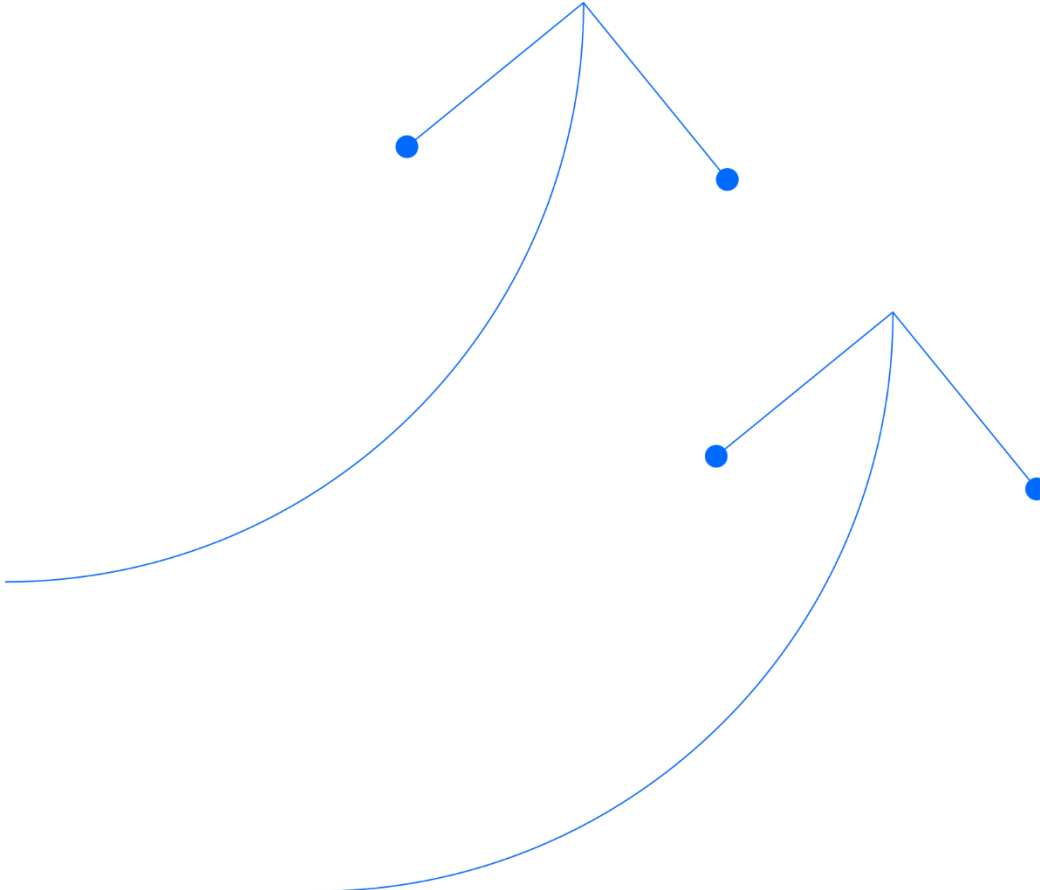


PART 18A BALLERA COMPRESSION FACILITY

National Gas Rules 198H - Standing Prices & Methodology

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Introduction

Under Part 18A of the National Gas Rules (NGR), Part 18A service providers are required to publish information that may help users or prospective users carry out a high-level assessment of the reasonableness of the Part 18A service provider's standing price, the offer to the user or prospective user and the terms and conditions associated with the Part 18A facility.

This document details the methodology and inputs used to calculate the Ballera Compression Facility standing prices.

Standing Prices

The following table lists the current tariffs for standard Ballera compression services. The standing price is based on standard firm compression services and alternative terms, depending on quantities and duration, may be available by negotiation.

The standing price is derived from the reference price inputs as detailed in the Standing Price Methodology section, which is relevant for the provision of compression services at Ballera as based on the long-term legacy contract.

All tariffs are exclusive of GST and, unless otherwise specified, escalated quarterly following quarter commencing 1 January 2019 in accordance with the Ballera Compression Facility Standing Terms.

Table 1 – 198H Standing prices

Charge	Tariff as at 1 January 2019	Tariff Derivation
Firm Compression Service Charge	\$0.4080 per GJ	Based on long-term contract reference price + \$0.04 per GJ
As Available Compression Service Charge	\$0.4284 per GJ	105% of the Firm Compression Charge
Imbalance Charge	\$0.4488 per GJ	110% of the Firm Compression Charge
Unauthorised Overrun Charge	\$0.4488 per GJ	110% of the Firm Compression Charge

Standing Price Methodology

The Ballera Compression Facility standing price methodology is based on the long-term legacy contract for the provision of compression services at Ballera.

Legacy Contracts

Characteristics of the reference contract:

- Contract was first entered into on 9th May 2013 and has been varied from time to time
- For additional details on the reference contract, refer to the Actual Prices Payable – Ballera Compression Facility published on the Santos website.

Mathematical representation of how the standing price is calculated using the reference contract prices:

- Firm Compression Service Charge = reference contract +A\$0.04/GJ
- As Available Compression Service Charge = 105% of the Firm Compression Service Charge
- Imbalance Charge = 110% of the Firm Compression Service Charge
- Unauthorised Overrun Charge = 110% of the Firm Compression Service Charge

Adjustments, including inflation escalators, Part 18A service providers made to the reference contract prices to derive the standing price:

- Incremental \$0.04 per GJ reflecting increased operational and maintenance costs compared to 2013 (when the contract was first entered)
- Quarterly CPI escalation following quarter commencing 1 January 2019 (base CPI: quarter ending 31/12/2018)