



REGULATORY DISCLOSURE

# Gas transmission services: Non-standard contracts disclosure

12 months ended 30 September 2020



## 1 Introduction

First Gas Limited (Firstgas) operates 2,500km of gas transmission pipelines (including the Maui pipeline), and more than 4,800km of gas distribution pipelines across the North Island. These gas infrastructure assets transport gas from Taranaki to major industrial gas users, electricity generators, businesses and homes, and transport around 20 percent of New Zealand's primary energy supply.

For further information on Firstgas, please visit our website [www.firstgas.co.nz](http://www.firstgas.co.nz).

First Gas Limited is part of the Firstgas Group. The Firstgas Group owns energy infrastructure assets across New Zealand through our affiliate Gas Services NZ Limited (GSNZ), a separate business with common shareholders that owns Rockgas and the Ahuroa gas storage facility.

Rockgas has over 80 years' experience and provides LPG to 100,000 customers throughout New Zealand. It is New Zealand's largest LPG retail business and supplies its customers with LPG from both domestic and imported sources. Visit the website [www.rockgas.co.nz](http://www.rockgas.co.nz). The Ahuroa gas storage facility (trading as Flexgas Limited) is New Zealand's only open access gas storage facility. Visit the website [www.flexgas.co.nz](http://www.flexgas.co.nz).

### Gas transmission system

During this disclosure period, Firstgas' transmission system comprised two parts:

- The **Maui pipeline**, governed by the Maui Pipeline Operating Code (MPOC), being:
  - The gas transmission pipeline system from Oaonui to Huntly, including various laterals and interconnection points
- The **Non-Maui pipelines**, governed by the Vector Transmission Code (VTC), being the:
  - North Pipeline: commencing at the Rotowaro Receipt Point
  - Central North Pipeline: commencing at the Rotowaro South/Te Kowhai Receipt Points
  - Bay of Plenty Pipeline: commencing at the Pokuru 1 and 2 Receipt Points
  - Central South Pipeline: commencing at the Kapuni North Receipt Point
  - Frankley Road to Kapuni Pipeline: between the Frankley Road Bi-directional Point and Kapuni
  - South Pipeline: commencing at the Kapuni South Receipt Point,

including all Receipt and Delivery Points on each part.

### Disclosure of new and modified non-standard contracts

This document is a regulatory disclosure prepared pursuant to sections 2.4.12(2), 2.4.15 and 2.4.17 of the *Gas Transmission Information Disclosure Determination 2012*, (ID Determination) consolidating all amendments as of 3 April 2018 issued by the Commerce Commission.

Firstgas<sup>1</sup> is required to disclose defined terms and conditions for any new non-standard contracts entered into, as well as any modifications to existing non-standard contracts made during the disclosure year.

This disclosure does not include any non-standard contracts relating to the Maui Pipeline because the MPOC does not permit non-standard contracts. Firstgas provides transmission services to all Shippers on the Maui Pipeline in accordance with the standard terms and conditions set out in the MPOC.

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<sup>1</sup> First Gas Limited is a "gas transmission business" or "GTB", as referred to in the *Gas Transmission Information Disclosure Determination 2012*.

The VTC allows Firstgas to enter into non-standard contracts<sup>2</sup> for gas transmission services on any Non-Maui pipeline. This document represents Firstgas' required disclosure of such contracts (the Disclosure) for the disclosure year 1 October 2019 to 30 September 2020.

This Disclosure was prepared on 31 March 2021.

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<sup>2</sup> See 2.7 of the VTC Effective 1 October 2020, which is available on Publications page of OATIS.  
<https://www.oatis.co.nz/Ngc.Oatis.Ul.Web.Internet/Common/Publications.aspx>

## Further information

For further information regarding this regulatory disclosure, please contact:

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## 2 Types of non-standard contracts

The VTC sets out the standard terms and conditions applicable to gas transmission on all Non-Maui pipelines. To use any Non-Maui Pipeline a party must have signed a VTC Transmission Services Agreement (TSA), thereby becoming a Shipper. A TSA is Firstgas' standard contract for the provision of gas transmission services.

The VTC also stipulates which standard terms and conditions may be varied in a separate, non-standard transmission contract with a Shipper. A non-standard gas transmission contract can only be used to ship gas to the end-user, Delivery Point or site specified in that contract. Each non-standard contract sets out the specific standard terms of the VTC that it varies; all other standard terms and conditions continue to apply and are incorporated into the non-standard contract.

Firstgas currently offers three types of non-standard gas transmission contract, as set out below.

### Non-standard transmission contracts:

- **Supplementary Agreement (SA)**
  - Sets the firm gas transmission capacity, being the maximum daily quantity (MDQ) and maximum hourly quantity (MHQ) of gas that Firstgas is required to receive at the Receipt Point(s) and the equivalent quantities of gas that Firstgas is required to make available to the Shipper at the Delivery Point(s)
- **Interruptible User Contract (IUC)**
  - Allows the Shipper to request, for and/or on each day, MDQ (and hence MHQ) on an interruptible basis
  - The capacity may be used only to ship gas for supply to an end-user, either directly (where the end-user is connected to the transmission system) or indirectly (via a gas distribution network)
  - First Gas may curtail interruptible transmission capacity at any time
- **Interruptible Shipper Contract (ISC)**
  - Allows the Shipper to request, for and/or on each day, MDQ (and hence MHQ) on an interruptible basis; and
  - The capacity may be used only to ship gas from one part of a Non-Maui Pipeline to another, or between Non-Maui Pipelines (i.e. not for supply to an end-user)
  - First Gas may curtail interruptible transmission capacity at any time.

### Connection contracts

Firstgas also offers a contract that allows a party to physically connect to a Non-Maui Pipeline. Such contracts are not part of the VTC, though they reference various VTC provisions.

- **Interconnection Agreement (ICA)**
  - Provides for the right to connect at a receipt, delivery or bi-directional point (or more than one)
  - Does not provide for the transmission of gas: that requires a TSA and.

### 3 Disclosure format

The following appendices are provided with this disclosure:

**Appendix 1:** Lists the contract terms required to be disclosed by the ID Determination.

**Appendix 2:** Tabulates new non-standard transmission contracts entered into during the disclosure year, including contracts commencing in a subsequent year.

To avoid unnecessary repetition, contract provisions and terms used in multiple contracts (Common Terms) are referenced by an alpha-numeric code. These codes and the meaning of the Common Term corresponding to each are set out in Appendix 4.

**Appendix 3:** Tabulates non-standard transmission contracts modified during the disclosure year, including modifications taking effect in a subsequent year.

Again, Common Terms are used to avoid unnecessary repetition.

**Appendix 4:** Summarises the Common Terms referred to in Appendix 2 and Appendix 3.

## Appendix 1: Contract terms to be disclosed

The ID Determination (IDD) requires Firstgas to disclose the terms listed in the table below in respect of any:

- New non-standard contracts entered into
- Modifications to an existing non-standard contract.

IDD Reference	IDD Requirement	Firstgas' Interpretation
Section 1.4.3: Prescribed terms and conditions (a)	Describe the goods or services to be supplied under the contract	Goods or services means, in respect of: <ul style="list-style-type: none"> <li>• each SA, firm gas transmission capacity</li> <li>• each IUC and ISC, interruptible gas transmission capacity</li> <li>• each ICA, the right of connection to a pipeline</li> </ul>
Section 1.4.3: Prescribed terms and conditions (b)	Determine, or provide for the determination of the quantity or amount of those goods or services	In respect of each SA, IUC and ISC: <ul style="list-style-type: none"> <li>• the maximum quantity of goods and services that Firstgas may be required to provide is determined by the amount of gas transmission capacity (MDQ and MHQ) set out in the contract</li> <li>• the actual quantity of goods and services that Firstgas provides is the daily delivery quantity under the contract, determined in accordance with the VTC</li> </ul> Not applicable for an ICA, since ICAs provide for the right to connect but do not provide for the transmission of gas (either receipt or delivery)
Section 1.4.3: Prescribed terms and conditions (c) (ii)	Specify, determine, or provide for the determination of the timing of payment for those goods or services	The date by which the relevant Firstgas invoice must be paid
Section 1.4.3: Prescribed terms and conditions (c) (iii)	Specify, determine, or provide for the determination of the security for payment for those goods or services	The payment security that Firstgas may require, in accordance with the VTC or ICA
Section 1.4.3: Prescribed terms and conditions (c) (iv)	Specify, determine, or provide for the determination of Firstgas' obligations and responsibilities (if any) to consumers if the supply of gas transmission services is interrupted	Firstgas understands this to relate only to its obligations when: <ul style="list-style-type: none"> <li>• firm gas transmission capacity is curtailed under a SA, since capacity under any IUC or ISC is inherently interruptible</li> <li>• an interruption has occurred and not to obligations Firstgas may have prior to an interruption, including to avoid or mitigate an interruption</li> </ul>

IDD Reference	IDD Requirement	Firstgas' Interpretation
Section 2.4.17 (1)	The maximum monthly amount of gas (in GJ) to be conveyed to the consumer under the contract, or (if the amount is not quantified in the contract) a reasonable estimate of that amount based on the duration of the contract	<p>For an SA (which provides firm capacity), this could be the contract MDQ (or maximum MDQ if it varies throughout the year), multiplied by the number of days in the month in which that MDQ could occur. The actual maximum monthly quantity is also disclosed</p> <p>For IUCs and ISCs, where no amount of capacity is stipulated or certain, only the actual maximum monthly quantity is disclosed</p> <p>Not applicable to ICAs since such contracts do not provide for gas transmission</p>
Section 2.4.17 (2)	The month in which the supply of the maximum monthly amount of gas referred to in subclause 2.4.17 (1) of this section is to occur, or is most likely to occur	<p>The month that the actual maximum monthly quantity occurred</p> <p>Not applicable to ICAs since such contracts do not provide for the transmission of gas (either receipt or delivery)</p>
Section 2.4.17 (3)	The pressure or pressures at which the gas is to be supplied or conveyed under that contract, or (if the pressure is not specified in the contract) a reasonable estimate of that pressure	<p>At a Delivery Point, this is the pressure at which Firstgas' makes gas available to be taken, namely:</p> <ul style="list-style-type: none"> <li>• the nominal set-point of the active pressure control device (where delivery pressure is controlled), or</li> <li>• the typical pressure in Firstgas' pipeline at the Delivery Point (where delivery pressure is not controlled)</li> </ul> <p>At a Receipt Point, the ICA requires the Interconnected Party to be able to inject gas into Firstgas' pipeline at whatever pressure prevails within it, up to the maximum allowable operating pressure (MAOP). For Receipt Point ICAs, both the MAOP and the typical pipeline pressure are disclosed</p>

The following Prescribed term is not required to be disclosed and is not disclosed in this Disclosure:

IDD Reference	IDD Requirement	Firstgas' Interpretation
Section 1.4.3: Prescribed terms and conditions (c) (i)	Specify, determine, or provide for the determination of the price at which those goods or services are to be supplied.	The price(s) for gas transmission services under each non-standard contract or how such price is determined  Under section 2.4.12 (2) of the IDD, Firstgas is not required to disclose the price(s) applicable under any non-standard contract or how such price is determined

## Appendix 2: New non-standard contracts

Contract Identifier		2020:01:SA																			
<b>Contract Type and Name</b>	Supplementary Agreement (New Zealand Refining Company)	<b>Receipt Point(s)</b>	Rotowaro																		
<b>Contract Party</b>	Nova Energy Limited	<b>Delivery Point(s)</b>	Marsden 1																		
<b>IDD Reference</b>																					
section 1.4.3 (a): goods or services to be supplied		See Common Term 1a																			
section 1.4.3 (b): quantity of good or services supplied		<table border="1"> <thead> <tr> <th>Period of the Year</th> <th>MDQ (GJ)</th> <th>MHQ (GJ)</th> </tr> </thead> <tbody> <tr> <td>October – December, inclusive</td> <td>13,800</td> <td rowspan="8">1/24<sup>th</sup> of the MDQ</td> </tr> <tr> <td>January</td> <td>14,200</td> </tr> <tr> <td>February</td> <td>14,600</td> </tr> <tr> <td>March and April</td> <td>15,200</td> </tr> <tr> <td>May and June</td> <td>15,600</td> </tr> <tr> <td>July</td> <td>14,800</td> </tr> <tr> <td>August and September</td> <td>13,600</td> </tr> </tbody> </table> <p>See also Common Term 2a</p>		Period of the Year	MDQ (GJ)	MHQ (GJ)	October – December, inclusive	13,800	1/24 <sup>th</sup> of the MDQ	January	14,200	February	14,600	March and April	15,200	May and June	15,600	July	14,800	August and September	13,600
Period of the Year	MDQ (GJ)	MHQ (GJ)																			
October – December, inclusive	13,800	1/24 <sup>th</sup> of the MDQ																			
January	14,200																				
February	14,600																				
March and April	15,200																				
May and June	15,600																				
July	14,800																				
August and September	13,600																				
section 1.4.3 (c) (ii): timing of payment			See Common Term 3a																		
section 1.4.3 (c) (iii): security for payment		See Common Term 4a. Contract Party has supplied a cash bond																			
section 1.4.3 (c) (iv): Firstgas' obligations if service is interrupted		See Common Term 5a																			
section 2.4.17 (1): maximum monthly amount of gas		483,600 GJ (i.e. MDQ x 31 days); actual maximum quantity was 309,430 GJ																			
section 2.4.17 (2): month of maximum monthly amount of gas		September																			
section 2.4.17 (3): pressure at which the gas is to be supplied or conveyed		19 bar gauge (nominal delivery pressure)																			

<b>Contract Identifier</b>		<b>2020:02:IUC</b>	
<b>Contract Type and Name</b>	Interruptible User Contract (New Zealand Refining Company)	<b>Receipt Point(s)</b>	Rotowaro
<b>Contract Party</b>	Nova Energy Limited	<b>Delivery Point(s)</b>	Marsden 1
<b>IDD Reference</b>			
section 1.4.3 (a): goods or services to be supplied		See Common Term 1b	
section 1.4.3 (b): quantity of goods or services supplied		See Common term 2b: there is also an SA for this end user and Delivery Point	
section 1.4.3 (c) (ii): timing of payment		See Common Term 3a	
section 1.4.3 (c) (iii): security for payment		See Common Term 4a. Contract Party has supplied a cash bond	
section 1.4.3 (c) (iv): Firstgas' obligations if service is interrupted		See Common Term 5b	
section 2.4.17 (1): maximum monthly amount of gas		0 GJ (actual)	
section 2.4.17 (2): month of maximum monthly amount of gas		n/a	
section 2.4.17 (3): pressure at which the gas is to be supplied or conveyed		19 bar gauge (nominal delivery pressure)	

<b>Contract Identifier</b>		<b>2020:03:ISC</b>	
<b>Contract Type and Name</b>	Interruptible Shipper Contract (Tarata to Kapuni)	<b>Receipt Point(s)</b>	Tarata
<b>Contract Party</b>	OMV New Zealand Limited	<b>Delivery Point(s)</b>	Kapuni
<b>IDD Reference</b>			
section 1.4.3 (a): goods or services to be supplied		See Common Term 1c	
section 1.4.3 (b): quantity of goods or services supplied		See Common term 2c	
section 1.4.3 (c) (ii): timing of payment		See Common Term 3a	
section 1.4.3 (c) (iii): security for payment		See Common Term 4a	
section 1.4.3 (c) (iv): Firstgas' obligations if service is interrupted		Se Common Term 5b	
section 2.4.17 (1): maximum monthly amount of gas		115,245 GJ (actual)	
section 2.4.17 (2): month of maximum monthly amount of gas		July	
section 2.4.17 (3): pressure at which the gas is to be supplied or conveyed		Typical pressure 75 - 85 bar gauge	

### Appendix 3: Modified non-standard contracts

Contract Identifier 2020:01:SA																													
<b>Contract Type and Name</b>	Supplementary Agreement (New Zealand Refining Company)	<b>Receipt Point(s)</b>	Rotowaro																										
<b>Contract Party</b>	Nova Energy Limited	<b>Delivery Point(s)</b>	Marsden 1																										
<b>Modified Term(s)</b>																													
section 1.4.3 (b): quantity of good or services supplied		MDQs changed to:																											
		<table border="1"> <thead> <tr> <th>Period of the Year</th> <th>MDQ (GJ)</th> </tr> </thead> <tbody> <tr> <td>October</td> <td>11,040</td> </tr> <tr> <td>November</td> <td>11,040</td> </tr> <tr> <td>December</td> <td>11,040</td> </tr> <tr> <td>January</td> <td>11,360</td> </tr> <tr> <td>February</td> <td>11,680</td> </tr> <tr> <td>March</td> <td>12,160</td> </tr> <tr> <td>April</td> <td>15,200</td> </tr> <tr> <td>May</td> <td>15,600</td> </tr> <tr> <td>June</td> <td>15,600</td> </tr> <tr> <td>July</td> <td>14,800</td> </tr> <tr> <td>August</td> <td>13,600</td> </tr> <tr> <td>September</td> <td>13,600</td> </tr> </tbody> </table>		Period of the Year	MDQ (GJ)	October	11,040	November	11,040	December	11,040	January	11,360	February	11,680	March	12,160	April	15,200	May	15,600	June	15,600	July	14,800	August	13,600	September	13,600
Period of the Year	MDQ (GJ)																												
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July	14,800																												
August	13,600																												
September	13,600																												
Expiry date of agreement		Changed to 30 September 2021																											

Contract Identifier 2020:02:IUC			
<b>Contract Type and Name</b>	Interruptible User Contract (New Zealand Refining Company)	<b>Receipt Point(s)</b>	Rotowaro
<b>Contract Party</b>	Nova Energy Limited	<b>Delivery Point(s)</b>	Marsden 1
<b>Modified Term(s)</b>			
Expiry date of agreement		Changed to 30 September 2021	

Contract Identifier 2020:03:IUC			
<b>Contract Type and Name</b>	Interruptible Shipper Contract (Tarata to Kapuni)	<b>Receipt Point(s)</b>	Tarata
<b>Contract Party</b>	OMV New Zealand Limited	<b>Delivery Point(s)</b>	Kapuni
<b>Modified Term(s)</b>			
Expiry date of agreement		Changed to 30 September 2021	

Contract Identifier 2020:04:SA			
<b>Contract Type and Name</b>	Supplementary Agreement (Auckland District Health Board)	<b>Receipt Point(s)</b>	Rotowaro
<b>Contract Party</b>	Genesis Energy Limited	<b>Delivery Point(s)</b>	Greater Auckland
<b>Modified Term(s)</b>			
Expiry date of agreement		Changed to 30 September 2021	

Contract Identifier 2020:05:ISC			
<b>Contract Type and Name</b>	Interruptible Shipper Contract (Kapuni to Pokuru 2)	<b>Receipt Point(s)</b>	Kapuni North
<b>Contract Party</b>	Genesis Energy Limited	<b>Delivery Point(s)</b>	Pokuru 2
<b>Modified Term</b>			
Expiry date of agreement		Changed to 30 September 2021	

Contract Identifier 2020:06:ISC			
<b>Contract Type and Name</b>	Interruptible Shipper Contract (Kapuni to Pokuru 2)	<b>Receipt Point(s)</b>	Kapuni North
<b>Contract Party</b>	Vector Gas Trading Limited	<b>Delivery Point(s)</b>	Pokuru 2
<b>Modified Term</b>			
Expiry date of agreement		Changed to 30 September 2021	

Contract Identifier 2020:07:ISC			
<b>Contract Type and Name</b>	Interruptible Shipper Contract (Kupe to Frankley Road)	<b>Receipt Point(s)</b>	Kupe
<b>Contract Party</b>	Genesis Energy Limited	<b>Delivery Point(s)</b>	Frankley Road-Bi
<b>Modified Term(s)</b>			
Expiry date of agreement		Changed to 30 September 2021	

Contract Identifier 2020:08:SA			
<b>Contract Name</b>	Supplementary Agreement (Rimu Production Station)	<b>Receipt Point(s)</b>	Kapuni South
<b>Contract Party</b>	Genesis Energy Limited	<b>Delivery Point(s)</b>	Mokoia
<b>Modified Term(s)</b>			
Expiry date of agreement		Changed to 30 September 2021	

Contract Identifier 2020:09:SA			
<b>Contract Type and Name</b>	Supplementary Agreement (Whakatane Mill)	<b>Receipt Point(s)</b>	Pokuru
<b>Contract Party</b>	Greymouth Gas New Zealand Limited	<b>Delivery Point(s)</b>	Whakatane
<b>Modified Term(s)</b>			
Expiry date of agreement		Changed to 30 September 2021	

Contract Identifier 2020:10:SA			
<b>Contract Type and Name</b>	Supplementary Agreement (Southern Paprika)	<b>Receipt Point(s)</b>	Rotowaro
<b>Contract Party</b>	Vector Gas Trading Limited	<b>Delivery Point(s)</b>	Warkworth
<b>Modified Term(s)</b>			
section 1.4.3 (b): quantity of good or services supplied		MHQ increased to 89 GJ	
Expiry date of agreement		Changed to 30 September 2021	

Contract Identifier 2020:11:SA			
<b>Contract Type and Name</b>	Supplementary Agreement (Kauri and Maungaturoto Dairy Factories)	<b>Receipt Point(s)</b>	Rotowaro
<b>Contract Party</b>	Genesis Energy Limited	<b>Delivery Point(s)</b>	Kauri DF, Maungaturoto DF
<b>Modified Term(s)</b>			
Expiry date of agreement		Changed to 30 September 2021	

Contract Identifier 2020:12:IUC			
<b>Contract Type and Name</b>	Interruptible User Contract (PanPac)	<b>Receipt Point(s)</b>	Kapuni South
<b>Contract Party</b>	Vector Gas Trading Limited	<b>Delivery Point(s)</b>	Hastings
<b>Modified Term(s)</b>			
Expiry date of agreement		Changed to 30 September 2021	

Contract Identifier 2020:13:SA			
<b>Contract Type and Name</b>	Supplementary Agreement (Kupe to Frankley Road)	<b>Receipt Point(s)</b>	Kupe
<b>Contract Party</b>	Genesis Energy Limited	<b>Delivery Point(s)</b>	Frankley Road-Bi
<b>Modified Term(s)</b>			
section 2.4.17 (1) - maximum monthly amount of gas		Increased from 1,054,000 GJ to 1,184,200 GJ	

Contract Identifier 2020:14:ICA			
<b>Contract Type and Name</b>	Interconnection Agreement for TAG Receipt Point	<b>Receipt Point(s)</b>	Norfolk
<b>Contract Party</b>	Tamarind NZ Onshore Limited	<b>Delivery Point(s)</b>	n/a (Receipt Point only)
<b>Modified Term(s)</b>			
Expiry date of agreement		Changed to 30 September 2021	

Contract Identifier 2020:15:ICA			
<b>Contract Type and Name</b>	Interconnection Agreement for Cardiff Mixing Station	<b>Receipt Point(s)</b>	Cardiff Mixing Station
<b>Contract Party</b>	Cheal Petroleum Limited	<b>Delivery Point(s)</b>	n/a (Receipt Point only)
<b>Modified Term(s)</b>			
Expiry date of agreement		Changed to 30 September 2021	

Contract Identifier 2020:16:ICA			
<b>Contract Type and Name</b>	Interconnection Agreement for Stratford 2 Delivery Point	<b>Receipt Point(s)</b>	n/a (Delivery Point only)
<b>Contract Party</b>	Contact Energy Limited	<b>Delivery Point(s)</b>	Stratford 2
<b>Modified Term(s)</b>			
Expiry date of agreement		Changed to 30 September 2021	

<b>Contract Identifier</b>		<b>2020:17:ICA</b>	
<b>Contract Type and Name</b>	Interconnection Agreement for TCC Delivery Point	<b>Receipt Point(s)</b>	n/a (Delivery Point only)
<b>Contract Party</b>	Contact Energy Limited	<b>Delivery Point(s)</b>	TCC
<b>Modified Term(s)</b>			
Expiry date of agreement		Changed to 30 September 2021	

<b>Contract Identifier</b>		<b>2020:18:ICA</b>	
<b>Contract Type and Name</b>	Interconnection Agreement for Stratford 3 Bi-directional Point	<b>Receipt Point(s)</b>	Stratford 3 Receipt
<b>Contract Party</b>	Flexgas Limited	<b>Delivery Point(s)</b>	Stratford 3 Delivery
<b>Modified Term(s)</b>			
Expiry date of agreement		Changed to 30 September 2021	

## Appendix 4: Summary of Common Terms

Common Terms used in this Disclosure are set out in the following table.

Common term reference	Where used	IDD reference	Common term meaning
1a	SA	1.4.3 (a) (goods or services to be supplied)	Firm gas transmission capacity (MDQ and MHQ) from the Receipt Point(s) to the Delivery Point(s) for gas to be supplied to the specified end-user or site
1b	IUC		Interruptible gas transmission capacity (MDQ and MHQ) from the Receipt Point(s) to the Delivery Point(s) for gas to be supplied to the specified end-user or site
1c	ISC		Interruptible gas transmission capacity (MDQ and MHQ) from the Receipt Point(s) to the Delivery Point(s), determined in accordance with and/or set out in the ISC
1d	ICA		The right for the Interconnected Party to connect its pipeline to Firstgas' pipeline at the Receipt Point(s), Delivery Point(s) or Bi-directional Point, all as specified in and subject to the terms and conditions set out in the ICA
2a	SA	1.4.3 (b) (determination of the quantity or amount of goods or services)	Capacity supplied is the MDQ and MHQ specified in the agreement Capacity used on a day is the Delivery Quantity, the GJ of gas taken by the Shipper at the Delivery Point for supply to the relevant end-user, determined in accordance with section 6.5(a) or section 6.5(b) of the VTC
2b	IUC		Capacity supplied is the MDQ (and MHQ) determined by the nominations and approval processes set out in the IUC, which Firstgas may curtail wholly or in part at any time Capacity used on a day is the Delivery Quantity, i.e.: <ul style="list-style-type: none"> <li>• Where there is no SA for the end-user and Delivery Point:                             <ul style="list-style-type: none"> <li>○ The GJ of gas taken by the Shipper at the Delivery Point for supply to the end user, determined in accordance with section 6.5(a) or section 6.5(b) of the VTC</li> </ul> </li> <li>• Where there is also an SA for the same end user and Delivery Point:                             <ul style="list-style-type: none"> <li>○ The amount (if any) of the Delivery Quantity that exceeds the MDQ supplied under the SA</li> </ul> </li> </ul>
2c	ISC		Capacity supplied is the MDQ (and MHQ) determined by the nominations and approval processes set out in the ISC, which Firstgas may curtail wholly or in part at any time Capacity used on a day is the Delivery Quantity, the GJ of gas taken by the Shipper at the Delivery Point, determined in accordance with section 6.5(e) of the VTC
2d	ISC		Capacity supplied is the MDQ (and MHQ) determined by the nominations and approval processes set out in the ISC, which Firstgas may curtail wholly or in part at any time

Common term reference	Where used	IDD reference	Common term meaning
			Capacity used on a day is the amount (if any) of the Delivery Quantity that exceeds the MDQ supplied under the Kupe to Frankley Road SA, where the Delivery Quantity) is the GJ of gas taken by a Shipper at the Delivery Point determined in accordance with section 6.5(c) of the VTC
3a	SA, IUC and ISC	1.4.3 (c) (ii) (timing of payment)	The Shipper must pay Firstgas for gas transmission services in accordance with section 16.14 of the VTC
3b	ICA		The Shipper must pay Firstgas' interconnection charges (if any) in accordance with the ICA
4a	SA, IUC and ISC	1.4.3 (c) (iii) (security for payment)	<p>Section 14 of the VTC sets out the ways in which a Shipper may meet the prudential requirements relating to (respectively) gas transmission charges and balancing and peaking charges payable under its TSA</p> <p>A Shipper may choose to:</p> <ul style="list-style-type: none"> <li>• Hold a long-term credit rating from a reputable person or agency reasonably acceptable to Firstgas</li> <li>• Pay two separate cash bonds, one to Firstgas in respect of gas transmission charges and another to Firstgas as BPP Trustee in respect of balancing and peaking charges</li> <li>• Arrange for a third party with a credit rating reasonably acceptable to Firstgas to provide one or more of:                             <ul style="list-style-type: none"> <li>○ An unconditional payment guarantee or letter of credit in favour of Firstgas or the BPP Trustee</li> <li>○ An unconditional third-party payment guarantee in favour of Firstgas or the BPP Trustee</li> <li>○ A security bond in favour of Firstgas or the BPP Trustee</li> </ul> </li> </ul> <p>Firstgas may require the Shipper or third party security provider to provide evidence of its credit rating from time to time</p> <p>The amount of a cash bond or the amount which may be payable to Firstgas or the BPP Trustee under any security provided shall be:</p> <ul style="list-style-type: none"> <li>• Firstgas' reasonable estimate of 3 months of the Shipper's gas transmission charges, and</li> <li>• for the BPP Trustee, \$115,000</li> </ul>
4b	ICA		<p>Each ICA sets out the ways in which the Interconnected Party may provide credit support in respect of charges payable under that ICA</p> <p>The Interconnected Party may choose to:</p> <ul style="list-style-type: none"> <li>• Hold a long-term credit rating from a reputable person or agency reasonably acceptable to Firstgas</li> <li>• Arrange for a third party with a credit rating reasonably acceptable to Firstgas to provide one or more of:                             <ul style="list-style-type: none"> <li>○ An unconditional payment guarantee or letter of credit in favour of Firstgas</li> <li>○ An unconditional third party payment guarantee in favour of Firstgas</li> <li>○ A security bond in favour of Firstgas</li> </ul> </li> </ul> <p>Firstgas may require the Interconnected Party or third party security provider to provide evidence of its credit rating from time to time</p> <p>The amount of credit support to be provided shall be Firstgas' reasonable estimate of 3 months charges payable under the ICA</p>

Common term reference	Where used	IDD reference	Common term meaning
5a	SA	1.4.3 (c) (iv) (Firstgas' obligations when service is interrupted)	<p>Firstgas may curtail or shutdown its provision of gas transmission services in accordance with section 10 of the VTC</p> <p>Firstgas is required to:</p> <ul style="list-style-type: none"> <li>• Curtail capacity under any IUC or ISC (if any) before curtailing any firm capacity</li> <li>• Allocate any remaining firm capacity on a fair basis (acting as a Reasonable and Prudent Operator and having regard to affected parties' requirements)</li> <li>• Notify any curtailment or shutdown as early as possible</li> <li>• Where the curtailment or shutdown is to carry out scheduled maintenance, give each affected Shipper at least 30 days' notice</li> <li>• Where practicable, undertake the provide curtailment or shutdown at a time which minimises the disturbance to Shippers</li> <li>• Minimise the period of any curtailment or shutdown to the extent reasonably practicable and restore the ability to take gas at a Delivery Point as soon as reasonably practicable</li> <li>• Minimise the period of curtailment or shutdown required under an Operational Flow Order to the extent reasonably practicable</li> <li>• Rebate fixed charges (e.g. for capacity) to the extent a curtailment or shutdown reduces the supply of capacity to an affected Shipper</li> </ul>
5b	IUC and ISC		<p>Under an IUC or ISC, Firstgas does not commit to provide any gas transmission capacity and may reduce, to any extent, any amount of interruptible capacity it has previously approved (an Interruption)</p> <p>Other than not charging for the interruptible capacity it curtails, Firstgas has no obligations (or liability) to a Shipper arising from an Interruption</p>

Common term reference	Where used	IDD reference	Common term meaning
5c	ICA		<p>Firstgas may curtail or shutdown the Interconnected Party's ability to inject gas at a Receipt Point or take gas at a Delivery Point in accordance with the ICA</p> <p>Firstgas is required to:</p> <ul style="list-style-type: none"> <li>• Notify any curtailment or shutdown as early as possible</li> <li>• Minimise the period of any curtailment or shutdown to the extent reasonably practicable and restore the Interconnected Party's ability to inject gas or take gas as soon as reasonably practicable</li> <li>• Where practicable, undertake the provide curtailment or shutdown at a time which minimises the disturbance to the Interconnected Party's business or, in the case of a Delivery Point, the impact on end-users supplied with gas via that Delivery Point</li> <li>• Where the curtailment or shutdown is required to carry out scheduled maintenance, give the Interconnected Party not less than the period of notice stipulated in the ICA</li> <li>• Minimise the period of curtailment or shutdown required under an Operational Flow Order to the extent reasonably practicable and</li> <li>• Rebate fixed charges payable under the ICA to the extent the curtailment or shutdown reduces the Interconnected Party's ability to inject or take gas</li> </ul>