

Operational Transportation Service - Facility Specific Terms

Ballera Compression Facility

(Based on the Operational Transportation Service Code Version 1)

Version 1

Date of Publication: 22 January 2019

Date of Commencement: 22 January 2019

1 Definitions and General

1.1 Terms defined in the Operational Transportation Service Code

Unless otherwise indicated, capitalised terms used in these Facility Specific Terms have the meaning given to them in the Code.

1.2 Variation of Standard Terms

These Facility Specific Terms:

- (a) set out the matters specified in the Standard Terms that must be specified in Facility Specific Terms; and
- (b) to the extent permitted by the Standard Terms, vary the Standard Terms, including the definitions set out in section 1.3 below.

1.3 Other definitions

In these Facility Specific Terms, unless the contrary intention appears:

Ballera Fuel Meters means the two fiscal standard meters located within the Ballera Gas Centre which measure Gas receipted into the Ballera Compression Facilities fuel gas system. For clarity, any Gas measured by the Ballera Fuel Meters has initially been receipted at Compression Receipt Point.

Ballera Compression Facility means the compression facilities at the Ballera Gas Centre comprising compressors and related and incidental pipework, plant and equipment that enable Gas delivered from the SWQP to be compressed to a pressure required to allow it entry into the CGP, as they may be reconfigured by Service Provider from time to time.

Ballera Gas Centre means the land comprised in Lot 1 on Crown Plan 835114 Title Reference 50279318 and situated at Ballera in South West Queensland and improvements situated thereon.

CGP means the high pressure gas pipeline from Ballera to Mount Isa, otherwise known as the Carpentaria Gas Pipeline, the subject of Pipeline Licence No. 41 issued under the *Petroleum Act 1923* (Qld).

CGP Notional Backhaul means the quantity of Gas for a Day that flows notionally from the Compression Delivery Point to the Compression Receipt Point as advised by the CGP Owner and or the SWQP Owner. For clarity any CGP Notional Backhaul quantity has the effect of reducing the quantity of Gas that Service Provider is required to compress on a Day in order to provide the Services.

CGP Owner means the owner from time to time of the CGP.

Code means the Operational Transportation Service Code.

Day means:

- (a) before the Standard Market Timetable Commencement Date, a period, beginning at 0800 hours (in Brisbane) on one day and ending at 0800 hours (in Brisbane) on the following day; or

(b) on and from the Standard Market Timetable Commencement Date, the standard “gas day” as defined in the Standard Market Timetable (being a period, beginning at 0600 hours (AEST) on one day and ending at 0600 hours (AEST)).

Good Industry Practice means, in relation to any activity under this Agreement, the exercise of that degree of skill and care, diligence, prudence, methods, practices, processes, workmanship and use of materials and equipment that would reasonably and ordinarily be exercised by a skilled, experienced and professional person who:

(a) is engaged in the carrying out of activities of the same nature and extent as the relevant activities;

(b) knows the facts that were known, or which should reasonably have been known, to the party performing the activities under this Agreement, at the time;

(c) complies with all applicable regulatory requirements (but if no Australian Standards or codes are applicable, then complies with appropriate and applicable international or foreign standards, if any); and

(d) acts to the standards and in the manner required by this Agreement.

Manual Fuel Gas Adjustment means the unmeasured System Use Gas usage quantity, which as at the date of this Agreement is 3 GJ per Day unless the parties agree otherwise in writing

Nomination Cut-Off Time means, for a Day before the Standard Market Timetable Commencement Date for a Service that is not an Auction Service, 24 hours prior to the beginning of that Day.

Other Shipper means a person other than Shipper that has contracted with Service Provider for the supply of a Service at the Ballera Compression Facility.

Quarter means a period of three months commencing on 1 January, 1 April, 1 July or 1 October and ending on 31 March, 30 June, 30 September or 31 December, respectively.

Renomination Cut-Off Time means, for a Day:

(a) for an Auction Service, 2200 hours (AEST) on the Day; and

(b) for a Service that is not an Auction Service, 1600 hours (AEST) on the Day.

SSUG means the Shipper’s share of System Use Gas (as defined in the Code) as calculated in accordance with section 6.2(a).

SWQP means the pipeline from Ballera to Wallumbilla in South-West Queensland, the subject of Pipeline Licence No. 24 issued under the *Petroleum Act 1923* (Qld).

SWQP Owner means the owner from time to time of the SWQP.

UAFG means unaccounted for Gas as calculated in accordance with section 10.1(a)(v).

2 Gas Quality

Service Provider acknowledges that the Gas Specification set out in the Standard Terms apply and that Service Provider must not vary the Gas specification without the consent of Shipper.

3 Other Services

Service Provider is not providing any Other Services at the Ballera Compression Facility.

4 Scheduling and Nominations

- (a) Service Provider must notify Shipper whether and to what extent Service Provider accepts or rejects a Nomination or Renomination for a Service:
 - (i) for an Auction Service, by 2300 hours Australian Eastern Standard Time on the previous Day; and
 - (ii) for a Service that is not an Auction Service, by 1800 hours.
- (b) Once Service Provider confirms a Nomination or Renomination, Service Provider will schedule quantities of Gas for receipt, compression, and delivery on a Day in accordance with the requirements of the National Gas Rules and the priority principles set out in section 5 below.

5 Priority Principles

- (a) In order for the Service Provider to
 - (i) determine how available Capacity is allocated between Transportation Facility Users on a Day where it is less than either:
 - A. the aggregate nominations of Transportation Facility Users for use of Transportation Services on a Day; or
 - B. the quantities of Gas scheduled for Transportation Facility Users for Transportation Services on a Day; and
 - (ii) determine which Transportation Services may be Curtailed due to Renominations by Transportation Services with a higher priority,

the Service Provider will apply the Priority Principles set out in section 5(b) below.
- (b) If section 5(a) applies, the Service Provider will, to the extent that the circumstances will permit, utilise the available Capacity of the Ballera Compression Facility in order to allocate the available Gas on that Day in the following order of priority:
 - (i) first, for their own purposes associated with operation of the Ballera Compression Facility or operations at the Ballera Gas Centre and nominations and Renominations for the use of Firm compression services using Capacity under a Primary Facility Agreement or any Traded Compression Services using Capacity under an Operational Transportation Service Agreement, in quantities not exceeding the MDQs under those Primary Facility Agreements or Operational Transportation Service Agreements;
 - (ii) second, nominations and Renominations for the use of the Ballera Compression Facility for any Compression Auction Services using Capacity under Operational Transportation Service Agreements, in quantities not exceeding the MDQs under those agreements. If the Capacity available is not sufficient to receive or deliver all nominated quantities, then the available Capacity will be allocated pro rata on the basis of their respective MDQs under those agreements;

- (iii) third, nominations and Renominations for the use of the Ballera Compression Facility for any Other Service or other services (including any as-available or interruptible services).
- (c) For the avoidance of doubt, the priority principle requirements set out in the National Gas Rules apply to these Facility Specific Terms.

6 System Use Gas

6.1 Service Provider's entitlement

- (a) On a Day on which a Service is provided to Shipper:
 - (i) Shipper will have an obligation to make available to Service Provider, Shipper's share of System Use Gas for that Day at no cost to Service Provider; and
 - (ii) Service Provider will be entitled to take Shipper's share of System Use Gas for that Day from the Gas tendered to Service Provider at the Compression Receipt Point at no cost to Service Provider.
- (b) For clarity:
 - (i) if a Service is commenced on a Day but not provided to the full extent nominated by Shipper for that Day, Shipper will still have an obligation to supply, and Service Provider will still have the right to take, Shipper's share of System Use Gas for that Day; and
 - (ii) Shipper is not required to provide, and Service Provider will not have the right to take, Shipper's share of System Use Gas for a Day if the only Gas that can be made available on that Day is that referred to in section 5(b)(i).

6.2 Shipper's share of System Use Gas

- (a) Shipper's share of System Use Gas for a Day will be calculated as follows:
SSUG = 0.0156 x UD
where:
SSUG = Shipper's share of System Use Gas for that Day; and
UD = the quantity of Gas made available for delivery to Shipper on that Day at the Compression Delivery Point minus Shipper's prorated share of any CGP Notional Backhaul on that Day under this Agreement.
- (b) Service Provider will:
 - (i) apply the same System Use Gas allocation formula to that set out in section 6.2(c); or
 - (ii) allocate System Use Gas on the basis of actual deliveries of Gas, to each Other Shipper that has the benefit of compression from the Ballera Compression Facility.

6.3 **Shipper Estimated share of System Use Gas**

For the purposes of section 7.1(a) of these Facility Specific Terms, Shipper's Estimated share of System Use Gas for a Day will be calculated as follows:

$$\text{SESUG} = 0.0156 \times \text{SCON}$$

where:

SESUG = Shipper's Estimated share of System Use Gas for that Day; and

SCON = the quantity of Gas (in GJs) nominated by Shipper under clause 4 of the Standard Terms to be made available for delivery by Service Provider at the Compression Receipt Point on that Day.

6.4 **Title and risk**

Title to and risk in Shipper's share of System Use Gas for a Day will pass from Shipper to Service Provider at the Compression Receipt Point.

7 **Pressure and Temperature**

- (a) Shipper must supply at the Compression Receipt Point quantities of Gas nominated by Shipper (plus Shipper's Estimated share of System Use Gas estimated under section 6.3 of these Facility Specific Terms), at a pressure sufficient to allow the Gas to enter the Ballera Compression Facility but not less than 6,000 kPa and not greater than the lesser of:
- (i) maximum allowable operating pressure of the SWQP; and
 - (ii) 14,920 kPa,
- unless the parties agree otherwise.
- (b) Service Provider must deliver Gas to the Compression Delivery Point:
- (i) at a pressure sufficient to gain entry into the CGP but not greater than the lesser of:
 - A. the maximum allowable operating pressure of the CGP; and
 - B. 14,800 kPa,
- unless the parties agree otherwise; and
- at a temperature sufficient to gain entry into the CGP but not less than 0°C and not greater than 60°C.
- (c) Service Provider is not permitted to change the nominated Compression Receipt Points or Compression Delivery Points or Compressor's pressures or temperatures (or ranges thereof) without the consent of Shipper (which consent may not be unreasonably withheld or delayed or given on unreasonable conditions).

8 **Charges**

- (a) For the purpose of clause 19 of the Standard Terms, Shipper must pay to Service Provider the following Charges:
- (i) the **Standardisation Cost Charge**, determined as follows:

A one-off charge of \$5,000 payable upon execution of this Agreement provided however that the Standardisation Cost Charge will be reviewed and varied (if applicable) annually by Service Provider on a go forward basis to ensure that it reflects Service Provider's "standardised costs" (as defined in the NGR), taking into account the number of Other Shippers utilising Compression Services and actual standardised costs incurred by Service Provider.

- (ii) **Imbalance Charge** calculated in accordance with section 10(ii) below;
- (iii) **Unauthorised Overrun Charge** determined as follows:

$$\text{UOC} = \text{OQ} \times \text{DOSCR}$$

Where:

UOC = Unauthorised Overrun Charge

OQ = the Overrun Quantity which is the quantity of Gas Shipper (without the consent of Service Provider) supplies to the Compressor on a Day or takes from the Compressor on a Day in excess of that quantity scheduled by Service Provider to be compressed for Shipper on that Day

DOSCR = Daily Overrun Service Charge Rate which is:

- A. as at 1 January 2019, \$0.368 per GJ; and
- B. on and from the commencement of each Quarter following the Quarter commencing on 1 January 2019, the amount determined under section 9.2.

- (b) On and from the commencement of each Quarter following the Quarter commencing on 1 January 2019, the Daily Overrun Service Charge Rate and Daily Compression Service Charge Rate will be varied in accordance with the following formula:

$$\text{DCRn} = \text{DCRo} \times (1 + [(\text{CPI}_n - \text{CPI}_o)/\text{CPI}_o]) \text{ where:}$$

DCRn = the new Daily Overrun Service Charge Rate or Daily Compression Service Charge Rate (as the case may be);

DCRo = the Daily Overrun Service Charge Rate or Daily Compression Service Charge Rate (as the case may be) as at 1 January 2019;

CPI_o = the CPI for the Quarter ending 31 December 2018; and

CPI_n = the CPI for the Quarter ending 3 Months prior to the date from which the Daily Overrun Service Charge Rate or Daily Compression Service Charge Rate (as the case may be) is to be varied.

9 Imbalance

- (c) The **Daily Compression Service Charge Rate** is:
 - (i) as at 1 January 2019, \$0.368 per GJ; and

- (ii) on and from the commencement of each Quarter following the Quarter commencing on 1 January 2019, the amount determined under section 9.2.
- (a) For the purpose of clause 12.3 of the Standard Terms:
 - (i) the **Imbalance Allowance** for a Day is the amount equal to 10% multiplied by the MDQ for the Day;
 - (ii) where Shipper's Accumulated Imbalance exceeds the Imbalance Allowance, the **Imbalance Charge** for a Day is determined by multiplying the prevailing Daily Compression Service Charge Rate by the number of GJs of that Accumulated Imbalance in excess of the Imbalance Allowance for that Day.
- (b) For the purpose of clauses 12.6 and 12.7(b) of the Standard Terms the **Unauthorised Imbalance Charge** for a Day is determined by multiplying the prevailing Daily Compression Service Charge Rate by the number of GJs of that Accumulated Imbalance in excess of zero.

10 Metering Principles

10.1 Use of equipment and apportionment

- (a) For the purposes of this Agreement:
 - (i) all measurements and tests for quality of Gas will be carried out on a daily basis using the existing measurement and testing equipment of:
 - A. the SWQP Owner, at the Compression Receipt Point; and
 - B. the CGP Owner, at the Compression Delivery Point;
 - (ii) all measurements and tests for quantity of Gas will be carried out on a Daily basis using the existing measurement and testing equipment of:
 - A. the SWQP Owner, at the Compression Receipt Point; and
 - B. Service Provider for the Ballera Fuel Meters (for the purpose of determining UAFG as set out in section 10.1(a)(v) below); and
 - C. the CGP Owner, at the Compression Delivery Point (for the purpose of determining UAFG as set out in section 10.1(a)(v) below and the total quantity of Gas delivered, or made available for delivery, by the Owners on a Day at the Compression Delivery Point).
 - (iii) the total quantity of Gas received by Service Provider on a Day at the Compression Receipt Point will be apportioned between Shipper and Other Shippers as advised by the SWQP Owner in accordance with its usual apportionment procedures at that point;
 - (iv) the total quantity of Gas delivered, by Service Provider on a Day at the Compression Delivery Point will be apportioned by Service Provider between Shipper and Other Shippers based on:
 - A. Shipper's proportionate share of the total quantity of Gas delivered by the Shipper and Other Shippers at the Compression Receipt Point on that Day less Shipper's share of System Use Gas on that Day; or

- B. an alternative methodology agreed by the Shipper and Service Provider, at Service Provider's absolute discretion, provided that all Other Shippers of the Services agree to the alternative methodology and allocations and methodologies are not changed during a month or retrospectively.
- (v) The total quantity of UAFG on a Day will be determined by deducting the total quantity of Gas measured at the Ballera Fuel Meters, the Manual Fuel Gas Adjustment and the total quantity of Gas measured by the CGP Owner at the Compression Delivery Point from the total quantity of Gas measured at the Compression Receipt Point. For the avoidance of doubt a positive or negative UAFG quantity does not represent a liability to or from Service Provider or Shipper as the case may be.
- (b) The measurement and testing equipment at the Compression Receipt Point and Compression Delivery Point must comply with the following technical standards and accuracy requirements:

Station Metering	Type	Measurement Standard	Compressibility Standard	Volume Measurement Uncertainty
Ballera	Orifice	AGA3	AGA8	+/-1%

- (c) If for any period, the equipment at either of the Compression Receipt Point, the Ballera Fuel Meters, or the Compression Delivery Point fails to make, or makes inaccurate measurements or records necessary for ascertaining or computing the quantity of Gas received or delivered so that the quantity cannot be ascertained or computed from those measurements or records, the quantities of Gas received or delivered during the period of failure will be estimated as nearly as possible on the basis of the best method and data available for the purpose as advised by the SWQP Owner, or the CGP Owner or Shippers respectively.
- (d) If Shipper has not been apportioned any Gas under section 10.1(a)(iii), then Shipper must advise Service Provider of the name of the party supplying Gas and the quantity of Gas to Shipper at the Compression Receipt Point as soon as practicable.
- (e) For the purpose of section 6 and section 10 of these Facility Specific Terms, other than the Manual Fuel Gas Adjustment, the parties agree and the Service Provider warrant that there is no other unmetered Gas that will be included in any measurement of the amount of Fuel Gas or a Shipper's share of System Use Gas.
- (f) The:
 - (i) SWQP Owner is responsible for the installation and maintenance of measurement and testing equipment at the Compression Receipt Point; and
 - (ii) CGP Owner is responsible for the installation and maintenance of measurement and testing equipment at the Compression Delivery Point.

10.2 Responsibility

- (a) Service Provider must use its reasonable endeavours to ensure that the CGP Owner and the SWQP Owner each:

- (i) undertake the measurements and tests referred to in, and otherwise comply with, section 10.1; and
 - (ii) provide to Shipper, on a daily basis, adequate information relating to the apportionment of quantities of Gas to, or for the account of, Shipper for that Day at the Compression Receipt Point and the Compression Delivery Point.
- (b) Service Provider must:
 - (i) undertake measurements for the quantity of Gas delivered to the Ballera Fuel Meters each Day; and
 - (ii) undertake all necessary testing, verification and maintenance necessary to ensure that the Ballera Fuel Meters are maintained in accordance with Good Industry Practice; and
 - (iii) provide any information reasonably requested by Shipper about Service Provider's compliance with section 10.2(b)(ii) as soon as reasonably practicable

11 Operational Communications

11.1 Written Notices

- (a) Subject to section 12.2, any notice, demand, consent or other communication (a Notice) given or made under this Agreement:
 - (iv) must be in writing;
 - (v) must be addressed and delivered to the intended recipient at the address or email below or the address or email last notified by the intended recipient to the sender after the date of the Operational Transportation Service Agreement:

to the Service Provider:

c/o Santos Limited
Ground Floor
60 Flinders Street
Adelaide SA 5000
Attention: Manager Commercial
Phone: 08 8116 9666
Email: gasrep@santos.com; gas.markets@santos.com

will be taken to be duly given or made when delivered, received or left at the above addresses. If delivery or receipt occurs on a day that is not a Business Day in the place to which the Notice is sent or is later than 5 pm (local time) at that place, it will be taken to have been duly given or made at the commencement of business on the next Business Day in that place.

11.2 Informal notices

Service Provider and Shipper may agree and give effect to informal notice procedures relating to giving nominations of quantities of Gas and giving notifications in respect of Curtailment.

12 Compression Receipt and Delivery Points and Compressor Details

Details of the Compression Receipt Point, Compression Delivery Point and the Compressor are as follows:

Compression Receipt Point means the point of interconnection of the SWQP and the inlet to the Ballera Compression Facilities.

Compression Delivery Point means the outlet from the Ballera Compression Facilities into the CGP.

Locations and Compression Zones:

	Location	Compression Zones
Compressor	Ballera Gas Centre	n/a
Compression Receipt Point	Ballera Gas Centre	BCF-CRZ-01
Compression Delivery Point	Ballera Gas Centre	BCF-CDZ-01

Capacities

	Physical Capacity	Daily	Physical Hourly Capacity
Compression Receipt Point	120,000 GJ		5,000 GJ
Compression Delivery Point	120,000 GJ		5,000 GJ

Constraints on the capacity of the Compressor

The capacity above includes fuel gas requirements for operation of the Ballera Compression Facility which, at the date of publication is approximately 7,000 GJ per Day.

Further details can be found at:

<https://www.santos.com/what-we-do/activities/queensland/eromanga-basin/ballera/>