
Long Form Use of System Agreement - Tasmania

Between

TAS GAS NETWORKS

ABN: 91 104 499 569

And

NETWORK USER

ABN: [Add number here]

Date of Agreement:



“Safety by choice - not by chance”



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THIS AGREEMENT is dated the _____ day of _____ 200

BETWEEN **TAS GAS NETWORKS** (ABN 91 104 499 569)

AND **NETWORK USER**

BACKGROUND

- A. TGN will construct and operate the Network providing gas distribution services.
- B. The Network User is a Gas retailer that wishes TGN to supply Gas to Consumers on its behalf. The Network User has agreements or intends to enter into agreement to supply Consumers with Gas.
- C. Once the Network has been commissioned and TGN has been granted licences to construct and operate the Network, TGN agrees to accept Gas from the Network User and distribute Gas on behalf of the Network User to Consumers across the Network on the terms and conditions set out in this Agreement.

WITNESSES AS FOLLOWS:

1. INTERPRETATION

In this deed unless the context indicates otherwise:

1.1. Definitions:

Acceptable Credit Rating means a credit rating of:

- (a) at least BBB- (Standard & Poors Rating Group) or equivalent as applying at the Commencement Date; or
- (b) such other rating as TGN may, in its sole discretion determine from time to time;

Agreement means this Agreement, including the Schedules, as amended from time to time in accordance with the provisions of this Agreement;

Allocation means the process of attributing quantities to persons with an interest in any Gas at a shared Receipt Point;

Allocation Agreement means an agreement between the users of a shared Receipt Point and their appointed Allocation Agent which:

- (a) either:



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- (i) sets out the method of Allocation and terms of appointment
 - (ii) requires the parties to be bound by the Reconciliation Code; and
 - (iii) is expressed to be also for the benefit of each other user of that Receipt Point who is party to an Allocation Agreement in respect of that Receipt Point (so that the agreement to be bound is enforceable by any such other user); or
- (b) in respect of which the Gas Code or Gas Regulation sets out the method of Allocation and terms of appointment;

Allocation Agent means the person responsible for Allocation in respect of particular Receipt Point

Billing Period has the meaning given to that term in clause 1.3 of Schedule 3;

Charges means the charges for the services provided by TGN under this Agreement, calculated in accordance with Schedule 4;

Commencement Date means the commencement date set out in Schedule 1;

Consumer means a person whose Consumer's Equipment is connected to the Network for the purpose of receiving delivery of Gas and who is a party to an agreement for the supply of Gas from the Network User but does not include a person who has entered into a Gas Distribution Services Agreement with TGN;

Consumer's Equipment means any Fittings and Metering Equipment of a Consumer that form part of a system for receiving Gas from the Network at a Delivery Point and conveying Gas from that Delivery Point to where the Gas may be consumed (including any Fittings owned or used by the Consumer individually or jointly with any other person, but does not include Fittings belonging to TGN);

Consumer Information Sheet means a form containing the information required under clause 1.1 of schedule 5;

Consumer's Premises means

- (a) the land and buildings owned or occupied by a Consumer;
- (b) any land over which a Consumer has an easement or right to pass Fittings; and
- (c) any Fittings owned by a Consumer to convey Gas from a Delivery Point to the locations at which Gas is consumed;

Credit Support means credit support provided by the Network User in accordance with the credit support requirements of Schedule 2;

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Default Interest means interest on the amount payable at the rate per annum equal to 5% above the Interest Rate from the due date for payment until the date of payment of that amount to the relevant party (both before and after judgment) accruing on a daily basis and capitalised every 30 days;

Delivery Point means a point at which Gas leaves the Network and is supplied to a Consumer being the output side of the isolation valve of the Metering Equipment used for that Consumer (unless specified otherwise on a Consumer Information Sheet);

Disconnection Event means any of the following:

- (a) an occurrence or circumstance that may endanger persons or property;
- (b) an occurrence or circumstance that may adversely affect the proper working of the Network or Transmission System;
- (c) the Consumer fails to grant Rights of Access contained in respect of that Delivery Point;
- (d) if the Consumer's Equipment does not comply with the Network Connection Requirements
- (e) an Event of Default occurring in relation to the Network User; or
- (f) termination of this Agreement.

Event of Default means any of the following:

- (a) where a party fails to pay the other party any amount due under this Agreement and the default is unremedied within 10 working days after notice has been given of such non-payment by the non-defaulting party;
- (b) where there is a material failure of a party's obligations under this Agreement and the failure is not remedied to the reasonable satisfaction of the other party within 30 working days after notice from the other party of the failure and request requiring it to be remedied;
- (c) where a party fails on three or more occasions in any period of 12 months to meet an obligation under this Agreement within the time specified then, whether each individual failure is in itself material or not, where all such failures taken cumulatively materially adversely affect the other party's rights or the other party's ability to carry out its obligations under this Agreement or, in the case of TGN, any agreement with any other person; or
- (d) where a party:

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- (i) has a receiver or statutory manager appointed to or in respect of the whole or any substantial part of its undertaking, property or assets;
- (ii) is deemed or presumed to be unable to pay its debts as they fall due, becomes or is deemed to be insolvent, or is in fact unable to pay its debts as they fall due, or proposes or makes a compromise, or an arrangement or composition with or for the benefit of its creditors or fails to comply with a statutory demand under section 459 of the Corporations Act 2001; or
- (iii) is removed from the register of companies (otherwise than as a consequence of an amalgamation) or an effective resolution is passed for its liquidation;

Fittings means everything used, designed or intended for use, in or in connection with the generation, conversion, transformation, conveyance, measurement, or use of Gas;

Force Majeure means an event or circumstance beyond the reasonable control of either party, which results in or causes the failure of that party to perform any of its obligations under this Agreement. Such events may include, but are not limited to:

- (a) Acts of God;
- (b) strikes, lockouts, or other industrial disturbances;
- (c) acts of a public enemy, declared or undeclared war, threats of war, terrorist acts, blockades, revolution, riots, insurrection, civil commotion, public demonstrations, sabotage, acts of vandalism, epidemics or disease;
- (d) acts of animals, lightning, fire, storms, floods, earthquakes, landslides, washouts, landslips, accumulation of snow or ice, lack of water arising from weather or environmental restrictions, geomagnetically induced currents;
- (e) lack of adequate fuel resources, accidental collisions, explosions, acts of aircraft, motor vehicles or trains, faults or failures of any plant, apparatus or equipment;
- (f) the coming into force or expiry of any statute or exercise of a statutory power of decision; and
- (g) the partial or entire failure of supply or availability of gas to the Network, or partial or entire failure of the Network,

provided that lack of funds will not be considered a Force Majeure event;

Gas means natural gas which meets the Gas Specification;

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Gas Act means the Gas Act 2000;

Gas Codes means the gas codes issued by the Director of Gas under the Gas Act, as amended from time to time;

Gas Distribution Services Agreement means an agreement between TGN and an end-consumer of gas under which TGN provides gas distribution services directly to that end-consumer;

Gas Measurement Standard means NZS 5259: 2004 published by the Standards Association of New Zealand as amended or replaced from time to time;

Gas Retail Code means the "Gas Retail Code" promulgated under the Gas Act, as amended or replaced from time to time;

Gas Specification means the Specification for General Purpose Natural Gas AS4564: 2005, as amended or replaced from time to time;

Good Industry Practice means the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in Australia in the same type of undertaking under the same or similar circumstances having regard to common industry practice in Australia at the time;

Governmental Authority includes any government or any governmental, semi-governmental or judicial entity, agency or authority (including a local authority), or legislative body, or any person or body charged with the administration of any law;

GST means goods and services tax payable pursuant to the GST Act or any other tax, duty or impost imposed on the provision of services of the kind provided under this Agreement from time to time;

GST Act means A New Tax System (Goods and Services Tax) Act 1999;

Interest Rate means, on any given day, the rate (expressed as a percentage per annum and rounded up to the nearest fourth decimal place) displayed on Reuters' screen page BBSY (or its successor page) at or about 10:45 am on that day as the bid rate for three month bank accepted bills of exchange or, if no such rate is displayed or that page is not available, the average (expressed as a percentage per annum and rounded up to the nearest fourth decimal place) of the bid rates for three-month bank accepted bills of exchange quoted at or about 10:45 am on that day by each of the entities listed on that Reuters screen page when the rate was last displayed or, as the case may be, that page was last available;

Interruption Event means any of the following:

- (a) TGN wishes to inspect or effect alterations, maintenance, repairs or additions to any part of the Network;

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- (b) an occurrence or circumstance that may endanger persons or property;
- (c) an occurrence or circumstance that may adversely affect the proper working of the Network or Transmission System;
- (d) where TGN reasonably anticipates that the supply of Gas or any transmission capacity across the Network is or will be reduced, impaired or interrupted;
- (e) where insufficient gas is delivered or will be available for delivery to allow the Network to safely operate;
- (f) where Non-Specification Gas, unodorised, insufficiently odorised or excessively odorised Gas enters the Network unless TGN has previously agreed to accept Non-Specification Gas, unodorised, insufficiently odorised or excessively odorised Gas;
- (g) where the Maximum Hourly Quantity applicable to a Delivery Point is exceeded;
- (h) upon instructions from any Transmission System operator or as a result of an action by the Transmission System operator under any agreement between TGN and any Transmission System operator; and
- (i) for any other purpose which in TGN's reasonable opinion and in accordance with Good Industry Practice requires the interruption or reduction in the conveyance of Gas;

Manifest Error means an error in the amount of an invoice arising from:

- (a) an obvious arithmetic error in calculating the Charges;
- (b) the invoicing of Charges where there is no doubt that those Charges have already been paid by the Network User;
- (c) the Network User being charged in respect of a Delivery Point where TGN's records indicate the Network User has not received Gas at that Delivery Point during the period to which the invoice relates; or
- (d) charges being allocated to a Delivery Point on the basis of it being a particular type of connection where there is no doubt that the Delivery Point is a different type of connection.

Maximum Hourly Quantity means in respect of any nominated gas Delivery Point, the maximum hourly quantity (measured in standard cubic metres per hour (scmh)) set out in a Network connection request accepted by TGN under clause 1 of schedule 5 (or as otherwise agreed from time to time with TGN);

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Metering Equipment means equipment for the purpose of measuring the quantity of Gas conveyed through the Network to a Delivery Point;

Network means the pressurised gas distribution system (including pipes and associated plant, equipment and other facilities (including meters)) used in the conveyance of Gas by TGN to Consumers in Tasmania;

Network Connection Requirements means TGN's written standards for connection to the Network as issued (and as may be amended from time to time) by TGN;

Network User means the party specified as the Network User in Schedule 1 and its successors and permitted assigns;

NMI or National Metering Identifier means the unique numeric identifier assigned to a Delivery Point by TGN;

Non-Specification Gas means gas which does not meet the Gas Specification or does not comply in any other respect with the requirements of clause 10.3.1;

TGN means Tas Gas Networks and its successors and assigns;

TGN's Agent means a person or organisation with whom TGN has entered or proposes to enter, into an agreement to provide services for or on behalf of TGN;

TGN's Equipment means the Fittings and Metering Equipment belonging to TGN or TGN's Agent which are from time to time installed in, over, or upon a Consumer's Premises (and, for the avoidance of doubt, all equipment within the Consumer's Premises that is integral to the operation of the Network and is on the Network side of the Delivery Point is the property of TGN);

Projected Annual Quantity means the quantity of Gas which the Network User, in good faith, expects to off-take from the Network at any nominated Delivery Point in any consecutive 12 month period;

Prudential Requirements means the prudential requirements set out in Schedule 2;

Receipt Points means the points where Gas enters into the Network from the Transmission System;

Reconciliation Code means the code established under the Gas Act to assist the development of a competitive gas market by providing a uniform process for Network User transfers between competing retailers, and the allocation and reconciliation of gas quantities between users at Receipt Points into a transmission system or distribution network, as amended from time to time;

Rights of Access means rights for TGN, its employees, contractors, agents and invitees:

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- (a) of safe and unobstructed access to and within a Consumer's Premises; and
- (b) of reasonable use of facilities and amenities available to the Consumer and ordinarily used in association with TGN's Equipment at the Consumer's Premises (including, without limitation, the provision of suitable space at the Consumer's Premises for the safe and secure housing of TGN's Equipment which is satisfactory to TGN);

for the purposes of:

- (c) installing, testing, inspecting, maintaining, repairing, replacing, operating, reading or removing any of TGN's Equipment at or from the Consumer's Premises;
- (d) ascertaining the cause of any interference to the quality of services being provided by TGN to any person;
- (e) inspecting the Consumer's Equipment or any Metering Equipment to assess compliance with this Agreement;
- (f) preventing danger or damage to persons or property;
- (g) connecting or disconnecting the supply of Gas to any Delivery Point; or
- (h) for any purpose related to such activities or to TGN's rights, benefits or obligations under or in relation to this Agreement;

Statutory Charge means any recurring charge, tax, impost, rate, levy or payment of a similar nature payable by TGN to any Governmental Authority in connection with TGN's business or any assets used in connection with the services provided under this Agreement (but not including GST or income tax. This includes a change TGN's cost caused by changes in the laws relating to depreciation);

Supply Agreement means the agreement between the Network User and a Consumer for the supply of Gas to that Consumer;

Transmission Services Agreement means an agreement with the owner or operator of the Transmission System for the transmission of Gas to the Receipt Points;

Transmission System means:

- (a) the natural gas transmission system running from Longford in Victoria to Port Latta and Bridgewater in Tasmania, currently operated by BBI TGP Pty Ltd; or
- (b) other system for the transmission of Gas into the Network; and

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Working Day means a day other than a Saturday, Sunday or public holiday in Tasmania;

- 1.2 Defined Expressions:** expressions defined in the main body of this Agreement have the defined meaning in the whole of this Agreement including the background;
- 1.3 Headings:** section, clause and other headings are for ease of reference only and will not affect this Agreement's interpretation;
- 1.4 Negative Obligations:** any obligation not to do anything includes an obligation not to suffer, permit or cause that thing to be done;
- 1.5 Parties:** references to parties are references to parties to this Agreement;
- 1.6 Persons:** references to persons include references to individuals, companies, corporations, partnerships, firms, joint ventures, associations, trusts, organisations, governmental or other regulatory bodies or authorities or other entities in each case whether or not having separate legal personality;
- 1.7 Plural and Singular:** words importing the singular number include the plural and vice versa;
- 1.8 Schedules:** the schedules to this Agreement and the provisions and conditions contained in these schedules have the same effect as if set out in the body of this Agreement;
- 1.9 Sections, Clauses and Schedules:** references to sections, clauses and schedules are references to this Agreement's sections, clauses and schedules; and
- 1.10 Statutes and Regulations:** references to any statutory provision include any statutory provision which amends or replaces it, and any subordinate legislation made under it.

2. CONDITIONS PRECEDENT

- 2.1 Rights and Obligations are Conditional:** The obligations of TGN under this Agreement are conditional upon:
 - a) the satisfactory commissioning of the Network; and
 - b) TGN being granted licences for such period and in form and substance and subject to such terms and conditions as are satisfactory to TGN (acting reasonably) under the Gas Act to construct and operate the Network.
 - c) TGN will advise the Network User in writing when it considers these conditions have been fulfilled.

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2.2 Effect if Conditions not satisfied: If the conditions referred to in clause 2.1 are not satisfied or waived on or before 19 January 2005 then all rights and obligations under this document terminate on that date other than:

- a) clauses 18, 20, 22 and 23 (except 23.10); and
- b) rights that accrue before that date.

3. TERM AND RENEWAL

3.1 Term: This Agreement will begin on the Commencement Date and will continue until terminated pursuant to clause 3.2, unless otherwise terminated earlier in accordance with the provisions of this Agreement.

3.2 Expiry: Subject to clause 3.3, at any time after the fifth anniversary of the Commencement Date (specified in Schedule 1) either party may give the other party at least 90 Working Days prior written notice terminating this Agreement.

3.3 Requirements for Network User Initiated Termination: The Network User may not terminate this Agreement pursuant to clause 3.2 unless:

- a) the Network User has arranged for another person to supply the Consumers that are supplied by the Network User before the Agreement is terminated and that person has entered into a Use of System Agreement with TGN; or
- b) TGN is advised by the Network User that the Network User no longer has any Consumers.

3.4 New Use of System Agreement: If:

- a) TGN gives notice to the Network User under clause 0 ("Expiry Notice") specifying an Expiry Date;
- b) at the time the Network User receives the Expiry Notice it has contractual obligations to supply gas to any Consumers that extend beyond the Expiry Date; and
- c) the Network User gives written notice to TGN no later than 30 Working Days prior to the Expiry Date that it wishes to continue to supply those Consumers beyond the Expiry Date,

then the following will apply:

- a) As soon as practicable the parties will meet to discuss in good faith the terms of a new use of system agreement under which the Network User will be able to continue to supply Consumers on the Network after the Expiry Date;
- b) If agreement on the new terms is not reached before the Expiry Date the terms of TGN's then "standard" Use of System Agreement (as identified by TGN) will be the terms on which the Network User will be entitled to continue to supply

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Consumers, and TGN and the Network User will enter into such agreement without further delay.

4. TGN'S OBLIGATIONS

4.1 Services: Subject to the terms and conditions on this Agreement, TGN will:

- a) accept Gas from the Network User at the Receipt Point or the Receipt Points (as the case may be) for distribution across the Network to Consumers;
- b) distribute Gas to Consumers;
- c) allow Consumer's Equipment to be connected to the Network; and
- d) at all times carry out its obligations under this Agreement in accordance with Good Industry Practice, all applicable Laws and the terms of this Agreement.

4.2 Suspension Of Agreement: If, at any time during the term of this Agreement, the Network User:

- a) has not (in response to a written request from TGN) provided TGN with written and current evidence that the Network User is the holder of a valid and subsisting licence issued under the Gas Act authorising the Network User to sell gas by retail to the Consumers; and
- b) has not (in response to a written request from TGN) provided TGN with written and current evidence that the Network User is a party to a Transmission Services Agreement;
- c) has not (in response to a written request from TGN) provided TGN with written and current evidence that it is purchasing the Gas at the Receipt Points from another person who is party to a Transmission Services Agreement;
- d) is not complying with the Prudential Requirements;

then (without prejudice to any other rights and remedies that TGN may have) TGN may, at any time thereafter while the issue remains unresolved, give written notice to the Network User suspending TGN's obligations under this Agreement. If such notice is given, TGN's obligations shall be suspended with immediate effect until such time as the Network User complies with this clause, provided that where TGN's obligations have been suspended continuously for a period of two months then TGN shall have the right to terminate this Agreement immediately by written notice to the Network User.

5. NETWORK USER'S OBLIGATIONS

5.1 Compliance with Gas laws and Reconciliation Code: The Network User will comply with the requirements of all applicable legislation including the Gas Act and any regulations and codes made under the Gas Act, as amended or replaced from time to time. Without limiting the foregoing the Network User shall comply with all relevant obligations applying to the Network User under the Reconciliation Code.

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5.2 Follow Good Industry Practice: The Network User will ensure that, in all respects of its business operations relating to the distribution of its Gas across the Network and the sale of such Gas to Consumers, the Network User follows Good Industry Practice (including recognised industry codes of practice).

5.3 Interference with the Network: The Network User will not:

- a) interfere with the Network or cause or permit any person, material or device to do so;
- b) interfere with TGN's Equipment; and
- c) convey or receive (or attempt to convey or receive) any signal or other form of communications or any other thing (other than Gas pursuant to this Agreement) across the Network,

and will use best endeavours to ensure that its Consumers do not do any of these things.

5.4 Supply of Information: To enable TGN to perform its obligations under this Agreement, any agreement between TGN and the owner or operator of the Transmission System and any legislation (including, without limitation, the Reconciliation Code), the Network User will make available to TGN in the form specified by TGN and at the times requested by TGN on reasonable notice such information as may reasonably be required by TGN, including (without limitation):

- a) data from any Metering Equipment owned by the Network User and such information as TGN may in its opinion require to enable TGN to calculate the charges payable by an Network User under this Agreement; and
- b) estimates and projections of Gas that is likely to be consumed by those Consumers who are being supplied by the Network User.

5.5 Faults affecting the Network: The Network User will notify TGN, as soon as practicable after becoming aware, of any faults affecting the Network, signs of damage, gas escape or other abnormalities to the Network. The Network User will also notify TGN, as soon as practicable, if it becomes aware of the occurrence of any event or circumstance that could adversely affect the Network and any information the Network User may have about those matters.

6. CONSUMERS, CONNECTION AND DISCONNECTION

6.1 Connection and disconnection: TGN and the Network User will comply with their respective obligations set out in Schedule 5.

6.2 Consumers over 5TJ pa: The Network User agrees and acknowledges that:

- a) this Agreement is only intended to apply to the distribution of Gas to Consumers and it does not apply to persons who, at the relevant time, are end-consumers pursuant to a Gas Distribution Services Agreement;



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- b) the Network User will promptly notify TGN if:
1. any Consumer's Gas usage or requirements equal or exceed 5 TJ per annum at any time (on a 12 month rolling average basis); and
 2. the Network User is considering supplying Gas to a person who has, or may have, Gas requirements that equal or exceed 5 TJ per annum (on a 12 month rolling average basis);
- c) TGN may from time to time require the Network User to require that any Consumer whose Gas usage or requirements equal or exceed 5 TJ per annum (on a rolling 12 month basis) enter into a Gas Distribution Services Agreement directly with TGN (and the Network User will include provisions in its contracts with Consumers to allow the Network User to give effect to this).

7. INTERRUPTION TO CONVEYANCE

- 7.1 No Warranty:** TGN gives no warranty that the conveyance of Gas across the Network to Consumers will be continuous or fault-free.
- 7.2 Interruption Event:** TGN may interrupt or reduce the conveyance of Gas to any Delivery Point if an Interruption Event occurs in relation to that Delivery Point. Where practicable, TGN will use commercially reasonable endeavours to ensure that any action it takes pursuant to this clause 7.2 conforms with any industry contingency plan or load shedding guidelines which it has agreed to. TGN will use all commercially reasonable endeavours to restore the conveyance of Gas to a Delivery Point where the conveyance has been interrupted or reduced pursuant to this clause 7.2 as soon as commercially reasonably practicable once it is satisfied (acting reasonably) that it is appropriate to do so.
- 7.3 Outages:** TGN and the Network User will comply with the provisions regarding outages contained in schedule 7.

8. RECEIPT POINTS AND DELIVERY POINTS

- 8.1 Receipt Points:** The point or points at which Gas shall be accepted by TGN for distribution through the Network shall be the Receipt Point or Receipt Points, as the case may be.
- 8.2 Delivery Points:** The point or points at which Gas shall be delivered by TGN shall be the Delivery Points.
- 8.3 New Delivery Points and Withdrawal of Delivery Points:** All Delivery Points shall be owned and operated by TGN.
- 8.4 Multiple User Delivery Points:** Unless otherwise agreed by the parties, the Network User will not share any Delivery Point with any other Network user.

9. QUANTITY OF GAS

9.1 Maximum Hourly Quantity:

- a) TGN will, in relation to each Delivery Point, in any hour (subject to the receipt of sufficient quantities of gas being received into the Network at the relevant Receipt Point) permit the Network User to off-take at the Delivery Point a quantity of gas up to the Maximum Hourly Quantity for that Delivery Point.
- b) If the Network User wishes to vary the Maximum Hourly Quantity for any Delivery Point the Network User shall give written notice to TGN specifying the proposed variation and the date on which it is proposed that the variation takes effect. No variation in a Maximum Hourly Quantity will take effect unless TGN (at its complete discretion) notifies the Network User that it accepts the proposed variation. If any increase to a Maximum Hourly Quantity would require TGN to invest in the Network, TGN may (at its discretion) require the Consumer to make a financial contribution to the cost of such investment as a condition of accepting the proposal for increased Maximum Hourly Quantity.

9.2 Indemnity if Maximum Hourly Quantity Exceeded: If the Maximum Hourly Quantity applicable to a Delivery Point is exceeded, the Network User will indemnify TGN against any costs, damage, loss or expense suffered or incurred by it as a result (whether directly or indirectly) of the Maximum Hourly Quantity having been exceeded.

9.3 Flow-Limiting: If the Maximum Hourly Quantity applicable to a Delivery Point is exceeded or TGN reasonably believes that the Maximum Hourly Quantity applicable to a Delivery Point is likely to be exceeded:

- a) TGN may, at its sole discretion, install (or require the Network User to install) a flow limiting device and the installation costs of the flow limiting device are payable by the Network User; and
- b) if TGN wishes and advises the Network User accordingly, TGN and the Network User will meet to discuss in good faith the Network Users likely maximum expected peak Network usage and the likely change to the Charges to reflect the expenditure TGN estimates it will incur to increase the capacity of the Network to meet the maximum expected peak Network usage.

9.4 TGN may authorise Network User to exceed Maximum Hourly Quantity: TGN may, in its absolute discretion, authorise the Network User to temporarily exceed the Maximum Hourly Quantity at a Delivery Point.

9.5 Projected Annual Quantity: Where requested by TGN, the Network User will, within 2 months of the request, provide to TGN the Projected Annual Quantity for the following calendar year for each Delivery Point where the Projected Annual Quantity exceeds 1 terajoule. Such a request will not be made more than once in any calendar year.

- 9.6 Anticipated Changes in Quantity:** If, at any time during a year, the Network User becomes aware of circumstances as a result of which the Projected Annual Quantity provided pursuant to clause 9.5 will, or will be likely to change, the Network User will, as soon as reasonably practicable, notify TGN accordingly.

10. QUALITY OF GAS

10.1 Delivery pressure

- a) **TGN to deliver Gas within pressure range:** TGN will use its commercially reasonable endeavours to ensure that Gas delivered to a Delivery Point is delivered within the standard pressure range specified by TGN (in accordance with clause 10.1.3) as being applicable to such Delivery Point (based on the Maximum Hourly Quantity applying at that Delivery Point).
- b) **Delivery Pressure falls outside Standard Pressure Range:** Where the Network User becomes aware that the delivery pressure has fallen outside the standard pressure range for that Delivery Point then the Network User will notify TGN of the occurrence as soon as reasonably practicable. If TGN anticipates or is otherwise aware that Gas is or will be delivered to a Delivery Point outside the pressure range for that Delivery Point, TGN will advise the Network User as soon as is reasonably practicable of the steps required, and the timeframe proposed to correct it. In parts of the Network the delivery pressure may, during periods of high demand, fall below the standard pressure range. TGN aims to ensure delivery pressures remain within the standard pressure ranges as specified below by implementing Network maintenance, rehabilitation or reinforcement programmes.
- c) **Standard Pressure Ranges and Codes:** The standard pressure range codes and ranges used by TGN are available from TGN on request. TGN reserves the right to update the pressure ranges from time to time in accordance with TGN's asset management plan or operating procedures. In all cases TGN will endeavour to provide the Network User with adequate notice of any planned changes to the standard pressure ranges.

- 10.2 Gas Network Rehabilitation:** If TGN seeks to undertake a Network rehabilitation programme, it will, except to the extent otherwise agreed (whether before or after the Commencement Date), seek to negotiate in good faith with the relevant Consumer, reasonable terms for the replacement or upgrade of any of the Consumer's Equipment which may be necessary as a consequence of the Network rehabilitation programme. If agreement is not reached, TGN may, at its discretion, choose to procure and install, at its own cost, suitable equipment to ensure delivery pressure is maintained in accordance with this Agreement and the Network User will ensure that every Supply Agreement provides TGN with such right (and that such right shall be directly enforceable by TGN).

10.3 Specification:

- a) The Network User shall ensure that all gas delivered on behalf of the Network User for acceptance at a Receipt Point complies with the Gas Specification and with all other quality and specification requirements of relevant legislation (including, without limitation, the requirements of regulations 9, 10 and 14 of the Gas (Safety) Regulations 2002).
- b) The Network User shall not deliver any Non-Specification Gas for acceptance at a Receipt Point without the prior written consent of TGN and all the users of the Network potentially affected by such Non-Specification Gas. The Network User shall give TGN written notice as early as possible prior to delivery, giving particulars of the extent to which the Non-Specification Gas will differ from the Gas Specification and (if known by the Network User at the time of the notice) the expected commencement and duration of the supply of Non-Specification Gas, together with confirmation and evidence that all the users of the Network potentially affected by such Non-Specification Gas have consented.
- c) The Network User will indemnify, and keep indemnified, TGN against all reasonable expenses, costs (including legal costs on a solicitor/client basis), losses, liabilities and claims suffered or incurred by TGN arising out of or in connection with any breach by the Network User of its obligations under clauses 10.3.1 and/or 10.3.2.

10.4 Alteration of Specification

- a) **TGN may alter Specification:** TGN may materially alter the specification of the Gas received into the Network (as a result of commingling with other gas received into the Network) within the limits of the Gas Specification.
- b) **Acceptance of Non-Specification Gas:** In the event that TGN agrees, or is deemed to have agreed, to accept Non-Specification Gas for delivery to the Consumer:
 1. TGN may, at its discretion, deliver to the Delivery Point gas having the same or higher specification than the specifications of the Non-Specification Gas accepted by TGN at the Receipt Point; and
 2. the Network User will indemnify TGN against any liabilities to other persons as a consequence of Non-Specification Gas being conveyed in the Network.
- c) **Closure of Receipt Points:** If TGN reasonably believes that Non-Specification Gas is or is likely to be delivered into the Network, TGN may, unless it has agreed to accept such Non-Specification Gas, close the relevant Receipt Point and keep it closed until it is satisfied that gas complying with the Gas Specification will be delivered to that Receipt Point. Prior to closing the relevant Receipt Point, TGN will use all commercially reasonable endeavours to try to stop the flow of any Non-Specification Gas into the Receipt Point.

10.5 Odourisation: The Network User will ensure that all Gas delivered for acceptance at a Receipt Point will be odourised to such standard as is reasonably required by TGN (as advised by TGN from time to time). As at the commencement of this Agreement the required standard is the VENCORP document *Gas Quality Guidelines – System Injection Points*, as updated from time to time, and available from the VENCORP website at www.vencorp.com.au. If Gas delivered for acceptance at a Receipt Point is unodourised, insufficiently odourised or excessively odourised, the Network User will indemnify TGN for all costs, damage, loss or expense suffered as a result thereof including (without limitation) any costs of testing and supplementary odourisation.

11. RIGHT OF ACCESS

11.1 Network User to Procure Access to Consumer's Premises: The Network User will use best endeavours to procure that each Consumer grants and provides to TGN and its employees, agents, subcontractors, invitees and other authorised representatives, Rights of Access at all times during the term of this Agreement and during the period of six months following expiry or termination of this Agreement. The Network User will ensure that every Supply Agreement:

- a) includes an obligation on each consumer to grant and provide such Rights of Access; and
- b) provides that such obligation is enforceable by TGN.

11.2 Exercise of Rights of Access: In exercising its Rights of Access TGN agrees that it will:

- a) where practicable, give the Consumer reasonable notice of its intention and the purpose for which it proposes to exercise its Rights of Access provided that TGN will be at liberty to take all reasonable steps to gain immediate access where it reasonably believes there is immediate danger to person or property;
- b) procure that its representatives carry appropriate identification to identify themselves as TGN's employees or agents;
- c) show respect for and cause as little inconvenience to the Consumer as is practicable; and
- d) where practicable, observe the Network Users reasonable practices and procedures for entering and occupying the Consumer's Premises.

12. EQUIPMENT

12.1 TGN's Equipment: All items of TGN's Equipment situated on a Consumer's Premises will remain the sole and absolute property of TGN. If circumstances so require, the Network User will assist TGN to obtain an undertaking from the Consumer to provide and maintain, at no cost to TGN, suitable space for the safe

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and secure housing of TGN's Equipment related to the Delivery Point and deemed necessary by TGN in accordance with Good Industry Practice to be housed at the Consumer's Premises.

12.2 Interference or damage to TGN's Equipment:

The Network User will, and will use best endeavours to procure that each Consumer will, ensure that it and its respective employees, agents and invitees do not interfere with or damage TGN's Equipment without the prior written consent of TGN, except to the extent that emergency action has to be taken to protect the health and safety of persons or to prevent damage to property, and shall take all reasonable precautions necessary to protect TGN's Equipment from damage, complying with any reasonable requests about such protection made by TGN. If any of TGN's Equipment is damaged by the negligence or wilful act or omission of the Network User or the Network User's employees, agents or invitees, then the Network User shall pay the cost of making good the damage to TGN.

Interference with TGN's Equipment: If the Network User suspects that there is, or has been, interference with TGN's Equipment at a Consumer's Premises, the Network User will immediately investigate and report its findings to TGN as soon as practicable after becoming aware of them.

12.3 Consumer's Equipment:

TGN will not act in a way that materially impedes or obstructs the operation of the Consumer's Equipment except to enforce this Agreement or to the extent that action has to be taken to protect the health and safety of persons or to prevent damage to property or the Network. If TGN or TGN's Agent materially interferes with the Consumer's Equipment, TGN will use all reasonable endeavours to inform the Consumer as soon as practicable.

Interference with Consumer's Equipment: If TGN suspects that there is, or has been, interference with the Consumer's Equipment at a Consumer's Premises, TGN will immediately investigate and report its findings to the Network User as soon as practicable after becoming aware of them.

13. OWNERSHIP, POSSESSION AND RESPONSIBILITY FOR GAS

13.1 The Network: The Network is and will remain the sole property of TGN. No provision of this Agreement nor the provision of any services by TGN in relation to the Network will confer on the Network User or any other person any right of property or other interest in or to any part of the Network.

13.2 Gas

- a) **Control, Possession and Responsibility:** The control and possession of Gas accepted pursuant to this Agreement shall pass from the Network User to TGN at

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the Receipt Point and shall be held by TGN until Gas is delivered to a Delivery Point.

- b) **Title to Gas:** Title to Gas accepted pursuant to this Agreement shall at all times remain with the Network User and the Network User hereby warrants to TGN that, at the time of delivery to TGN, the Network User has good title to the Gas, free and clear of all liens, encumbrances and claims of a nature inconsistent with TGN's operation of the Network, provided that TGN shall have the right to commingle the Network User's Gas with other Gas in the Network during distribution and to subject the Gas in the network to compression, cleaning and other processes consistent with TGN's operation of the Networks. For the purposes of this Agreement the Network User shall, where applicable, include any principal on whose behalf the Network User may be acting as agent, and the Network User is and will be warranting as to that principal's unencumbered title to the Gas.

13.3 Responsibility for Gas: Subject to clause 13.5 TGN shall be solely responsible for the Gas on the basis set out in this Agreement while distributing it from the Receipt Point to the Delivery Point and the Network User shall be solely responsible for the Gas at all other places and times.

13.4 Capacity: Nothing in this Agreement confers on the Network User any ownership of capacity in relation to a Network.

13.5 UFG: The Network User:

- a) acknowledges that distribution of its Gas across the Network involves the loss of some Gas (whether due to use estimation procedures, meter inaccuracies, system losses or otherwise), known as "Unaccounted for Gas" or "UFG";
- b) acknowledges that the Reconciliation Code, to which the Network User is bound, contains principles for the allocation of UFG between the various users of the Network; and
- c) agrees and accepts that, notwithstanding clauses 13.2.2 or 13.3, TGN shall not be liable in any respect for the loss of any of the Network User's Gas which is UFG.

14. PRUDENTIALS

The Network User must comply at all times with TGN's Prudential Requirements set on in Schedule 3, unless otherwise agreed.

15. CHARGES

15.1 Network Charges: The Network User will pay the Charges (plus GST) in respect of each Delivery Point calculated in accordance with Schedule 4.

15.2 Changes to the Charges:

- a) TGN may, at its discretion, vary the Charges or any component of the Charges (including the method of calculating the Charges) at any time and from time to time (subject to clause 15.2.2);
- b) Except where a variation of the Charges is being made to reflect a change in the law;
 - 1. TGN will not increase the Charges set out in paragraphs 1(a), 1(b) or 2 of Schedule 4 more than once in any calendar year; and
 - 2. TGN will not increase the Charges applicable under paragraph 1(c) of Schedule 4 in respect of any individual Delivery Point more than once in any calendar year.
- c) TGN will give the Network User not less than 60 days' prior notice of any variation of the Charges
- d) Any variation of the Charges will be final and binding as between the parties and shall not be the subject of any dispute, mediation or arbitration.

15.3 Invoicing and payment: TGN will invoice the Network User for the Charges (plus GST) and the Network User will pay the invoice, in accordance with Schedule 3. Neither TGN nor the Network User may initiate a dispute in relation to any invoice after 15 months from the date of the invoice.

15.4 TGN's rights on Network User's failure to pay:

- a) Without limiting any other right of TGN under this Agreement or otherwise, if the Network User fails to pay any amount set out in any invoice issued by TGN pursuant to this Agreement on the due date for payment the Network User will be in default under this Agreement and TGN may do any or all of the following:
 - 1. TGN may require the Network User to pay, on demand, Default Interest on the amount unpaid.
 - 2. If the amount remains unpaid after 10 working days' notice by TGN to the Network User, TGN may call for payment under any Credit Support, but only to the extent payment is due.
- b) The charging of Default Interest under clause 15.4.1(a) will in no way imply the granting or an extension of credit by the party to whom the interest is payable.
- c) If the Network User disputes the amount of any invoice, it must pay the whole amount of the invoice other than any amount due to Manifest Error and then initiate a dispute with TGN using the procedure set out in clause 22.
- d) TGN may at any time issue an adjustment to an invoice or a new invoice where the Network User has been under charged, over charged or not charged, by

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either crediting the Network User for any over charging or invoicing the Network User for under or non-charging. An invoice issued under this clause 15.4.4 must be paid within the same time and is subject to the same conditions as if it were an invoice issued under clause 15.3.

16. GST**16.1 Definitions and interpretation:**

- a) Unless the context requires otherwise, words defined in the GST Act have the same meaning in this clause 16.
- b) In this clause 16 Supplier means a party that makes a supply.
- c) If a party is notionally liable to pay GST or is liable to pay an amount which is treated as GST under the GST Law, references to GST which the party must pay extend to any notional liability of the party to pay GST and references to an input tax credit extend to any notional input tax credit to which the party is entitled.
- d) If a party is a member of a GST group, references to GST which the party must pay and to input tax credits to which the party is entitled include GST which the representative member of the GST group must pay and input tax credits to which the representative member is entitled.

16.2 GST Payable in addition to other Consideration

- a) Unless otherwise expressly provided, all amounts referred to in this document have been agreed without regard to GST; that is, on a GST exclusive basis.
- b) A recipient of a taxable supply made under this document must pay to the Supplier, in addition to the consideration payable or to be provided for the taxable supply, any GST for which the Supplier is liable in respect of the taxable supply.
- c) The recipient must pay the GST to the Supplier:
 1. if there is a due date for the consideration for the taxable supply, either on that date or within 14 days of receiving a tax invoice for the taxable supply, whichever is the later; or
 2. if there is no due date, within 14 days of receiving a tax invoice for the taxable supply.

16.3 Reimbursements: A party's obligation to reimburse another party for an amount paid or payable to a third party (eg. a party's obligation to pay another party's legal costs) includes GST on the amount paid or payable to the third party except to the extent that the party being reimbursed is entitled to claim an input tax credit for that GST.

16.4 Tax Invoice: Each party making a taxable supply under this document must issue a tax invoice to the other party for each taxable supply:

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- a) if this document provides that an invoice must be issued in respect of the supply on the date the invoice is required to be issued; or
- b) in any other case, within 14 days of making the taxable supply.

16.5 Adjustment Note: Each party must issue an adjustment note to the other party as soon as it becomes aware of an adjustment event relating to a taxable supply by it under this document.

16.6 Indemnities: If a payment under an indemnity gives rise to a liability to pay GST, the payer must pay, and indemnify the payee against, the amount of that GST. If a party has an indemnity for, or an amount of consideration is calculated by reference to, a cost on which that party must pay GST, the indemnity is for, and the consideration includes, the cost plus all GST (except any GST for which that party can obtain an input tax credit).

16.7 GST free supplies and Valuation of Consideration: Notwithstanding any provision in this document to the contrary TGN may, in its absolute discretion determine, for GST purposes:

- a) the extent to which supplies made under this document by either TGN or the Network User are taxable, GST free or input taxed supplies; and
- b) the value of the consideration paid or to be provided for each supply made by either TGN or the Network User and the allocation of such consideration among any taxable, GST free and input taxed supplies.
- c) TGN may require the Network User to reissue a tax invoice previously issued, or to issue an adjustment note, where TGN considers that the amount of GST on a taxable supply has been calculated incorrectly by the Network User.
- d) Where the Network User disagrees with a determination by TGN under clause 16.6 in so far as it affects a supply by the Network User it may at its own cost make an application in a form agreed by TGN and the Network User to obtain a private binding ruling from the Australian Taxation Office as to the correct GST treatment and both parties will agree to be bound by that Ruling so long as it remains current and binding.

17. CHANGES TO THIS AGREEMENT

17.1 Amendment of Schedules: TGN will be entitled to amend any provision contained in Schedules 3, 5, 6 and 7 of this Agreement by giving the Network User not less than 30 days' notice providing that the amendment is in accordance with Good Industry Practice or to reflect relevant amendments made to TGN's most recent issue of the Use of System Agreement for the Network (or substitute document).

17.2 Amendment of Agreement: TGN will be entitled to amend any provision of this Agreement by giving the Network User not less than 30 days' notice:

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- a) if TGN and the Network User agree to the amendment; or
- b) to the extent necessary to reflect the mandatory rules or protocols of any industry association or body to which both TGN and the Network User are members or signatories at the relevant time; or
- c) if the amendment is required to reflect any change in law or any regulatory decision.

17.3 Minor Changes: TGN will be entitled to amend any provision of this Agreement where the amendment has no effect on the contractual undertakings of the parties (for example terminology changes to accord with new industry classifications or definitions), by written notice to the Network User.

18. LIMITATIONS ON LIABILITY**18.1 Scope of liability:**

- a) Subject to the Trade Practices Act 1974 (Cth) and the express provisions of this Agreement, all warranties, terms and conditions which may be otherwise implied by use, statute or otherwise are, to the extent they may be lawfully be, are excluded.
- b) The only liability of TGN to the Network User under this Agreement or otherwise arising from the relationship between them (whether by virtue of contract, tort (including negligence) or otherwise) will be for direct loss or damage to the physical property of any person where the damage has been caused by TGN's breach of this Agreement.
- c) TGN will not be liable for, or for any loss, damage, expense, cost, claim suffered or incurred as a result of, any:
 - 1. failure to accept Gas at any Receipt Point as allowed under this Agreement;
 - 2. failure to distribute Gas accepted from the Network User for a reason outside TGN's control; or
 - 3. act or omission of any Transmission System Operator.
- d) Neither party will be liable for any failure to perform any obligation under this Agreement where such failure is caused by the other party's failure to comply with the same.
- e) For the avoidance of doubt and without limiting any other provision of this Agreement, neither party will be liable for:
 - 1. any loss of profit, loss of revenue, loss of use, loss of opportunity, loss of contract or loss of goodwill of any person;
 - 2. any indirect or consequential loss;

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3. any loss resulting from liability to any third party except for direct loss or damage to the physical property of any person as set out in clause 18.1.2; or
 4. any loss resulting from loss or corruption of or damage to any electronically-stored or electronically-transmitted data or software.
- f) Except as provided in clauses 18.1.2, TGN's liability to the Network User whether in tort (including negligence), contract, breach of statutory duty, equity or otherwise arising from the relationship between them and of any nature whatsoever is excluded to the fullest extent permitted by law.

18.2 Quantum of liability: Without limiting any indemnity provided under this Agreement, the maximum total liability of TGN to the Network User and the Network User to TGN or otherwise arising from the relationship between them will be:

- a) subject to clause 18.2.2, in respect of a single event or series of events arising from the same event or circumstance, for each Delivery Point, the lesser of "Single Event Liability Amount" specified in Schedule 1 or the amount of the loss or damage suffered; and
- b) in respect of events or circumstances occurring in any consecutive period of 365 days, the lesser of the "Annual Liability Amount" specified in Schedule 1 or the amount of the loss or damage suffered.

18.3 Indemnity:

- a) Subject only to clauses 18.3.2 and 18.3.3, TGN will be indemnified and kept indemnified by the Network User in respect of all reasonable expenses, costs (including legal costs on a solicitor/client basis), losses, liabilities and claims suffered or incurred by TGN arising out of or in connection with any breach by the Network User of its obligations under this Agreement.
- b) The Network User will not be liable to TGN under the indemnity provided by clause 18.3.1 in respect of any losses, liabilities or claims of the types provided for in clause 18.1.5(a), (b) or (d), but the Network User will be liable to TGN under the indemnity provided by clause 18.3.1 in respect of any losses, liabilities or claims of the types provided for in clause 18.1.5(c).
- c) The maximum total liability of Network User to TGN under the indemnity provided in clause 18.3.1 will be limited to \$1,000,000 for a single event, or \$5,000,000 for all events occurring in any year.
- d) The rights of indemnity set out in clause 18.3.1 are in addition to any other right that TGN may have to be indemnified by the Network User in any circumstances whatsoever and whether by statute, in law, equity or otherwise, and the rights of indemnity in clause 18.3.1 do not prejudice any such rights of indemnity in any manner whatsoever.

19. FORCE MAJEURE

19.1 Notice and suspension of obligations: If a party to this Agreement is affected, or likely to be affected, by a Force Majeure Event:

- a) that party must immediately give the other prompt notice of that fact including:
 1. full particulars of the Force Majeure Event;
 2. an estimate of its likely duration;
 3. the obligations affected by it and the extent of its effect on those obligations; and
 4. the steps taken to rectify it; and
- b) the obligations under this document of the party giving the notice (other than obligations to pay money) are suspended to the extent to which they are affected by the relevant Force Majeure Event as long as the Force Majeure Event continues.

19.2 Effort to overcome: A party claiming a Force Majeure Event must use its reasonable commercial efforts to remove, overcome or minimise the effects of that Force Majeure Event as quickly as possible. However, this does not require a party to settle any industrial dispute in any way it does not want to.

20. CONFIDENTIALITY

20.1 Confidentiality Obligation: Each party will keep confidential all information provided by the other party and will not:

- a) disclose any of that information to any other person; or
- b) use any of the Information for any purpose other than to give effect to that party's rights or obligations under this Agreement;

except as provided in clause 20.2.

20.2 Exceptions: Clause 20.1 does not apply to the disclosure of information in the following circumstances:

- a) to employees, legal advisers, auditors and other consultants provided they have agreed to be bound by an obligation of confidence of the same scope and effect as set out in clause 20.1;
- b) where disclosure is expressly permitted under the terms of this Agreement or with the prior written consent of the party that supplied the Information;
- c) where disclosure is required by law or the requirements of any stock exchange;

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- d) where disclosure is to a financier or potential acquirer of all or part of TGN's business;
- e) where disclosure is required in connection with any legal proceedings, mediation or arbitration relating to this Agreement; and
- f) where the information is generally and publicly available other than as a result of a breach of confidence by the party receiving the information.

21. TERMINATION

21.1 Termination: This Agreement will terminate on:

- a) the day after notice is given by one party to the other party terminating this Agreement for reason of an Event of Default occurring in relation to the other party;
- b) the day after notice is given by either party to the other party terminating this Agreement for the reason that performance of any material provision of this Agreement by either party has to a material extent become illegal and the parties acting reasonably agree that it is not practicable for this Agreement to continue;
- c) the 11th Working Day after notice is given by either party to the other terminating this Agreement for the reason that an event of Force Majeure, which has resulted in the party's failure to perform a material obligation under this Agreement, is of such magnitude or duration that it is impracticable or unreasonable for the party giving notice to remain bound by its obligations under the this Agreement (provided that such notice may not be given until an event of Force Majeure has been in continuous effect for at least six months); or
- d) the Expiry Date as defined in clause 3.2 of this Agreement.

21.2 Effect of Termination: Upon termination of this Agreement, other than to the extent provided in any other agreement between the parties:

- a) unless otherwise agreed, each party will return to the other party all property of that party held by the first party; and
- b) the Network User will have no further right to have its Gas accepted and distributed across the Network.

21.3 No Waiver: Termination of this Agreement will not operate as a waiver of any breach of this Agreement or any other agreement by either of the parties and will be without prejudice to any rights, liabilities or obligations of either party which have accrued up to the date of termination. This clause and clauses 18, 20, 22 and 23 together with any other provisions which provide TGN with the benefit of an indemnity or are otherwise expressly or by implication are intended to survive termination, will continue in full force and effect notwithstanding termination.

22. RESOLVING DISPUTES

22.1 Requirement to follow procedures: Where any dispute or difference arises between the parties concerning this Agreement, no party may commence any proceedings unless that party has complied with the procedures set out in this clause 22.

22.2 Escalation to CEOs: If any dispute or difference arises between the parties concerning this Agreement, either party may give notice to the other party. If the dispute or difference is not resolved by discussion between operational staff within 20 working days of notice being given, the matter is to be referred to the Chief Executives of the parties for resolution.

22.3 Mediation: If the dispute or difference cannot be resolved by the Chief Executives within 15 working days of the matter being referred to them, either party may require the matter to be referred to mediation by notice to the other party setting out the general nature of the difference.

22.4 Appointment of Mediator: Within 10 working days of receipt of the notice referring the dispute to mediation the parties will agree on the appointment of a mediator or, where they cannot agree within that timeframe, a mediator will be appointed by the President for the time being of the Law Society of Tasmania. In consultation with the mediator, the parties will determine a location, timetable and procedure for the mediation or, if the parties cannot agree, these matters will be determined by the mediator.

22.5 Representatives: Each of the parties will appoint a representative who will have authority to reach an agreed solution and effect settlement.

22.6 Act in good faith: In all matters relating to the mediation notice, the parties and their representatives will act in good faith and use all reasonable endeavours to ensure the expeditious completion of the mediation procedure.

22.7 Without prejudice: All proceedings and disclosures in the course of the mediation will be conducted and made without prejudice to the rights and positions of the parties in any subsequent arbitration or other legal proceedings.

22.8 Non binding outcome: Any decision or recommendation of the mediator will not be binding on the parties in respect of any matters other than the conduct of the mediation.

22.9 Mediation Costs: The costs of the mediation, other than the parties' legal costs, will be borne equally by the parties, who will be jointly and severally liable to the mediator in respect of the mediator's fees.

22.10 Arbitration: If the difference is not resolved through mediation within 60 days of the appointment of a mediator, the matter will be referred to arbitration under the Commercial Arbitration Act 1986 before a sole arbitrator and in relation to any such arbitration, the following provisions will apply:

- a) in addition to the stated methods of giving notice, facsimile will also be permitted;

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- b) the parties will endeavour to agree the choice of an arbitrator and failing agreement, the arbitrator will be appointed by the President of the Law Society of Tasmania;
- c) the venue of the arbitration will be Hobart;
- d) the arbitrator will not appoint any expert to advise except with the written consent of both parties.

22.11 Injunctive relief: Nothing in this clause 22 will preclude either party from taking immediate steps to seek urgent injunctive or equitable relief before an appropriate court.

23. GENERAL

23.1 Costs: Subject to clause 23.2, each party must pay its own expenses incurred in negotiating and executing this document.

23.2 Duty: The Network User must indemnify TGN against and must pay TGN on demand the amount of any duty that is payable on or in relation to this document and the transactions this document contemplates.

23.3 Partial Invalidity: The provisions of this Agreement will apply to the extent that they are permitted by and not in conflict with any statutory requirements for the Network and the supply of Gas. Except as provided in clause 21.1.2, the illegality, invalidity or unenforceability of a provision of this Agreement under any law will not affect the legality, validity or enforceability of that provision under another law or the legality, validity or enforceability of any other provision of this Agreement.

23.4 Inconsistency with Applicable Gas Laws: If there is any inconsistency between a party's rights and obligations under this Agreement and its obligations or rights under any applicable laws, then its rights and obligations under the applicable laws will prevail to the extent of the inconsistency.

23.5 Assignment and Subcontracting:

- a) TGN may sub-contract any of its obligations under this Agreement but will remain liable in accordance with this Agreement for the sub-contractor's default. TGN may assign its rights and obligations under this Agreement without the consent of the Network User.
- b) The Network User may not assign this Agreement without the prior written consent of TGN, which consent will not be unreasonably withheld.

23.6 Entire Agreement: This Agreement and any document expressly incorporated into this Agreement contains all terms of the arrangement between the parties with respect to the subject matter of this Agreement.

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23.7 Implied terms: All terms and conditions relating to the subject matter of this Agreement that are, or may at any time be, implied by law or custom are excluded to the maximum extent permitted by law except to the extent they are expressly incorporated into this Agreement.

23.8 Non-Waiver: Nothing in this Agreement will be considered to be waived by either party except when such waiver is given in writing. Failure or omission by a party at any time to enforce or require strict or timely compliance with any provision of this Agreement will not affect or impair that provision in any way or the rights of that party to avail itself of the remedies it may have in respect of any breach of that provision or any other provision.

23.9 No Third Party Rights: Except as expressly provided in this Agreement the parties do not intend to create rights in or grant remedies to any third party as a beneficiary of this Agreement and this Agreement will be for the sole and exclusive benefit of the parties.

23.10 Further Assurances: Each party undertakes to do all acts and things and execute all deeds and documents which may be required to be executed to carry out or give effect to this Agreement.

23.11 Notices: Any notice required to be served pursuant to this Agreement will be in writing executed by the party giving the notice or signed on behalf of that party by any officer or solicitor of that party and served at the address or to the facsimile number or e-mail address and to the attention of the person as set out in Schedule 1 or as otherwise notified in writing by the other party. Any notice or document will be deemed to be duly given or made if:

- a) delivered by hand, when so delivered;
- b) sent by facsimile or e-mail, when the person effecting the transmission receives an electronic recorded acknowledgement that the facsimile or e-mail has been delivered; or
- c) sent by post, on the third working day following posting.

23.12 Relationship: Nothing in this Agreement should be interpreted as constituting either party an agent, partner or employee of the other and neither party may pledge the credit of the other nor represent to anyone that:

- a) it is the other party or is an agent, partner or employee of the other party; or
- b) it has any power or authority to incur any obligation of any nature on behalf of the other party.

23.13 Governing Law: This Agreement is governed by the law in force in Tasmania. Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Tasmania, and any court that may hear appeals from any of those courts, for any proceedings in connection with this Agreement, and waives any right it might have to claim that those courts are an inconvenient forum.



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Status - Approved

Current Version - 2.0

Published date: Feb 2015

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24. EXECUTION

Signature

Signature

Name of authorised person signing for
Tas Gas Networks

Name of authorised person signing for
Network User

Position

Position

Date

Date



BMSDOC-18-32

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SCHEDULE 1 GENERAL

Network User: [Insert legal name of Network User]

Commencement Date: [Insert commencement date]

Addresses for Notices:

Tas Gas Networks: Tas Gas Networks
87 George St
PO Box 858
Launceston 7250
Attn: **Industrial** Manager

Network User [Network User address details]

Single Event Liability Amount: \$100,000.00

Annual Liability Amount: \$250,000.00

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SCHEDULE 2 PRUDENTIAL REQUIREMENTS

The following are TGN's Prudential Requirements with which the Network User must comply at all times, unless otherwise agreed.

1. ACCEPTABLE CREDIT RATING OR CREDIT SUPPORT

- 1.1** The Network User will either maintain an Acceptable Credit Rating or provide Credit Support in a form and on terms acceptable to TGN.
- 1.2** If TGN is concerned, on reasonable grounds, that the Network User is unable to maintain an Acceptable Credit Rating, TGN may request, in writing, that the Network User provide Credit Support in accordance with this Schedule 2.

2. CREDIT SUPPORT

- 2.1** Credit Support means that the Network User must provide:
 - 2.1.1** an unconditional guarantee in favour of TGN with a third party guarantor who has and maintains an Acceptable Credit Rating, such guarantee to be for all amounts owing by the Network User to TGN from time to time; or
 - 2.1.2** a performance bond in favour of TGN and issued by a third party which has and maintains an Acceptable Credit Rating, such performance bond to be for an amount equal to TGN's reasonable estimate of one-sixth of the annual Charges (inclusive of GST) payable by the Network User; or
 - 2.1.3** a cash bond that is in Australian dollars equal to TGN's reasonable estimate of one-sixth of the annual Charges (inclusive of GST) payable by the Network User; or
 - 2.1.4** such other security that TGN (acting reasonably) may require.
- 2.2** Where the Network User elects to provide a guarantee or performance bond pursuant to clause 2.1 of this Schedule, the guarantee or performance bond is to be in a form satisfactory to TGN (acting reasonably).
- 2.3** Where the Network User elects to provide a cash bond pursuant to clause 2.1 of this Schedule:
 - 2.3.1** TGN will pay the Network User interest, at the Interest Rate, on the amount of the cash bond, with interest to accrue daily and capitalised every 30 days and added to the value of the cash bond; and
 - 2.3.2** the Network User may request a review of the amount of the cash bond on a quarterly basis and if TGN determines that the value of the cash bond exceeds TGN's reasonable estimate of one-sixth of the

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annual Charges (inclusive of GST) payable by the Network User, then TGN will refund the excess to the Network User.

- 2.4** The Credit Support may be reviewed on a two-monthly basis by TGN and any change in value required for the Network User to comply with clause 2.1 will be notified to the Network User who will provide additional Credit Support to TGN equal to the revised value required by TGN.

3. FAILURE TO PAY

- 3.1** If the Network User fails to pay to TGN any amount set out in any invoice issued by TGN pursuant to this Agreement on the due date for payment (otherwise than for Manifest Error) then, (without limiting any other right of TGN under this Agreement) TGN may do any or all of the following:

- 3.1.1** make a claim under any Credit Support to the extent payment is due;
- 3.1.2** where the amount unpaid is equal to 1% or more of the invoice and remains unpaid after two working days notice from TGN, TGN may (acting reasonably):
- (a) require Credit Support from the Network User, if Credit Support has not already been provided by the Network User; or
 - (b) require a change to the type of Credit Support provided by the Network User; or
 - (c) require an increase to the level of Credit Support held by TGN.

4. REPLACEMENT CREDIT SUPPORT

- 4.1** Where any claim is made under a Credit Support instrument the Network User, upon notification from TGN, will procure replacement Credit Support so that the Credit Support requirements set out in this Schedule continue to be met.
- 4.2** Where the Network User is required to provide new, replacement or additional Credit Support, it must do so within 20 working days of a written request from TGN.

5. FAILURE TO PROVIDE CREDIT SUPPORT

- 5.1** If, at any time, TGN issues the Network User a written request in accordance with clause 4.2 of this Schedule and the Network User does not supply acceptable Credit Support within the specified time, TGN may, in addition to the monthly Charges, charge the Network User a fee that reflects the additional risk that TGN must bear. This additional fee per month will be one-twelfth of the Interest Rate, plus 5%:

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ie.

$$CT = Ci + ((I+5\%)/12 \times Ci)$$

Where:

Ci = the monthly Charges

I = the Interest Rate

Ct = the Charges owed with the additional fee.

LFUOSA - Long Form Use of System Agreement**SCHEDULE 3 BILLING AND SETTLEMENT PROCESS****1. BILLING**

1.1 TGN will group Delivery Points together into meter reading rounds ("Meter Reading Rounds") based on their location and Maximum Hourly Quantity.

1.2 TGN will carry out a reading of the meters at the Delivery Points in any given Meter Reading Round (but TGN is not required to read the Metering Equipment at any individual Delivery Point if TGN cannot reasonably access that Metering Equipment at the time the Meter Reading Round is carried out, in which case clause 1.5 of this Schedule will apply).

1.3 The billing period for a Delivery Point ("Billing Period") will be the time period between:

- (a) the date the Metering Equipment at the Delivery Point is read (or a reading is estimated); and
- (b) the next date that the Metering Equipment at the Delivery Point is read (or a reading is estimated).

The length of a Billing Period for a Delivery Point will vary from time to time, depending on the frequency with which the relevant Meter Reading Round is carried out.

1.4 After the conclusion of each Billing Period TGN will calculate the Charges payable for that Billing Period and will send an invoice to the Network User for:

1.4.1 the Charges for that Billing Period; and

1.4.2 any other amounts due and payable by the Network User under this agreement

1.5 The calculation will, where possible, be based on actual consumption information for the relevant Consumers. If TGN does not have consumption information (i.e., information on the actual quantity of gas delivered to any of the relevant Consumers during the Billing Period), TGN may estimate the Consumers' Gas consumption, and the Charges, for the Billing Period.

1.6 The invoice (covering the Billing Period for each Delivery Point) will be sent to the Network User by the 9th working day following the end of that Billing Period and will be payable on the 20th working day following the end of that Billing Period. If TGN fails to send an invoice to the Network User by the 9th working day following the end of the Billing Period then the due date for payment will be extended by one working day for each working day that the invoice is late.

1.7 Where TGN has estimated the Network User's Charges and complete and accurate consumption information subsequently becomes available, TGN will issue an adjustment note for the wash-up amount to the Network User and will

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adjust the invoice to be issued in the next monthly billing cycle to take into account the wash-up.

2. CONTENTS OF INVOICES

2.1 Contents of Invoices: Invoices rendered under clause 1 of this Schedule shall include the following information:

- 2.1.1** the NMI for each Delivery Point for which Charges are contained in the invoice;
- 2.1.2** the actual or estimated gas consumption for each of those Delivery Points during the Billing Period;
- 2.1.3** the Charges for each of those Delivery Points for the Billing Period;
- 2.1.4** any other amounts charged on the invoice; and
- 2.1.5** GST and other amounts payable.

2.2 Tax Invoice: TGN must ensure that each invoice contains, for each taxable supply (including any taxable supply made by the Non-Invoicing Party), a tax invoice (or an adjustment notice) prepared in accordance with the GST Act.

3. PAYMENT

The Network User shall pay the amount stated as payable on any invoice by direct credit to a bank account nominated by TGN from time to time, or by such other method as is agreed in writing, no later than the due date for payment specified in the invoice. No deduction from the amounts invoiced may be made, except that:

- 3.1** if Network User has received a credit note from TGN with the invoice, the Network User may deduct the amount of the credit note from the amount payable under the invoice; and
- 3.2** if any part of an amount of any invoice is due to Manifest Error, the Network User may deduct the amount due to that Manifest Error from the amount payable under the invoice.

For the purposes of this clause 2.1 of this Schedule, "deduction" means any legal or equitable set off, and/or any legal or equitable counterclaim, and/or any cross-demand and/or any other legal or equitable claim and/or any disputed amount.

4. DISPUTED INVOICES

4.1 Disputed Invoices: In the event of any dispute concerning an invoice the Network User shall, within 10 Business Days from the date it receives the invoice, notify TGN in writing identifying the amount in dispute and giving full reasons for the dispute. Subject to clause 3 of this Schedule, the Network User must pay the whole amount of any invoice including the amount of any invoice in dispute.. Any such dispute shall be determined in accordance with the arbitration procedure under clause 22.

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- 4.2 Time Limit:** Neither TGN nor the Network User may initiate a dispute in relation to any invoice after 15 months from the date of the invoice.
- 4.3 Interest on Disputed Amount:** Where as a result of the determination of a dispute either party has to pay money to the other then interest shall be payable on the amount of the payment at a rate equal to the Interest Rate from the date of the disputed invoice until actual payment.
- 4.4 Incorrect Invoices:** If the Network User has been overcharged or undercharged under this Agreement then within 30 days after the amount of the error has been agreed or determined by arbitration under clause 21 TGN shall, if the Network User has paid the invoices containing an overcharge, refund the amount of the overcharge or the Network User shall pay to TGN the amount of any undercharge. Interest shall be payable on the amount of an overcharge or undercharge at the Interest Rate from the due date for payment of the incorrect invoice until the date of refund or payment of the overcharge or undercharge.

LFUOSA - Long Form Use of System Agreement**SCHEDULE 4 TGN TASMANIA GAS PRICING SCHEDULE 2008****CHARGES (ex GST)****1. DELIVERY POINT CHARGES**

The Network User will pay charges for each Delivery Point, based on the type of connection at the Delivery Point, as follows:

(a) Domestic/Residential connections:

Standard 2.48c/kWh plus 7.2c/day

Domestic/Residential connections are generally intended to be connections for which the prime purpose is gas usage solely associated with non-profit occupancy and, for the purposes of Tas Gas's connection policy, includes rental properties. In the event of any dispute, Tas Gas's determination of whether or not a connection qualifies as a Domestic/Residential Connection will be final.

(b) Commercial connections with usage of less than 1 TJ p.a:

Standard 3.01 c/kWh plus \$0.62/day

(c) Commercial connections with usage of 1 or more TJ per annum:

Price as advised by Tas Gas on request, based on individual usage/requirements. Tas Gas may, at its discretion, enter into individual pricing arrangements with the Network User in relation to specific Consumers with usage of 1 or more TJ per annum.

Tas Gas reserves the right to change a commercial End Consumer who moves from a rolling 12 month annual usage of 1 TJ or greater to a rolling 12 month annual usage of less than 1 TJ to standard pricing

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2. MISCELLANEOUS CHARGES

In addition, the Network User shall pay the following miscellaneous charges:

Commercial (<1TJ p.a) meter supply pressure alteration (at customers request)	\$250 per visit
Commercial (>1TJ p.a) meter supply pressure alteration (at customers request)	Price on request
Domestic/Residential meter supply pressure alteration (at customers request)	\$120 per visit
Domestic/Residential meter testing at customers request (where meter found to be accurate)	\$180 per test
Commercial (<1TJ) meter testing at customers request (where meter found to be accurate)	\$350 per test
Commercial (>1TJ) meter testing at customers request (where meter found to be accurate)	Price on request
Domestic/Residential meter relocation at customers request	Price on request
Commercial meter relocation at customers request	Price on request
Meter capacity change (Domestic/Residential and Commercial)	Price on request
Disconnection at request of retailer or customer	\$60 if during normal business hours, otherwise \$150
Reconnection at request of retailer or customer	\$60 if during normal business hours, otherwise \$150
Special meter reading at request of retailer or customer	\$60 if during normal business hours, otherwise \$150
Service pipe on-site location and marking on private property	Free if provide 3 working days notice and within normal business hours, otherwise \$100
Application fee for new connections	\$100 for customers without gas fired water heating or central heating.
Any other services specifically requested by the Network User or Consumers	Price on request
Commercial late connection fee	\$1500.00 for customers who are not consuming within 90 days of suitable Network service connection.

LFUOSA - Long Form Use of System Agreement**SCHEDULE 5 CONSUMER INFORMATION SHEETS, CONNECTION AND DISCONNECTION****1. NEW CONNECTIONS**

Where the Network User wishes to supply Gas to a person whose premises are not at that time connected to the Network or where any Consumer wishes to have install a new or additional connection to the Network the following will apply:

- 1.1** The Network User must provide Tas Gas with a completed request for a new Network connection containing the following information;
 - 1.1.1** the name, address and contact details of the Consumer
 - 1.1.2** the required location of the Delivery Point;
 - 1.1.3** requested MHQ;
 - 1.1.4** anticipated load factor;
 - 1.1.5** the preferred date for commencement of supply;
 - 1.1.6** any other information required under the Reconciliation Code; and
 - 1.1.7** any other relevant information reasonably requested by Tas Gas;
- 1.2** Tas Gas will respond in a timely manner to receipt of the completed application, advising whether or not it accepts the Network connection request. Tas Gas will not unreasonably reject a Network connection request. If Tas Gas rejects the request it will provide reasons and Tas Gas and the Network User will endeavour to negotiate amendments to the request that make it acceptable to Tas Gas.
- 1.3** For the avoidance of doubt, it shall be reasonable for Tas Gas to reject a Network connection request if Tas Gas determines, in its absolute discretion, that such connection would be uneconomic for Tas Gas. In such circumstances Tas Gas may request that the Network User or the Consumer make a financial contribution towards the cost of connection so as to render the connection economic for Tas Gas.
- 1.4** Where Tas Gas accepts a Network connection request it will advise the Network User of the NMI for the Delivery Point, the pressure available for the relevant MHQ and what is required in order for the Network connection to occur. Subject to Tas Gas's requirements under this Schedule being met, Tas Gas will use all reasonable endeavours to expedite the connection of Consumers.
- 1.5** The Network User must comply, and must ensure that the Consumer or prospective Consumer, complies with all requirements notified by Tas Gas for the Network connection.

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- 1.6** In the event that a financial incentive is offered by Tas Gas to any Consumer(s) to encourage the Consumer(s) to connect certain loads within a prescribed timeframe, the Network User acknowledges that any such incentive shall be an arrangement between Tas Gas and the Consumer(s) and the Network User will not interfere with such arrangement, any communication between Tas Gas and the Consumer(s) or the payment of the incentive..

2. CONSUMER TRANSFERS

Where a Consumer that is connected to the Network elects to change retailers to a new Network user, the transfer will take place in accordance with the procedures set out in the Reconciliation Code

3. CONSUMER'S EQUIPMENT

The Network User will ensure that all Consumer's Equipment complies at all times with the Network Connection Requirements and will ensure (and satisfy Tas Gas) that the Consumer's Equipment is not connected to another gas distribution system;

4. DISCONNECTION

- 4.1 Disconnection Event:** Tas Gas may disconnect a Delivery Point from the Network if a Disconnection Event occurs in relation to that Delivery Point. Tas Gas will use all commercially reasonable endeavours to reconnect a Delivery Point disconnected pursuant to this clause 4.1 as soon as commercially reasonably practicable once it is satisfied (acting reasonably) that the Disconnection Event had ceased or has been remedied to its satisfaction (as the case may be).;
- 4.2 Disconnection on Request:** The Network User may, at any time, provide a written request to Tas Gas to disconnect an End Consumer being supplied by the Network User where such request is permitted by the Gas Retail Code (and the Network User has complied with all of the relevant requirements of the Gas Retail Code). On receipt of such request Tas Gas will disconnect the End Consumer as soon as is reasonably practicable. Where Tas Gas disconnects an End Consumer pursuant to this clause, the Network User must pay to Tas Gas the disconnection charge specified in Schedule 4. The disconnection charge must be paid by the Network User within 10 Working Days of receipt of an invoice from Tas Gas for such disconnection charge.
- 4.3 Disconnection for fault identification:** Tas Gas may, in accordance with Good Industry Practice, isolate, disconnect or reconnect a Delivery Point for the purposes of identifying and or correcting a fault with the Consumer's Equipment.
- 4.4 Continued disconnection:** If a Delivery Point remains disconnected for a period in excess of 2 months, Tas Gas has the right to physically disconnect that Delivery Point and remove its Network equipment from that Delivery Point.
- 4.5 No liability:** Tas Gas shall not be liable for any loss the Network User or Consumer may suffer or incur as a result of any disconnection in accordance with this clause 4.

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- 4.6 Costs:** The Network User shall reimburse Tas Gas for all costs relating to the disconnection (and of any reconnection) pursuant to this clause 4.
- 4.7 Supply Agreement:** The Network User will ensure that each Supply Agreement provides for the rights of Tas Gas to disconnect (and reconnect) a Delivery Point in accordance with this clause 4.

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SCHEDULE 6 MEASUREMENT OF GAS

1. METERING EQUIPMENT

- 1.1 Provision of Metering Equipment:** Subject to the Network User procuring the grant and provision of the Rights of Access as set out in clause 11.1, Tas Gas will ensure that Metering Equipment is installed and maintained at or near each Delivery Point. All such Metering Equipment and the conversion of measured volume to standard value of energy will meet the Gas Measurement Standard.
- 1.2 Check Metering and Telemetry Equipment:** Each Party may, at its own cost, install check Metering Equipment and/or a pressure monitoring point on or near any Delivery Point and may connect the check Metering Equipment and/or a pressure monitoring point to any on-line monitoring system operated by Tas Gas. Where a Time of Use Device is installed, the Network User may, at its own cost, install and connect to the Consumer's Equipment, equipment to effect the telemetric transfer of data relating to gas volumes, pressure and temperature. The design and installation of this equipment will be such that it does not interfere with Tas Gas's Metering Equipment and will be to the standards reasonably required and notified by Tas Gas.

2. READINGS

- 2.1 Meter Readings:** Tas Gas will be responsible for taking meter readings from all Delivery Points and providing such data to the Network User as is required in accordance with the Reconciliation Code and applicable Allocation Agreement. Tas Gas will use reasonable efforts to ensure that readings are taken from the Metering Equipment at each Delivery Point at least once every three months. Tas Gas will not be in breach of this obligation if, for any reason, it is unable to access and read the Metering Equipment at any Delivery Point.
- 2.2 Special Meter Reading Requests:** The Network User may, at any time, provide a written request to Tas Gas to carry out a special meter reading of Tas Gas's Metering Equipment located at or near the point of connection for an End Consumer supplied by the Network User. Such request must be given at least 48 hours prior to the proposed meter read. On receipt of such request, Tas Gas will use reasonable endeavours to carry out the special meter read in accordance with the request. If Tas Gas is unable to carry out the special meter read as requested, Tas Gas will notify the Network User. Where Tas Gas carries out a special meter read pursuant to this clause, the Network User must pay to Tas Gas the special meter read charge specified in Schedule 4. The special meter read charge must be paid by the Network User within 10 Working Days of receipt of an invoice from Tas Gas for such special meter read charge.

3. ACCURACY OF GAS METERING EQUIPMENT

- 3.1 Quantity of Gas:** The quantity of gas will be determined by converting the quantity recorded by the Metering Equipment to a standard value of energy in

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accordance with the Gas Measurement Standard. If, however, the Network User or Tas Gas wishes to dispute the accuracy of the Metering Equipment, written notice must be given to the other party.

3.2 Dispute over Accuracy of Metering Equipment: In the event notice under clause 4.1 of this Schedule is given, the following procedure is to be followed:

- 3.2.1** The Network User and Tas Gas will, as soon as practicable, provide each other with any information they may have that is relevant to the checking of the Metering Equipment.
- 3.2.2** The Network User will arrange for the Metering Equipment to be tested in accordance with the Reconciliation Code.
- 3.2.3** The Metering Equipment is deemed to be accurate if it does not exceed the margins of error specified in the Gas Measurement Standard.
- 3.2.4** The party disputing the accuracy of the Metering Equipment is to pay the reasonable costs of testing, unless the Metering Equipment is found to be inaccurate, in which case the Network User is to bear the costs.
- 3.2.5** If it is established that any Metering Equipment is not measuring accurately, the quantity of gas delivered during the period when the Metering Equipment was not measuring accurately (determined through reference to a check meter or other available information) will be corrected in accordance with the Reconciliation Code. If no reliable data is available to confirm the period when the Metering Equipment was not measuring accurately, or the amount by which it was inaccurate, the correction will not be applied for more than 60 days prior to the date when the inaccuracy was first notified or detected.
- 3.2.6** Where any Metering Equipment has failed to measure the quantity of gas, the method of calculating the quantity of gas delivered will be in accordance with the Reconciliation Code.

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SCHEDULE 7 OUTAGES

1. COMMUNICATION OF PLANNED OUTAGE

- 1.1** Where Tas Gas plans any outage to any part of the Network that will effect the conveyance of Gas to any Consumers, Tas Gas will, where practicable, provide the Network User with at least 10 Working Days' advance notice. Tas Gas will use industry standard file formats to communicate planned outages to the Network User.
- 1.2** Tas Gas will consider alternative outage times if the Network User notifies Tas Gas that its Consumers may be materially adversely affected by a planned outage. However, Tas Gas retains absolute discretion to determine outage times.
- 1.3** Tas Gas will provide any update or variation to a planned outage as soon as is reasonably practicable.

2. MANAGEMENT OF UNPLANNED OUTAGES AND EMERGENCIES

- 2.1** Subject to any applicable law, Tas Gas will be solely responsible for the management of Network emergencies. For the purposes of this clause, an emergency is an unplanned interruption to supply or an unplanned event which presents, or has the potential to present, a hazard to life and/or property and/or the environment. Emergency management will include the actions necessary to:
- 2.1.1** assess and make safe any situation;
 - 2.1.2** control the flow of gas into and out of the Network;
 - 2.1.3** make temporary or permanent repairs to any part of the Network;
 - 2.1.4** restore the Network back to its previous operational condition;
 - 2.1.5** co-ordinate with Network users to restore supply of gas; and
 - 2.1.6** keep users of the Network and the public informed of developments.
- 2.2** Tas Gas will maintain an emergency management plan outlining the resources available and actions likely to be taken when handling any foreseeable emergency involving the Network. The plan will include load shedding principles and schedules, emergency liaison, and take into account the plan developed by the owner or operator of the Transmission System ("Gas Contingency Plan").
- 2.3** Both Tas Gas and the Network User will nominate and notify each other of the name of the person who will act as the Civil Defence liaison officer in the event of a Civil Defence emergency.

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- 2.4** The Network User must take no action, and must ensure that its Consumers take no action, during the course of a Network emergency to compromise Tas Gas's ability to manage the emergency.
- 2.5** Once the Network has been returned to normal operating condition, Tas Gas will advise the Network User and the parties will liaise to restore supply to Consumers' Equipment including the re-lighting of pilots. Where the emergency has resulted from an incident on the Network, Tas Gas will meet the costs of restoring supply to Consumers' Equipment including the re-lighting of pilots. Where the emergency has resulted from an incident upstream of the Network, the costs of restoring supply to the Consumers' Equipment including the re-lighting of the pilots will not be the responsibility of Tas Gas.
- 2.6** In the event of a major partial loss of gas supply it may become necessary to implement load shedding on the Network. In order to manage that event, Tas Gas will develop and maintain a load shedding plan.
- 2.7** Where requested, Tas Gas will provide to the Network User the load shedding plan.
- 2.8** The initial objective in any load shedding is to stabilise the Transmission System or Network. Once stabilisation is achieved Tas Gas will use commercially reasonable endeavours to ensure that the available gas supplies are allocated in accordance with the prevailing contractual arrangements for the supply of gas which have been notified to Tas Gas by the Network User and other users of the Network. In allocating available gas supplies, once stabilisation is achieved, Tas Gas will be entitled to rely on any such notice given by the affected users of the Network. In the absence of any such notice, Tas Gas will be entitled to allocate available gas supplies as it sees fit.