

LOAD CURTAILMENT AGREEMENT

DATE:

PARTIES

Vector Gas Limited (*Vector*)

[] **Limited** (*the Shipper*)

BACKGROUND

- A Vector is engaged in the transmission of Gas.
- B Vector and the Shipper are parties to a Transmission Services Agreement dated [] (the *underlying TSA*), and may be party to one or more Supplementary Agreements which together specify the terms and conditions on which Vector agrees to transmit Gas on behalf of the Shipper.
- C This Agreement is a "Supplementary Agreement" as defined in the Code and supplements and amends the underlying TSA and any relevant Supplementary Agreements in compliance with section 2.7(e) of the Code for the purposes of delivery of Gas to an End-user.
- D The Shipper agrees to procure a temporary reduction, curtailment or shutdown in an End-user's offtake of Gas when required by Vector, subject to the terms and conditions of this Agreement.

AGREEMENT:

The following terms and conditions shall apply to this Agreement:

PART A: PROVISIONS SUPPLEMENTING AND AMENDING THE UNDERLYING TSA FOR THE PURPOSES OF DELIVERY OF GAS TO THE END-USER

1 DEFINITIONS

1.1 Defined terms

In this Agreement:

Agreement means this Load Curtailment Agreement, including this Part A (Provisions Supplementing and Amending the underlying TSA for the purposes of delivery of Gas to the End-user), Part B (Incorporation of the underlying TSA), Schedule One and Schedule Two;

Amending Agreement means an agreement in the form set out in Schedule Two;

Availability Fee has the meaning set out in the Code;

Code means the Vector Transmission Code, a copy of which was posted on OATIS on 26 November 2007, as amended from time to time in accordance with its terms;

Commencement Date means [];

Curtailment has the meaning given in clause 3.1;

Curtailment End Time has the meaning set out in clause 3.4(c);

~~*Curtailment Fee* has the meaning set out in the Code;~~

~~*Curtailment Notice* has the meaning given in clause 3.2(a);~~

Curtailment Start Time has the meaning given in clause 3.4(b);

Delivery Point means the delivery point (as such point may be described by Vector from time to time) from which an End-user takes Gas, either directly, or indirectly via a Distribution System, as set out in Schedule One;

End-user means an end-user specified in Schedule One;

Expiry Date means 30 September [];

Hourly Offtake means, in respect of an Hour:

- (a) where an End-user takes Gas from a Distribution System, the GJ derived from the quantity of Gas measured by the TOU Meter as having been taken at the relevant ICP in that Hour; or
- (b) where an End-user takes Gas directly from a Delivery Point, the GJ of Gas determined by Vector as having been taken at that Delivery Point in that Hour;

~~*Low Pressure Event* means an event where the pressure at the inlet to a delivery point is equal to or less than the minimum acceptable pressure specified in:~~

~~(a) Vector's "Security Standard", as published by Vector from time to time; and/or~~

~~(b) Schedule 1 of the CCM Regulations;~~

Maximum Curtailable Quantity means the maximum reduction in Hourly Offtake an End-user has agreed to make in a Curtailment, as set out in Schedule One;

Maximum Hourly Offtake means the maximum quantity of Gas that an End-user is permitted to take in any Hour during a Curtailment, as set out in Schedule One;

Non-Curtailable Quantity (if any) means the quantity of Gas below which an End-user is not required to reduce its Hourly Offtake during a Curtailment, as set out in Schedule One;

Receipt Point means the receipt point (as such point may be described by Vector from time to time) at which Vector receives Gas from the Shipper for transmission to the Delivery Point;

TOU Meter means the "gas measurement system", complying with NZS 5259:2008, that measures all Gas taken by an End-user from a Distribution System, and which includes an electronic corrector which records the actual hourly quantity of Gas (in cubic metres at actual pressure and temperature) measured by the meter in each Hour for a period of not less than 1,008 consecutive Hours together with the actual pressure and temperature of Gas at the meter in each such Hour;

Transmission Capacity means, in respect of an End-user:

- (a) where there is no Supplementary Agreement, the Shipper's Maximum Daily Quantity (GJ) for the relevant Receipt – Delivery Point under the underlying TSA; or
- (b) where there is a Supplementary Agreement, the maximum daily quantity (GJ) set out therein; and

Under-Curtailment Quantity has the meaning set out in clause 5.2.

1.2 In this Agreement, unless the context otherwise requires, clause references are references to clauses in Part A of this Agreement.

1.3 Capitalised terms not defined in this Agreement have the meaning given to those terms in the Code.

2 TERM

Commencement Date

2.1 This Agreement shall commence on the later of:

- (a) the Commencement Date; and
- (b) the date it is signed by both Parties.

Expiry Date

- 2.2 This Agreement shall expire on the earlier of termination of the underlying TSA in accordance with the Code and the Expiry Date.
- 2.3 This Agreement shall expire in respect of an individual End-user on the earlier of:
- (a) the expiry date set out on the relevant page of Schedule One;
 - (b) that End-user switching to another Shipper (as defined in the Code); or
 - (c) expiry or termination of the Supplementary Agreement in respect of that End-user (if any).

3 CURTAILMENT OF END-USER'S OFFTAKE

Right of curtailment

- 3.1 ~~In accordance with the Code, t~~The Shipper acknowledges and agrees that Vector may require the Shipper to (and in such case the Shipper will) procure an End-user to temporarily reduce, curtail or shutdown its offtake of Gas in accordance with the applicable page of Schedule One, and the terms of this Agreement and the Code to avoid or reduce the likelihood of a Low Pressure Event (a *Curtailment*).

Vector to notify End-user

- 3.2 The Parties acknowledge and agree that:
- (a) to effect each Curtailment, Vector shall notify an End-user directly by issuing a Curtailment Notice in accordance with the Code and clauses 3.3 and 3.4 ~~(a Curtailment Notice)~~;
 - (b) Vector shall give the End-user as much notice of a Curtailment as is reasonably practicable, but shall not be obliged to give more than 3 hours' notice;
 - ~~(c) as soon as reasonably practicable after issuing a Curtailment Notice, Vector shall publish a critical notice on OATIS (copied to all Shippers and with both the Email Alert and SMS Alert options selected) which shall include the information given to an End-user pursuant to clause 3.4;~~
 - ~~(d)~~(c) the Shipper shall procure that the End-user ~~promptly~~ complies with each Curtailment Notice; and
 - ~~(e)~~(d) the Shipper shall promptly notify Vector in writing should it become aware of any change in an End-user contact's details.

3.3 Vector shall give each Curtailment Notice by telephone (notwithstanding any other notice requirements of the Code) to one of the End-user contacts set out in Schedule One, and:

- (a) a Curtailment Notice shall be deemed given at the time such telephone call is made; and
- (b) Vector will use reasonable endeavours to copy each Curtailment Notice by email as soon as practicable, provided that the Shipper will procure that the End-user ~~shall act~~ in accordance with the telephoned Curtailment Notice and not wait for any such email.

Content of Curtailment Notice

3.4 Each Curtailment Notice shall comply with any of the End-user's requirements set out in Schedule One and shall specify:

- (a) the Day or Days covered by the Curtailment Notice;
- (b) the time at which the Curtailment shall start (*Curtailment Start Time*);
- (c) the time at which the Curtailment shall end (*Curtailment End Time*); and
- (d) a specified reduction in Hourly Offtake (GJ) and/or the Maximum Hourly Offtake (GJ) for the period of the Curtailment.

No change to underlying TSA or Supplementary Agreement

3.5 Neither the issue of a Curtailment Notice nor any other action Vector may take pursuant to this Agreement shall in any way amend:

- (a) the underlying TSA; or
- (b) the Supplementary Agreement in respect of an End-user (if any); or
- (c) the Shipper's Transmission Capacity; or
- (d) the Shipper's liability to pay Transmission Charges under the underlying TSA or transmission fees under the relevant Supplementary Agreement.

4 PAYMENTS UNDER THIS AGREEMENT

4.1 Subject to clause 5, Vector shall (in its capacity as Congestion Management Trustee~~CMP Trustee~~) pay to the Shipper in respect of each End-user:

- (a) the Availability Fee; and

(b) the Curtailment Fee in respect of each Curtailment;

as set out on the relevant page of Schedule One.

4.2 The Shipper agrees that it will, on receipt of each payment pursuant to clause 4.1, promptly pay the agreed amount to the relevant End-user.

4.3 Except as set out in this clause 4, Vector shall not be liable in any way to the Shipper or the End-user in relation to a Curtailment. The Shipper shall procure that the End-user agrees this in writing for the benefit of, and enforceable by, Vector and each of Vector's related parties in accordance with the Contracts (Privity) Act 1982.

5 CONSEQUENCES OF NON-COMPLIANCE

5.1 In the event an End-user fails to fully comply with a Curtailment Notice for any reason:

(a) the Availability Fee shall not be payable for any Month in which such non-compliance occurred; and

(b) no Curtailment Fee shall be payable in respect of such non-Curtailment.

5.2 The Shipper acknowledges and agrees that, should an End-user fail to comply with any Curtailment Notice, Vector or its related parties may suffer loss even if the Shipper's offtake of Gas at the relevant Delivery Point does not exceed the Shipper's Transmission Capacity. The quantity (GJ per Day) by which an End-user fails to comply with a Curtailment Notice (*Under-Curtailment Quantity*) shall constitute:

(a) an Unauthorised Overrun Quantity under the underlying TSA; or

(b) an overrun quantity under the Supplementary Agreement (if any),

and shall determine the extent of the Shipper's liability to Vector under section 4.23 of the Code or, where there is a Supplementary Agreement, under the corresponding provisions of that agreement.

6 CHANGES TO SCHEDULE ONE

6.1 At any time during the term of this Agreement the Parties may amend this Agreement in respect of an End-user by executing an Amending Agreement.

7 DISCLOSURE OF AGREEMENT

- 7.1 The Parties agree (and the Shipper shall procure that each End-user agrees) that this Agreement, including all information in relation to End-users set out in Schedule One, is not Confidential Information and that either Party may disclose this Agreement to any other person.

PART B: INCORPORATION OF THE UNDERLYING TSA

- 1 Each Party agrees that:
- 1.1 this Agreement (on commencement in accordance with clause 2.1);
 - 1.2 the underlying TSA (including all the terms and conditions of the Code and no other terms and conditions other than the necessary information required to complete Part A of a TSA), as amended or replaced; and
 - 1.3 a Supplementary Agreement (if any),

together comprise the agreement between the Parties in relation to the transmission of Gas from the relevant Receipt Point to the relevant Delivery Point for supply to an End-user, provided that to the extent Part A of this Agreement supplements and amends the terms and conditions of the underlying TSA in compliance with section 2.7(e) of the Code, the terms and conditions of Part A of this Agreement shall prevail.

- 2 This Agreement may be executed in two counterparts. Once the Parties have executed the counterparts, and each Party has received a copy of each 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.

Signed for and on behalf of
Vector Gas Limited (in its capacity as
Congestion Management Trustee) by:

Signed for and on behalf of
[] Limited
by:

Signature of authorised signatory

Signature of authorised signatory

Name of authorised signatory

Name of authorised signatory

in the presence of:

in the presence of:

Signature

Signature

Name

Name

Occupation

Occupation

Address

Address

Date

Date

SCHEDULE ONE: END-USER DETAILS

Name			
Address			
ICP Number			
Receipt Point			
Delivery Point			
	Maximum Curtailable Quantity (GJ/hour)	Non-curtailable Quantity (GJ/hour)	Times when Curtailment may occur
Monday	500	75	08:00 – 17:00
Tuesday	500	75	08:00 – 17:00
Wednesday	500	75	08:00 – 17:00
Thursday	500	50	08:00 – 17:00
Friday	500	50	08:00 – 17:00
Saturday	n/a	n/a	n/a
Sunday	n/a	n/a	n/a
Minimum notice required	32 hours		
Required Days between Curtailments	0 / 1 / not restricted		
Maximum Curtailment Frequency	per Month	4 Days	
	per Year	12 Days	
No Curtailment Periods	October – November, inclusive		
Availability Fee (\$/Day)			
Curtailment Fee (\$/GJ)			
First End-user contact (name)			
email address			
Telephone			
Second End-user contact (name)			
email address			
Telephone			
Third End-user contact (name)			
email address			
Telephone			

SCHEDULE TWO: AMENDING AGREEMENT

PARTIES:

Vector Gas Limited (*Vector*)

[] **Limited** (*the Shipper*)

BACKGROUND:

- A The Shipper and Vector are parties to a Load Curtailment Agreement dated [] [as amended by an Amending Agreement dated []] (*the Agreement*).
- B The Parties wish to amend the Agreement as set out in this Amending Agreement.

THE PARTIES AGREE as follows:

1 INTERPRETATION

- 1.1 Terms defined in clause 1.1 of the Agreement shall, unless the context otherwise requires, have the same meaning in this Amending Agreement.
- 1.2 Clause 1.2 of the Agreement shall, unless the context otherwise requires, apply in respect of this Amending Agreement.

2 AMENDMENT TO AGREEMENT

- 2.1 The Parties agree to amend the Agreement with effect from the date this Amending Agreement is signed by both Parties to:
- (a) add an end-user to the Agreement by adding the schedule for [End-user name] to this Amending Agreement to Schedule One of the Agreement;
 - (b) amend an existing End-user's details in Schedule One of the Agreement by replacing the schedule for [End-user name] with the schedule attached to this Amending Agreement; or
 - (c) remove an End-user from the Agreement by removing the schedule for [End-user name] from Schedule One.

3 CONFIRMATION

- 3.1 The Parties agree that, except as set out in this Amending Agreement, the Agreement remains in full force and effect.

EXECUTION:

Vector Gas Limited (in its capacity as Congestion Management Trustee) by: **] Limited** by:

Signature of authorised signatory

Signature of authorised signatory

Name of authorised signatory

Name of authorised signatory

Schedule to Amending Agreement

Name			
Address			
ICP Number			
Receipt Point			
Delivery Point			
	Maximum Curtailable Quantity (GJ/hour)	Non-curtailable Quantity (GJ/hour)	Times when Curtailment may occur
Monday	500	75	08:00 – 17:00
Tuesday	500	75	08:00 – 17:00
Wednesday	500	75	08:00 – 17:00
Thursday	500	50	08:00 – 17:00
Friday	500	50	08:00 – 17:00
Saturday	n/a	n/a	n/a
Sunday	n/a	n/a	n/a
Minimum notice required			
		32 hours	
Required Days between Curtailments			
		0 / 1 / not restricted	
Maximum Curtailment Frequency			
		per Month	4 Days
		per Year	12 Days
No Curtailment Periods			
		October – November, inclusive	

Availability Fee (\$/Day)	
Curtailment Fee (\$/GJ)	
First End-user contact (name)	
email address	
Telephone	
Second End-user contact (name)	
email address	
Telephone	
Third End-user contact (name)	
email address	
Telephone	

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