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GAS CORPORATION ACT 1994

**GAS TRANSMISSION
REGULATIONS 1994**

WESTERN AUSTRALIA

**GAS TRANSMISSION
REGULATIONS 1994**

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GAS CORPORATION ACT 1994
GAS TRANSMISSION REGULATIONS 1994

Made by His Excellency the Governor in Executive Council.

PART 1 — PRELIMINARY

Citation

1. These regulations may be cited as the *Gas Transmission Regulations 1994*.

Commencement

2. These regulations come into operation on the day on which section 91 of the Act comes into operation.

Definitions

3. In these regulations, unless the contrary intention appears —

“**Act**” means the *Gas Corporation Act 1994*;

“**additional T3 capacity**” means capacity nominated by or allocated to a shipper under Part 7 in excess of the shipper’s contracted capacity;

“**approved prospective shipper**” means a person who has been designated as such by the corporation under regulation 67;

“**AS**” followed by a designation, refers to the text from time to time amended and for the time being in force of the document so designated issued by the Standards Association of Australia;

“**back-haul capacity**” means capacity at an outlet point located upstream from the inlet point or points at which a shipper’s delivery of gas gives rise to an entitlement to gas at the outlet point;

“**capacity**” means the capacity of the gas transmission system to deliver gas;

“**capacity reservation charge**” means the capacity reservation charge adopted and determined in accordance with Part 6;

“**commercially viable**” means, in respect of any capacity, service or thing, that there is a reasonable commercial prospect that the corporation will recover within a reasonable time, from either shippers or prospective shippers or both, the costs and capital investment required to provide that capacity, service or thing, and a reasonable rate of return on that capital investment;

"committed", in respect of any capacity in any period, means that the capacity has been granted to a shipper for that period, or an option has been granted to a shipper to extend a transmission contract in respect of that capacity in respect of that period;

"commodity charge" means the commodity charge adopted and determined in accordance with Part 6;

"confidential information" means any matter or information which relates specifically to the affairs of an individual or a particular body of persons (whether corporate or unincorporated) which is claimed by the individual or body of persons to be confidential, where the disclosure of that matter or information would or might seriously and prejudicially affect the interests of that individual or body of persons;

"contracted capacity", in respect of a shipper, means the capacity which has been the subject of a grant of capacity to the shipper at an inlet point or in a tranche at an outlet point;

"Coordinator" means the Coordinator of Energy under the *Energy Coordination Act 1994*;

"corporation's other business" means all of the corporation's (or any subsidiary's) business and operations which are not the gas transmission business;

"CPI" means the Consumer Price Index (All Groups) for Perth, Western Australia, as published for each quarter by the Australian Bureau of Statistics or, if the Consumer Price Index (All Groups) for Perth ceases to be published, such alternative index as the corporation as a reasonable and prudent person may determine;

"CS9" means the compressor station site known as Compressor Station 9 and located 1257 pipeline kilometres south of Dampier;

"discriminate" means to engage in differential conduct towards 2 or more shippers or prospective shippers in such a manner that one or more shipper or prospective shipper is materially advantaged or disadvantaged as against the other or others, but does not include engaging in conduct described in regulation 23;

"environmental and safety law" means a law relating to environmental, building, construction, engineering, planning, health, safety or occupational health and safety matters;

"emergency" has the meaning given to it by regulation 232 (6);

"exempted contract" means any contract or any provision of such a contract the subject of a Ministerial order under clause 6 of Schedule 5 to the Act;

"force majeure" means, except in regulation 91, any event or circumstance not within the corporation's control and which the corporation, by the exercise of the standards of a reasonable and prudent person, is not able to prevent or overcome, including without limitation —

- (a) acts of God, including without limitation epidemics, land slides, lightning, earthquakes, fires, storms, floods, wash outs and cyclones;
- (b) strikes, lock outs, stoppages, restraints of labour and other industrial disturbances;
- (c) acts of the enemy including without limitation wars, blockades or insurrection;
- (d) riots and civil disturbances;
- (e) valid laws of the Commonwealth or any Commonwealth statutory authority;
- (f) valid laws, having general application, of the State or a local government or any State statutory authority (other than the corporation);
- (g) shortage of necessary equipment, materials or labour;
- (h) refusal or delay in obtaining any necessary consent or approval from any Commonwealth or local government or any Commonwealth or State statutory authority;
- (i) unavoidable accidents involving, or break down of or loss or damage to, any plant, equipment, materials or facilities necessary for the corporation's operations;
- (j) any pipeline shutdown or interruption which is validly required or directed by any Commonwealth or local government agency or any Commonwealth or State statutory authority having authority to so require or direct;
- (k) any pipeline shutdown or interruption required to conform with design or regulatory limits on pipeline facilities, whether arising due to environmental conditions or circumstances or otherwise;
- (l) pipeline ruptures;
- (m) collisions or accidents; and
- (n) any other matter reasonably beyond the control of the corporation;

"full-haul capacity" means capacity at an outlet point located downstream from CS9;

"gas day" means the 24 hour period starting at 08:00 hours on a day and ending at 08:00 hours the following day;

“gas month” means a calendar month starting at 08:00 hours on the first day of the month and ending at 08:00 hours on the first day of the following month;

“Gas Referee Regulations” means regulations made under section 95 (1) (c) of the Act;

“gas transmission business” means that part of the corporation’s (or any subsidiary’s) business and operations involved in the granting of capacity, and the maintenance and provision of gas transmission capacity;

“gas transmission capacity” means the capability of the gas transmission system to transport gas, consistent with the need to preserve that system’s capability to transport gas from Dampier to points south of CS9;

“gas transmission system” means the gas pipeline system between Dampier and Bunbury operated by the corporation and more particularly described in accordance with regulation 13, including all associated equipment;

“gas year” means the 12 month period starting at 08:00 hours on 1 October and ending at 08:00 hours the following 1 October;

“grant of capacity” means a grant of capacity (commencing immediately or at any future time) under and in accordance with the Act and these regulations, on the terms and conditions set out in the notice of grant in accordance with Division 4.5, and includes a deemed grant of capacity;

“higher heating value” is to be determined using ISO 6974 for the analysis of natural gas and using ISO 6976 for the calculations from that analysis, and means the gross number of megajoules produced by the complete combustion of one cubic metre of dry gas at MSC with air of the same temperature and pressure, when the products of combustion are cooled to the initial temperature of the gas and air and when all water formed by combustion is condensed to the liquid state, corrected to a water-vapour free basis and expressed at MSC;

“initial shipper” means a person deemed by regulation 260 to have received a grant of capacity;

“inlet point” means the flange or joint or other point specified in the transmission contract as the point at which the shipper delivers gas to the corporation under a transmission contract, and if the shipper delivers such gas at more than one inlet point, means each of them separately;

“inlet station” means the metering equipment site upstream of the inlet point and includes all facilities installed at the site to perform overpressure protection, reverse flow protection, excessive flow protection, gas quality monitoring, gas metering and measurement, and telemetry, and all standby, emergency and safety facilities, and all ancillary equipment and services;

“insolvency event” means any one or more of —

- (a) the shipper (being a natural person) becoming bankrupt or in any way taking advantage of or seeking relief under any statute relating to bankruptcy or the relief of debtors;
- (b) any execution or other process of any court or authority being issued against or levied upon any material part of the shipper’s property or assets;
- (c) a petition or application being presented or an order being made or a resolution being passed or a meeting being summoned or convened for the purpose of considering a resolution for the winding up or dissolution without winding up of the shipper otherwise than for the purpose of reconstruction or amalgamation under a scheme to which the corporation has given consent;
- (d) a receiver or receiver and manager of the undertaking or any material part thereof of the shipper being appointed or any steps being taken for such appointment by any person;
- (e) the shipper proposing to enter or entering into any arrangement, reconstruction or composition with or for the benefit of its creditors;
- (f) an administrator of the shipper being appointed or the board of directors of the shipper passing a resolution or convening a meeting for the purpose of considering a resolution to the effect of that specified in section 436A (1) of the Corporations Law;
- (g) the shipper failing (as defined by section 459F of the Corporations Law) to comply with a statutory demand;
- (h) a controller (as defined in the Corporations Law) being appointed in respect of the shipper or the whole or a material part of the shipper’s undertaking, property or assets, or any steps being taken for the appointment of such a person;
- (i) application being made to a Court for an order in respect of the shipper under section 260 of the Corporations Law; or
- (j) any event referred to in section 459C(2) of the Corporations Law occurring in respect of the shipper;

“ISO” means an International Standards Organisation standard;

“law” means a statute, ordinance, code, regulation, by-law, local law, official directive, order, instrument, undertaking, obligation or applicable judicial, administrative or regulatory decree, judgement or order and includes the terms and conditions of any licence, permit, consent, certificate, authority or approval issued thereunder or any assurance or bond or similar requirements including all applicable standards and obligations under the common law;

“load characteristics” means the relationships between gas flow and time;

“maintain” includes, where necessary, renew or replace;

“metering equipment” means all equipment used to measure the physical quantity and quality of gas entering the gas transmission system at an inlet point or exiting the gas transmission system at an outlet point, and all ancillary equipment required to compute derived variables and to produce printed reports at the inlet or outlet station and to test and maintain the reliability and calibration accuracy of that equipment (including any metering facilities or equipment that are or could be used for proving, testing and calibration of the equipment);

“MSC” means metric standard conditions, being a pressure of 101.325 kPa and a temperature of 15°C;

“notice” includes invoice, statement, demand, consent, request, application, notification and any other written communication;

“operationally feasible” means technically feasible consistent with the safe and reliable operation of the gas transmission system, in the view of a reasonable and prudent person;

“outlet point” means the flange or joint or other point specified in the transmission contract as the point at which the corporation delivers gas to the shipper under a transmission contract, and if a shipper receives such gas at more than one outlet point, means each of them separately;

“outlet station” means the metering equipment site upstream of the outlet point and includes all facilities installed at the site to perform overpressure protection, reverse flow protection, excessive flow protection, gas metering and measurement, and telemetry, and all standby, emergency and safety facilities, and all ancillary equipment and services;

“part-haul capacity” means capacity at an outlet point located upstream from CS9, and downstream from the inlet point or points at which a shipper’s delivery of gas gives rise to an entitlement to gas at the outlet point;

“party” means the corporation or the shipper as a party to a transmission contract;

“priority” means an application’s ranking in the first come first served process under regulation 76;

“prospective shipper” means an applicant for a grant of capacity, or any person of whom the corporation is aware who is in good faith preparing or has foreshadowed an application for a grant of capacity;

"reasonable and prudent person" means a person acting in good faith with the intention of performing his or her contractual obligations and who in so doing and in the general conduct of his or her undertaking exercises that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be exercised by a skilled and experienced person complying with recognised standards and applicable laws engaged in the same type of undertaking under the same or similar circumstances and conditions;

"referee" means the person appointed under the *Gas Referee Regulations* to the office of referee;

"related body corporate" has the meaning given to that expression in the Corporations Law;

"season" means either summer or winter;

"SECWA" means the State Energy Commission of Western Australia, a body corporate which was preserved and continued in existence under the *State Energy Commission Act 1979* until the coming into effect of Part 2 of the *Energy Corporations (Transitional and Consequential Provisions) Act 1994*;

"shipper" means any person who has received a grant of capacity, and includes the corporation's other business and an initial shipper;

"shipper's daily nomination" means, in respect of an inlet point, the capacity for the quantity of gas allocated under Part 7 that the shipper is to deliver to the corporation at the inlet point on a gas day, and in respect of a tranche at an outlet point, the capacity for the quantity of gas allocated under Part 7 that the shipper is to receive from the corporation in a tranche at the outlet point on a gas day, and in each case includes the capacity for a revised quantity of gas allocated under Division 7.3;

"shipper's T1 capacity" means a shipper's contracted capacity in Tranche 1;

"shipper's T2 capacity" means a shipper's contracted capacity in Tranche 2;

"shipper's T3 capacity" means a shipper's contracted capacity in Tranche 3;

"SI" means the *International System of Units* set out in Australian Standard 1000-1979;

"spare capacity" means, subject to regulation 259, in respect of any tranche in any period, that portion of the tranche which is not committed to any shipper in respect of the period;

"summer" means the period from 08:00 hours on 1 October to 08:00 hours on 1 April;

"tranche" means any one or more of Tranche 1, Tranche 2 or Tranche 3;

"Tranche 1" means that portion of gas transmission capacity prescribed from time to time under regulation 39 as Tranche 1;

"Tranche 2" means that portion of gas transmission capacity prescribed from time to time under regulation 39 as Tranche 2;

"Tranche 3" means that portion of gas transmission capacity which is not Tranche 1 or Tranche 2;

"Tranche 3 charge" means the charge for capacity in Tranche 3 determined in accordance with regulation 150;

"transmission contract" means a contract or deemed contract between a shipper and the corporation arising from the grant of capacity in one or more tranches;

"winter" means the period from 08:00 hours on 1 April to 08:00 hours on 1 October;

"WLPG Agreement" means the agreement entitled "Gas Supply Contract relating to the LPG Extraction Facility in Western Australia" between SECWA, Wesfarmers LPG Pty Ltd and Wesfarmers Limited dated 30 January 1987, and including any amendment to that agreement;

"WLPG plant" means the LPG extraction plant located adjacent to Kwinana Junction and operated by Wesfarmers LPG Pty Ltd under the WLPG Agreement;

"working day" means any Monday, Tuesday, Wednesday, Thursday or Friday which is not gazetted as a public holiday in the Perth metropolitan area.

24 hour clock

4. In any transmission contract, all time is to be expressed in a 24-hour format, with each day commencing at 00:00 hours and ending at 24:00 hours.

Application of *Interpretation Act 1984* preserved

5. The *Interpretation Act 1984* applies to the interpretation of any of these regulations which are incorporated as terms of a transmission contract.

SI units

6. Unless otherwise indicated, all units in these regulations and a transmission contract are SI units.

Extended term of transmission contract

7. Where the term of a transmission contract has been extended by the exercise of an option in accordance with regulation 134, a reference in these regulations or the transmission contract to the transmission contract or the term thereof, includes a reference to the contract as extended and the extended term, respectively.

Capacity to be in terajoules per day

8. Unless the contrary intention appears —

- (a) wherever these regulations or a transmission contract require capacity to be quantified, it is to be expressed in terajoules per day; and
- (b) a reference in these regulations or a transmission contract to capacity is to capacity averaged across a day.

PART 2 — ACCOUNTABILITY

Division 2.1 — Reporting

Definitions

9. In this Division “**individualised report**” means the report and forecast of capacity in Tranche 1, Tranche 2, or Tranche 3 and spare capacity, as applicable to a person’s particular requirements, which the corporation is required by clause 3 (2) of Schedule 5 to the Act to prepare, in accordance with regulation 11.

Reports and forecasts

10. (1) The corporation must ensure that the annual reports and forecasts, which the corporation is required by clause 3 (1) of Schedule 5 to the Act to prepare and provide, collectively contain sufficient detail and cover a sufficient period to assist any person to assess whether or not gas transmission capacity is likely to be available, and if so in what quantities, in the short, medium and long terms.

(2) The corporation is to prepare the forecasts required by clause 3 (1) of Schedule 5 to the Act using a number of growth or other scenarios, and must provide in the forecasts a summary of the major assumptions underlying each growth or other scenario.

Individualised report

11. (1) A person may at any time request the corporation to prepare an individualised report for and at the expense of that person by notice in writing containing at least the following information —

- (a) the name and address of the person making the request;

- (b) the requested start date and the requested end date for the report to address;
- (c) the source (namely the producer, field and well) of the gas which the person making the request contemplates delivering to the corporation;
- (d) the expected gas quality, temperature and pressure at the inlet point or points;
- (e) the proposed inlet point or points and outlet point or points;
 - (i) the proposed capacity at each inlet point and in each tranche at each outlet point; and
 - (ii) the expected load characteristics, including the expected load factor, peak factor, maximum daily quantity and peak hourly flow, for each season.

(2) The corporation must as soon as practicable confirm receipt of the request, and notify the person making the request whether the request appears to be in acceptable form and contains sufficient information to enable the corporation to prepare the individualised report, and if so the anticipated cost of preparing the report, and if not what is required to remedy the request.

(3) The corporation must, as soon as practicable but in any event within 8 weeks of receipt of a request (or, if the person making the request was notified under subregulation (2) that the request was inadequate, within 8 weeks of receipt of sufficient supplementary information) prepare —

- (a) a report indicating current levels; and
- (b) a forecast indicating expected levels throughout the requested period,

of capacity and spare capacity at each specified inlet point and in each tranche at each specified outlet point.

(4) The corporation may, notwithstanding any notification under subregulation (2), at any time prior to providing the individualised report, require the person making the request to provide such further information as is reasonably necessary to enable the corporation to prepare the individualised report.

(5) The corporation must use reasonable endeavours to complete the individualised report in the shortest practicable time.

Protection of confidential information

12. (1) The corporation must, except to the extent that the disclosure of any confidential information is necessary for making a full report or forecast, exclude from any report or forecast required by clause 3 (1) of Schedule 5 to the Act, or any individualised report, any confidential information.

(2) No action for damages lies against the corporation in respect of any disclosure of confidential information under this Division, except —

- (a) in the case of a wilful or deliberate disclosure of confidential information in circumstances where such disclosure is not necessary for making a full report or forecast; or
- (b) where the corporation has breached any undertakings as to confidentiality given under regulations 72 (1) or 158 (1).

Description of the gas transmission system

13. (1) The corporation must, as soon as practicable after 1 January 1995, and thereafter as soon as practicable after any material change in the gas transmission system, prepare a detailed description of the gas transmission system, indicating all inlet points and outlet points and all ownership boundaries, and indicating those parts which for the purposes only of the definition of “investment in the gas transmission system” in regulation 135 are to be excluded from the gas transmission system.

(2) The corporation must make available to any person upon request a copy of the description prepared under subregulation (1).

Maintenance schedules

14. The corporation must make available to all shippers from time to time reasonable details, for the week, month and year following the provision of details, of any scheduled maintenance, any major works under regulation 53, and the estimated availability of capacity in Tranche 1, Tranche 2 and Tranche 3.

Division 2.2 — Prevention of communication of inside information

Definitions

15. In this Division —

“**corporation’s other staff**” means any servant, consultant, independent contractor or agent of the corporation who is engaged wholly or partly in the corporation’s other business, but does not include the board or any senior officer;

“**gas trader**” means any person other than the corporation who is, and to the extent that the person is, engaged in business and operations involved in trading in, distributing or supplying gas, and is thereby in or potentially in competition with the corporation in the conduct of the corporation’s other business;

“generally available” means, in relation to information, that —

- (a) it consists of a readily observable matter;
- (b) without limiting the generality of paragraph (a) of this definition —
 - (i) it has been made known in a manner that would, or would be likely to, bring it to the attention of gas traders; and
 - (ii) since it was so made known, a reasonable time for it to be disseminated to gas traders has elapsed; or
- (c) it consists of deductions, conclusions or inferences made or drawn from either or both of readily observable matter and information that has been made known in a manner that would, or would be likely to, bring it to the attention of gas traders;

“inside information” means information obtained by the corporation or by its servants, consultants, independent contractors or agents in the course of conducting the gas transmission business which is not generally available and which might reasonably be expected to materially affect the commercial decisions of a gas trader;

“senior officer” means any director, the chief executive officer, and any other servant or agent of the corporation who by virtue of his or her senior position in the management of the corporation cannot properly discharge his or her duties without —

- (a) being partly engaged in both the gas transmission business and the corporation’s other business; and
- (b) receiving inside information;

“transmission staff” means any servant, consultant, independent contractor or agent of the corporation who is engaged wholly or partly in the gas transmission business, but does not include the board or any senior officer.

Procedures to prevent communication of inside information

16. (1) The corporation must implement, and may substitute or amend, procedures that could reasonably be expected to ensure that no inside information is directly or indirectly communicated to the corporation’s other staff by transmission staff.

(2) Without limiting the generality of subregulation (1), the corporation must to the maximum extent practicable implement, and may substitute or amend, procedures which could reasonably be expected to —

- (a) ensure that the corporation’s other staff and transmission staff function independently of each other;

- (b) prevent any person from being a member of both the corporation's other staff and transmission staff;
- (c) to the extent that a person is a member of both the corporation's other staff and transmission staff, prevent that person from communicating or utilising any inside information in the course of his or her duties as a member of the corporation's other staff;
- (d) prevent the dissemination of inside information from the board or any senior officer to the corporation's other staff; and
- (e) ensure that decisions in the gas transmission business are taken with no special regard for the interests of the corporation's other business, and decisions in the corporation's other business are taken with no special regard for the interests of the gas transmission business.

Monitoring of compliance

17. The corporation must monitor compliance with procedures implemented, substituted or amended under regulation 16, and must implement, and may substitute or amend, procedures which might reasonably be expected to detect the direct or indirect communication of inside information to the corporation's other staff by transmission staff.

Reporting of procedures to prevent communication of inside information

18. The corporation must prepare, and must make available to any person on request, a detailed description of —

- (a) the procedures it has implemented, substituted or amended in accordance with regulation 16; and
- (b) how it has monitored compliance, and the procedures it has implemented, substituted or amended in accordance with regulation 17.

Minister to be notified if inside information communicated

19. (1) The corporation must, if it becomes aware of any direct or indirect communication of inside information to the corporation's other staff, as soon as practicable notify the Minister and any person who was, or might reasonably be expected to have been, affected by the communication, of the communication and of all the surrounding circumstances.

(2) If, in any proceedings, a referee, court, arbitrator or other tribunal finds that any inside information has been directly or indirectly communicated to the corporation's other staff, the referee, court, arbitrator or tribunal is as soon as practicable to notify the Minister and the corporation of the communication.

Codes of conduct

20. The board in preparing and issuing any code of conduct under section 24 of the Act is to give consideration to the requirements of this Division.

Division 2.3 — Non-discrimination

Gas transmission business must not discriminate

21. (1) Subject to regulations 22 and 23, the corporation must not discriminate in performing its functions under Schedule 5 to the Act or these regulations.

(2) Without limiting the generality of subregulation (1), and subject to regulations 22 and 23, the corporation must not discriminate in respect of —

- (a) the manner, content and timing of any provision of any information connected with, arising out of or related to Schedule 5 to the Act or these regulations to shippers or prospective shippers;
- (b) the manner and timing of processing of applications and granting of capacity;
- (c) the terms and conditions of any grant of capacity and any other service to be provided to any shipper or prospective shipper;
- (d) pricing methods and prices, including without limitation the offering and granting of any discount and the imposing of any surcharge;
- (e) nominations and balancing;
- (f) scheduling of maintenance activities; and
- (g) capacity trading.

Exemptions from requirement of non-discrimination

22. Regulation 21 does not apply to discrimination in respect of the following matters —

- (a) curtailment under regulation 49 in accordance with the curtailment plan;
- (b) interruption under regulation 51 in accordance with the terms of any transmission contract;
- (c) negotiation of the terms and conditions of interruption of shippers' T3 capacities;

- (d) the exceptions specifically provided for in these regulations to the first come first served principle for applications set out in regulation 76;
- (e) the discount in prices allowed under regulation 146;
- (f) the corporation's actions in dealing with an emergency;
- (g) differences contemplated by Part 6 between the pricing methods or prices for one capacity or tranche and the pricing methods or prices for another capacity or tranche; and
- (h) differences in peaking limits agreed in accordance with regulation 190 between the corporation and respective shippers.

Valid grounds for differential conduct

23. Differential conduct towards 2 or more shippers or prospective shippers does not constitute discrimination if the material differences in conduct towards, or in terms, conditions and prices offered or granted to or negotiated by, the shippers or prospective shippers are attributable to one or more of —

- (a) material differences in the nature of the shippers or prospective shippers, or of the shippers' or prospective shippers' respective requirements, services, physical conditions, geographical locations or conduct;
- (b) the operation on the corporation or a shipper of *force majeure* (but not the negotiation under regulation 91 of any term relating to *force majeure*);
- (c) changes of general application made from time to time in accordance with these regulations in the terms, conditions and prices for a grant of capacity or any other service;
- (d) to the extent that a person under an exempted contract is materially advantaged, differences between the terms of these regulations or a transmission contract, and the exempted contract; and
- (e) the operation of Part 11.

Non-discrimination to continue into contract

24. The corporation must (subject to regulations 22 and 23) continue not to discriminate in respect of a shipper in accordance with the terms and conditions of a transmission contract for the term of that contract.

Minister to be notified of any finding of discrimination

25. If, in any proceedings, the corporation is found to have discriminated in breach of regulation 21 then, without affecting any other remedies —

- (a) the referee, court, arbitrator or other tribunal making that finding is as soon as practicable to notify the Minister and the corporation of the discrimination;

- (b) the corporation must in its next annual report give a summary of the notification; and
- (c) the corporation must in its next (and, if necessary, any subsequent) annual report give a summary of any action taken by the corporation and the Minister in response to the notification.

Division 2.4 — Consultation and review

Definitions

26. In this Division —

“expert” means a person appointed by the corporation under regulation 33 to conduct an expert review;

“appointed person” means a person appointed for representation on the committee under regulation 28;

“committee” means the Gas Transmission Consultation Committee constituted under regulation 27;

“exempted contractor” means a person for whom gas transmission capacity is reserved, to whom gas transmission capacity is available, or who is utilising gas transmission capacity, under an exempted contract;

“expert review” means a review and assessment of the matters specified in a notice of appointment under regulation 33 conducted by the expert in accordance with this Division.

Gas Transmission Consultation Committee

27. (1) There is to be a committee, to be known as the Gas Transmission Consultation Committee consisting of 7 members, being —

- (a) a member nominated by the corporation to represent the gas transmission business;
- (b) a member nominated by the corporation to represent the corporation's other business;
- (c) a member nominated by the Coordinator; and
- (d) 4 members, one nominated by each appointed person.

(2) The Minister is from time to time to appoint, and may from time to time remove and replace, one member of the committee as Chairperson of the committee.

Minister to appoint persons

28. (1) The Minister is to appoint 4 persons for a term of 3 years who are each to nominate a member of the committee under regulation 27 (1) (d), which persons must be either shippers or exempted contractors.

(2) The Minister, in exercising his or her power of appointment under this regulation, is to endeavour to appoint 4 persons who collectively are reasonably representative of all shippers (other than the corporation's other business) and all exempted contractors.

(3) A person appointed by the Minister under this regulation is to remain an appointed person until the Minister makes a subsequent appointment under subregulation (1), and is eligible for reappointment.

(4) If an appointed person resigns or ceases to be a shipper or exempted contractor (as the case may be), and otherwise as necessary, the Minister is to appoint another person in accordance with this regulation, for an interim period ending at the time of the next appointments under subregulation (1).

(5) The corporation is to make available to any person upon request the identity and address of each member of the committee.

Appointed persons to consult with other shippers, prospective shippers and exempted contractors

29. (1) Appointed persons must make reasonable endeavours to ensure that they are collectively informed of the views of all shippers, prospective shippers and exempted contractors, and are to consult either singly or collectively with other shippers, prospective shippers and exempted contractors.

(2) Appointed persons may divide or delegate among themselves, on any basis they consider appropriate, the responsibility to consult under this regulation.

(3) The Coordinator may inform himself or herself of the views of prospective shippers and may represent prospective shippers on the committee.

Committee to meet and discuss

30. (1) The committee is to meet whenever necessary to discuss in good faith any report of, and any matter which will or might impact upon, the costs of, or the reliability or magnitude of, Tranche 1 and Tranche 2.

(2) The committee is to determine its own procedures.

(3) A quorum for any meeting of the committee is the presence of any 5 members.

(4) Decisions of the committee are to be by a majority vote of members present.

- (5) The Chairperson is to have a deliberative but not a casting vote.

Powers of committee

31. The committee may —
- (a) call for and consider submissions from any group or person or from the public;
 - (b) have regard to any matters raised in any reports published under regulation 36;
 - (c) have regard to any matters brought to its attention by a referee;
 - (d) make reports and recommendations to the board;
 - (e) require the corporation to commence a price redetermination under regulation 151; and
 - (f) require the corporation to appoint a person under regulation 33 to conduct a review of any report of, and any matter which will or might impact upon, the costs of or the reliability or magnitude of Tranche 1 and Tranche 2.

Costs of committee

32. Each of the persons entitled to nominate a member of the committee is to meet its own and that member's costs of the committee.

Corporation to appoint expert

33. (1) The corporation must, when required by the committee under regulation 31 (f) to do so, appoint a person to conduct a review and assessment of the matter or matters specified by the committee.

(2) If, within 10 working days of the committee requiring the corporation to appoint an expert, the committee agrees on an expert to be appointed, the corporation is to appoint that person to be the expert, otherwise the corporation is to appoint a person to be the expert who is recommended by the National President of the Institution of Engineers, Australia (or, if that position is vacant or does not exist, by a person in a comparable position) as a person who, to the President's reasonable satisfaction is independent of the corporation, the Government and all shippers, prospective shippers and exempted contractors, and has qualifications and experience suitable for conducting the review required by the committee.

Powers of expert

34. The expert, for the purposes of conducting the expert review, must have due regard to any information provided to the expert by the corporation, and in particular to any relevant studies or reports prepared for the corporation by any other person, and may —

- (a) have access to the corporation's books, records, documents, computer equipment and software in relation to the gas transmission business;

- (b) call for and consider submissions from any group or person or from the public; and
- (c) consult with the Coordinator, the corporation and any of its servants, consultants, independent contractors or agents, any shipper, prospective shipper or exempted contractor and any other interested group or person.

Corporation must assist expert

35. The corporation must afford all reasonable assistance to the expert for the purposes of enabling him or her to conduct the expert review.

Expert's report

36. (1) The expert must report his or her findings to the corporation within 3 months of appointment, or within such longer time as the committee reasonably determines to be justified by exceptional circumstances.

(2) The corporation must provide copies of the expert's report to the Minister, the Coordinator and each shipper, prospective shipper and exempted contractor, and must provide to any other person, at that person's request and expense, a copy of the expert's report.

(3) The corporation must, in its next annual report after the expert makes his or her report, summarise the expert's report.

(4) The expert must, except to the extent that the disclosure of any confidential information is necessary for making a full report, exclude from any report under this regulation any confidential information.

(5) No action for damages lies against the expert in respect of any disclosure of confidential information in a report under this regulation, except in the case of a wilful or deliberate disclosure of confidential information in circumstances where such disclosure is not necessary for making a full report.

Costs of expert review

37. (1) The costs of the expert, the expert's report and the review process are to be met by the gas transmission business.

(2) The costs of experts, experts' reports and the review process generally are to be taken into account in the costs of maintaining and providing gas transmission capacity for the purposes of determinations and redeterminations of the commodity charge in accordance with Part 6.

Corporation not fettered

38. The corporation must have regard to any opinion or recommendation of the committee or an expert but, subject to regulation 151 (4), nothing in this Part obliges the corporation to adopt, comply with or act upon any opinion or recommendation of the committee or an expert.

PART 3 — CAPACITY TRANCHES AND GAS TRANSMISSION SERVICES

Division 3.1 — Interpretation and general

Identification and prescription of tranches

39. (1) Whenever there is a material change (other than a short term change) in the configuration of the gas transmission system which will or might affect the probability of supply at the T1 cutoff or the T2 cutoff for a season —

- (a) the corporation may; or
- (b) if the corporation is requested by notice in writing signed by a majority of the Gas Transmission Consultation Committee the corporation must,

undertake a redetermination of the T1 cutoff and the T2 cutoff for each season, in which the corporation is to determine such new T1 cutoffs or T2 cutoffs (if any) calculated so that the probability of supply at the T1 cutoff for each season is as close as practicable to 98% and that the probability of supply at the T2 cutoff for each season is as close as practicable to 92%.

(2) The corporation must, as soon as practicable after a redetermination under subregulation (1), prescribe with the Minister's approval new capacities for each tranche for each season, so that Tranche 1 comprises the portion of gas transmission capacity which lies between zero and the T1 cutoff, and Tranche 2 comprises the portion of gas transmission capacity which lies between the T1 cutoff and the T2 cutoff.

(3) The corporation must prepare annually its best forecasts, in respect of each season in the next 5 years, of the T1 cutoff, the T2 cutoff, Tranche 1, Tranche 2 and Tranche 3, and must make copies of those forecasts available to any person on request.

(4) Until the corporation prescribes new capacities under subregulation (2), the tranches and cutoffs are to be those prescribed in Schedule 1 to these regulations.

(5) In this regulation —

“probability of supply” means the probability that gas transmission capacity will not, for any reason other than major works under regulation 53, fall below a particular cutoff level;

“T1 cutoff” means in respect of each season the level of gas transmission capacity determined under subregulation (1) as the level at which the probability of supply is or is approximately 98%, and pending a redetermination under subregulation (1) means the T1 cutoff specified in Schedule 1;

“T2 cutoff” means in respect of each season the level of gas transmission capacity determined under subregulation (1) as the level at which the probability of supply is or is approximately 92%, and pending a redetermination under subregulation (1) means the T2 cutoff specified in Schedule 1.

Reporting of curtailments and interruptions

40. The corporation must, within a reasonable time after the end of a year, make available to any person on request reasonable details of all curtailments and interruptions of gas transmission capacity during that year.

Seasonal capacities

41. The magnitude of each tranche may be different in summer and winter, and any reference in these regulations or a transmission contract to a tranche is to be read as a reference to the tranche for the appropriate season.

Saving of remedies and saving of power to curtail

42. Nothing in this Part limits the corporation's powers under the Act, these regulations, any other written law or a transmission contract to wholly or partially curtail or interrupt any shipper's capacity.

Each tranche to be treated separately

43. If a shipper has been granted capacity in more than one of Tranche 1, Tranche 2 or Tranche 3, then for the purposes of this Part that shipper is to be treated, in respect of each tranche, as though the shipper has only been granted capacity in that tranche.

Firm and non-firm capacities

44. For the purposes of the Act, Tranche 1 is firm capacity and Tranche 2 and Tranche 3 are each non-firm capacity.

Tranches are full-haul capacity only

45. Subject to any agreement between the corporation and a shipper under regulation 62 and to any prescriptions under regulation 63, a reference in these regulations to capacity in Tranche 1, Tranche 2 or Tranche 3 is a reference to full-haul capacity.

Division 3.2 — Capacity tranches

Minimum duration for grant of capacity

46. The minimum duration for a grant of capacity in Tranche 1 or Tranche 2 is 3 months and for a grant of capacity in Tranche 3 is one day, but nothing in this regulation prevents a shipper from nominating for and being allocated capacity under Divisions 7.2 or 7.3, or contracting for and being assigned capacity under Part 9, or both, for a shorter period than that prescribed in this regulation.

Curtailment and interruption between tranches

47. (1) The corporation must use its best endeavours to minimise any curtailment of capacity in Tranche 1.

(2) Subject to regulations 42 and 55, the corporation may not, in response to a reduction in gas transmission capacity —

- (a) wholly or partially curtail a shipper's T1 capacity until the corporation has reduced to zero all shippers' T2 capacities and shippers' T3 capacities; or
- (b) wholly or partially interrupt a shipper's T2 capacity until the corporation has reduced to zero all shippers' T3 capacities.

Capacity in Tranches 1 and 2 is take-or-pay

48. A shipper's obligation to pay the capacity reservation charge under a grant of capacity in Tranche 1 or Tranche 2 arises whether or not the shipper makes use of any capacity under the grant.

Tranche 1

49. (1) If, at any time and for any reason, gas transmission capacity is less than the sum of all shippers' daily nominations for Tranche 1, the corporation may wholly or partially curtail shippers' T1 capacities in accordance with subregulations (3), (4) and (5).

(2) To the extent that a shipper's T1 capacity is curtailed under subregulation (1), the shipper is entitled to a proportionate refund of the capacity reservation charge in respect of that capacity.

(3) Subject to regulation 55, each shipper's T1 capacity is to be reduced for the duration of a curtailment under subregulation (1) by reference to the curtailment plan prescribed in Schedule 2 (as amended in accordance with subregulation (5)).

(4) To the extent that the corporation revokes and does not substitute a curtailment plan under subregulation (5) or for any other reason the curtailment plan does not apply, each shipper's T1 capacity is to be curtailed on a pro-rata basis so that each reduced shipper's T1 capacity bears the same ratio to the shipper's T1 capacity in the absence of any reduction, as the magnitude of Tranche 1 during the curtailment bears to the magnitude of Tranche 1 in the absence of any reduction.

(5) The corporation may from time to time with the Minister's approval make prescriptions which revoke, substitute or amend the curtailment plan prescribed by Schedule 2.

(6) A curtailment plan amended or substituted under subregulation (5) may identify individual shippers or classes of shippers, and may prescribe the order in which part or all of those shippers' or classes of shippers' capacities are to be curtailed, and may treat different parts of the shippers' or classes of shippers' capacities differently.

Tranche 2

50. (1) If, at any time and for any reason, gas transmission capacity is less than the combined sum of shippers' daily nominations for Tranche 1 and Tranche 2, the corporation may wholly or partially interrupt a shipper's T2 capacity in accordance with subregulation (3).

(2) To the extent that a shipper's T2 capacity is interrupted under subregulation (1), the shipper is entitled to a proportionate refund of the capacity reservation charge in respect of that capacity.

(3) Subject to regulation 55, each shipper's T2 capacity is to be reduced to the extent and for the duration of an interruption under subregulation (1) on a pro-rata basis so that each reduced shipper's T2 capacity bears the same ratio to the shipper's T2 capacity in the absence of any reduction, as the magnitude of Tranche 2 during the interruption bears to the magnitude of Tranche 2 in the absence of any reduction.

Tranche 3

51. (1) The corporation may, in its sole discretion as a reasonable and prudent person, interrupt, for any duration and to any extent, a shipper's T3 capacity, and it may do so —

- (a) (subject to any agreement between the corporation and the shipper to the contrary) in priority to interrupting any other shipper's T3 capacity; and
- (b) (despite any agreement between the corporation and a shipper) whenever the corporation as a reasonable and prudent person believes that a failure to interrupt Tranche 3 would or might reasonably be expected to result in a curtailment of Tranche 1 or an interruption of Tranche 2.

(2) To the extent that a shipper's T3 capacity is interrupted under subregulation (1), the shipper is excused from paying the Tranche 3 charge in respect of that capacity.

Terms and conditions of Tranche 3 subject to contract

52. Subject to these regulations, the terms and conditions upon which a grant of capacity in Tranche 3 is made are to be agreed between the corporation and the shipper.

Major works

53. The corporation may wholly or partially curtail or interrupt a shipper's capacity whenever it needs to undertake any enhancement, expansion, connection, pigging or other work on the gas transmission system which cannot reasonably be scheduled at a time when it will not affect gas transmission capacity, and which by its nature or magnitude requires the corporation as a reasonable and prudent person to wholly or partially reduce gas transmission capacity, and the corporation is not to be liable for any damage suffered by a shipper arising out of any such curtailment or interruption.

Maintenance

54. The corporation must use endeavours which are reasonable in the circumstances to consult with all affected shippers concerning the scheduling and duration of, to accommodate the needs of those shippers in scheduling, and to minimise the duration and impact of, any planned curtailment or interruption arising out of any maintenance activity, or any major works under regulation 53.

Curtailment or interruption for shipper's default

55. If and to the extent that —

- (a) a reduction in gas transmission capacity which makes necessary any curtailment or interruption of any shipper's capacity is caused by the default, negligence, breach of contractual term, or other misconduct of a shipper; or
- (b) the corporation is entitled under these regulations or a transmission contract to curtail or interrupt a shipper's capacity by reason of the default, negligence, breach of contractual term, or other misconduct of a shipper,

the corporation must reduce to zero all the defaulting shipper's capacities in all tranches before it may reduce any other shipper's capacity in any tranche, and the corporation is not liable to the shipper for any damage arising from that curtailment or interruption.

Advance notice of curtailment or interruption

56. (1) The corporation must use reasonable endeavours to provide a shipper with reasonable advance notice, and in any event (other than when due to *force majeure* or by reason of an emergency it is unable to do so) must give one hour's advance notice, of the magnitude, starting time and the expected duration of an impending curtailment or interruption.

(2) For the purposes of subregulation (1), in the case of major works under regulation 53 reasonable notice is 90 days' notice.

(3) Any notice under subregulation (1) must give the reasons for the curtailment or interruption.

Mechanism for curtailment or interruption

57. (1) The corporation may, whenever it is empowered under the Act, these regulations or a transmission contract to curtail or interrupt a shipper's capacity, give notice to the shipper (in accordance with regulation 250) specifying when the curtailment or interruption is to commence, and the amount of capacity that is to be curtailed or interrupted.

(2) A notice under subregulation (1) may be expressed to continue indefinitely or for a specified time, and may revoke, substitute or amend a previous notice.

(3) The corporation may at any time, whether or not it has specified an end time for a curtailment or interruption, give notice to a shipper (in accordance with regulation 250) terminating a curtailment or interruption either immediately or from any time in the future.

(4) A notice under subregulation (1) takes effect from the time specified in the notice, and by force of this regulation —

- (a) constitutes a variation of the transmission contract reducing the shipper's contracted capacity for the relevant tranche; and
- (b) to the extent that the notice takes effect before the shipper's next nomination under Division 7.2, constitutes a reduction of the shipper's daily nomination for the relevant tranche,

for the duration of that curtailment or interruption.

(5) A shipper may not nominate under Division 7.2 or renominate under Division 7.3 for capacity in excess of its reduced shipper's contracted capacity under subregulation (4) (a), and may not deliver or receive gas in excess of its reduced nomination under subregulation (4) (b).

(6) If a shipper fails to comply with subregulation (5), the corporation may in future refuse to allocate to that shipper under Part 7 any capacity in excess of the shipper's contracted capacity.

Expansion of the gas transmission system is subject to preservation of shippers in Tranche 2

58. (1) If a redetermination under regulation 39 causes a reduction in the magnitude of Tranche 2, then each shipper's T2 capacity is to be reduced from the time of the redetermination on a pro-rata basis so that each reduced shipper's T2 capacity bears the same ratio to the shipper's T2 capacity in the absence of any reduction, as the magnitude of Tranche 2 after the redetermination bears to the portion of Tranche 2 before the redetermination which was committed to shippers.

(2) A reduction in a shipper's T2 capacity under subregulation (1) is to be given effect by a variation or deemed variation to a shipper's transmission contract.

(3) The corporation may not undertake any enhancement to or expansion of the gas transmission system which will cause a reduction in a shipper's T2 capacity under subregulation (1), without first offering to grant and (unless the shipper declines the offer) granting to the shipper capacity in Tranche 1 or Tranche 3 in accordance with subregulation (5).

(4) Unless all shippers with capacity in Tranche 2 agree in writing, the corporation may not undertake an enhancement to or expansion of the gas transmission system of the type contemplated by subregulation (3), if it would result in there being insufficient spare capacity in Tranche 1 or Tranche 3 for the corporation to make an offer under subregulation (5).

(5) The corporation must, a reasonable time before any relevant enhancement to or expansion of the gas transmission system, give notice to the shipper offering to grant to the shipper, at the same time as any reduction of the shipper's T2 capacity under subregulation (1), capacity in (at the shipper's election) either Tranche 1 or Tranche 3 or a combination of both for an amount of capacity equal in aggregate to the amount by which the shipper's T2 capacity is to be reduced under subregulation (1), in which case the shipper may by notice in writing accept a grant of capacity in either tranche or in a combination of both (in all cases so that the aggregate capacity is equal to or less than the amount by which the shipper's T2 capacity is to be reduced), and if the shipper does not give notice accepting the offer within 30 days of the offer it is by force of this subregulation to be taken to have rejected the offer and the enhancement or expansion may proceed and the shipper's T2 capacity may be reduced under subregulation (1).

(6) To the extent that the shipper applies for any capacity in excess of the amount of capacity by which the shipper's T2 capacity was reduced under subregulation (1), the shipper's application is to be treated as a separate application, and is to have priority determined in the normal manner in accordance with Part 4.

Division 3.3 — Transmission and miscellaneous services

The corporation must accept gas up to a shipper's daily nomination

59. Subject to regulation 60, the corporation must, if a shipper offers gas for delivery to the corporation at an inlet point, accept the gas from the shipper, on the terms set out in the transmission contract, in quantities up to the shipper's daily nomination at the inlet point.

Corporation may refuse to accept gas

60. In addition to any other remedies that may be available to it under these regulations, any other written law or a transmission contract or otherwise, the corporation may refuse to accept gas from a shipper at an inlet point if —

- (a) the corporation is entitled under Division 8.2 or regulation 229 (2) to refuse to accept the gas;
- (b) the shipper is in breach of any requirement of Division 8.3;
- (c) the shipper is in default under regulation 108;
- (d) the corporation is relieved from so doing by *force majeure* or under regulation 53;
- (e) the corporation considers as a reasonable and prudent person that it would be unsafe to do so; or
- (f) the acceptance by the corporation of that gas would cause the gas transmission system to exceed its maximum allowable operating pressure.

Miscellaneous goods and services

61. Subject to these regulations, the corporation may, on whatever terms and conditions (including, subject to regulation 155, as to price) it thinks fit, contract with any person or persons to provide any goods or services connected with or related to the gas transmission system, including without limitation pressure regulation, odourisation, temperature regulation, gas balancing and gas balance regulation, capacity broking, peaking, information exchange, maintenance, gas storage, and consulting, forecasting and advisory services, and the provision, maintenance and operation of pipelines and other facilities.

Division 3.4 — Part-haul and back-haul capacities

Terms and conditions for part-haul and back-haul negotiable

62. (1) Subject to any prescriptions under regulation 63, the terms and conditions (other than prices) for a grant of part-haul capacity or back-haul capacity are to be agreed between the corporation and each shipper.

(2) Terms and conditions agreed under this regulation are, to the extent operationally feasible, to follow the terms and conditions under this Part for full-haul capacity.

Corporation may prescribe terms and conditions for part-haul and back-haul

63. (1) The corporation may from time to time prescribe with the Minister's approval the terms and conditions for a grant of part-haul capacity or back-haul capacity, including without limitation the extent to which these regulations are to apply (with or without any modifications).

(2) Terms and conditions prescribed under this regulation are, to the extent operationally feasible, to follow the terms and conditions under this Part for full-haul capacity.

References to capacity exclude part-haul and back-haul capacities

64. Subject to any agreement between the corporation and a shipper under regulation 62 and to any prescriptions under regulation 63, reference in these regulations to capacity, including without limitation in relation to any tranche, is a reference to full-haul capacity only.

PART 4 — APPLICATION FOR A GRANT OF CAPACITY

Division 4.1 — Interpretation and general

Definitions

65. In this Part —

“**applicant**” means an applicant for a grant of capacity, or any person of whom the corporation is aware who is in good faith preparing or has foreshadowed an application for a grant of capacity;

“**application**” means an application under this Part for a grant of capacity, and does not include a nomination for capacity under Part 7 or a request for approval of a transfer under Part 9;

“**notice of non-compliance**” means a notice under regulation 80 (1) from the corporation to an applicant that an application fails to comply with one or more of the conditions precedent for a grant of capacity under regulation 77;

“**requested capacity**” means for each season in the requested period the capacity requested in the application at each inlet point and in each tranche at each outlet point;

“**requested period**” means the period between and including the requested start date and the requested end date;

“**requested start date**” means the date specified in the application as the date on which the applicant requires the grant of capacity to commence;

“**requested end date**” means the date specified in the application as the date on which the applicant requires the grant of capacity to end.

Access to gas transmission capacity must be under these regulations

66. (1) Subject to clause 6 of Schedule 5 to the Act, a person may only have access to gas transmission capacity under a grant of capacity in accordance with these regulations.

(2) Subject to clause 6 of Schedule 5 to the Act and to regulation 89, a person may only use gas transmission capacity in accordance with these regulations.

Approved prospective shippers

67. (1) A person may by notice in writing request the corporation to designate the person as an approved prospective shipper in accordance with this regulation.

(2) A notice to the corporation under subregulation (1) must contain such of the information specified in regulation 70 (2) as is reasonably required by the corporation.

(3) The corporation must use reasonable endeavours to process a request under subregulation (1), and to give notice under subregulation (4) to the person making that request, expeditiously.

(4) The corporation must, if in its opinion as a reasonable and prudent person it would (if there was sufficient spare capacity) grant capacity to a person making a request under subregulation (1), by notice in writing to the person designate that person as an approved prospective shipper, and otherwise must give notice to that person that the request has been declined.

(5) A person making a request under subregulation (1) must, when requested by the corporation, reimburse the corporation for all reasonable expenses incurred by the corporation by reason of the request.

Application process is at shipper's expense

68. An applicant must, when requested by the corporation, reimburse the corporation for all reasonable expenses incurred by the corporation by reason of the application.

Division 4.2 — The application

Lead times for applications

69. (1) Subject to subregulation (2), an application for spare capacity is to be submitted to the corporation —

- (a) if the applicant is a shipper or an approved prospective shipper, no later than 12:00 hours on the day before the requested start date; and
- (b) otherwise, at least 30 days before the requested start date.

(2) An application for —

- (a) developable capacity; or
- (b) spare capacity which requests (or of which a necessary consequence is) the creation or modification of any inlet station, inlet point, outlet station or outlet point,

is to be submitted to the corporation a reasonable time before the requested start date, having regard to the time required for planning, designing, approving, financing, constructing and commissioning of any necessary works or facilities.

(3) The corporation must, if requested by an applicant, provide to the applicant an estimate in good faith of the likely time required under subregulation (2), but the corporation is not liable for any error or inaccuracy in the estimation.

(4) The corporation may from time to time, for the purposes of assisting shippers or prospective shippers to assess the likely time required under subregulation (2), make available to any person upon request estimates of the probable time required for planning, designing, approving, financing, constructing and commissioning of generic or notional works or facilities.

(5) An application by a shipper's gas customer under regulation 74 is to be submitted to the corporation at least 90 days before the requested start date.

Application for grant of capacity

70. (1) An application must be made by giving an application to the corporation, clearly marked "Application for Grant of Capacity".

(2) An application must contain the following information —

- (a) the applicant's full name and address;
- (b) the applicant's principal place of business, mailing address, facsimile number and telephone number;
- (c) the name, title, facsimile number and telephone number of the person nominated by the applicant as the liaison officer with the corporation in respect of the application;
- (d) the requested start date, the requested end date and whether the applicant requires any one or more options to extend the term of the transmission contract and if so, the extent and terms of those options;
- (e) a table setting out each inlet point and each outlet point the applicant proposes to use;
- (f) tables setting out, in respect of each proposed inlet point and each proposed outlet point, the gas quality, temperature and pressure for, and the maximum daily and hourly quantities of, the gas the applicant proposes to deliver to the corporation at the inlet point and receive from the corporation at the outlet point;
- (g) the amount of gas transmission capacity, and tables setting out, for each season in the requested period, the capacity the shipper wishes to be granted at each inlet point and in each tranche at each outlet point;
- (h) such information as the corporation may reasonably from time to time require to indicate the legal status and financial position of the applicant;
- (i) whether the applicant —
 - (i) if granted capacity, is to act as trustee in relation to the transmission contract or any gas to be delivered or received under the transmission contract; or

- (ii) is acting as agent for any person,
and if so such information concerning the trust or agency as the corporation may reasonably require;
 - (j) details of the applicant's proposed insurances required by regulation 128; and
 - (k) the proposed terms and conditions of the grant including which of these regulations (in addition to essential terms) are to be included in the terms and conditions of the grant.
- (3) An application may request capacity at more than one inlet point and at more than one outlet point.
- (4) An application may at the applicant's own risk use estimates or forecasts of any information, and if so —
- (a) the corporation may treat that information as factual information; and
 - (b) the application is a warranty by the applicant to the corporation that the factual information will be materially as estimated or forecasted.
- (5) The corporation may by notice to the applicant reject an application which fails to comply in a material particular with the requirements of subregulation (2), and if so the notice must specify the requirement or requirements not complied with, and the application's priority is lost.

Shipper may increase capacity only by new application

- 71.** (1) Subject to this regulation, the corporation may not extend the term of a transmission contract or increase a shipper's contracted capacity other than in accordance with an application by the shipper under this Part for the extended term or incremental amount of capacity.
- (2) Subregulation (1) does not prevent a shipper from either nominating for and being allocated capacity under Divisions 7.2 or 7.3, or contracting for and having capacity transferred to it under Part 9, or both, which exceeds the shipper's contracted capacity, or, subject to regulation 134, from extending the term of a transmission contract by exercising an option granted to it as part of the terms and conditions of a grant of capacity.
- (3) If the corporation grants an extension of term or an increase in capacity in accordance with subregulation (1), the grant may, at the shipper's option, be made by a variation of the existing transmission contract.

Requests for advance information

- 72.** (1) To assist the corporation in its planning and forecasting, it may request an applicant to provide it with information of a specified nature (or with the applicant's then best estimates or forecasts thereof) in advance of any time limits prescribed by these regulations, and may for that purpose give the applicant reasonable undertakings as to confidentiality.

(2) An applicant must in good faith make reasonable endeavours to comply with any request for information made by the corporation under subregulation (1).

(3) An applicant may, without penalty, submit an application containing any information which differs materially from any information, estimate or forecast provided by it under subregulation (1), but nothing in this subregulation limits any action against an applicant who fraudulently or negligently provides to the corporation under subregulation (1) materially false information.

Shipper requesting developable capacity to assist in environmental and safety matters

73. An applicant for developable capacity must provide to the corporation and to any other authority or person all reasonable assistance to allow the corporation to obtain all necessary approvals under environmental and safety laws to allow the corporation to add the enhancements or undertake the expansion necessary to provide the developable capacity.

Customer wishing to become a shipper

74. (1) Subject to subregulation (4), a person who is a gas customer of a shipper may make an application for an amount of capacity which for each tranche bears the same ratio to the shipper's contracted capacity in that tranche as the customer's average daily gas consumption under that tranche bears to the shipper's contracted capacity in that tranche, in which case —

- (a) if the customer's application is successful, a grant of capacity to the customer is by force of this regulation also a variation of the shipper's contract which reduces the shipper's contracted capacity by an amount equal to the capacity granted to the customer; and
- (b) for the purposes of assessing the customer's application, the corporation is to take into account as spare capacity the capacity which will be made available by the reduction of the shipper's contracted capacity under paragraph (a), and the customer's application is to have priority over all other applications in respect of that capacity.

(2) To the extent that a person who is a gas customer of a shipper makes an application for capacity in excess of that specified in subregulation (1), the person is by force of this regulation considered to have made 2 applications, one for the capacity specified in subregulation (1) which is to be processed and to have priority in accordance with that subregulation, and one for the balance of capacity which is to be processed and to have priority in accordance with the general provisions of this Part.

(3) A grant of capacity in response to an application under this regulation is to be on the same terms and in the same tranches as the shipper's contracted capacity which is reduced under subregulation (1) (a).

(4) A gas customer of a shipper may only make an application under this regulation prior to the first major enhancement to or expansion of the gas transmission system after 1 January 1995, but nothing in this subregulation prevents a gas customer from making an application under the other provisions of this Part.

Division 4.3 — Processing the application

Corporation must process application expeditiously

75. (1) The corporation must use reasonable endeavours to process an application and communicate a notice of grant or notice of non-compliance to the applicant as soon as practicable, and in any event for applications to which regulation 69 (1) or (5) apply, must do so within the relevant lead time prescribed for the application in regulation 69.

(2) Without limiting the generality of subregulation (1), for applications to which regulation 69 (2) applies, the corporation must within 15 working days notify the applicant of the likely time before an issue of a notice of grant or a notice of non-compliance.

First come first served

76. (1) The corporation must process all applications and make all grants of capacity so as to ensure that, as between applicants, the processing and grant takes place in an order which reflects the priority or deemed priority of those applications.

(2) Subject to any other provision of these regulations to the contrary, applications are to have priority determined by the order in which they are received by the corporation.

(3) The corporation may from time to time establish administrative procedures which govern the submission and processing of applications, and must make available to any person, at that person's request and expense, a description of those procedures.

(4) If an application is rejected, or is deemed to have been rejected, that application's priority is lost.

(5) Nothing in this regulation prevents the corporation from processing more than one application simultaneously, save that in the event of any limit on spare or developable capacity, or in the event of any other limitation on resources (including personnel to process applications) the processing and grant must take place in the applications' order of priority.

Conditions precedent for grant of capacity

77. It is a condition precedent to the corporation granting capacity —

(a) either —

(i) that there is sufficient spare capacity; or

- (ii) in the case of an application for capacity in either or both of Tranche 1 and Tranche 2, that any necessary enhancement to or expansion of the gas transmission system, before the requested start date, is commercially viable;
- (b) that each inlet point and outlet point is or will be of sufficient capability to accommodate the maximum flow (after incorporating the requested capacity) at the inlet point or outlet point;
- (c) where an applicant requests (or where a necessary consequence of an application is a requirement for) the corporation to provide a new, or to modify an existing, inlet station, inlet point, outlet station or outlet point, that the provision, before the requested start date, of a new, or the modification of an existing, inlet station, inlet point, outlet station or outlet point, is commercially viable;
- (d) that the gas to be delivered to the corporation under a grant of capacity at an inlet point complies with the requirements of Division 8.2;
- (e) that the applicant complies with the requirements specified by the corporation from time to time regarding the legal status of shippers;
- (f) that the applicant either is, to the corporation's satisfaction, in a position to meet its obligations under the contemplated grant, or provides or undertakes to provide to the corporation's satisfaction security for those obligations;
- (g) that the applicant complies or agrees to comply with the requirements of regulation 128; and
- (h) that the applicant complies or agrees to comply with the requirements of Division 8.3.

When the corporation must grant or may offer to grant capacity

78. (1) Subject to regulation 77, if an applicant requests capacity in Tranche 1 and there is sufficient spare capacity in Tranche 1 to satisfy that request, then the corporation must grant to the applicant the requested capacity.

(2) Subject to regulation 77 and to subregulation (3), if an applicant requests capacity in Tranche 2 and there is sufficient spare capacity in Tranche 2 to satisfy that request, then the corporation must grant to the applicant the requested capacity.

(3) The corporation may refuse to grant capacity in Tranche 2 whenever, and to the extent that, spare capacity in Tranche 1 is greater than zero.

(4) Subject to regulation 77, if an applicant requests capacity in Tranche 1 when there is insufficient spare capacity in Tranche 1 to satisfy that request, the corporation must offer to provide sufficient developable capacity.

(5) Subject to regulation 77, if an applicant requests capacity in Tranche 2 when there is insufficient spare capacity to satisfy that request, the corporation may offer to provide sufficient developable capacity.

(6) Subject to regulation 77, if an applicant requests capacity in Tranche 3, the corporation may grant to the applicant the requested capacity on such terms and conditions as may be negotiated between the corporation and the shipper (including without limitation as to prices).

(7) Subject to regulation 77, and to —

- (a) the applicant fulfilling any relevant conditions precedent prescribed under regulation 63; and
- (b) there being a reasonable commercial prospect that the corporation will recover within a reasonable time, from shippers or prospective shippers under grants of either or both of part-haul capacity or back-haul capacity, the costs and capital investment required to make the grant or provide the capacity, and a reasonable rate of return on that capital investment,

if an applicant requests part-haul capacity or back-haul capacity, then the corporation must grant any requested spare, and provide any requested developable, part-haul capacity or back-haul capacity on the terms prescribed under regulation 63 or negotiated between the corporation and the shipper, and at prices in accordance with Part 6.

Assessment of compliance with conditions precedent

79. (1) The corporation must undertake an investigation to the standard expected of a reasonable and prudent person concerning whether the applicant satisfies the conditions precedent for a grant of capacity under regulation 77.

(2) Without limiting the generality of subregulation (1), the corporation must prescribe with the Minister's approval a set of rules and procedures under which it is to assess the commercial viability of any capacity, service or thing, and must make available at the request of any person reasonable details of that set of rules and procedures.

Division 4.4 — Rejection of application

If application does not comply with a condition precedent

80. (1) If an application fails to comply with one or more of the conditions precedent for a grant of capacity under regulation 77, the corporation must give the applicant a notice of non-compliance detailing the nature of each non-compliance.

(2) If a notice of non-compliance indicates that any necessary enhancement to or expansion of the gas transmission system or the provision of a new or modified inlet station, inlet point, outlet station or outlet point is not commercially viable, the corporation must, if requested by the applicant and subject to subregulation (4), provide to the applicant in reasonable detail information regarding the basis of that determination.

(3) If an applicant seeks further information under subregulation (2), the corporation may recover from the applicant the corporation's reasonable further costs of provision of that information, which costs are to reflect only the additional costs incurred by the corporation in providing the information to the applicant, and not the costs incurred by the corporation in any event in assessing the application.

(4) The corporation may require the applicant to undertake to keep the information provided to it under subregulation (2) confidential and damages lie against the shipper for any breach of such an undertaking.

Applicant may elect to negotiate amendment

81. If the corporation issues a notice of non-compliance under regulation 80 (1), the applicant may within 30 days of the date of that notice elect, by giving notice to the corporation, to enter into negotiations with the corporation to amend the application under regulation 83, and if it fails to give notice within 30 days the application is by force of this regulation rejected and its priority is lost.

Application deemed rejected after 90 days in any event

82. Despite any negotiations under regulation 83, unless a notice of grant of capacity is given under regulation 86, an application is by force of this regulation to be taken to be rejected after the expiry of 90 days from the date of the notice of non-compliance, and the application's priority is lost.

Amendment of application

83. (1) The corporation and the applicant may, when an applicant so elects under regulation 81 or at any other time (including after a rejection or deemed rejection), negotiate in good faith amendments to an application, and may at any time agree in writing to amend the application in any manner, in which case the application is by force of this regulation amended in the terms agreed.

(2) Negotiations under this regulation do not affect an application's priority.

Priority of amended applications

84. (1) Subject to subregulation (2), an application amended under regulation 83 has the same priority as the original application.

(2) If an application amended under regulation 83 is materially different from the original application, and if that difference is such that an applicant whose application has a date of priority subsequent to the original application is materially prejudiced (compared with that later applicant's position with respect to the original application), then —

- (a) if it is possible to construe the amended application as a combination of the original application and a notional supplementary application (whether for further capacity or

otherwise), the original application retains its priority and the notional supplementary application has priority according to the time of amendment; but

- (b) otherwise, the original application is by force of this regulation rejected, and the applicant by force of this regulation is to be considered to have resubmitted the application in the amended terms, and the amended application has priority according to the time of amendment.

(3) In this regulation “**original application**” means an application as originally submitted to the corporation, or, if at some earlier date the application was by regulation 85 deemed to have been resubmitted, means the amended application so deemed.

Agreement to amend after rejection

85. If, after an application is rejected or deemed to have been rejected, the corporation and the applicant agree under regulation 83 to amend the application, the applicant is by force of this regulation considered to have resubmitted the application in the amended terms, and the amended application has priority according to the time of agreement to amend, and can be the subject of further amendment in accordance with this Division.

Division 4.5 — Grant of capacity

Grant of capacity

86. (1) The corporation must as soon as practicable, and in any event within 3 working days, after deciding to grant capacity to an applicant issue to the applicant a grant of capacity in the form prescribed by regulation 87.

(2) A grant of capacity may only be made on the terms and conditions set out in an application (as amended, if applicable, by agreement between the corporation and the shipper under regulation 83), and any purported grant of capacity by the corporation to an applicant which is not on the same terms as an application is by force of this regulation not a grant of capacity, and is to be treated as an offer by the corporation to enter into negotiations under regulation 83 to amend the application.

(3) A grant of capacity may include the grant to a shipper of the option or options to extend the term of the transmission contract for the period or periods set out in the grant of capacity.

(4) On receipt by the applicant of a notice of grant of capacity, the applicant by force of this regulation and the Act is to be treated as having entered as a shipper into a transmission contract with the corporation in accordance with the terms and conditions set out in the notice of grant.

(5) A notice of grant may require a shipper to provide security in accordance with regulation 125.

(6) The corporation must, if it decides to grant capacity, use reasonable endeavours to make a grant of capacity which commences on, or as close as practicable to, the requested start date, but nothing in this Part obliges the corporation to make a grant of capacity which commences on the requested start date.

(7) The corporation must, if it decides to grant capacity, advise the applicant of the start date or likely start date for the grant of capacity, and if at the time of grant the corporation is unable to advise the precise start date, it must as soon as it is able advise the shipper of the precise start date for the grant of capacity.

PART 5 — CONTRACTUAL MATTERS

Division 5.1 — The transmission contract

Provision of capacity to be by written contract

87. A grant of any capacity by the corporation to a shipper (other than the corporation) is to be by written contract substantially in the form in Schedule 3.

Provision of access to the corporation to be by arrangement in identical terms

88. A grant of capacity by the gas transmission business to the corporation's other business or to any other part of the corporation's business or operations is to be by written grant substantially in the form in Schedule 3.

Contracting out of non-essential terms

89. To the extent that a provision of a transmission contract is different from or inconsistent with any provision of these regulations which is not an essential term under regulation 90, the provision of the transmission contract is by force of this regulation to prevail.

Essential terms

90. (1) Each of the following provisions is by force of this regulation to be taken to be a term of every transmission contract, and is for the purposes of clause 2 (4) of Schedule 5 to the Act by force of this regulation to be taken to be an essential term of every transmission contract —

- (a) each regulation in Part 1, except for regulations 1 and 2;
- (b) regulations 41 and 43;
- (c) each regulation in Divisions 3.2 and 3.3;

- (d) each regulation in Part 5, except for each regulation in Division 5.1;
- (e) regulations 135, 151 and 152;
- (f) each regulation in Part 7, except for regulation 188;
- (g) each regulation in Division 8.1;
- (h) regulations 200, 206, 207, 208, 210, 211 and 212;
- (i) each regulation in Divisions 8.3 and 8.4;
- (j) regulations 244 and 245;
- (k) each regulation in Division 10.2; and
- (l) regulation 255.

(2) Despite any subsequent revocation, substitution or amendment of any of the regulations referred to in subregulation (1), and unless the parties otherwise agree, the terms of a transmission contract by force of this regulation are to be, and are to be read and construed by reference to, the regulations in force at the time of commencement of the transmission contract.

Other terms

91. (1) Subject to regulation 90, the corporation and a shipper may agree the terms of a transmission contract, including without limitation terms governing default by the corporation, the application of *force majeure* to shippers, and the terms of a grant of capacity in Tranche 3.

(2) The corporation must conduct any negotiations under subregulation (1) in good faith.

Division 5.2 — Invoicing and payment

Definitions

92. In this Division —

“bank bill rate” means an annual percentage rate in respect of a day from which interest is to be calculated —

- (a) determined by taking —
 - (i) the rates quoted on page number “BBSW” of the Reuters Monitor System at or about 10:00 hours (Sydney time) on the first day of a period for which interest is payable for each of not less than 5 reference banks so quoting as being the mean buying and selling rate for a 30 day bill; or

- (ii) if less than 5 reference banks have quoted rates on page number "BBSW" of the Reuters Monitor System, the rates otherwise quoted by 5 reference banks on application of the parties for the first day of a period for which interest is payable for a 30 day bill,

and then eliminating the highest and lowest rates, taking the average of the remaining rates and (if necessary) rounding that average upwards to the nearest 4 decimal places; or

- (b) if the bank bill rate cannot be determined by the procedure in paragraph (a) of this definition, determined by the corporation as a reasonable and prudent person having regard to comparable indices then available;

"margin" means an annual interest rate of 3 percent;

"prescribed interest rate" means an annual interest rate equal to the bank bill rate plus the margin;

"reference bank" means each bank which quoted rates on page number "BBSW" of the Reuters Monitor System on the occasion when those rates were last quoted.

Monthly payment of capacity reservation charge

93. A shipper must, no later than 3 days before the start of a month, pay to the corporation in advance all capacity reservation charges payable by it for the month under a transmission contract.

Monthly invoicing

94. The corporation must, within 5 working days after the end of a month, provide to each shipper an invoice or invoices for the month just ended showing —

- (a) the amount of gas delivered or deemed to be delivered at each inlet point and in each tranche at each outlet point on each gas day in the month;
- (b) any refunds payable for the month by reason of any curtailment of shipper's T1 capacity or interruption of shipper's T2 capacity;
- (c) the commodity charge for the month;
- (d) all other amounts which under the transmission contract are payable in arrears or refundable for the month;
- (e) any outstanding amounts (whether those amounts were originally payable in arrears or advance) from previous months and the interest payable thereon; and
- (f) such other information as may be agreed between the parties.

Payment within 10 working days

95. (1) The shipper must, within 10 working days of receipt of an invoice, pay to the corporation in the manner shown on the invoice all amounts shown on the invoice as payable under the transmission contract.

(2) If the shipper fails by the due date to make full payment of any amount shown on an invoice then, without prejudice to the corporation's other rights, the shipper must pay interest calculated daily at the prescribed interest rate from 10 working days after the date of the invoice until payment.

Disputed invoices

96. (1) If the shipper disputes any amount or amounts set out in an invoice to be due or payable, then the shipper must pay the undisputed portion (if any) of the amount shown on the invoice in accordance with regulation 95, and must, within 10 working days of the date of the invoice, give notice in writing to the corporation that it disputes the amount or amounts and full details of the dispute.

(2) Any amount withheld by a shipper under this regulation but subsequently found to have been payable is, without prejudice to the corporation's other rights, to attract interest calculated daily at the prescribed interest rate from 10 working days after the date of the invoice until payment.

Correction of payment errors

97. If a party detects any underpayment or overpayment by a party of any amount, the detecting party must give notice to the other party of the underpayment or overpayment, and an adjusting payment is to be made by the appropriate party within 10 working days of that notice, which adjusting payment is, without prejudice to the parties' other rights, to attract interest calculated daily at the prescribed interest rate from the date of underpayment or overpayment until payment.

Division 5.3 — Title to gas

Definitions

98. In this Division, "**possession**" includes custody, control, and an immediate right to possession, custody and control.

Shipper must have title to gas

99. (1) A shipper must have title to and possession of all gas delivered to the corporation at an inlet point, and the shipper must be able to provide evidence to the corporation's satisfaction of the shipper's title to and possession of the gas, whether by reference to a contract by which the shipper buys or sells gas or otherwise.

(2) To the extent necessary to ensure that a shipper has title to and possession of all gas delivered to the corporation at an inlet point under the

transmission contract there is, an instant before delivery of the gas to the corporation, by force of this regulation a transfer of title to and possession of any gas delivered on the shipper's behalf by a third person from the third person to the shipper.

No actions against the corporation in respect of gas delivered to the corporation

100. No person (including a shipper) has a claim against the corporation in respect of any gas delivered to and received by the corporation at an inlet point —

- (a) claiming any right or title to or other interest in, or any encumbrance, lien or claim of any nature over, the gas; or
- (b) in respect of any unpaid charges, royalties or taxes in respect of or in connection with the gas or the production of the gas incurred by any person (including the shipper) prior to or arising out of the delivery of the gas to the corporation.

Delivery of gas is transfer of title and possession

101. The delivery by a shipper of gas to the corporation at an inlet point, and the receipt of the gas by the corporation, by force of this regulation constitutes a transfer of title to and possession of the gas from the shipper to the corporation, effective at the inlet point and at the time of delivery.

Corporation may deal with gas

102. The corporation, after receipt of gas at an inlet point, may deal with the gas in any way consistent with its sole title to and possession of the gas, and may without limitation consume (for any operational or other purpose and before meeting any obligation to deliver gas to a shipper under regulation 103), compress, clean, process, odourise and store the gas and commingle the gas with any other gas in the gas transmission system.

Shipper's entitlement to receive gas from the corporation

103. Subject to any provision of these regulations or of any transmission contract entitling the corporation to wholly or in part not deliver gas to a shipper, upon the transfer from the shipper to the corporation of title to and possession of gas delivered at an inlet point the shipper becomes entitled to delivery by the corporation to the shipper of an equivalent quantity (in terajoules) of gas from the commingled gas stream in the gas transmission system.

Shipper's entitlement not reduced for lost gas or operational fuel

104. A shipper's entitlement to receive gas under regulation 103 is not to be reduced by any allowance for —

- (a) gas consumed or otherwise used by the corporation in its operation of the gas transmission system; or
- (b) gas losses from the gas transmission system.

Shipper's entitlement to receive gas is contractual

105. A shipper's entitlement to receive gas under regulation 103 is a contractual and not proprietary entitlement.

Exclusion of right to use and property rights

106. A shipper does not, by delivering gas to the corporation or by regulation 103, obtain any right to use of or access to the gas transmission system or any part of the gas transmission system, or any legal or equitable right or title to or interest in —

- (a) any gas in the gas transmission system; or
- (b) the gas transmission system or any part of the gas transmission system.

Only shipper may take delivery, title and possession of gas from the corporation

107. (1) All gas delivered under a transmission contract by the corporation at an outlet point is to be received by the shipper, and not by any other person, and the delivery by the corporation of gas at an outlet point is by force of this regulation a transfer of title to and possession of the gas from the corporation to the shipper, effective at the outlet point and at the time of delivery, and free and clear of all encumbrances, liens and claims of any nature.

(2) A shipper may agree with any other person to transfer to the person title to and possession of gas delivered by the corporation to the shipper at an outlet point at any time after the shipper receives title to and possession of the gas from the corporation.

Division 5.4 — Default and termination

Default by shipper

108. A shipper by force of this regulation is to be taken to be in default under a transmission contract in any one or more of the following circumstances —

- (a) if the shipper makes default in the due and punctual payment, at the time and in the manner prescribed for payment by these regulations or the transmission contract, of any amount payable under the transmission contract;
- (b) if the shipper makes default in the due and punctual performance or observance of any of the other covenants, agreements, conditions or other obligations contained, or implied by these regulations, in the transmission contract;

- (c) if, without the corporation's prior consent, the shipper sells, parts with possession of or attempts to sell or part with possession of, the whole or a substantial part of its undertaking;
- (d) if an insolvency event occurs;
- (e) if there is any adverse change in the business or financial condition of the shipper or any event occurs which could, in the reasonable opinion of the corporation, in any way jeopardise the ability of the shipper to meet its obligations to the corporation under the transmission contract;
- (f) if the shipper is found to be materially in breach of any warranty given to the corporation, whether in the transmission contract or in any other instrument (including but without limitation an application under Part 4), or if any statement or representation made by any means or in any document by the shipper to the corporation, is found to be false or misleading in any material particular; or
- (g) if the shipper is described in the application as trustee of any trust in relation to the transmission contract or the gas to be delivered or received under the transmission contract —
 - (i) if any trustee for the time being of the trust or any other person, without the consent of the corporation, makes, adds to or varies any terms, provisions, powers or limits of or affecting the trust;
 - (ii) if the shipper ceases to be the sole trustee of the trust;
 - (iii) if any trustee for the time being of the trust commits any breach of the trust;
 - (iv) on the vesting date of the trust; or
 - (v) if any distribution of any of the capital or assets (other than the distribution of income which is assessable income for the purposes of the *Income Tax Assessment Act 1936*) of the trust is made, at any time, without the consent of the corporation.

Notice of shipper's default

109. If a shipper is in default under a transmission contract, then the corporation may give notice in writing by certified mail to the shipper requiring it to rectify the default.

When corporation may exercise remedy

110. (1) Subject to subregulation (2), the corporation may exercise a remedy under regulation 111 at any time during which the shipper remains in default under a transmission contract, whether or not the corporation has given notice under regulation 109 of default.

(2) The corporation may not terminate a contract under regulation 111 (b) or commence the exercise of any remedy under regulation 111 (a) —

- (a) for a default under regulation 108 (a), unless it has given a notice under regulation 109 of that default, and until 3 working days have elapsed after the shipper receives that notice; and
- (b) for a default under regulation 108 (b), unless it has given a notice under regulation 109 of that default, and until 7 working days have elapsed after the shipper receives that notice.

Remedies for shipper's default

111. Subject to regulation 110, if a shipper is in default under a transmission contract, then the corporation may in its sole discretion —

- (a) refuse to accept gas from the shipper at an inlet point, refuse to deliver gas to the shipper at an outlet point, or reduce or suspend any other service to the shipper until such time as —
 - (i) all amounts the failure to pay which constitutes a default under regulation 108 (a), plus interest on those amounts at the prescribed interest rate, have been paid in full; or
 - (ii) all other defaults under regulation 108 have been remedied, ceased or removed,
 whether or not that failure to pay any amount or other default was the subject of a notice under regulation 109 of default; or
- (b) by notice in writing to the shipper terminate the transmission contract.

Saving of the corporation's other remedies

112. The termination right under regulation 111 (b) is in addition to and is not in substitution for any other rights and remedies available to the corporation, whether under these regulations or any other written law, or a transmission contract, or at law, at equity or otherwise.

Effect of termination

113. (1) Termination of a transmission contract by the corporation under regulation 111 (b) —

- (a) does not prejudice the rights or remedies accrued to either party at the date of termination; and
- (b) subject to subregulation (2), relieves each party of all further obligations under the transmission contract to the other party.

(2) Termination of a transmission contract by the corporation under regulation 111 (b) does not relieve the shipper of its obligations —

- (a) to pay all amounts outstanding at the time of termination; and
- (b) subject to subregulation (3), to pay all amounts which would have become payable under the transmission contract but for its termination.

(3) A shipper is relieved of its obligation under subregulation (2) (b) to continue to pay an amount if and to the extent that the corporation subsequently makes a grant of, and receives payment from that or any other shipper for, some or all of the capacity (in this regulation called the **“terminated capacity”**) made spare by the termination of the transmission contract.

(4) For the purposes of subregulation (3), by force of this regulation, terminated capacity in any tranche is to be assumed to be the last spare capacity in that tranche to be committed under a transmission contract, and any amounts received by the corporation under a transmission contract are to be assumed to be applied last to any terminated capacity committed under that contract.

Division 5.5 — Liability of parties

Definitions

114. In this Division —

“direct damage” means loss or damage which is not indirect damage;

“indirect damage” suffered by a person, means —

- (a) any consequential loss or damage however caused, including without limitation any —
 - (i) loss of (or loss of anticipated) use, production, revenue, income, profits, business and savings; or
 - (ii) business interruption,
 whether or not the consequential loss or damage was foreseeable; and
- (b) any liability of the person to any other person, or any claim, demand, action or proceeding brought against the person by any other person, and any costs or expenses in connection with the claim, demand, action or proceeding.

Force majeure

115. (1) The corporation is excused from performance of, and is not liable for any failure in carrying out, any of its obligations under a transmission contract if it is prevented from doing so by *force majeure*.

(2) The inability to pay money, however caused, does not constitute *force majeure*.

(3) If the corporation claims the benefit of *force majeure*, it must —

- (a) promptly give notice to the shipper of the occurrence and circumstances in which the claim arises;
- (b) use its best endeavours to remedy the consequences without delay; and
- (c) resume full performance of its obligations under the transmission contract as soon as reasonably practicable.

(4) Settlement of strikes, lock outs, stoppages and restraints of labour or other industrial disturbances are entirely within the discretion of the corporation and the corporation may refrain from settling industrial disturbances or may settle them on any terms it considers to be in its best interests.

Liability for negligence and default limited to direct damage

116. (1) A party who is negligent, or defaults in respect of its obligations to the other party under a transmission contract, is (subject to subregulations (3), (4) and (5)) to be liable to the other party (including its directors, servants, consultants, independent contractors and agents) for, and is to indemnify the other party (including its directors, servants, consultants, independent contractors and agents) against, any direct damage caused by or arising out of the negligence or default.

(2) Without limiting the generality of subregulation (1), if the negligence or default of any party gives rise to an emergency under regulation 232 then the party (including the corporation) whose negligence or default gave rise to that emergency is to be liable in that respect in accordance with the provisions of subregulation (1).

(3) In any gas year, the corporation is to be liable to a shipper for direct damage caused by or arising out of a curtailment or interruption of the shipper's capacity only if -

- (a) in the case of curtailments of the shipper's T1 capacity, the accumulated duration of whole or partial curtailments of the shipper's T1 capacity in the gas year (excluding curtailments made in accordance with regulation 53) exceeds 2% of the gas year, in which case the corporation is thereafter to be liable for any whole or partial curtailment of the shipper's T1 capacity in excess of that 2% limit; or
- (b) in the case of interruptions of the shipper's T2 capacity, the accumulated duration of whole or partial interruptions of the shipper's T2 capacity in the gas year (excluding interruptions made in accordance with regulation 53) exceeds 8% of the gas year, in which case the corporation is thereafter to be liable for any whole or partial interruption of the shipper's T2 capacity in excess of that 8% limit.

(4) Despite subregulation (3), the corporation is not to be liable for any damage suffered by a shipper arising out of any curtailment or interruption of the shipper's capacity in Tranche 1 or Tranche 2 if —

- (a) the curtailment or interruption is made in accordance with regulation 53;
- (b) the corporation is relieved of liability under regulation 115; or
- (c) the corporation is entitled under these regulations or a transmission contract to curtail or interrupt a shipper's capacity by reason of, or in response to a reduction in gas transmission capacity caused by, the default, negligence, breach of contractual term, or other misconduct of a shipper.

(5) The corporation is not to be liable for any damage suffered by a shipper arising out of any interruption of shipper's T3 capacity or additional T3 capacity.

Liability for fraud

117. A party who is fraudulent in respect of its obligations to the other party under a transmission contract is to be liable to the other party for, and is to indemnify the other party against, any direct damage or indirect damage caused by, consequential upon or arising out of the fraud.

No liability for indirect damage

118. (1) Except as provided in regulations 117 and 211 (5), neither party is in any circumstances to be liable to the other party for any indirect damage, however arising.

(2) The corporation is to indemnify the shipper against all indirect damage suffered by the corporation and the shipper is to indemnify the corporation against all indirect damage suffered by the shipper.

No liability arising out of any approval by the corporation

119. Without limiting the generality of regulation 118, the corporation is not, except as provided in regulations 116 and 117, in any circumstances to be liable to any shipper for any loss, injury, or damage (including indirect damage), arising out of any approval by the corporation of any design, location or construction of, or proposed operating or maintenance procedures in relation to, any equipment, apparatus, machine, component, installation, cable, pipe or facility connected to, or adjacent to and associated with, the gas transmission system.

Saving of contractual payments

120. Nothing in this Division limits the liability of either party to make all payments due under the transmission contract.

Shipper is responsible for its and its contractors' personnel and property

- 121.** (1) Subject to regulation 116, the shipper alone is liable for any —
- (a) injury to or death of any person employed by the shipper or by any person (except the corporation) contracting with the shipper; and
 - (b) loss of or damage to any property of the shipper or of any person (except the corporation) contracting with or employed by the shipper,

however caused, which occurs during the term of the transmission contract, in or about, or incidental to activities in or about, any inlet station, any outlet station, the gas transmission system, or any other premises, facilities or places used for the storage, transportation or delivery of gas received from or delivered to the shipper or where the corporation's property or directors, servants, consultants, independent contractors or agents and the shipper's property or directors, servants, consultants, independent contractors or agents are in proximity.

(2) The shipper must indemnify the corporation and any person (except the shipper) contracting with the corporation, and their respective directors, servants, consultants, independent contractors and agents against all liabilities and expenses arising from or in connection with any claim, demand, action or proceeding made or brought by any person in respect of or in relation to any injury, death, loss or damage referred to in subregulation (1).

Corporation's liability to third persons

122. (1) The corporation's liability to any third person for any injury, death, loss or damage suffered by that third person is limited to liability for injury to persons or damage to property arising directly or indirectly from the negligence or wilful default of the corporation or its servants and agents.

(2) Without limiting the generality of subregulation (1), the corporation is not liable to any third person —

- (a) by reason of any statutory or contractual relationship, or any relationship of special proximity, arising out of one or more of the Act, these regulations, a transmission contract or any other agreement or relationship between the corporation and a shipper;
- (b) for any indirect damage; or
- (c) for any injury, death, loss or damage which by force of regulation 121 is the sole responsibility of the shipper.

(3) In this regulation, "**third person**" means any person other than the corporation and the shipper, and includes any producer of gas and any customer of a shipper.

Each limitation separate

123. Each limitation or exclusion created by this Division and each protection given to the corporation or the shipper or to their respective directors, servants, consultants, independent contractors and agents by this Division is a separate limitation, exclusion or protection applying and surviving even if for any reason any provision of this Division is held inapplicable in any circumstances.

Division 5.6 — Miscellaneous contractual matters

Shipper's representations and warranties

124. (1) The shipper, by making an application under Part 4 and by entering into a transmission contract, represents and warrants to the corporation that —

- (a) it has duly complied, and will up to the termination of the transmission contract continuously comply, with all environmental and safety laws with respect to any of its obligations connected with, arising out of or in relation to the Act, these regulations or the transmission contract;
- (b) it has in full force and effect all authorisations, licences, permits, consents, certificates, authorities and approvals necessary under all environmental and safety laws and all other laws to enter into a transmission contract, to observe its obligations under the Act, the regulations and the transmission contract, and to allow those obligations to be enforced;
- (c) it has in full force and effect all necessary leases, licences or easements to construct, operate and maintain the inlet station or stations and all metering and other facilities for which it is responsible under these regulations or a transmission contract;
- (d) its obligations under the transmission contract are valid and binding and are enforceable against it in accordance with their terms;
- (e) the transmission contract and any transaction under it does not contravene the shipper's constituent documents or any law or any of its obligations or undertakings by which it or any of its assets are bound or cause to be exceeded any limitation on its or its directors' powers;
- (f) its obligations to make payments under the transmission contract rank at least equally with all unsecured and unsubordinated indebtedness of the shipper except debts mandatorily preferred by law;
- (g) neither the shipper nor any of its related bodies corporate is in default under a law affecting any of them or their respective assets, or any obligation or undertaking by which it or any of its assets are bound;

- (h) there is no pending or threatened action or proceeding affecting the shipper or any of its related bodies corporate or any of their respective assets before a court, referee, governmental agency, commission, arbitrator or other tribunal which will, or might reasonably be expected to, materially affect its ability to perform its obligations under the transmission contract;
- (i) neither the shipper nor any of its related bodies corporate have immunity from the jurisdiction of a court or from legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise); and
- (j) the shipper is not an agent or trustee (except if and to the extent that it is disclosed as such in its application under Part 4) in relation to the transmission contract or the gas to be delivered or received under the transmission contract.

(2) These representations and warranties are by force of this regulation to be taken to be made on each day on which —

- (a) gas is delivered to the corporation by the shipper at an inlet point;
- (b) gas is received by the shipper from the corporation at an outlet point; or
- (c) any amount payable by the shipper to the corporation under the transmission contract is or may be outstanding.

Commercial status of shipper

125. The corporation may from time to time seek confirmation from a shipper that the shipper is in a position to meet its obligations under the transmission contract, and if the shipper is not, to the corporation's satisfaction, in such a position the corporation may require the shipper to provide to the corporation's satisfaction security for those obligations.

Transmission contracts to be publicly available

126. (1) The corporation must, when requested in writing by any person, make available to and at the expense of that person a copy of any transmission contract (including all appendices) identified in the request.

(2) No action for damages lies against the corporation in respect of its disclosure of the contents of a transmission contract or its appendices in compliance with subregulation (1).

Records and information

127. Each party must prepare and maintain proper books, accounts, records and inventories of all matters connected with or relating to a transmission contract, and must retain those books, accounts, records and inventories for at least 2 years.

Insurances

128. (1) Subject to subregulation (4), a shipper must procure and maintain at its own expense throughout the term of the transmission contract the following insurances with insurers having a reputation satisfactory to a reasonable and prudent person —

- (a) worker's compensation insurance in accordance with the *Workers' Compensation and Rehabilitation Act 1981*, and for the shipper's common law liability to workers;
- (b) all risks property damage insurance against damage, loss or destruction of the shipper's plant and equipment at the inlet station or stations and outlet station or stations; and
- (c) liability insurance for such amount as the corporation may require against risk of loss, damage, death or injury to property or personnel (however caused) of the corporation, the shipper or the public.

(2) The shipper must arrange for endorsement on the policies referred to in subregulation (1) (b) and (c) of the corporation as co-insured and for the insurers to waive rights of subrogation against the corporation.

(3) The shipper must, prior to the commencement of the transmission contract and prior to the commencement of each year thereafter, provide the corporation with certificates of currency of the insurances and endorsements required by this regulation.

(4) The corporation may waive compliance with the requirements of subregulations (1), (2) and (3) if it as a reasonable and prudent person —

- (a) is satisfied that the shipper has adequate alternative arrangements; or
- (b) accepts the shipper as a self-insurer.

No waiver

129. No failure or delay by a party in exercising any of its rights under a transmission contract operates as a waiver of the party's rights or prevents the party from subsequently enforcing any right or treating any breach by the other party as a repudiation of the transmission contract.

Entire agreement

130. The transmission contract, in conjunction with the Act and these regulations, constitutes the entire agreement between the parties on the subject matter of the transmission contract and supersedes all prior negotiations, representations and agreements between the parties.

Severability

131. If any clause or provision of a transmission contract is held illegal or unenforceable by any judgment of a referee, court, arbitrator or tribunal having competent jurisdiction, the judgment does not affect the remaining provisions of the transmission contract which remain in full force and effect as if the clause or provision held to be illegal or unenforceable had not been included in a transmission contract.

Governing law

132. The transmission contract is to be construed and interpreted in accordance with the law of the State and the parties by entering into the transmission contract submit to the exclusive jurisdiction of the courts of the State and the referee.

Assignment

133. (1) No party may assign any right, interest or obligation under a transmission contract except in accordance with this regulation or the provisions of Part 9.

(2) The corporation may at any time without the consent of the shipper (but having first notified the shipper) assign all or part of its rights, interests or obligations under a transmission contract to —

- (a) a subsidiary of the corporation within the meaning of the Act; or
- (b) any body corporate (of such financial standing and technical competence as will enable it to perform the corporation's obligations under the transmission contract), whether statutory or otherwise, to which or to a related body corporate of which the gas transmission system or a substantial part thereof or interest therein is leased or hired out.

(3) Subject to subregulations (4) and (5), a shipper may with the prior written consent of the corporation, which the corporation may not unreasonably withhold, assign all or part of its rights, interests and obligations under a transmission contract to any person.

(4) A shipper may, within 180 days after a grant of capacity pursuant to an application under regulation 74, without the consent of the corporation (but having first notified the corporation) assign all or part of its rights, interests and obligations under the transmission contract arising from that grant of capacity to any shipper or approved prospective shipper.

(5) The corporation must withhold its consent to an assignment if the corporation considers that it would not make a grant of capacity to the proposed assignee under Part 4 (assuming there was sufficient spare capacity).

(6) For the purposes of subregulation (5), the shipper is to enclose with its request for approval to an assignment an application by the proposed assignee in accordance and complying with, and providing all information and

doing all things required by, the provisions of Part 4 in respect of the capacity the subject of the transmission contract to be assigned.

(7) An assignment of a transmission contract, together with that contract, is by force of this regulation to be taken to be a transmission contract between the corporation and the assignee.

Option to renew contract

134. (1) A shipper may give notice to the corporation in accordance with subregulation (2) that it wishes to exercise an option to extend a transmission contract if the shipper —

- (a) has been granted an option as part of the terms of a grant of capacity;
- (b) has made all payments duly and punctually during the term of the transmission contract; and
- (c) has not failed to observe and perform any obligation under the regulations or the transmission contract during the term of the transmission contract in a way which has been serious or persistent or both.

(2) A shipper's notice of exercise of option —

- (a) must state clearly that the shipper wishes to take a further grant of capacity in accordance with the option; and
- (b) must be given to the corporation not earlier than 4 years and not later than 3 years before the end of the term of the transmission contract.

(3) Subject to subregulation (4), if a shipper gives notice to the corporation under subregulation (2), then at the end of the term of the transmission contract the corporation must make, and the shipper must take, a further grant of capacity in accordance with the provisions set out in subregulation (5).

(4) A shipper may not receive a grant of capacity in response to a notice under subregulation (2) if —

- (a) the shipper would not, as an applicant for the capacity under Part 4, satisfy all the conditions precedent for that grant (for which purpose a shipper's priority under Part 4 is to be calculated by reference to the date of the application which resulted in the transmission contract);
- (b) the shipper has not utilised or enabled the utilisation of all or a significant part of the shipper's contracted capacity during the term of the transmission contract (including any previous extensions of the contract);
- (c) the shipper does not propose in good faith to directly utilise all or a significant part of the shipper's contracted capacity during the extension of the term of the transmission contract; or

- (d) the shipper does not between the time of notice under subregulation (1) and the end of the term of the transmission contract duly and punctually make all payments and observe and perform its obligations.
- (5) A further grant of capacity under subregulation (3) is to be a new transmission contract containing the same provisions as the transmission contract, with the following exceptions —
 - (a) the new contract will begin immediately after the end of the term of the transmission contract, and will have the term set out in the transmission contract; and
 - (b) the new contract will not provide for an option for a further term beyond the term or terms set out in the transmission contract.

PART 6 — PRICING METHODS AND PRICES

Definitions

135. In this Part —

“full-haul gas transmission capacity” means the capacity of the gas transmission system to deliver gas to locations south of CS9;

“investment in the gas transmission system” means —

- (a) capital investment in, and commitments to invest in, the gas transmission system (excluding from that system those parts identified in the description made available under regulation 13 as being excluded for the purposes of this definition); and
- (b) all other investments, and commitments to invest, by the corporation to maintain and provide gas transmission capacity;

“pipeline kilometre” means each kilometre measured along the top of the main line of the gas transmission system, between an outlet point and —

- (a) in respect of the capacity reservation charge, the inlet point identified in the transmission contract for the purposes of this Part as the relevant inlet point; and
- (b) in respect of the commodity charge, the inlet point at which the shipper’s delivery of gas gives rise to an entitlement to gas at the outlet point.

Pricing methods adopted by the corporation in accordance with clause 5 (2) of Schedule 5 to the Act

136. (1) The corporation in accordance with this Part is from time to time to adopt pricing methods consistent with the provisions of this Part for grants of capacity under these regulations.

(2) The corporation in accordance with this Part is to apply the pricing methods adopted under subregulation (1) to determine prices for grants of capacity under these regulations.

(3) Pricing methods adopted in accordance with this Part must have as their collective objective the recovery within a reasonable time from shippers of —

- (a) the costs of maintaining and providing gas transmission capacity;
- (b) the investment in the gas transmission system; and
- (c) a reasonable rate of return on that investment.

(4) Pricing methods adopted in accordance with this Part may provide individually or collectively for —

- (a) different prices for different subclassifications of gas transmission capacity, including without limitation Tranche 1, Tranche 2 and Tranche 3;
- (b) different components of prices (including without limitation the capacity reservation charges and commodity charges) and the classes of shippers to which those components apply;
- (c) the circumstances (in addition to those prescribed in regulations 151 and 152) in which the corporation may change the prices payable by shippers; and
- (d) the circumstances (in addition to those prescribed in regulations 139, 146, 153 and 154) in which the corporation may agree to receive and deliver gas at prices different from the prices generally applied.

Full-haul gas transmission capacity most important

137. Pricing methods adopted in accordance with this Part are to reflect the need to preserve full-haul gas transmission capacity.

Transitional

138. The corporation must adopt and apply the prices announced by the Minister for Energy in a Ministerial Statement to the Legislative Assembly on 29 November 1994, until the first redetermination under regulation 151.

Exempted contracts

139. (1) The corporation may charge prices which are not determined in accordance with the pricing methods adopted in accordance with this Part, for any gas transmission capacity which is reserved for, available to or being utilised by any person under an exempted contract.

(2) Despite subregulation (1), for the purposes of determining the corporation's revenues for use in adopting any pricing method or determining or redetermining any price in accordance with this Part, by force of this regulation the prices paid by any person under an exempted contract are to be taken to be the prices which would be payable by that person if the person were a shipper paying prices under the balance of this Part.

Prices to be determined separately

140. If a shipper has contracted capacity at more than one outlet point or consisting of more than one of full-haul capacity, part-haul capacity and back-haul capacity, the provisions of this Part apply to each outlet point and class of contracted capacity separately, as though the shipper were a party to a separate transmission contract in respect of that outlet point or for that class of capacity.

Capacity reservation charge

141. (1) A shipper must pay to the corporation separate capacity reservation charges, determined in accordance with the pricing methods adopted in accordance with this Part, for every terajoule per day of the shipper's T1 capacity and the shipper's T2 capacity.

(2) Subject to regulations 139, 146, 153 and 154, the capacity reservation charge for full-haul capacity in each of Tranche 1 and Tranche 2 is to be the same for all shippers granted capacity in that tranche, and is to be calculated without regard to the location of the relevant outlet point or of any relevant inlet point, on the assumption (by force of this regulation) that any outlet point at which a shipper has been granted full-haul capacity is 1399 pipeline kilometres from the relevant inlet point.

Capacity reservation charge for full-haul capacity in Tranche 1

142. The capacity reservation charge for full-haul capacity in Tranche 1 is to be determined using a pricing method which has the objective of recovering within a reasonable time from shippers the corporation's investment in the gas transmission system (at the time of the determination) and a reasonable rate of return on that investment, on the assumption that all of Tranche 1 and Tranche 2 is shippers' contracted capacity, and making reasonable allowance for curtailment and interruption and for revenue from surcharges, and from capacity reservation charges for grants of either or both of part-haul capacity or back-haul capacity on terms and conditions which are analogous to Tranche 1 or Tranche 2.

Capacity reservation charge for full-haul capacity in Tranche 2

143. The capacity reservation charge for capacity in Tranche 2 is to be a discounted percentage of the capacity reservation charge for capacity in Tranche 1, and the corporation may, during any redetermination under regulation 151, vary the percentage discount.

Commodity charge

144. (1) A shipper must pay to the corporation a commodity charge determined in accordance with the pricing methods adopted in accordance with this Part for every gigajoule of gas delivered (or deemed by these regulations to be delivered) to the shipper by the corporation in each of Tranche 1 and Tranche 2.

(2) Subject to regulations 139, 146, 153 and 154, the commodity charge for gas delivered to a shipper under full-haul capacity in Tranche 1 and Tranche 2 is to be the same for all shippers to whom gas is delivered in those tranches, and is to be calculated without regard to the location of the relevant outlet point or of any relevant inlet point, on the assumption (by force of this regulation) that any outlet point at which gas is delivered to a shipper under full-haul capacity is 1399 pipeline kilometres from the relevant inlet point.

Commodity charge for Tranches 1 and 2 full-haul

145. (1) The commodity charge for gas delivered to a shipper under full-haul capacity in Tranche 1 and Tranche 2 is to be determined using a pricing method which has the objective of recovering within a year from shippers the estimated costs for the year following the determination of maintaining and providing gas transmission capacity, on the assumption that gas is to be delivered up to the level of capacity in Tranche 1 and Tranche 2, and making reasonable allowance for revenue from surcharges, and from commodity charges for grants of either or both of part-haul capacity or back-haul capacity on terms and conditions which are analogous to Tranche 1 or Tranche 2.

(2) The commodity charge for capacity in Tranche 2 is to equal the commodity charge for capacity in Tranche 1.

Discount in respect of Wesfarmers LPG Pty Ltd

146. (1) The corporation is to grant to the corporation's other business a discount of 50% on each of the capacity reservation charge and the commodity charge payable by the corporation's other business in respect of the actual quantity of gas sold by it to Wesfarmers LPG Pty Ltd for use (whether for extraction, as fuel or otherwise) in the WLPG plant.

(2) For the purposes of determining or redetermining a price in accordance with this Part, the effect of the discount under this regulation on the corporation's revenue is to be determined using the corporation's other business' best estimate as a reasonable and prudent person of the WLPG plant's gas usage in the year following determination or redetermination.

No price variations for gas quality

147. (1) A pricing method adopted or price determined in accordance with this Part may not grant any concession or discount to or impose any surcharge or penalty upon a shipper on the basis of the quality of the gas delivered by a shipper to the corporation at an inlet point.

(2) Subject to regulation 211 (3) and without limiting the liability of a shipper under regulation 211 (5) or otherwise, the corporation may not, as part of its terms for accepting out-of-specification gas under regulation 211, impose any surcharge, penalty or other additional fee upon a shipper.

Charges for part-haul capacity

148. (1) Capacity reservation charges and commodity charges for part-haul capacity (other than part-haul capacity in Tranche 3) are to be determined individually for each shipper and are to comprise a distance-related component and an additional component determined in accordance with this regulation.

(2) The distance-related component of a capacity reservation charge or a commodity charge for part-haul capacity is to be the corresponding charge for full-haul capacity divided by 1399 and multiplied by the number of pipeline kilometres between the relevant inlet point and the relevant outlet point.

(3) The additional component of a capacity reservation charge for part-haul capacity (which may be zero but may not be a negative amount, and which may be varied by a redetermination under regulation 151) is to have the objective of recovering within a reasonable time from part-haul shippers either or both of —

- (a) any additional investment and a reasonable rate of return on the investment which the corporation is required to make anywhere in the gas transmission system, as a result of the provision of the part-haul capacity, in order to maintain and provide full-haul gas transmission capacity; and
- (b) a component reflecting the corporation's lost opportunity (if any) to make future grants of full-haul capacity and to receive by reason of such grants capacity reservation charges, to the extent that the opportunity is lost by reason of the grant of part-haul capacity.

(4) The additional component of a commodity charge for part-haul capacity (which may be zero but may not be a negative amount, and which may be varied by a redetermination under regulation 151) is to have the objective of recovering within a year from part-haul shippers either or both of —

- (a) any additional costs which the corporation is required to incur anywhere in the gas transmission system, as a result of the provision of the part-haul capacity, in order to maintain and provide full-haul gas transmission capacity; and
- (b) a component reflecting the corporation's lost opportunity (if any) to make future grants of full-haul capacity and to receive by reason of such grants commodity charges, to the extent that the opportunity is lost by reason of the grant of part-haul capacity.

(5) Subject to subregulation (6), if and to the extent that —

- (a) the part-haul capacity of more than one shipper gives rise to any of the additional investment referred to in subregulation (3) (a) or

costs referred to in subregulation (4) (a), that investment and those costs are, for the purposes of determining the additional components of each shipper's capacity reservation charge and commodity charge, to be apportioned between those shippers; and

- (b) any of the additional investment referred to in subregulation (3) (a) or costs referred to in subregulation (4) (a) result in an increase in full-haul gas transmission capacity, that investment and those costs are, for the purposes of determining capacity reservation charges and commodity charges, to be apportioned between the charges for full-haul capacity and part-haul capacity.

(6) The prices payable by a shipper for full-haul or part-haul capacity may only be amended to reflect an apportionment of additional investment or costs under subregulation (5) during a redetermination under regulation 151, and —

- (a) pending the next redetermination, the shipper whose receipt of a grant of part-haul capacity gave rise to the additional investment or costs, and any shipper who receives a subsequent grant of part-haul capacity, is to bear only that part of the additional investment or costs which would be payable if an apportionment under subregulation (5) had occurred at the time of the grant; and
- (b) the next redetermination may take account of any shortfall arising from the partial recovery of additional investment or costs under paragraph (a).

Charges for back-haul capacity

149. Charges for back-haul capacity are to be the same as the corresponding charges for part-haul capacity over the same section of the gas transmission system.

Tranche 3 charge

150. A shipper must pay to the corporation a Tranche 3 charge for every gigajoule of gas delivered (or deemed by these regulations to be delivered) to the shipper by the corporation under capacity in Tranche 3 (whether full-haul capacity, part-haul capacity or back-haul capacity), at a rate per gigajoule which in the case of gas delivered under shipper's T3 capacity may be negotiated between the corporation and a shipper, and in the case of gas delivered under additional T3 capacity allocated under Part 7 is to be determined in accordance with the provisions of that Part.

Price redeterminations

151. (1) Subject to regulation 152, a price determined in accordance with this Part may not be revoked, substituted or amended except by a redetermination under this regulation.

(2) The corporation may at any time, or if required by the Gas Transmission Consultation Committee under regulation 31 (e) the corporation must as soon as practicable, undertake a redetermination of any price determined in accordance with this Part.

(3) Prices redetermined under this regulation may not come into effect —

- (a) until after 1 January 1998, and thereafter may only come into effect within a reasonable time after a major capital investment in the gas transmission system (for the purpose of maintaining, enhancing or expanding the gas transmission system); and
- (b) within 3 years after any previous redetermination under this regulation (whether or not that previous redetermination addressed the price the subject of the current redetermination).

(4) If a matter arising out of a redetermination under this regulation of a price is referred to expert review under Division 2.4 and the expert expresses an opinion or makes a recommendation on that matter in an expert's report published under regulation 36, then —

- (a) the corporation is not obliged to adopt, comply with or act upon the opinion or recommendation; but
- (b) subject to subregulation (5), for the purpose of quantifying the corporation's investment in the gas transmission system, for the purposes of determining prices, and for all other purposes of the redetermination —
 - (i) the corporation is by force of this regulation to be taken to have adopted, complied with and acted upon the opinion or recommendation; and
 - (ii) without limiting the generality of subparagraph (i), the gas transmission system is by force of this regulation, and despite the true configuration and operation thereof, to be taken to be configured and operated in accordance with that opinion or recommendation.

(5) The corporation may refer to the referee an expert's opinion or recommendation referred to in subregulation (4), and, if the referee so orders, the deeming provisions in subregulation (4) (b) are not to apply.

(6) Any price determined by a redetermination under this regulation is to be consistent with the provisions of this Part.

(7) Any prices determined by a redetermination under this regulation are to apply to existing as well as new shippers.

(8) A Tranche 3 charge is not subject to redetermination under this regulation.

(9) A pricing method adopted in accordance with this Part is not subject to redetermination under this regulation, but may be revoked, substituted or amended by the corporation.

Annual adjustment of commodity charge

152. The corporation may annually adjust the commodity charge to reflect —

- (a) changes in costs to the corporation of fuel;
- (b) with respect to labour, materials and services, 75% of any changes in CPI; and
- (c) the introduction of any new, or the increase of any existing, tax, excise, impost, levy or charge by the Commonwealth or State governments, if the tax, excise, impost, levy or charge has general application.

Discount for opportunity cost pricing

153. (1) Subject to subregulation (2), if any price determined by the corporation in accordance with this Part would, in the corporation's view as a reasonable and prudent person, exceed a shipper's opportunity cost for an alternative means of transporting any gas, the corporation may charge the shipper a lower price calculated to be competitive with that opportunity cost.

(2) The corporation may only charge a shipper a lower price under subregulation (1) to provide any capacity in circumstances where there is a reasonable commercial prospect that the corporation will recover within a reasonable time from the shipper the costs and capital investment required to provide the capacity and a reasonable rate of return on that capital investment.

(3) In this regulation "**opportunity cost**" means a notional price reflecting the total cost to a shipper over the contemplated term of a transmission contract of an alternative to the gas transmission system as a means of transporting gas, including any necessary or reasonably incidental planning, designing, financing, acquiring, approving, constructing, commissioning, operating and maintenance costs.

Surcharge for developable capacity which is not commercially viable

154. (1) Where the corporation, after an assessment under regulation 79 of a shipper's application, determines that the provision of developable capacity or of a new or modified inlet station, inlet point, outlet station or outlet point which would be made necessary by a grant of the requested capacity is for any reason not commercially viable, the corporation may agree with the shipper to grant to the shipper the requested capacity on the basis that the shipper is to pay a surcharge for the requested capacity above the price which would otherwise be payable for the shipper's contracted capacity in accordance with this Part.

(2) A surcharge under this regulation may not exceed an amount necessary to make the provision of developable capacity or a new or modified inlet station, inlet point, outlet station or outlet point commercially viable, and may not be increased during the term (including any extensions) of a transmission contract unless the transmission contract expressly permits.

(3) A surcharge under this regulation is to be reduced if and to the extent that utilisation of the capacity created by the provision of developable capacity or a new or modified inlet point or outlet point the subject of the surcharge is providing to the corporation a reasonable rate of return independently of the surcharge.

(4) Unless the transmission contract provides otherwise, a reduction under subregulation (3) is to occur at the same time as a redetermination under regulation 151.

Shipper specific charges

155. (1) Subject to Division 2.3, the corporation may adopt pricing methods, and may determine prices, which impose additional charges on a shipper on the basis of its load characteristics, including load factor or peak factor, or the term of its transmission contract.

(2) The corporation may negotiate with a shipper any charge or charges to be imposed to recover any investment in and the costs of maintaining and providing any miscellaneous goods and services under regulation 61.

(3) A pricing method for any miscellaneous goods and services which involves a component to recover any investment by the corporation, must include provision for a shipper (at its option) to pay the capital contribution as a lump sum.

PART 7 — NOMINATIONS AND BALANCING

Division 7.1 — Interpretation and general

Definitions

156. In this Part —

“nominated inlet point” means an inlet point specified in the shipper’s initial nomination as one at which the shipper is to deliver gas to the corporation during the nominated day;

“nominated day” means a gas day in respect of which a shipper’s initial nomination is made;

“nominated outlet point” means an outlet point specified in the shipper’s initial nomination as one at which the shipper is to receive gas from the corporation during the nominated day;

“shipper’s initial nomination” means a nomination by a shipper under regulation 166 (1) of the quantities of gas that the shipper requires to deliver to the corporation at each nominated inlet point on a gas day and receive from the corporation in each tranche at each nominated outlet point on a gas day.

Shipper may delegate to a producer

157. To the extent that this Part prescribes certain things to be done by a shipper, the shipper may by agreement with a gas producer delegate the producer to do those things, but nothing in any such agreement relieves the shipper of its obligations to the corporation under this Part.

Requests for advance information

158. (1) To assist the corporation in its planning and forecasting, it may from time to time request a shipper to provide it with advance estimates (covering such periods and in such detail as the corporation may determine) in good faith of the shipper's likely nominations, and may for that purpose give the shipper undertakings as to confidentiality.

(2) A shipper must in good faith make reasonable endeavours to comply with any request made by the corporation under subregulation (1).

(3) A shipper may, without penalty, make nominations which differ materially from any estimated nominations provided by it under subregulation (1), but nothing in this subregulation limits any action against a shipper who fraudulently or negligently provides to the corporation under subregulation (1) materially false information.

Additional capacity is Tranche 3 capacity

159. (1) Any capacity nominated by or allocated to a shipper under this Part in excess of the shipper's contracted capacity is to be allocated as capacity in Tranche 3.

(2) Despite any term of a transmission contract regarding capacity in Tranche 3, the corporation and the shipper are by force of this regulation to be taken to have agreed the following terms for additional T3 capacity —

- (a) whenever the corporation as a reasonable and prudent person considers it necessary to do so, it may interrupt either wholly or in part any additional T3 capacity allocated to a shipper under this Part, after notice to the shipper in accordance with regulation 56, and it may do so before interrupting any shipper's T3 capacity;
- (b) the Tranche 3 charge payable for additional T3 capacity allocated by the corporation under regulation 168 and utilised by the shipper is to be the price bid for that capacity in the shipper's initial nomination under regulation 166 (3), and for additional T3 capacity allocated by the corporation under regulation 174 and utilised by the shipper is to be the price set out in the renomination notice under regulation 171; and
- (c) the shipper's peak hourly quantity and shipper's peak daily quantity for additional T3 capacity are to be calculated for the purposes of Division 7.4 as though the quantity of capacity allocated as additional T3 capacity was the shipper's contracted capacity.

(3) To the extent that a shipper does not utilise its additional T3 capacity —

- (a) if the corporation could have received revenue from an allocation of the capacity to another shipper, the first-mentioned shipper must continue to pay the Tranche 3 charge in respect of that unutilised additional T3 capacity, at a rate equal to that which the corporation could otherwise have received; and
- (b) if the corporation could not have received revenue from an allocation of the capacity to another shipper, the first-mentioned shipper is excused from paying the Tranche 3 charge in respect of the unutilised additional T3 capacity.

Shipper's daily nominations do not affect contracted capacities

160. An allocation of a shipper's daily nomination under this Part does not affect any shipper's contracted capacity.

Nominations have priority over renominations

161. The corporation must process shipper's initial nominations and make allocations of shipper's daily nomination under Division 7.2 in priority to any processing or allocation under Division 7.3, and capacity allocated in a shipper's daily nomination under Division 7.2 is not available for renomination under Division 7.3.

Nominations and renominations must be in good faith

162. A shipper who makes an advance nomination under regulation 165, an initial nomination under regulation 166, or a renomination under regulation 171 must do so in good faith, and must nominate for an amount of capacity which is the shipper's best estimate as a reasonable and prudent person of the amount of capacity it proposes to utilise.

Division 7.2 — Nominations

Corporation to make available bulletins of available capacity

163. The corporation must, on regular occasions during each gas day (sufficient to assist shippers in making their shippers' initial nominations, and any renominations under regulation 171), make available to all shippers a bulletin specifying —

- (a) for at least that gas day and the following gas day, the amount of capacity available or anticipated to be available for nomination or renomination, and the minimum price at which the corporation will allocate any additional T3 capacity to shippers; and
- (b) details of any original shipper's tradeable capacity in Tranche 1 or Tranche 2 to be made available under regulation 237.

Nominations only at contracted inlet and outlet points

164. A shipper may only nominate to deliver gas to the corporation at an inlet point, or receive gas from the corporation at an outlet point, at which the shipper has contracted capacity.

Shipper's advance nominations

165. (1) A shipper may, by notice to the corporation at any time at least —

- (a) 3 working days (in the case of a shipper's advance nomination a week in advance); or
- (b) 6 working days (in the case of a shipper's advance nomination a month in advance),

before the first day in the nominated period, nominate in advance for any week or month the quantity of gas that the shipper requires to deliver to the corporation at each nominated inlet point, and the quantity of gas that the shipper requires to receive from the corporation in each tranche at each nominated outlet point.

(2) A shipper's advance nomination under subregulation (1) must, for each day in the nominated period, comply with the requirements of regulation 166 (other than regulation 166 (1)), for the purposes of which a reference to "shipper's initial nomination" is to be read as a reference to the shipper's advance nomination for each day in the nominated period.

(3) The corporation must —

- (a) within 2 working days (in the case of a shipper's advance nomination a week in advance); or
- (b) within 5 working days (in the case of a shipper's advance nomination a month in advance),

of receipt of a shipper's advance nomination under subregulation (1), allocate to the shipper for each nominated day a shipper's daily nomination for each inlet point, and for each tranche at each outlet point, specified in the advance nomination, determined in accordance with regulation 168, for the purposes of which a reference to "shipper's initial nomination" is to be read as a reference to the shipper's advance nomination for each day in the nominated period.

(4) A shipper's daily nomination allocated under subregulation (3) may not include any additional T3 capacity.

(5) A shipper who has made an advance nomination and been allocated a shipper's daily nomination under this regulation may on the gas day preceding a nominated day submit a shipper's initial nomination under regulation 166, in which case —

- (a) if the shipper's initial nomination is for additional T3 capacity alone, it is not a renomination for the purposes of Division 7.3; but

- (b) if the shipper's initial nomination involves any other variation or extension of the shipper's daily nominations allocated under subregulation (3), it is a renomination for the purposes of Division 7.3.

(6) A shipper may by notice to the corporation at any time before 12:00 hours on the gas day preceding a nominated day, request the corporation to reallocate the shipper's daily nominations allocated under subregulation (3), and provided the requested reallocation is such that only nominated outlet points are used and the sum across all nominated outlet points in each tranche of the shipper's daily nominations remains unchanged —

- (a) the corporation must to the extent operationally feasible reallocate the shipper's daily nominations in the manner requested; and
- (b) the request for reallocation is neither a shipper's initial nomination, nor a renomination for the purposes of Division 7.3.

Shipper's initial nomination

166. (1) A shipper may, by notice to the corporation no later than 12:00 hours on any gas day, nominate for the following gas day the quantity of gas that the shipper requires to deliver to the corporation at each nominated inlet point, and the quantity of gas that the shipper requires to receive from the corporation in each tranche at each nominated outlet point.

(2) In addition to the nominations required by subregulation (1), a shipper's initial nomination must provide analyses of the sum of those nominations —

- (a) at inlet points, classified by the gas producer which is to supply gas to the shipper for delivery to the corporation;
- (b) at outlet points, classified by the gas producer which is to supply the gas which, when delivered by the shipper to the corporation at an inlet point, will give rise to an entitlement in the shipper to gas at the outlet point; and
- (c) at inlet points, classified by the tranches of capacity at an outlet point in which a shipper's right to capacity will arise when the shipper delivers gas to the corporation at the inlet point.

(3) If a shipper's initial nomination includes a nomination for any additional T3 capacity, the nomination is to include a bid of the price the shipper will pay for that capacity, and the nomination for additional T3 capacity is not valid unless the price bid is equal to or higher than the minimum price specified by the corporation in its most recent bulletin under regulation 163.

(4) A shipper's initial nomination must be accompanied by a copy of a notice to the nominating shipper from each gas producer which is to be supplying gas to the shipper for delivery to the corporation at a nominated inlet point confirming that the producer will be able to supply to the shipper on the nominated day the nominated quantity of gas.

The corporation's other business

167. (1) The corporation's other business' shipper's initial nomination or shipper's advance nomination is to specify separately, on the basis of its best estimates as a reasonable and prudent person, its estimated capacity requirements for the nominated day to accommodate each of —

- (a) the requirements (for use in the WLPG plant, whether for extraction, as fuel or otherwise) of Wesfarmers LPG Pty Ltd as a gas customer of the corporation's other business;
- (b) the requirements (for the operation of the gas transmission system) of the gas transmission business as a gas customer of the corporation's other business; and
- (c) the corporation's other business' other requirements.

(2) After 12:00 hours on each day, the gas transmission business may confer with the corporation's other business to agree revised estimates for the corporation's other business' capacity requirements to accommodate the requirements specified in subregulations (1) (a) and (b), and once agreement is reached the corporation is (if necessary) to adjust the corporation's other business' shipper's initial nomination or shipper's advance nomination, as the case may be, to reflect any difference between the original estimates and the agreed revised estimates.

(3) The gas transmission business may, for the purposes of permitting an accurate estimate under subregulation (2), communicate to the corporation's other business aggregated nomination figures for all shippers for outlet points downstream of the WLPG plant for the nominated day.

(4) To the extent necessary to enable the corporation to achieve reasonably accurate nominations for the corporation's other business, conferring and communicating under this regulation does not amount to non-compliance with the procedures implemented under Division 2.2

Allocation of shipper's daily nominations

168. (1) The corporation must, by no later than 16:00 hours on each gas day, by notice to each shipper allocate to the shipper for the nominated day a shipper's daily nomination determined in accordance with this regulation for each nominated inlet point and for each nominated tranche at each nominated outlet point.

(2) The corporation may not allocate under this regulation a shipper's daily nomination which exceeds a shipper's initial nomination for an inlet point or for a tranche at an outlet point.

(3) Subject to the corporation's powers to curtail or interrupt capacity, the corporation must allocate shipper's daily nominations in such a way that —

- (a) the shipper's daily nomination for each inlet point at least equals the lesser of the shipper's initial nomination and the shipper's contracted capacity for that inlet point; and

- (b) the sum across all nominated outlet points of shipper's daily nominations in each tranche at least equals the lesser of the sum across all nominated outlet points of the shipper's initial nominations in that tranche and the sum across all nominated outlet points of the shipper's contracted capacities in that tranche.

(4) The corporation must endeavour as a reasonable and prudent person to allocate to shippers any additional T3 capacity for which those shippers have made a valid nomination, and if for any gas day there is insufficient capacity to meet all valid nominations for additional T3 capacity, then the additional T3 capacity is to be allocated to the bidder of the highest price under regulation 166 (3), and the remainder (if any) is to be allocated to the next highest bidder, and so on until all available additional T3 capacity is allocated.

(5) The corporation must endeavour as a reasonable and prudent person to minimise the amount by which a shipper's daily nomination allocated under this regulation for an inlet point or for a tranche at an outlet point is less than the shipper's initial nomination for the inlet point or for the tranche at the outlet point.

Default provision for shipper's daily nomination

169. If a shipper does not make a shipper's initial nomination complying with regulation 166 or a shipper's advance nomination complying with regulation 165 for a gas day for capacity at an inlet point or in a tranche at an outlet point, then the shipper's daily nomination for that gas day for the inlet point or for the tranche at the outlet point is by force of this regulation to be taken to be zero.

Division 7.3 — Renominations

Definitions

170. In this Division —

"renominated period" means the portion of a gas day in respect of which a renomination is made under this Division;

"renomination notice" means a notice under regulation 171 requesting a variation of a shipper's daily nomination.

Shipper may give renomination notice

171. (1) A shipper may once in respect of each gas day request, at any time after being allocated a shipper's daily nomination, a variation of its shipper's daily nomination for the gas day for one or more inlet points or for one or more tranches at one or more outlet points, by giving notice to the corporation specifying the amount and duration (which may be any duration up to and including the balance of the gas day in respect of which the renomination is made) of the requested variation.

(2) If a shipper's renomination notice includes a nomination for any additional T3 capacity, then the renomination notice is not valid unless it states that the shipper will pay a price for that capacity equal to the minimum price specified by the corporation in its most recent bulletin under regulation 163.

(3) If a shipper's renomination notice seeks to increase the shipper's daily nomination at an inlet point, it must be accompanied by a copy of a notice to the nominating shipper from each gas producer which is to be supplying gas to the shipper for delivery to the corporation at a nominated inlet point confirming that the producer will be able to supply to the shipper on the nominated day the nominated quantity of gas.

Time for renomination

172. A renomination notice must be given to the corporation —

- (a) at least 4 hours before the requested start time for a renomination increasing a shipper's daily nomination; and
- (b) at least one hour before the requested start time for a renomination decreasing a shipper's daily nomination.

Renominations reducing shipper's daily nomination

173. (1) If a renomination notice seeks to reduce a shipper's daily nomination, the corporation must by notice to the shipper allocate a revised shipper's daily nomination in accordance with the renomination notice.

(2) A shipper's obligations to pay the Tranche 3 charge, in respect of any capacity by which the shipper's additional T3 capacity is reduced under subregulation (1), is to be determined under regulation 159 (3), as though references in that regulation to unutilised capacity were references to the capacity by which the shipper's additional T3 capacity is reduced.

Renominations increasing shipper's daily nomination

174. (1) The corporation may refuse to increase a shipper's daily nomination in response to a renomination, if it is not operationally feasible to do so, or if and to the extent that there is insufficient unallocated capacity to satisfy the renomination.

(2) Subject to subregulation (1), if a renomination notice seeks to increase a shipper's daily nomination, the corporation must no later than one hour before the requested starting time for the renominated period by notice to the shipper allocate in accordance with the remainder of this regulation revised shipper's daily nominations.

(3) A notice under subregulation (2) must specify the period in respect of which the revised shipper's daily nominations are to apply.

(4) The corporation may not allocate under this regulation a revised shipper's daily nomination which exceeds a shipper's renomination for an inlet point or for a tranche at an outlet point.

(5) Subject to the corporation's powers to curtail or interrupt capacity, the corporation must allocate revised shipper's daily nominations in such a way that —

- (a) the shipper's daily nomination for each inlet point at least equals the lesser of the shipper's renomination and the shipper's contracted capacity for that inlet point; and
- (b) the sum across all nominated outlet points of shipper's daily nominations in each tranche at least equals the lesser of the sum across all nominated outlet points of the shipper's renominations in that tranche and the sum across all nominated outlet points of the shipper's contracted capacities in that tranche.

(6) The corporation must endeavour as a reasonable and prudent person to allocate to a shipper any additional T3 capacity for which the shipper has made a valid renomination, and any additional T3 capacity available for allocation under this regulation is to be allocated on a first come first served basis to shippers making a valid nomination for that additional T3 capacity.

(7) Subject to subregulation (1), the corporation must endeavour as a reasonable and prudent person to minimise the amount by which a revised shipper's daily nomination allocated under this regulation for an inlet point or for a tranche at an outlet point is less than the shipper's renomination for the inlet point or for the tranche at the outlet point, and to minimise the amount by which the period in respect of which the shipper's daily nomination is varied differs from that requested in the renomination notice.

Default provision for renomination process

175. If any element of the renomination procedure prescribed in this Division is not completed within the time limit specified, or if for any other reason the renomination procedure is not complied with, the shipper's daily nominations are to remain unchanged.

Division 7.4 — Balancing

Definitions

176. In this Division —

"gas hour" means a period of 60 minutes, commencing and ending on the hour;

"shipper's accumulated imbalance" means the accumulated imbalance calculated under regulation 181 and (if applicable) adjusted under either or both of regulations 192 and 193;

"shipper's daily imbalance" means the shipper's inlet quantity minus the shipper's outlet quantity;

“shipper’s hourly quantity” for a gas hour is to be expressed in terajoules per day and means the total quantity (across all tranches and all outlet points) of gas actually received, or deemed by regulation 194 (5) to have been received, by a shipper from the corporation during the gas hour;

“shipper’s inlet quantity” for the corporation’s other business means the quantity deemed by regulation 180 (2) to be the corporation’s other business’ shipper’s inlet quantity, and for all other shippers means the total quantity (across all inlet points) of gas actually delivered or deemed by regulation 194 (5) to have been delivered to the corporation by a shipper on a gas day;

“shipper’s outlet quantity” means the total quantity (across all tranches and all outlet points) of gas actually received or deemed by regulation 194 (5) to have been received by a shipper from the corporation on a gas day;

“shipper’s peak hourly quantity” for a gas day means the highest of the shipper’s hourly quantities in the gas day;

“shipper’s peak daily quantity” for a gas day is to be expressed in terajoules and means the sum (across all gas hours) of the quantities (if any) of gas by which the shipper’s hourly quantity for each gas hour exceeds one twenty-fourth of the higher of —

- (a) the sum (across all tranches and all outlet points) of the shipper’s daily nominations for that gas day; and
- (b) the shipper’s total contracted capacity;

“shipper’s total contracted capacity” means the sum (across all tranches and all outlet points) of a shipper’s contracted capacities.

Negative numbers

177. A shipper’s accumulated imbalance and shipper’s daily imbalance can be negative numbers, and if so are to be applied throughout this Division as negative numbers.

Corporation to maintain balance

178. The corporation may do all things expected of a reasonable and prudent person to maintain a balance between total gas inputs to, and total gas outputs from, the gas transmission system, including without limitation restricting the quantity of gas it delivers to the shipper at an outlet point, and restricting the quantity of gas it accepts from the shipper at an inlet point.

Apportionment of renominated shipper's daily nomination

179. If, for any gas day, a shipper's daily nomination has been varied under Division 7.3, the shipper's deemed daily nomination for the day for the purposes of this Division is to be determined by reference to the following formula —

$$\left(\frac{\text{Time at SDN}_1}{24} \times \text{SDN}_1 \right) + \left(\frac{\text{Time at SDN}_2}{24} \times \text{SDN}_2 \right) = \text{Deemed SDN}$$

where —

"SDN₁" means the shipper's daily nomination applying for that day before the renomination took effect (and, if applicable, after the renomination ceased to have effect);

"SDN₂" means the shipper's daily nomination applying for that day during the time that the renomination had effect;

"Time at SDN₁" means the portion of the day, in hours, for which SDN₁ applied;

"Time at SDN₂" means the portion of the day, in hours, for which SDN₂ applied.

Corporation's other business' WLPG plant usage and gas transmission usage

180. (1) The corporation's other business is exempted from the balancing requirement of regulation 183 (a), but not from any obligation to pay a surcharge under regulation 184 (1), in respect of the gas it supplies to —

- (a) Wesfarmers LPG Pty Ltd, as a gas customer of the corporation's other business, for use in the WLPG plant (whether for extraction, as fuel or otherwise); and
- (b) the gas transmission business, as a gas customer of the corporation's other business, for the operation of the gas transmission system.

(2) For the purposes of calculating the corporation's other business' shipper's daily imbalance, the revised estimated quantities of gas agreed under regulation 167 (2) as the quantities to be delivered to —

- (a) Wesfarmers LPG Pty Ltd, as a gas customer of the corporation's other business, for use in the WLPG plant (whether for extraction, as fuel or otherwise); and
- (b) the gas transmission business, as a gas customer of the corporation's other business, for the operation of the gas transmission system,

are to be subtracted from the total quantity (across all inlet points) of gas actually delivered or deemed by regulation 194 (5) to have been delivered to

the corporation by the corporation's other business, and the resulting quantity is by force of this regulation to be taken to be the corporation's other business' shipper's inlet quantity.

Shippers' accumulated imbalances

181. (1) At the end of the first gas day of a transmission contract, and at the end of the first gas day after a shipper's accumulated imbalance is reset to zero under regulation 192 or 193, a shipper's accumulated imbalance is to equal the shipper's daily imbalance.

(2) At the end of any other gas day, a shipper's accumulated imbalance is equal to the shipper's daily imbalance at the end of the gas day plus the shipper's accumulated imbalance calculated for the immediately preceding gas day.

Notice of shippers' imbalances

182. The corporation is before 11:00 hours on each gas day to notify each shipper of the shipper's accumulated imbalance and shipper's daily imbalance at the end of the preceding gas day.

Balancing and peaking obligations pending prescription of surcharges

183. Until a surcharge is prescribed under regulation 189 for the purposes of regulation 184 (1), 185 (1) or 186 (1), or while a relevant surcharge is revoked and not substituted, a shipper must endeavour to maintain, as the case may be —

- (a) the absolute value of the shipper's accumulated imbalance below the limit prescribed by regulation 184 (1) as the limit above which a surcharge would be payable;
- (b) the shipper's peak hourly quantity below the limit prescribed by regulation 185 (1) as the limit above which a surcharge would be payable; and
- (c) the shipper's peak daily quantity below the limit prescribed by regulation 186 (1) as the limit above which a surcharge would be payable.

Surcharge for imbalances

184. (1) Subject to subregulation (3), the absolute value of the shipper's accumulated imbalance may exceed 8% of the greater of —

- (a) the average over the immediately preceding 7 gas days of the shipper's outlet quantity for each gas day; and
- (b) the shipper's total contracted capacity,

in which case the shipper is to pay the surcharge (if any) prescribed under regulation 189.

(2) No surcharge is to be payable under subregulation (1) for any gas day in respect of which —

- (a) the shipper's capacity in any tranche is curtailed or interrupted to any extent under Part 3;
- (b) the corporation, for any reason not caused by the shipper, does not accept from the shipper at any inlet point a quantity of gas equal to the shipper's daily nomination for that inlet point; or
- (c) the shipper is unable, for reasons beyond the shipper's control, to remedy an imbalance arising on a prior gas day to which one of paragraph (a) or (b) applied,

but in each case the shipper's daily imbalance and shipper's accumulated imbalance are still to be calculated for the gas day.

(3) The corporation may curtail or interrupt a shipper's capacity at any time that the absolute value of shipper's accumulated imbalance exceeds the limit prescribed by subregulation (1) as the limit above which a surcharge would be payable.

Surcharge for peak hourly quantity

185. (1) Subject to subregulation (2), a shipper's peak hourly quantity may exceed —

- (a) in winter, 125%; and
- (b) in summer, 110%,

of one twenty-fourth of the shipper's total contracted capacity, in which case the shipper is to pay the surcharge (if any) prescribed under regulation 189.

(2) The corporation may curtail or interrupt a shipper's capacity at any time that the shipper's peak hourly quantity exceeds the limit prescribed by subregulation (1) as the limit above which a surcharge would be payable.

Surcharge for peak daily quantity

186. (1) Subject to subregulation (2), a shipper's peak daily quantity may exceed —

- (a) in winter, 5%; and
- (b) in summer, 3%,

of the shipper's total contracted capacity, in which case the shipper is to pay the surcharge (if any) prescribed under regulation 189.

(2) The corporation may curtail or interrupt a shipper's capacity at any time that the shipper's peak daily quantity exceeds the limit prescribed by subregulation (1) as the limit above which a surcharge would be payable.

Surcharges do not affect a shipper's daily nominations

187. Nothing in regulation 185 or 186 entitles a shipper to receive in any gas day a shipper's outlet quantity which exceeds the sum (across all tranches and all outlet points) of the shipper's daily nominations.

Corporation to keep imbalance and peaking records

188. The corporation is to maintain, and may from time to time make available to any person, at the person's request and expense, detailed records of all occasions on which —

- (a) the absolute value of a shipper's accumulated imbalance exceeded the limit prescribed by regulation 184 (1) as the limit above which a surcharge would be payable;
- (b) a shipper's peak hourly quantity exceeded the limit prescribed by regulation 185 (1) as the limit above which a surcharge would be payable; or
- (c) a shipper's peak daily quantity exceeded the limit prescribed by regulation 186 (1) as the limit above which a surcharge would be payable,

and any operational difficulties experienced, by the corporation as a result of each such occasion.

Corporation may prescribe imbalance and peaking surcharges

189. (1) The corporation may not exercise any rights or remedies against a shipper for exceeding any limit prescribed by regulation 184 (1), 185 (1) or 186 (1) as a limit above which a surcharge would be payable, other than to recover the relevant surcharge (if any) prescribed under subregulation (2) or to curtail or interrupt the shipper's capacity.

(2) The corporation may with the Minister's approval prescribe the surcharges payable for the purposes of regulation 184 (1), 185 (1) or 186 (1).

(3) No surcharges are to be payable under regulation 184 (1), 185 (1) or 186 (1) until after the first major enhancement to or expansion of the gas transmission system after 1 January 1995.

(4) The corporation, before determining whether to prescribe a surcharge under subregulation (2), is to consult with shippers, the Gas Transmission Consultation Committee, the Coordinator and any other parties the corporation may deem appropriate, and is to give due consideration to the records under regulation 188 of operational difficulties (if any) experienced, and to the additional costs (if any, and including opportunity costs, if any) incurred, by reason of shippers exceeding limits prescribed by regulation 184 (1), 185 (1) or 186 (1) as limits above which surcharges would be payable.

Contracting out of peaking requirements for Tranche 3

190. Nothing in this Part prevents the corporation from agreeing with a shipper peaking limits, for the purposes of the application of regulations 183 (b) and (c), 185 (1) and 186 (1) to the shipper's T3 capacity, which differ from the limits prescribed by regulations 185 (1) and 186 (1) as limits above which surcharges would be payable.

Gas purchase and sale for balancing purposes

191. (1) Without limiting a shipper's balancing obligations under regulations 183 (a) and 184, whenever there is any net imbalance between inputs of gas to and outputs of gas from the gas transmission system, the corporation may provide or accept the appropriate quantity of gas to remedy the imbalance, but nothing in this regulation obliges the corporation to provide a gas balancing service to a shipper in preference to interrupting or curtailing that shipper's capacity.

(2) If the corporation under this Division accepts gas from a shipper, the shipper is not entitled to any payment from the corporation for gas so accepted other than in accordance with regulation 193, and if the corporation under this Division provides gas to a shipper, the corporation is not entitled to any payment from the shipper for gas so provided other than in accordance with regulation 193.

Trading in imbalances

192. Shippers may, at any time and on any terms they may agree, exchange all or part of their shipper's accumulated imbalances with other shippers, and may give notice in writing of any such exchanges to the corporation, and on receipt of such notice the corporation must calculate adjustments in each shipper's accumulated imbalance to reflect the exchange.

Cashing out imbalances

193. (1) The balancing process prescribed in subregulations (2) and (3) is to be undertaken —

- (a) if at the end of the last gas day of a gas month the absolute value of a shipper's accumulated imbalance exceeds the limit prescribed by regulation 184 (1) as the limit above which a surcharge would be payable;
- (b) at any time requested by a shipper by notice to the corporation; and
- (c) at the end of a transmission contract.

(2) If at the end of a gas day in respect of which balancing is to be undertaken, a shipper's accumulated imbalance is a positive number, the corporation is to make a compensating payment to the shipper for each gigajoule of the shipper's accumulated imbalance at a rate per gigajoule equal to 75% of the cost of gas, and the shipper's accumulated imbalance is to be reset to zero.

(3) If at the end of a gas day in respect of which balancing is to be undertaken, a shipper's accumulated imbalance is a negative number, the shipper is to purchase for the gas transmission business from (subject to subregulation (4)) the corporation's other business, at a rate per gigajoule equal to 125% of the cost of gas, an amount of gas equal to the shipper's accumulated imbalance, and the shipper's accumulated imbalance is to be reset to zero.

(4) After 30 June 2005, a shipper may purchase any gas required under subregulation (3) from any source at any price.

(5) In this regulation, "cost of gas" means the average price per gigajoule paid (or deemed to be paid) by the corporation for gas purchased (or acquired from the corporation's other business) by its gas transmission business for operation of the gas transmission system during the gas month in question, or, if the gas transmission business purchased or acquired no gas during that time, the price paid or deemed to be paid on the last occasion it purchased or acquired gas.

PART 8 — TECHNICAL AND OPERATIONAL MATTERS

Division 8.1 — Inlet and outlet stations

Multi-shipper inlet and outlet stations

194. (1) The gas streams delivered to a multi-shipper inlet station by or on behalf of each shipper are to be commingled at a point or points upstream of the inlet point.

(2) For any purpose under these regulations or a transmission contract, a shipper's proportional share of gas in the commingled inlet stream at a multi-shipper inlet station is to be determined immediately upstream of the inlet point after all gas streams have been commingled, and a shipper's proportional share in the commingled outlet stream at a multi-shipper outlet station is to be determined immediately downstream of the outlet point.

(3) The quantity of gas delivered on a gas day to the corporation by a shipper at a multi-shipper inlet station may be determined by agreement between all shippers who deliver gas at the multi-shipper inlet station, and the quantity of gas received on a gas day from the corporation by a shipper in a tranche at a multi-shipper outlet station may be determined by agreement between all shippers who receive gas at the multi-shipper outlet station.

(4) If shippers fail to reach agreement under subregulation (3), or if the corporation is not notified before 08:30 hours on the day immediately following the gas day in question of the agreed quantity for any shipper, the corporation may determine any necessary quantity of gas by apportioning the total metered gas flow through the inlet point at the multi-shipper inlet station, or through the outlet point at the multi-shipper outlet station, by reference to the respective shippers' daily nominations for the gas day for the inlet point, or for the tranche at the outlet point, as the case may be.

(5) Any reference in these regulations or a transmission contract to gas delivered by (or to the delivery of gas by) a shipper to the corporation is by force of this regulation to be taken in respect of a multi-shipper inlet station to be a reference to (or to the delivery of) the shipper's proportional share of the commingled inlet stream agreed under subregulation (3) or determined under subregulation (4), and any reference in these regulations or a transmission contract to gas received by (or to the receipt of gas by) a shipper from the corporation is by force of this regulation to be taken in respect of a multi-shipper outlet station to be a reference to (or to the receipt of) the shipper's proportional share of the commingled outlet stream agreed under subregulation (3) or determined under subregulation (4).

(6) Without limiting the generality of subregulation (5), a shipper's nominations, obligations and liabilities under these regulations or a transmission contract in respect of any quantity, quality, temperature or pressure of gas at a multi-shipper inlet station are to be determined solely in respect of the shipper's proportional share of the commingled inlet stream agreed under subregulation (3) or determined under subregulation (4), and not by reference to any quantity, quality, temperature or pressure of any gas delivered by or on behalf of that shipper into the commingled inlet stream.

(7) Subject to subregulation (8), nothing in this regulation affects any shipper's rights against another shipper caused by or arising out of the commingling of gas to form the commingled inlet stream, or the extraction of gas from the commingled outlet stream.

(8) Any 2 or more shippers which deliver gas at a multi-shipper inlet station or receive gas at a multi-shipper outlet station may enter into agreements concerning the commingling of gas to form the commingled inlet stream and the extraction of gas from the commingled outlet stream, including agreements which amend, limit or exclude liability, but nothing in any such agreement affects a shipper's obligations and liabilities to the corporation under these regulations or a transmission contract.

(9) A gas producer may give notice on behalf of a shipper to the corporation of the quantity of gas delivered on a gas day to the corporation by the shipper at a multi-shipper inlet station, and the corporation may rely upon that notice as evidence of an agreement under subregulation (3).

(10) In this regulation —

“multi-shipper inlet station” means an inlet station at which more than one shipper delivers gas to the corporation; and

“multi-shipper outlet station” means an outlet station at which more than one shipper receives gas from the corporation.

Sites for inlet and outlet stations

195. (1) The site for an inlet station or outlet station must —

- (a) be fully enclosed with security fencing;
- (b) provide suitable vehicular access and an alternative means of personnel access;

- (c) be separately fenced from any other facilities (whether a shipper's or a third party's) located adjacent to the site;
- (d) provide adequate space for the installation of all equipment; and
- (e) have a concrete, sealed, or gravel surface to enable access in all weather conditions.

(2) Telemetry, power supply and other sensitive equipment at an inlet station or outlet station must be located in a weatherproof, secure and ventilated enclosure, with provision to allow for maintenance of equipment in all weather conditions.

Reverse and excessive flow protection

196. (1) Every inlet station or outlet station must provide a means, to a standard acceptable to a reasonable and prudent person, of automatically —

- (a) preventing the reverse flow of gas through the inlet station or outlet station; and
- (b) stopping or restricting gas flow in the event of any excessive pressure upstream of, or any failure, leak or rupture within or downstream of, the inlet station or outlet station.

(2) The corporation, whenever it is permitted by the Act, these regulations or any other written law or a transmission contract to stop or reduce gas flow (and whether or not there has been a failure, leak or rupture), may utilise for that purpose any mechanism installed under subregulation (1).

(3) The corporation may at any time, for or in anticipation of the purposes of subregulation (2), make any necessary connections, modifications or additions to any mechanism installed under subregulation (1), to enable it to be utilised for the purposes of subregulation (2).

Electrical isolation and earthing

197. (1) Every inlet station or outlet station must be electrically isolated from the gas transmission system by an isolating joint, which must be fitted with a surge diverter or other approved means of discharging pipeline potentials.

(2) All facilities at an inlet station or outlet station must be connected to an effective earthing system of a type acceptable to a reasonable and prudent person.

Installation, operation and maintenance of inlet and outlet stations

198. (1) All inlet stations are to be installed, operated and maintained by and at the expense of the shipper who delivers gas to the corporation at that inlet station, or if more than one shipper delivers gas to the corporation at that inlet station by and at the expense of those shippers jointly.

(2) All outlet stations are to be installed, operated and maintained by the corporation at the shipper's expense, and if the corporation delivers gas to more than one shipper at an outlet station, the corporation's costs of —

- (a) installing that outlet station are to be apportioned between the shippers by reference to the sum across all tranches of each shipper's contracted capacity at that outlet station; and
- (b) operating and maintaining that outlet station are to be apportioned between the shippers by reference to the sum across all tranches of the quantities of gas delivered to each shipper at that outlet station.

(3) A shipper must use its reasonable endeavours to assist the corporation in maintaining and operating an outlet station at which the corporation delivers gas to the shipper, including without limitation procuring necessary spare or replacement parts or equipment.

Compatibility of new equipment with existing equipment

199. Any new equipment installed at an inlet station or outlet station must be compatible with existing equipment and systems.

Division 8.2 — Gas specifications

Definitions

200. In this Division —

“category A gas” means gas delivered to the corporation by a shipper at an inlet point;

“category B gas” means gas delivered to a shipper by the corporation at an outlet point at or upstream of the WLPG plant;

“category C gas” means gas delivered to a shipper by the corporation at an outlet point downstream of the WLPG plant;

“cubic metre” and **“m³”** means a cubic metre at MSC;

“extractable LPG” means LPG which can be extracted by the WLPG plant without causing any gas to fail to comply with the prescribed specification for category C gas;

“inert gases” means any one or any mixture of helium, neon, argon, krypton, xenon, radon, nitrogen and carbon dioxide;

“LPG” means the sum of propane and butane components of gas;

“out-of-specification gas” means gas which does not comply with one or more of the temperature or pressure specifications in the transmission contract or with one or more components of the prescribed specification for that category of gas, or with regulation 206;

“prescribed specification” means the specification for that category of gas prescribed in Schedule 4, and following a prescription by the Minister under regulation 201 of any gas quality specification or component of a gas quality specification, means the specification or component so prescribed, and in all cases includes any component of such a specification;

“relative density” is expressed at MSC and means the molecular mass of a gas in kg/mol divided by 28.9641 kg/mol (being the molecular mass of dry air as defined in ISO 6976) and corrected for the effect of deviation from ideal gas behaviour upon both air and gas;

“Wobbe Index” means the number obtained by the following formula —

$$\frac{\text{higher heating value}}{\sqrt{\text{relative density}}} = \text{Wobbe Index}$$

Minister may prescribe gas quality specifications

201. Subject to regulations 202, 203 and 204, the Minister may from time to time, after consultation with the corporation and with any other group or committee convened from time to time to discuss or suggest gas quality specifications or standards, prescribe gas quality specifications for any of category A gas, category B gas and category C gas.

Prescribed specifications for outlet points must comply with *Gas Standards Act 1972*

202. The Minister may not prescribe any component of a gas quality specification for category B gas or category C gas which is less stringent than any corresponding component of a specification prescribed under the *Gas Standards Act 1972* for natural gas distributed to a consumer through gas mains and service lines.

Prescribed specifications subject to prior contractual obligations

203. (1) If a component of a prescribed specification for category A gas would, but for this regulation, prevent a shipper from complying with any existing obligation, then the shipper is, to the extent necessary to allow the shipper to comply with that obligation, not required to comply with that component.

(2) If a component of a prescribed specification for category B gas or category C gas would, but for this regulation, prevent a shipper from complying with an existing obligation, then to the extent necessary to allow the shipper to comply with the existing obligation —

- (a) the corporation is not required to comply with that component;
- and

- (b) gas delivered by the corporation to the shipper is to comply with the corresponding component which was in effect at the time the shipper entered into the existing obligation.

(3) In this regulation, “existing obligation” means an obligation, existing at the time of a prescribed specification coming into effect, under a contract or agreement for the transportation of gas through the gas transmission system or for the supply, purchase or sale of gas.

Minister to have regard to certain matters

204. The Minister, in exercising his or her powers under regulation 201, is to have regard to the ongoing gas quality requirements of existing and potential future industries requiring gas for feedstock or for energy, and to existing contracts.

Components of gas quality specifications

205. Without limiting the matters which may be the subject of a prescription under regulation 201, the Minister may under that regulation prescribe any one or more of the following components of a gas quality specification —

- (a) the maximum amount of carbon dioxide to be contained in the gas in mole percent;
- (b) the maximum amount of inert gases to be contained in the gas in mole percent;
- (c) the minimum and maximum higher heating values in megajoules per cubic metre;
- (d) the minimum and maximum Wobbe Index;
- (e) the maximum amount of total sulphur to be contained in odorised gas and unodorised gas in milligrams per cubic metre;
- (f) the maximum amount of hydrogen sulphide to be contained in the gas in milligrams per cubic metre;
- (g) the maximum amount of oxygen to be contained in the gas in mole percent;
- (h) the maximum amount of water to be contained in the gas in milligrams per cubic metre;
- (i) the maximum hydrocarbon dew-point of the gas in degrees Celsius over the pressure range 2.5 megapascals to 8.72 megapascals absolute;
- (j) the maximum amount of radioactive components, including radon, to be contained in the gas in becquerels per cubic metre; and
- (k) for prescriptions in respect of category A gas only, the minimum amount of extractable LPG to be contained in the gas in tonnes per terajoule.

Gas to be free from certain substances

206. (1) Gas delivered to the corporation by a shipper at an inlet point or delivered to a shipper by the corporation at an outlet point must be free by normal commercial standards from dust and other solid or liquid matters, waxes, gums and gum forming constituents, aromatic hydrocarbons, hydrogen, and mercury which might cause injury to or interfere with the proper operation of any equipment through which it flows.

(2) Gas delivered by a shipper to the corporation at an inlet point must be free by normal commercial standards from objectionable odours.

Transmission contracts to incorporate prescribed specifications

207. The prescribed specifications in force at the time of a grant of capacity have effect as essential terms of the resulting transmission contract, and are to prevail over, and are not substituted or amended by, a subsequent prescription by the Minister under regulation 201.

Gas must comply with prescribed specifications

208. Subject to regulations 203, 260 (4) and 262, gas delivered to the corporation by a shipper at an inlet point must comply with the prescribed specification for category A gas, and gas delivered to a shipper by the corporation at an outlet point must comply with the prescribed specification for, as the case may be, category B gas or category C gas.

Gas temperature and pressure

209. The corporation and a shipper must agree upon, and the transmission contract must specify, the minimum and maximum temperatures and the minimum and maximum pressures at which the shipper may deliver gas to the corporation at an inlet point, and the corporation may deliver gas to the shipper at an outlet point.

Corporation and shipper may refuse to accept out-of-specification gas

210. The corporation may at any time without penalty refuse to accept from a shipper at an inlet point, and a shipper may at any time without penalty refuse to accept from the corporation at an outlet point, any out-of-specification gas.

Corporation may accept out-of-specification gas

211. (1) The corporation may, as a reasonable and prudent person and (subject to subregulations (3) and (4)) on any reasonable terms and conditions, agree with a shipper to accept out-of-specification gas from a shipper at an inlet point.

(2) Without limiting the matters the corporation may consider before exercising its discretion under subregulation (1), the corporation must before exercising that discretion have regard as a reasonable and prudent person to the need to ensure that delivered gas complies with the appropriate specifications, and must have reasonable regard to the requirements of shippers' customers.

(3) The corporation may not impose any surcharge or penalty for accepting out-of-specification gas unless, and only to the extent that, the acceptance by the corporation of the gas will —

- (a) give rise to any liability in respect of the WLPAG Agreement for insufficient extractable LPG content in the inlet gas; or
- (b) cause the corporation to incur any additional costs or expenses.

(4) It is a term of any agreement under subregulation (1) that the corporation accepts any out-of-specification gas at its own risk.

(5) If any out-of-specification gas enters the gas transmission system without the corporation's agreement under subregulation (1) —

- (a) the shipper delivering that gas to the corporation is (despite any provision of Division 5.5) to be liable to the corporation for any damages arising from that delivery, including indirect damage as defined in regulation 114 and in particular but without limitation damage arising from liability under the WLPAG Agreement; and
- (b) the corporation is, to the extent necessary to allow it to deal with that entry of gas, relieved of any obligation to deliver gas to the shipper by an amount no greater than the quantity in terajoules of out-of-specification gas which entered the gas transmission system.

Shipper may accept out-of-specification gas

212. A shipper may at its own risk accept out-of-specification gas from the corporation at an outlet point, on whatever terms and conditions (including without limitation as to pricing) that the shipper and the corporation may agree.

Division 8.3 — Metering

Definitions

213. In this Division —

“actual mass flow rate” means a derived variable computed by multiplying the instantaneous actual volume flow of gas (measured by the primary metering equipment) by the density of the gas (either measured as the instantaneous measured density of the gas or calculated in accordance with the American Gas Association's NX 19 or AGA 8 standards or such other gas industry standards as the parties may agree);

“billing data retrieval system” means the system and equipment for collecting, receiving and transferring electronic signals and data from metering equipment, used for the measurement of gas delivered to shippers and for billing;

“check metering equipment” means any metering equipment or other equipment installed, maintained or operated by a party under regulation 221 for checking measurements of gas quality and quantity;

“derived variables” means values computed by electronic, analogue or digital means from primary measurements or other derived variables or a combination of both;

“duty stream” means a set of metering equipment, including all associated pipes and other equipment, which measures some or all of the gas flowing through an inlet or outlet point until such time as a failure of any component in that metering equipment is detected and metering is automatically or manually diverted to the standby stream;

“inlet metering equipment” means the metering equipment which a shipper is required by regulation 214 to supply, install, operate and maintain at an inlet station at its own expense;

“outlet metering equipment” means metering equipment which the corporation is required by regulation 215 to supply, install, operate and maintain at an outlet station at the shipper’s expense;

“prescribed limits of uncertainty” means the limits of metering uncertainty prescribed by regulation 216;

“primary metering equipment” means the inlet metering equipment or the outlet metering equipment, as the case may be, and includes duty streams and standby streams;

“standby stream” means a set of metering equipment, including all associated pipes and other equipment, which is not at the relevant time selected to measure the gas flowing through an inlet or outlet point; and

“verification” means the process of testing all metering equipment and all components of metering equipment to establish its calibration accuracy.

Shipper’s responsibility

214. The shipper must —

- (a) supply, install, operate and maintain inlet metering equipment at each inlet station in good working order and condition and in accordance with the standard of a reasonable and prudent person; and
- (b) ensure that at all times all data required by the corporation from inlet metering equipment is electronically accessible from the corporation’s Gas Control Centre.

Corporation's responsibility

215. The corporation must —

- (a) at the shipper's expense supply, install, operate and maintain outlet metering equipment at each outlet station in good working order and condition and in accordance with the standard of a reasonable and prudent person; and
- (b) calculate and record —
 - (i) the quantity of gas delivered to the corporation by the shipper; and
 - (ii) the quantity of gas delivered to the shipper by the corporation.

Metering uncertainty

216. (1) Primary metering equipment must be designed, adjusted and operated so as to achieve —

- (a) subject to paragraphs (b) and (c), the best accuracy of measurement which is technically and economically feasible consistent with standard gas industry practices;
- (b) measurement to within a maximum uncertainty of —
 - (i) plus or minus 1% of actual mass flow rate at a minimum of the 95% confidence level for metering equipment with a design flow of 5 TJ/d or greater; and
 - (ii) plus or minus 2% of actual mass flow rate at a minimum of the 95% confidence level for metering equipment with a design flow of less than 5 TJ/d; and
- (c) measurement to within a maximum uncertainty of plus or minus one quarter of one percent ($\pm\frac{1}{4}\%$) of higher heating value at a minimum of the 95% confidence level.

(2) Subject to subregulation (1), each component of primary metering equipment may be designed, adjusted and operated within limits of uncertainty agreed between the parties.

(3) In this regulation, "95% confidence level" has the meaning given to that expression by ISO 5168;

Primary metering equipment

217. (1) Primary metering equipment must —

- (a) continuously compute and record —
 - (i) (in the case of inlet metering equipment) the quantity and quality of gas delivered by the shipper to the corporation under the transmission contract; and

- (ii) (in the case of outlet metering equipment) the quantity of gas delivered by the corporation to the shipper under the transmission contract;
- (b) be of a standard of manufacture acceptable to the corporation in its discretion as a reasonable and prudent person;
- (c) comply with AS 2885 and any Australian or international standards required from time to time by the corporation;
- (d) include either —
 - (i) in the case of metering equipment measuring gas delivered under Tranche 1, one or more duty streams and one or more standby streams (with filters/separators and overflow protection), with all streams capable of performing materially identical functions and incorporating interconnections that permit more than one set of metering equipment to be operated in series for verification purposes, and with streams arranged so that the appropriate metering or other equipment can detect any failure of a component in a duty stream and automatically switch gas flow to a standby stream; or
 - (ii) in the case of metering equipment measuring gas delivered under Tranche 2 or Tranche 3, include a minimum of one measurement stream (with filters/separators and overflow protection);
- (e) subject to paragraphs (b) and (c), encompass newest proven technology;
- (f) be able in all streams to withstand gas flows of up to 120% of the design flow;
- (g) provide data signals in the form of galvanically isolated 4-20 milliamp current loops or potential free contacts, as appropriate, or in such other form as the parties as reasonable and prudent persons may agree; and
- (h) include facilities to enable electronic data collection by the corporation's SCADA system and billing data retrieval system.

(2) Inlet metering equipment must include components for signalling the following primary measurements and derived variables associated with gas quality and quantity —

- (a) temperature;
- (b) delivery and meter pressure;
- (c) instantaneous volume flow rate in standard cubic metres per day;
- (d) instantaneous mass flow rate in tonnes per day;
- (e) instantaneous energy flow rate in terajoules per day;
- (f) instantaneous density or relative density;

- (g) instantaneous heating value;
- (h) nitrogen content in mole percent;
- (i) carbon dioxide in mole percent;
- (j) LPG content in tonnes per terajoule of gas;
- (k) instantaneous moisture level in milligrams per cubic metre; and
- (l) hydrocarbon dew point,

and must provide digital signals associated with valve or other equipment status.

(3) The corporation may agree with a shipper or shippers to utilise gas quality data from equipment at another location for the calculation of energy flow rates at an outlet station.

(4) Outlet metering equipment must include components for signalling the following primary measurements and derived variables associated with gas quantity —

- (a) temperature;
- (b) delivery and meter pressure;
- (c) instantaneous mass flow rate in tonnes per day; and
- (d) instantaneous energy flow rate in terajoules per day,

and must provide digital signals associated with valve or other equipment status.

(5) The inlet metering equipment, and any building erected for such equipment, is the property of the shipper, and the outlet metering equipment, and any building erected for such equipment, is (subject to subregulation (6)) the property of the corporation.

(6) To the extent that —

- (a) a shipper has paid for the outlet metering equipment and any building erected for such equipment;
- (b) the outlet metering equipment is detachable from the gas transmission system without any damage to or effect on the gas transmission system;
- (c) no third party has any interest in or title to the outlet metering equipment or the building; and
- (d) no third party (including a shipper) is deriving any benefit from the outlet metering equipment,

the outlet metering equipment and any building erected for such equipment is, at the end of a transmission contract, to become the property of the shipper, and may be detached and removed at the expense and risk of the shipper.

Provision of information to shippers

218. (1) The corporation must, on request by and at the expense and risk of a shipper, make available to that shipper direct access to the galvanically isolated analogue or digital data signals from any outlet metering equipment.

(2) In complying with subregulation (1), the corporation must —

- (a) allow shippers access to unverified delivery data signals; and
- (b) make available to shippers, within 74 hours after the end of a gas day, verified delivery data for that gas day.

Changes to requirements for metering equipment

219. (1) The corporation may from time to time, as a reasonable and prudent person, prescribe with the Minister's approval new requirements and standards for metering equipment which revoke, substitute or amend, or are in addition to, any requirement or standard prescribed by this Part, and, subject to subregulation (2), any change in requirements or standards for metering equipment applies only to new equipment installed after the prescription of those requirements or standards.

(2) The corporation may by notice in writing require a shipper to modify existing metering equipment to comply with requirements or standards prescribed after that equipment was installed, and if the modification is necessary to comply with safety laws of general application the modification is to be made at the shipper's expense, and otherwise the modification is to be made at the corporation's expense.

Approval of inlet metering equipment

220. (1) The shipper must —

- (a) prior to commencing the construction, installation or modification of any inlet metering equipment or any component thereof; and also
- (b) prior to the commissioning of any newly constructed, installed or modified inlet metering equipment or any component thereof,

obtain the corporation's written approval (which may not be unreasonably withheld) of, or of any amendment to, the design, location and construction of, and the proposed operating and maintenance procedures in relation to, that equipment or component.

(2) For the purposes of subregulation (1), the shipper must give to the corporation not less than one month's notice of the anticipated date of commencement of construction, installation or modification.

(3) The corporation must, after receipt of a valid notice of the anticipated date of commencement, use all reasonable endeavours, before that anticipated date, to consider and to give notice to the shipper of the corporation's approval of or refusal to approve the inlet metering equipment.

(4) Without limiting the generality of regulation 255, the shipper must, for the purposes of subregulation (1), prior to and during the construction, installation, modification or commissioning of any inlet metering equipment or any component thereof, afford all reasonable rights of access and inspection (including without limitation of all relevant data, drawings and components) to the corporation and its agents at the corporation's expense and risk.

Check metering equipment

221. (1) The shipper may at its own expense at an outlet station, and the corporation may at its own expense at an inlet station, supply, install, maintain and operate check metering equipment for the purpose of monitoring the accuracy of the primary metering equipment.

(2) Check metering equipment (and any associated pressure or quantity control regulators or other equipment) must be located downstream of, and must not interfere with the operation of, the primary metering equipment.

(3) Check metering equipment at the outlet station is the shipper's property, and check metering equipment at the inlet station is the corporation's property.

(4) Any verification of the accuracy of check metering equipment is to be at the expense of the party owning that equipment.

(5) Subject to regulation 227 (4) (a), data from check metering equipment may not be used for billing purposes.

Preservation of accuracy

222. (1) All primary metering equipment is to be installed in a manner which permits an accurate measurement of the quantity, and (for inlet metering equipment) the quality, of gas delivered, and a ready verification of the accuracy of measurement.

(2) Each party must, in the installation, maintenance and operation of any metering equipment, exercise the care of a reasonable and prudent person to prevent any inaccuracy in the measurement of the quantity of gas delivered under a transmission contract.

Presumptions of accuracy

223. (1) Subject to regulation 226, a measurement of the quantity or quality of gas from any primary metering equipment is to be presumed to be correct.

(2) If any 2 consecutive verifications show any metering equipment to be operating within the prescribed limits of uncertainty, the metering equipment is to be presumed to have been operating within the prescribed limits of uncertainty throughout the intervening period.

(3) The presumptions in subregulations (1) and (2) are to apply until the contrary is shown.

Verification of primary metering equipment

224. (1) The corporation —

- (a) must at least once each month (or other period agreed between the parties) during the term of a transmission contract; and
- (b) may at such greater frequency or on any occasion that either party may request,

verify the accuracy of any primary metering equipment in accordance with a procedure to be agreed between the parties.

(2) Each party may have representatives present at the time of any verification of the accuracy of any primary metering equipment (unless the number of persons present must be restricted for safety or logistical reasons, in which case the parties are to agree on which representatives are to be present), and the corporation must give a shipper sufficient notice of an intended verification to enable the shipper's representative to be present.

(3) The results of any verification are binding on both parties unless within 7 working days after a verification either party gives notice to the other party that it disputes the conduct of the verification, in which case —

- (a) the provisions of Division 10.1 apply; and
- (b) any reference in this Part to accuracy figures produced by a verification means the accuracy figures finally determined for that verification under a dispute resolution process adopted in accordance with Division 10.1.

(4) Subject to subregulation (5), any verification under subregulation (1) is to be made at the shipper's expense, provided that the corporation is to bear the cost of attendance of the corporation's representatives.

(5) If a verification requested by the corporation under subregulation (1)(b) reveals that the accuracy of the primary metering equipment is within the prescribed limits of uncertainty, the verification is to be at the corporation's expense and the corporation must pay to the shipper the shipper's reasonable expenses of that verification.

Adjustment or replacement of defective equipment

225. If any component of primary metering equipment is at any time found to be defective or otherwise out of service or operating outside the prescribed limits of uncertainty, the corporation must at an outlet station and the shipper must at an inlet station (in either case at the shipper's expense) forthwith adjust it to read accurately within the prescribed limits of uncertainty or (if such adjustment is not possible) must replace it with a serviceable component.

Inaccurate equipment

226. (1) If any verification reveals that any primary metering equipment is operating outside the prescribed limits of uncertainty but is measuring the quantity of gas with an inaccuracy of less than or equal to —

- (a) plus or minus 1.5% for metering equipment with a design flow of 5 TJ/d or greater; and
- (b) plus or minus 3% for metering equipment with a design flow of less than 5 TJ/d,

then the measurements from that primary metering equipment are by force of this regulation to be taken to be correct.

(2) If any verification reveals that any primary metering equipment is measuring the quantity of gas with an inaccuracy of greater than the relevant limit prescribed by subregulation (1) (a) or (b) then (unless the parties agree otherwise) all measurements affected or potentially affected by that inaccuracy are to be determined in accordance with regulation 227.

Correction of measurements

227. (1) All measurements made prior to the previous verification are by force of this regulation to be taken to be correct.

(2) The period between the previous verification and the current verification is to be divided into an earlier period and a later period, being —

- (a) if the time at which the primary metering equipment became inaccurate can be established, respectively the period before and the period after that time; or
- (b) if the time at which the primary metering equipment became inaccurate cannot be established, 2 equal periods.

(3) The measurements produced by the primary metering equipment for the earlier period are by force of this regulation to be taken to be correct.

(4) The measurements for the later period are to be estimated —

- (a) if check metering equipment is installed and is established to the reasonable satisfaction of both parties to have been operating during the later period within the prescribed limits of uncertainty, by using the measurements recorded by that check metering equipment;
- (b) if paragraph (a) does not apply and if the percentage of error in the measurements is ascertainable to the reasonable satisfaction of both parties by calibration test or mathematical calculation, by calculating a correction for that percentage error; or
- (c) in any other circumstance, by reference to measurements made under similar conditions when the primary metering equipment was registering accurately.

(5) In this regulation —

“accurate” means measuring the quantity of gas with an inaccuracy of less than or equal to the relevant limit prescribed by regulation 226 (1) (a) or (b);

“current verification” means the verification at which the primary metering equipment is found to be inaccurate;

“inaccurate” means measuring the quantity of gas with an inaccuracy of greater than the relevant limit prescribed by regulation 226 (1) (a) or (b);

“previous verification” means the verification at which the primary metering equipment was last found to be measuring the quantity of gas accurately.

Metering records

228. (1) Any record produced by primary metering equipment in paper form is to be retained for 2 years, and in electronic form is to be retained for 5 years, after the date of production, by and at the expense of the party owning the equipment which produces the record.

(2) The records and other information produced by, and any calculations and other information derived from, any primary metering equipment or check metering equipment remain the property of the party owning that equipment.

(3) Each party must, within 10 working days after receipt of a request from the other party, submit to the other party its records and other information produced by, and any calculations and other information derived from, its primary metering equipment, for inspection and verification by that other party, and the other party may make and retain any copies of those records, calculations and other information and must return the originals within 10 working days of receipt.

Division 8.4 — Other technical matters

SCADA

229. (1) The corporation must procure and install (to the extent that it has not already procured and installed), and must operate and maintain to standards acceptable to a reasonable and prudent person, a SCADA system.

(2) The corporation may require that the shipper's inlet station is connected to the SCADA system before accepting gas from a shipper at an inlet point.

(3) A shipper must provide to the corporation all reasonable access, power, water, space and shelter for the installation, operation and maintenance of the SCADA system.

(4) The corporation may require a shipper, and (subject to these regulations and to clauses 3 and 5 of Schedule 5 to the Act) the shipper may require the corporation, to undertake to keep any data or other information obtained by the corporation or a shipper from the SCADA system confidential.

(5) In this regulation, "SCADA system" means a supervisory control and data acquisition system covering the gas transmission system for control, data collection and telemetry.

Standards generally

230. The design, layout, installation, operation and maintenance of, and any work on or connected with, an inlet station or outlet station or any other equipment, apparatus, machine, component, installation, cable, pipe or facility connected to, or adjacent to and associated with, the gas transmission system must conform to good engineering practice and the standards required by a reasonable and prudent person, and must comply with the requirements of all relevant written laws and all relevant Australian and International Standards including without limitation AS 2885.

Gas losses and gas consumed by the corporation

231. (1) The corporation may commingle with other gas in the gas transmission system any gas purchased by the corporation to replace gas consumed by the corporation in its operation of the gas transmission system, and to replace gas which leaks or otherwise escapes from the gas transmission system (whether in normal operational circumstances or due to any rupture or other abnormal leakage).

(2) The costs of any purchase of gas under subregulation (1) are to be met by the corporation, and are to be taken into account in the costs of maintaining and providing gas transmission capacity for the purposes of determinations and redeterminations of the commodity charge in accordance with Part 6.

Emergencies

232. (1) Without limiting any other power under the Act, these regulations, any other law or a transmission contract, and despite any other provision of these regulations or a transmission contract, the corporation may in an emergency without notice to any other person do all things which it considers necessary to prevent injury or damage to persons or property and to render the situation safe, including without limitation entering onto any land or premises, stopping, disconnecting or reducing any gas flow, curtailing or interrupting any capacity, and refusing to accept or deliver any gas.

(2) The corporation must as soon as practicable after determining that an emergency exists give notice of the emergency to all shippers affected either by the emergency or by the corporation's actions in dealing with the emergency, but a failure to give such notice does not limit the corporation's powers under subregulation (1).

(3) The corporation must, as soon as practicable after the emergency has been dealt with, remove itself and any person, machinery, equipment or thing under its control, from any land or premises into which it entered under subregulation (1), except to the extent that the person, machinery, equipment or thing is required to continue dealing with the emergency or to prevent its recurrence.

(4) Despite any provision of the Act, these regulations or a transmission contract, the corporation is not liable for any loss, injury or damage arising from any action it takes in good faith under this regulation in, or arising out of or connected with, dealing with an emergency.

(5) For the purpose of subregulation (4), the corporation is presumed to have taken an action in good faith unless the contrary is shown.

(6) In this regulation, **"emergency"** means any situation which, in the corporation's opinion, poses an immediate or imminent danger to persons or property or otherwise constitutes an emergency or justifies or requires urgent or unilateral action, including without limitation a failure, leak or rupture in any pipeline or equipment forming part of, or adjacent to and associated with, the gas transmission system, the escape or ignition of anything in the gas transmission system, and any extreme operational situation (however caused).

PART 9 — CAPACITY TRADING

Definitions

233. In this Part —

"original shipper" means a shipper who has made a request for approval, or a shipper who has transferred, and has not entirely resumed, capacity;

"original contract" means the original shipper's transmission contract;

"replacement shipper" means a shipper or an approved prospective shipper to whom tradeable capacity is to be or has been transferred;

"replacement contract" means the transmission contract which is deemed between the corporation and a replacement shipper by regulation 239 (1) following the transfer of tradeable capacity to the replacement shipper;

"request for approval" means a request in writing given by a shipper to the corporation under regulation 235;

"resumption" means a resumption by the original shipper of all or part of traded capacity in accordance with the transfer terms;

"resumption notice" means a notice issued by an original shipper that it intends to resume all or part of traded capacity;

“tradeable capacity” means the capacity, being all or part of either or both of a shipper’s T1 capacity or shipper’s T2 capacity, which is the subject of a request for approval under regulation 235 and which a shipper wishes to transfer to another shipper;

“traded capacity” is any tradeable capacity which has been transferred to a replacement shipper following approval of the transfer terms of that tradeable capacity;

“transfer” includes, in respect of capacity under a transmission contract, transfer, assign or otherwise grant an interest in or entitlement to;

“transfer terms” means the terms and conditions, set out in a request for approval, on which a shipper is prepared to transfer tradeable capacity to a shipper.

No transfer of shipper’s contracted capacity other than by this Part

234. (1) A shipper may not transfer any of the shipper’s contracted capacity under a transmission contract other than in accordance with regulation 133 or this Part.

(2) Subregulation (1) does not prevent a shipper agreeing to utilise its shipper’s daily nominations on behalf of another shipper.

Approval of transfer terms

235. (1) A shipper who has shipper’s T1 capacity or shipper’s T2 capacity or both, and who desires to transfer all or part of that capacity to another shipper for a term less than the term of the original shipper’s transmission contract, must prior to transferring or agreeing to transfer that capacity make a written request to the corporation for the approval of the transfer of that capacity.

(2) A request for approval must set out in detail the terms and conditions on which the shipper is prepared to transfer the tradeable capacity to another shipper, including without limitation —

- (a) the duration of the transfer;
- (b) the inlet point or points and the outlet point or points in respect of which the capacity is to be transferred;
- (c) the circumstances in which, and the terms on which, the original shipper may interrupt a replacement shipper;
- (d) the quantity of tradeable capacity and whether it is shipper’s T1 capacity or shipper’s T2 capacity or both; and
- (e) whether there are any rights reserved in respect of the tradeable capacity by the original shipper.

(3) The transfer terms may retain to the original shipper a right in specified circumstances to resume the traded capacity, either permanently or temporarily.

(4) Subject to subregulation (3), traded capacity must be capacity in the same tranche as the tradeable capacity.

(5) The corporation may, within 5 working days of receipt of the request for approval, notify the original shipper that it does not approve the transfer terms, but it may only do so if the corporation as a reasonable and prudent person considers for any reason that its operation of the gas transmission system cannot accommodate —

- (a) the transfer of the tradeable capacity on the transfer terms; or
- (b) the performance or administration of either or both of the original contract and the replacement contract following the transfer of the tradeable capacity.

(6) If the corporation does not notify the shipper in the terms and within the time stipulated in subregulation (5), then the transfer of the tradeable capacity on the transfer terms is by force of this regulation to be taken to have been approved by the corporation, and (subject to regulation 238) the shipper may transfer the tradeable capacity to a shipper on the transfer terms.

Replacement shipper must be a shipper or approved prospective shipper

236. An original shipper may only transfer capacity to a person who is prior to the transfer a shipper or an approved prospective shipper.

Posting of tradeable capacity

237. The corporation must, if requested by the original shipper, use reasonable endeavours to ensure that all shippers of which the corporation is aware who are or may be interested in taking a transfer of tradeable capacity are notified of details of tradeable capacity which has been approved for transfer in such way that they all receive notice at, or at approximately, the same time as the corporation makes available information to all shippers under regulation 163.

Notification of traded capacity

238. A shipper is to notify the corporation of a transfer of tradeable capacity (which has been approved or deemed to be approved under regulation 235) to a replacement shipper at least 2 working days before the transfer of tradeable capacity is to take effect.

Replacement contract

239. (1) A transfer of tradeable capacity to a replacement shipper is by force of this regulation to be taken to be a transmission contract between the corporation and the replacement shipper in respect of the traded capacity.

(2) A replacement contract —

- (a) is to have effect as a transmission contract entered into by the replacement shipper by reason of a grant of capacity following an application under Part 4; and
- (b) is governed by the terms and conditions of the original contract in accordance with the Act and these regulations amended only so far as is necessary to accommodate the transfer terms.

(3) A replacement contract by force of this regulation includes a provision that the traded capacity is subject to all the corporation's rights over that capacity under the original contract, including without limitation under Part 3.

Original shipper's transmission contract

240. (1) Subject to this regulation, the original contract remains in full force and effect and the corporation is not obliged to release any deposit, bond, security or other form of assurance provided by the original shipper.

(2) For the duration of the replacement contract, the original contract is by force of this regulation to be amended so that the original shipper's T1 capacity or shipper's T2 capacity, or both, is reduced by the amount of the traded capacity.

Resumption of traded capacity by original shipper

241. (1) If the original shipper wishes to exercise a right under the transfer terms to resume the traded capacity, the original shipper must give a resumption notice to the corporation and the replacement shipper, specifying the quantity of capacity resumed and the duration of the resumption.

(2) The corporation, on receipt of a resumption notice, must as soon as practicable confirm to the original shipper and the replacement shipper that the capacity has been resumed.

(3) In any proceedings brought against the corporation in relation to a resumption, a resumption notice is conclusive proof of the validity of its issue and of its contents.

(4) To the extent that a resumption notice is invalidly issued or a purported resumption is not authorised by the transfer terms, a replacement shipper's remedy lies against the original shipper.

(5) For the duration of a resumption, the original contract and the replacement contract are for the purposes of the Act and these regulations by force of this regulation to be taken to be amended to the extent necessary to reflect the resumption of capacity and the duration and terms of that resumption.

Administrative expenses

242. An original shipper must, when requested by the corporation, reimburse the corporation for all reasonable expenses incurred by the corporation by reason of the request for approval.

Further marketing service

243. (1) The corporation may, if requested by an original shipper, to the extent that it considers it practicable and prudent to do so, take steps to market (as a broker, but not as a buyer and reseller) tradeable capacity in ways other than the posting contemplated by regulation 237.

(2) The corporation and the shipper may agree on the remuneration of the corporation in respect of any additional marketing service the corporation agrees to provide, and the corporation may refrain from providing that additional marketing service until such agreement is reached.

PART 10 — MISCELLANEOUS

Division 10.1 — Dispute resolution

Definitions

244. In this Division —

“dispute” means any dispute or difference concerning —

- (a) the construction of;
- (b) anything contained in or arising out of; or
- (c) the rights, obligations, duties or liabilities of a party under, the Act, these regulations or a transmission contract;

“prescribed dispute” means a dispute prescribed by regulation 245 as a dispute over which the referee has exclusive jurisdiction.

Prescribed disputes

245. The referee has jurisdiction exclusive of the jurisdiction of courts and other tribunals to hear and determine disputes between the corporation and any shipper or prospective shipper dealing with —

- (a) whether or not the corporation —
 - (i) has complied with the obligations imposed on it; and
 - (ii) has properly exercised any power granted to it,

by Schedule 5 to the Act, these regulations (but not any term of a transmission contract, including these regulations to the extent that they have effect as a term of a transmission contract) or any other written law which relates to access to or the granting of capacity in the gas transmission system or the prices payable for such access or grant;

- (b) whether the price to be paid by any shipper or prospective shipper has been determined or redetermined in accordance with the provisions of Part 6 and in accordance with any pricing methods adopted by the corporation;
- (c) whether any enhancement to or expansion of the gas transmission system is commercially viable; and
- (d) whether the deeming provisions of regulation 151 (4) (b) are to apply in respect of an opinion or recommendation, contained in an expert's report published under regulation 36.

Parties to attempt to resolve

246. If any dispute arises between the parties which remains unresolved for a period of 30 days authorised officers of the parties are to meet and use their best endeavours to resolve the dispute.

Disposition of unresolved disputes

247. If the dispute remains unresolved for a further 10 working days from the date of reference to the authorised officers under regulation 246, then —

- (a) if the dispute is a prescribed dispute, it is to be dealt with under the *Gas Referee Regulations*; and
- (b) if the dispute is not a prescribed dispute, either party may require that the dispute be determined by arbitration as provided in regulation 248.

Arbitration

248. (1) Where under regulation 247 (b) a party may require that a dispute be determined by arbitration, the party must give notice (in this regulation called "**the arbitration notice**") to the other party specifying with reasonable particularity the matter in dispute, and the dispute is by that notice by force of this regulation referred to arbitration of a single arbitrator in accordance with this regulation.

(2) If the parties cannot agree on a person to be arbitrator, either party may request the President for the time being of the Law Society of Western Australia to nominate a person to be arbitrator.

(3) In any arbitration —

- (a) the proceedings are to be conducted generally in accordance with the provisions of the *Commercial Arbitration Act 1985* as modified by these regulations;

- (b) a party may be represented by a legal practitioner; and
 - (c) the proceedings are to be conducted in Perth.
- (4) In conducting proceedings the arbitrator is not to be bound by the rules of evidence.
- (5) The arbitrator must not order any of the parties to take any steps to achieve a settlement of the dispute being arbitrated.
- (6) A party to the arbitration proceedings may —
- (a) apply to a Judge for the determination of any question of law that may arise in the course of the arbitration; or
 - (b) appeal to a Judge on any question of law arising out of an award by an arbitrator.
- (7) The arbitrator may —
- (a) award such interest as he or she considers appropriate;
 - (b) if a party has overpaid another, whether under a mistake of law or fact, order repayment of the sum overpaid together with interest; and
 - (c) rectify any term of a transmission contract which is not an essential term, so as to conform to the true intention of the parties, but any rectification must comply with the Act, these regulations and the principles of the general law applicable to the rectification of contracts.

Dispute not a default

249. Any dispute in good faith being dealt with under this Division or under the *Gas Referee Regulations* does not constitute a default for the purposes of regulation 108.

Division 10.2 — Communication, documents, records etc

Notices for nominations, balancing and capacity trading

250. (1) Subject to subregulation (2), all notices to the corporation required by Parts 7 and 9 must be communicated by facsimile to the corporation's Gas Control Centre, and all notices to a shipper required by Parts 7 and 9 must be communicated by facsimile to the facsimile number provided by the shipper to the corporation for the purposes of this Part.

(2) The corporation and the shipper may agree on an alternative means for communication of notices required by Parts 7 and 9, in which case the notices must thereafter be communicated using that alternative method.

(3) Until the corporation and the shipper agree an alternative method of communication under subregulation (2), the corporation and the shipper must each install and maintain a dedicated facsimile machine on a separate facsimile number for the purposes of subregulation (1).

Electronic bulletin board

251. The corporation must as soon as practicable consult, and use reasonable endeavours to reach agreement, with shippers concerning the selection, design, establishment and operation of an electronic bulletin board for communications under Parts 7 and 9, and must, if sufficient agreement is reached, use reasonable endeavours to procure, install, and commission the electronic bulletin board before 30 June 1995, and the corporation thereafter must operate and maintain the electronic bulletin board and may in addition utilise it for other purposes.

Notices generally

252. (1) Where under these regulations or a transmission contract (other than Parts 7 and 9) a notice is required or permitted to be communicated to the corporation, the notice is by force of this regulation to be taken to have been communicated if it is in writing and it is delivered personally to, or sent by certified mail addressed to, the corporation at the Gas Control Centre, or is sent by facsimile transmission to the Gas Control Centre's facsimile number.

(2) Where under these regulations or a transmission contract (other than Parts 7 and 9) a notice is required or permitted to be communicated to any person other than the corporation, the notice is by force of this regulation to be taken to have been communicated if it is in writing and is delivered personally to, or sent by certified mail addressed to, the person at the place of residence or business of that person, or is sent by facsimile transmission to the facsimile number, last advised by the person to the corporation under subregulation (3).

(3) From time to time, for the purposes of this regulation, a shipper must advise the corporation in writing of an address located within the State and a facsimile number, and the corporation must advise the shipper in writing of the address and facsimile number of the Gas Control Centre.

Receipt of notices

253. (1) A reference in these regulations or a transmission contract to notice before a certain time means that the notice must be received at the intended address or facsimile machine by no later than that time.

(2) For the purposes of these regulations or a transmission contract, any notice sent by facsimile machine is by force of this regulation to be taken to have been sent and received on the date and at the time printed on a transmission report produced by the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the appropriate facsimile number, unless the recipient notifies the sender within one hour (in the case of a notice to which regulation 250 applies) or 12 hours (in any other case) of the facsimile being sent that the facsimile was not received in its entirety in legible form.

(3) For the purposes of these regulations or a transmission contract, a notice sent by certified mail is by force of this regulation to be taken to be received on the earlier of the date of receipt or on the second working day after the notice was committed to post.

Division 10.3 — Other miscellaneous provisions

These regulations prevail over *Goldfields Gas Pipeline* by-laws

254. These regulations are to prevail over any by-laws made under clause 21 (1) of the *Goldfields Gas Pipeline Agreement* (being the agreement set out in the schedule to the *Goldfields Gas Pipeline Agreement Act 1994*) which purport to govern the transportation of gas through the gas transmission system.

Access and inspection

255. (1) Each party must grant to, or use its reasonable endeavours to procure for, a guest party all reasonable rights of access —

- (a) for the purposes of constructing, installing, operating, maintaining and verifying the accuracy of any metering equipment, other equipment or thing (and if the guest party is the corporation, the gas transmission system);
- (b) to inspect for safety or other reasons the construction, installation, operation, maintenance and repair of any metering equipment, other equipment or thing (and if the guest party is the corporation, the gas transmission system); and
- (c) for any other purpose connected with or arising out of the transmission contract.

(2) Any access under subregulation (1) is made in all respects at the expense and risk of the guest party, who must, subject to the provisions of Division 5.5, make good any damage occasioned by or resulting from the access.

(3) A guest party must —

- (a) when it seeks to exercise a right of access under this regulation, give reasonable notice to the host party specifying the proposed time and duration of access; and
- (b) take all reasonable steps to ensure that during the access its servants, consultants, independent contractors and agents cause as little inconvenience to the host party as possible and at all times comply with all reasonable safety standards and other requirements of the host party.

(4) To the extent that any equipment or thing is located on the premises of a third person, the parties must use their reasonable endeavours to secure for either or both of the parties a right of access to that third person's premises.

(5) The rights of access granted by this regulation are in addition to, and do not derogate from, the corporation's rights of access for emergency reasons under regulation 232.

(6) In this regulation —

"host party" means whichever of the corporation or the shipper is granting or procuring access;

"guest party" means whichever of the shipper or the corporation for whom access is granted or procured.

Ownership, control, maintenance and risk

256. (1) In the absence of any agreement between the parties to the contrary, the inlet point and outlet point mark the boundaries of ownership of all plant, equipment, pipelines and facilities, and, as between the parties and in the absence of evidence to the contrary, the shipper is to be presumed to own any relevant thing upstream of the inlet point and downstream of the outlet point, and the corporation is to be presumed to own any relevant thing between the inlet point and the outlet point.

(2) In the absence of any agreement between the parties to the contrary, the responsibility to install, commission, operate and maintain, and the risk in relation to, all plant, equipment, pipelines and facilities follows ownership.

No common carriage

257. Neither the corporation nor any shipper is a common carrier of gas transported through the gas transmission system.

Corporation not a supplier of backup gas

258. Nothing in the Act, these regulations or a transmission contract requires the corporation to supply gas to a shipper.

PART 11 — TRANSITIONAL

Exempted capacity and initial shippers' capacity not spare capacity

259. (1) For the purposes of the Act, these regulations and any transmission contract, any portion of gas transmission capacity which is —

- (a) reserved for, available to or being utilised by a person under an exempted contract; or
- (b) deemed by regulation 260 to have been granted to an initial shipper,

is not spare capacity.

(2) The capacity reserved for, available to or being utilised by persons under exempted contracts is set out in Schedule 5.

Initial shippers

260. (1) The initial shippers, and their contracted capacities, are set out in Schedule 6.

(2) Each initial shipper is by force of this regulation to be taken to have made an application under Part 4 and to have received a grant of capacity under Division 4.5 for the capacities set out in Schedule 6, and each initial shipper's transmission contract in respect of that capacity is by force of this regulation to be taken to have arisen from that grant.

(3) To the extent that an initial shipper wishes to substitute or amend its transmission contract, it must do so as a shipper in accordance with these regulations.

(4) An initial shipper's transmission contract may contain gas quality specifications which differ from those prescribed under Division 8.2, in accordance with regulation 262.

(5) The terms and conditions applying to the part-haul capacity the subject of a deemed grant of capacity under subregulation (2) to an initial shipper specified in Table B of Schedule 6 are to be agreed between the corporation and the initial shipper.

Pre-scheme metering equipment deemed to comply

261. Any metering equipment installed and commissioned with the approval of SECWA, and any metering arrangement entered into with SECWA, prior to 1 January 1995 is by force of this regulation to be taken to comply with the requirements of Part 8.

Pre-scheme gas specifications

262. (1) The provisions of Division 8.2 do not apply to or affect any component of a gas quality specification set out or incorporated in a pre-scheme contract (including any renegotiation or variation of a pre-scheme contract which does not extend its term, increase the quantity of gas to be transported or affect or vary any of its provisions regarding gas quality), for the duration of the pre-scheme contract and of any extension of the term or renewal of a pre-scheme contract made pursuant to a right existing prior to 1 January 1995.

(2) If a component of a prescribed specification under Division 8.2 for a category of gas would, but for this regulation, prevent an initial shipper from complying with any obligation in a pre-scheme contract, the initial shipper is, to the extent necessary to allow the initial shipper to comply with that obligation, not required to comply with that component.

(3) If any person who is a party to a pre-scheme contract is an initial shipper, that person may agree with the corporation to incorporate into the initial shipper's transmission contract any one or more components of the gas quality specifications applying under the pre-scheme contract in substitution for the corresponding specification under Division 8.2.

(4) In this regulation, "**pre-scheme contract**" means a contract or other agreement entered into between a person and SECWA prior to 1 January 1995 for the transportation of gas through the gas transmission system or for the supply, purchase or sale of gas.

SCHEDULE 1

[Regulation 39]

TRANCHES AND T1 AND T2 CUTOFFS

For the purposes of regulation 39 (4), the tranches and cutoffs are as follows —

	Summer	Winter
Tranche 1	393 TJ/d	406 TJ/d
T1 cutoff	393 TJ/d	406 TJ/d
Tranche 2	34 TJ/d	49 TJ/d
T2 cutoff	427 TJ/d	455 TJ/d

SCHEDULE 2

[Regulation 49]

CURTAILMENT PLAN

For the purposes of regulation 49, any curtailment of shippers' T1 capacities under regulation 49 (1) is to be conducted in accordance with the following curtailment plan.

Interpretation

1. (1) In this Schedule —

"Alcoa" means Alcoa of Australia Limited;

"shipper's total T1 capacity" means the sum (across all outlet points) of a shipper's T1 capacities for a gas day;

"shipper" includes a person under an exempted contract;

"total exempted capacity" means the sum (across all outlet points) of capacity reserved for, available to or being utilised by a person under an exempted contract.

(2) Nothing in this Schedule deems or implies a person under an exempted contract to be a shipper for the purposes of any provision of these regulations other than this Schedule.

Absolute priority for gas transmission business' requirements

2. Despite any provision of this curtailment plan or the regulations, the delivery of gas to any person is at all times subject to the corporation's

absolute right to utilise part of the gas transmission system's capability to transport gas for the transportation of gas which is required by the gas transmission business for operational purposes.

Corporation's other business' priority capacity

3. The corporation's other business is, in respect of 40 TJ/d of its shipper's total T1 capacity, not to be wholly or partially curtailed until all other shippers' T1 capacities have been reduced to zero.

Alcoa's priority capacity

4. Alcoa is, in respect of 40 TJ/d per day of its total exempted capacity, not to be wholly or partially curtailed until —

- (a) the corporation's other business' shipper's total T1 capacity has been reduced to 40 TJ/d; and
- (b) all other shippers' total T1 capacities have been reduced to zero.

All other capacity pro-rated

5. Subject to clauses 3 and 4, each shipper's total T1 capacity, including —
- (a) that part (if any) of the corporation's other business' shipper's total T1 capacity which exceeds 40 TJ/d; and
 - (b) that part (if any) of Alcoa's total exempted capacity which exceeds 40 TJ/d,

is to be reduced on a *pro rata* basis by reference to the following formula —

$$\left(\frac{(\text{STT}_1\text{C} - \text{PC})}{(\text{sum of STT}_1\text{Cs} - 80)} \times (\text{reduced T}_1 - 80) \right) + \text{PC} = \text{reduced STT}_1\text{C}$$

where —

"STT₁C" means the shipper's total T1 capacity;

"PC" means the shipper's priority capacity, which for each of the corporation's other business and Alcoa equals 40 TJ/d and for all other shippers equals zero;

"sum of STT₁Cs" means the sum (across all shippers) of shipper's total T1 capacities immediately prior to the curtailment plus the sum (across all persons) of total exempted capacities immediately prior to the curtailment;

"reduced T₁" means the reduced capacity in Tranche 1 available during the curtailment;

"reduced STT₁C" means the reduced shipper's total T1 capacity for the duration of the curtailment.

SCHEDULE 3

[Regulation 87]

GRANT OF CAPACITY (THE TRANSMISSION CONTRACT)

**This is a Grant of Capacity
by
The Gas Corporation
to**

.....

This grant is dated

Recitals

1. (1) The shipper has submitted an application under Part 4 for a grant of capacity.
- (2) The corporation has accepted the shipper's application and by this document makes a grant of capacity to the shipper in response to that application.
- (3) Under subsection (2) of section 94 of the Act, this grant of capacity is or is deemed to be a contract between the corporation and the shipper.

Interpretation

2. (1) In this contract —

“**Act**” means the *Gas Corporation Act 1994*;

“**corporation**” means the Gas Corporation, a statutory corporation constituted by the Act;

“**regulations**” means the *Gas Transmission Regulations 1994*;

“**shipper**” means

- (2) Any terms defined in the regulations (other than “shipper”) have the same meaning when used in this contract.
- (3) The *Interpretation Act 1984* applies to the interpretation of any regulation which forms part of this contract.
- (4) Any reference to a Division, Part or regulation is a reference to a Division, Part or regulation in the regulations.
- (5) Any reference to a regulation or provision forming part of this contract means that the regulation or provision has effect as if set out in full in this contract.

The contract

3. The corporation and the shipper agree that —
- (a) the corporation will grant to the shipper the capacity set out in this contract on the terms and conditions set out in this contract; and
 - (b) the shipper will have the option to extend this transmission contract for the term or terms (if any) set out in Appendix 4.

Duration of contract

4. This contract commences at 08:00 hours on and ends at 08:00 hours on

Imported terms of this contract

5. (1) The corporation and the shipper agree that every provision of the regulations which is identified in regulation 90 as an essential term forms part of this contract, and that to the extent that any other purported term of this contract is inconsistent with any such essential term, the essential term prevails.
- (2) The corporation and the shipper agree that the following provisions of the regulations also form part of this contract

Contracted capacities

6. The corporation agrees to make, and the shipper agrees to accept, a grant of capacity at the inlet point or points specified in Appendix 1, and in the tranches at the outlet point or points specified in Appendix 2, in the amounts for each season set out in those Appendices.

Prices

7. (1) The shipper agrees to pay the prices set out in Appendix 3.
- (2) For the purposes of determining the capacity reservation charge for any part-haul capacity or back-haul capacity, the shipper and the corporation agree that for the purposes of paragraph (a) of the definition of "pipeline kilometres" in regulation 135, the relevant inlet point or points for each outlet point is to be the inlet point or points specified in Appendix 3 as the relevant inlet point or points for that outlet point.
- (3) The shipper and the corporation agree that the prices set out in Appendix 3 may be varied from time to time in accordance with Part 6.

Other agreed terms of this contract

8, 9, 10, [etc.] *[The shipper and the corporation will here set out any other terms of the contract. These may include provisions regarding default by the corporation, the definition and application of force majeure with respect to the shipper, the terms and conditions of shipper's T3 capacity and (other than price) of part-haul capacity and back-haul capacity, etc.]*

Appendix 1 (to Schedule 3) — Details of inlet point capacity

Inlet point number (Location)		
Contract year	Season	Capacity (TJ/d)
1	Summer	
	Winter	
n	Summer	
	Winter	

[Repeat for each inlet point.]

Appendix 2 (to Schedule 3) — Details of outlet point capacity

Outlet point number (Location)				
Contract year	Season	Shipper's T1 capacity (TJ/d)	Shipper's T2 capacity (TJ/d)	Shipper's T3 capacity (TJ/d)
1	Summer			
	Winter			
n	Summer			
	Winter			

Outlet point number (Location)					
Contract year	Season	Peak day (TJ/d)	Peak hour (TJ/d)	Load factor (TJ/d)	Peak factor (TJ/d)
1	Summer				
	Winter				
n	Summer				
	Winter				

[Repeat for each outlet point.]

Appendix 3 (to Schedule 3) — Details of pricing

[This Appendix to set out each charge and price payable by the shipper, and where relevant the pipeline kilometres to be used in determining each charge.]

Appendix 4 (to Schedule 3) — Options to extend contract

[This Appendix to set out the term or terms of any option.]

SCHEDULE 4

[Regulation 200]

GAS QUALITY SPECIFICATIONS

For the purposes of the definition of “prescribed specification” in regulation 200, the specifications are as follows —

	Category A Gas	Category B Gas	Category C Gas
Maximum carbon dioxide (mol %)	3.6	4	4
Maximum inert gases (mol %)	5	5.5	5.5
Minimum higher heating value (MJ/m ³)	37.3	37.3	37.3
Maximum higher heating value (MJ/m ³)	41	42.3	42.3
Minimum Wobbe Index	47.3	47.3	47.3
Maximum Wobbe Index	51	51	51
Maximum total sulphur (mg/m ³)			
— unodorised gas	10	50	50
— odorised gas	n/a	60	60
Maximum Hydrogen Sulphide (mg/m ³)	2	10	10
Maximum Oxygen (mol %)	0.2	0.2	0.2
Maximum Water (mg/m ³)	48	100	100
Hydrocarbon dewpoint over the pressure range 2.5 to 8.72 MPa absolute	Below 0°C	Below 0°C	Below 0°C
Maximum radioactive components (Bq/m ³)	600	600	600
Minimum extractable LPGs (t/TJ)	1.45	n/a	n/a

SCHEDULE 5

[Regulation 259]

CAPACITY UNDER EXEMPTED CONTRACTS

For the purposes of regulation 259 (2), the capacity reserved for, available to or being utilised by persons under exempted contracts is as follows —

Person	Capacity reserved for, available to or being utilised by the person under an exempted contract
Alcoa of Australia Limited (from the commencement of these regulations until and including 30 June 1995)	214 TJ/d firm capacity
Alcoa of Australia Limited (from and including 1 July 1995 until and including 30 May 1997)	195 TJ/d firm capacity
Alcoa of Australia Limited (from and including 31 May 1997 onwards)	211 TJ/d firm capacity
WAPET comprising West Australian Petroleum Pty Ltd, Chevron Asiatic Ltd, Chevron Oil Company of Australia, Chevron Oil Australia Pty Ltd, Texaco Oil Development Company, Ampolex Ltd, Ampolex (A.O.E.) Ltd and Shell Development (Australia) Pty Ltd	3 TJ/d firm capacity 17 TJ/d interruptible capacity
Doral Resources NL	Up to 15 TJ/d may be requested, but whether any capacity is made available is in the absolute discretion of the corporation.

SCHEDULE 6

[Regulation 260]

INITIAL SHIPPERS**Table A — Full-haul initial shippers**

For the purposes of regulation 260, the initial full-haul shippers and their contracted capacities are as set out in the following table.

Initial shipper	Shipper's contracted capacity in ...					
	Tranche 1		Tranche 2		Tranche 3	
	Summer	Winter	Summer	Winter	Summer	Winter
The corporation's other business (from the commencement of these regulations until and including 30 June 1995)	157	187	0	0	0	0
The corporation's other business (from and including 1 July 1995 onwards)	167	204	0	0	0	0
The Electricity Corporation (from the commencement of these regulations until and including 30 June 1995)	19	2	34	49	20	20
The Electricity Corporation (from and including 1 July 1995 onwards)	28	4	34	49	20	20

Table B — Part-haul initial shippers

For the purposes of regulation 260, the initial part-haul shippers and their contracted capacities are as set out in the following table.

Initial shipper	Shipper's contracted capacity for part-haul
The Electricity Corporation	20 TJ/d
Hamersley Iron Pty Ltd	20 TJ/d
Robe River Iron Associates comprising North Limited, Robe River Mining Company Limited, Mitsui Iron Ore Development Pty Ltd, Pannawonica Iron Associates and Cape Lambert Iron Associates	8 TJ/d

By His Excellency's Command,

M. C. WAUCHOPE, Clerk of the Council.

