- ~~(a) a Party reasonably believes that the safe transportation of Gas in its own or the other Party's Pipeline is significantly at risk;~~
- ~~(b) 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;~~
- ~~(c) First Gas' ability to make Gas available for the Interconnected Party to take at a Delivery Point is impaired; or~~
- ~~(d) 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;~~

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

~~Gas-on-Date means the date on which the Interconnected Party may first take Gas at a Delivery Point (or Additional Delivery Point);~~

~~*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;~~

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

~~*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;~~

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

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

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

~~*MAOP* means maximum allowable operating pressure;~~

~~*Maximum 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;~~

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

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

~~*Odourisation 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:~~

~~(a) First Gas, those parts of the Transmission System used to convey Gas to a Delivery Point; and~~

~~(b) the Interconnected Party, the pipeline which connects to a Delivery Point and:~~

~~(i) conveys Gas taken at that Delivery Point to an End user; or~~

~~(ii) 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;~~

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

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

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

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

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

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

~~Termination Fee means, in respect of any Delivery Point for which an Interconnection Fee is payable, the amount that represents the cost to First Gas of that Delivery Point that remains to be recovered at the end of any Year, determined and notified by First Gas in accordance with section 11; and~~

~~Work Permit means the relevant permit issued by First Gas to the Interconnected Party under First Gas' current "Permit to Work Procedure" pursuant to section 13.2.~~

### **Code Amendments and Precedence**

~~20.3 Where the Code confers rights or places obligations on the Interconnected Party, or refers to sections or terms of the Code, this Agreement will be deemed to be amended automatically if and when those rights or obligations, or sections or terms of the Code, are amended. In the event of any conflict or ambiguity between a provision of this Agreement and the Code, the Code shall prevail. In the event the Code is terminated during the term of this Agreement (and not replaced), this Agreement will:~~

- ~~(a) survive that termination and continue in full force and effect until the Expiry Date (subject to earlier termination in accordance with section 14); and~~
- ~~(b) the relevant terms of the Code will continue in full force and effect for the term of this Agreement unless First Gas and the Interconnected Party agree to amend them.~~

### **Construction**

~~20.4 In this Agreement, unless the context otherwise requires:~~

- ~~(a) "take" includes to cause or allow Gas to flow at a Delivery Point;~~
- ~~(b) "curtail" includes to reduce, either partly or to zero and to shut or close down;~~
- ~~(c) any reference to a "quantity of Gas" or an "energy quantity" is a reference to GJ of Gas unless otherwise stated;~~
- ~~(d) "scm" is a reference to "standard cubic metre", namely a cubic metre of gas at standard temperature and pressure, i.e. 15 °C and 1.01325 bar absolute;~~
- ~~(e) any reference to "metered quantity" is a reference to the quantity of Gas determined using data obtained from Metering;~~
- ~~(f) all sections of this Agreement (excluding the definition of Non Specification Gas) apply to Non Specification Gas as if it were Gas;~~
- ~~(g) headings are for ease of reference only and shall not form any part of the context or affect the interpretation of this Agreement;~~

- ~~(h) references to persons shall be deemed to include references to individuals, companies, corporations, firms, partnerships, joint ventures, associations, organisations, trusts, states or agencies of state, government departments and local and municipal authorities in each case whether or not having separate legal personality;~~
- ~~(i) a reference to any enactment, regulation, New Zealand Standard or any section of the Code, is a reference to that enactment, regulation, New Zealand Standard or section as amended or substituted;~~
- ~~(j) any reference to a document includes all valid amendments, variations or supplements to, or replacements of that document;~~
- ~~(k) references to a Party includes its respective successors and permitted assignees;~~
- ~~(l) the singular includes the plural and vice versa;~~
- ~~(m) any derivation of a defined term or "take" or "curtail" shall have a corresponding meaning;~~
- ~~(n) any reference to any person doing any specific thing includes that party doing (or having the right or ability to do that thing), unless specified otherwise;~~
- ~~(o) any reference to a prohibition against doing something includes a reference to not permitting, suffering or causing that thing to be done;~~
- ~~(p) any reference to a range of sections includes the first and last sections referenced;~~
- ~~(q) all references to any time of the Day shall, unless expressly referring to New Zealand standard time, be references to New Zealand statutory time (that is, including adjustments for New Zealand daylight savings time);~~
- ~~(r) any reference to "includes", "including" or similar shall imply no limitation; and~~
- ~~(s) any reference to "law" includes all statutes, regulations, codes of practice and local authority rules.~~



**EXECUTION:**

**First Gas Limited** by:

[ ] **Limited** by:

=

=

\_\_\_\_\_  
Signature of authorised signatory

\_\_\_\_\_  
Signature of authorised signatory

\_\_\_\_\_  
Name of authorised signatory

\_\_\_\_\_  
Name of authorised signatory

**ICA SCHEDULE ONE: DELIVERY POINT DETAILS**

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

**ICA SCHEDULE TWO: TECHNICAL REQUIREMENTS**

- 1.1 The design, construction, commissioning, operation and maintenance of each Delivery Point (including any Interconnected Party Equipment) shall:
- (a) conform with good gas industry engineering practice (it being acknowledged that for Delivery Points which exist as of 1 October 2019 such good gas industry engineering practice shall, up until 1 October 2021, reflect applicable practices and equipment in place as at 1 October 2019); and
  - (b) comply with the requirements of recognised and applicable standards as well as all current and relevant laws, including:
    - (i) ~~(a)~~ AS 2885.1: ~~2007~~2012 Pipelines - Gas and Liquid Petroleum, Part 1: Design and Construction;
    - (ii) ~~(b)~~ Gas Act 1992 and ~~the Gas Regulations~~associated regulations;
    - (iii) ~~(c)~~ Health and Safety at Work Act 2015;
    - (iv) ~~(d)~~ Health and Safety in Employment (Pipelines) Regulations;
    - (v) ~~(e)~~ Resource Management Act 1991;
    - (vi) ~~(f)~~ Electrical (Safety) Regulations;
    - (vii) ~~(g)~~ AS/NZS 3000 - Wiring Rules;
    - (viii) ~~(h)~~ AS/NZS 60079.14 - Explosive Atmospheres: Electrical Installations, Design Selection and Erection; and
    - (ix) ~~(i)~~ mandatory Codes of Practice and Standards associated with any of the above.
- 1.2 Each Delivery Point must incorporate:
- (a) appropriate security fencing to reasonably prevent unauthorised access;
  - (b) adequate means of access and egress for vehicles and personnel;
  - (c) adequate space to accommodate and permit the safe operation and maintenance of all equipment and structures;
  - (d) Metering;
  - (e) clear signs indicating Hazardous areas, and restricted access areas;

- (f) only electrical equipment that complies with ~~the NZ Electricity Act and Regulations~~[applicable legislation that relates to such electrical equipment](#);
  - (g) an above-ground isolation valve to allow First Gas to securely and safely isolate its Pipeline from the Interconnected Party's Pipeline;
  - (h) 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;
  - (i) 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;
  - (j) equipment to reasonably prevent any solid or liquid contaminants from affecting meters or other sensitive equipment or reaching the Interconnected Party's Pipeline;
  - (k) a flow-restriction device (sonic nozzle or restriction orifice plate) to prevent over-speeding of any meter;
  - (l) a check (non-return) valve to prevent reverse flow through any meter where First Gas considers that could otherwise occur.
- 1.3 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*).
- 1.4 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.
- 1.5 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:
- (a) primary means of pressure control; and
  - (b) 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.
- 1.6 Pursuant to *paragraph 1.5*, unless the Parties agree otherwise in writing:

- (a) the primary means of pressure control shall comprise an active regulator in both the working stream and the standby stream; and
  - (b) the means of over-pressure protection shall comprise:
    - (i) a monitor regulator in both the working stream and the standby stream; and
    - (ii) 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
    - (iii) a slam-shut valve; or
    - (iv) all of (i), (ii) and (iii).
- 1.7 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.
- 1.8 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.
- 1.9 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.
- 1.10 First Gas may install, or require the installation of, means to remotely control the flow of Gas at a Delivery Point.



**Schedule to Amending Agreement**

<b>Delivery Point</b>	<b>[name] (alpha-numeric)</b>			
<b>Address</b>				
<b>Metering Location</b>	At the Delivery Point			
<b>Metering Owner</b>	<a href="#">[To be specified]</a>			
<b>Maximum Design Flow Rate</b>	[ ] scm/hour			
<b>Physical MHQ</b>	[ ] GJ			
<b>Minimum Design Flow Rate</b>	[ ] scm/hour			
<b>Delivery Pressure</b>	Controlled / Uncontrolled			
<b>Pressure Control Settings:</b>				
	<b>Active</b>	<b>Monitor</b>	<b>Relief</b>	<b>Slam-shut</b>
Working Stream, bar g				
Standby Stream, bar g				
<b>Maximum Delivery Pressure</b>	[ ] bar g (incl. allowable over-pressure)			
<b>Gas Heating Required:</b>	Yes			
<b>MAOP of First Gas' Pipeline</b>	[ ] bar g			
<b>MAOP of Interconnected Party's Pipeline</b>	[ ] bar g			
<b>Delivery Point Owner</b>	First Gas			
<del><b>Delivery Point Land Tenure</b></del>	<del>{First Gas freehold / Lease}</del>			
<b>Interconnection Point</b>	[The outlet flange of the valve designated HV-XXXX on First Gas' [ ] Flowsheet - Piping & Instrument Diagram number [XXXXXX-AAAA-NNN-TT]]			
<b>Interconnected Party Equipment</b>				
<b>Odourisation Status of First Gas' Pipeline</b>	Odourised / Unodourised			

**Provisional Fees Payable by the Interconnected Party**

<b>Year Ending 30 September:</b>	<b>Interconnection Fee (dollars/Day)</b>	<b><a href="#">Termination Fee (Delivery Point) (dollars)</a></b>	<b>Odourisation Fee (dollars/Day)</b>	<b><a href="#">Termination Fee (Odourisation Facilities) (dollars)</a></b>

INTERCONNECTION AGREEMENT FOR DELIVERY POINTS




Document comparison by Workshare 9.5 on Tuesday, 11 September 2018  
9:31:53 AM

Input:	
Document 1 ID	file://C:\Users\phz\AppData\Local\Temp\01zgogqh\23280572_1 [8 december 2017 dp ica].docx
Description	23280572_1 [8 december 2017 dp ica]
Document 2 ID	file://C:\Users\phz\AppData\Local\Temp\pl1hqkfc\23279726_1 interconnection-agreement-for-delivery-points 11918.docx
Description	23279726_1 interconnection-agreement-for-delivery-points 11918
Rendering set	Standard

Legend:	
<a href="#">Insertion</a>	
<del>Deletion</del>	
<del>Moved from</del>	
<a href="#">Moved to</a>	
Style change	
Format change	
<del>Moved deletion</del>	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	769
Deletions	446
Moved from	134
Moved to	134
Style change	0
Format changed	0
Total changes	1483