

Access Arrangement
for
PGU Gas Transportation System

(APPROVED BY SURUHANJAYA TENAGA ON 20th OF DECEMBER 2018)

PART II ACCESS ARRANGEMENT

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1.0 DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

The following terms used in a GAS TRANSPORTATION AGREEMENT shall have the respective meanings hereby assigned to them

ACCESS APPLICATION	shall have the meaning set forth in AA 2.2(a);
ACCESS ARRANGEMENT	means this access arrangement (including the schedules hereto) for the Peninsular Gas Utilisation Transmission System established by TRANSPORTER in accordance with the TPA CODE, as may be amended from time to time in accordance with the TPA CODE and the GAS SUPPLY ACT;
ACTUAL COMPLETION DATE	means the date on which TRANSPORTER notifies CONNECTED PARTY in writing that the CONNECTION WORKS have been completed and commissioned in accordance with STANDARD CONNECTION TERMS AND CONDITIONS or "CTC" 2.5;
ADDITIONAL PARTY	in respect of: (a) a GAS TRANSPORTATION AGREEMENT, shall have the meaning set forth in AA 36.0(g)(iv)(A); and (b) a GAS CONNECTION MANUAL, shall have the meaning set forth in CTC 14(g)(iv)(A);
AFFECTED PARTY	in respect of: (a) a GAS TRANSPORTATION AGREEMENT, shall have the meaning set forth in AA 21.1; and (b) a GAS CONNECTION MANUAL, shall have the meaning set forth in CTC 11.1;
AFFILIATE	means a company or legal entity which: (a) CONTROLS, directly or indirectly the PARTY; or (b) is CONTROLLED directly or indirectly by the PARTY; or (c) is directly or indirectly CONTROLLED by a company or legal entity which directly or indirectly CONTROLS the PARTY;
AIAC	shall have the meaning set forth in AA 36.0(b);

APPLICABLE LAWS	means any applicable national or local constitution, charter, act, statute, law, ordinance, code, rule, regulation or order, or other applicable legislative or administrative action of a GOVERNMENT BODY or a final decree, judgment, or order of a court;
AUTHORISED OVERRUN	shall have the meaning set forth in AA 15.11(a);
AUTHORISED OVERRUN CHARGE	shall have the meaning set forth in AA 15.11(c);
AUTHORISED OVERRUN PREMIUM	means the AUTHORISED OVERRUN PREMIUM as set out in Schedule 5;
AUTHORISED OVERRUN TARIFF	shall have the meaning set forth in AA 15.11(c);
AVAILABLE FIRM CAPACITY	means the CAPACITY of the GAS TRANSPORTATION SYSTEM which TRANSPORTER in its discretion, determines from time to time, is available for the purposes of providing RESERVED FIRM CAPACITY to SHIPPERS;
AVAILABLE INTERRUPTIBLE CAPACITY	means CAPACITY in the GAS TRANSPORTATION SYSTEM made available by TRANSPORTER after AVAILABLE FIRM CAPACITY has been fully reserved for SHIPPERS;
BALANCING AGREEMENTS	means agreements entered into between TRANSPORTER and a SHIPPER under which TRANSPORTER buys or sells GAS to maintain the physical balance of the GAS TRANSPORTATION SYSTEM, which will be based on methodologies, pricing structure and the BALANCING GAS PRICE as directed or approved by the COMMISSION;
BALANCING GAS PRICE	means the price of GAS for the purposes of balancing of the GAS TRANSPORTATION SYSTEM approved by the COMMISSION;
BALANCING MECHANISM	means the mechanism used by TRANSPORTER to facilitate each SHIPPER to balance its GAS flow to ensure the GAS TRANSPORTATION SYSTEM'S LINEPACK is within the limits set by TRANSPORTER, as described in AA 15.0;
BASE LENDING RATE	means a base interest rate calculated by Bank Negara Malaysia;
BUSINESS DAY	means a day other than a Saturday, Sunday or public holiday in Kuala Lumpur, Malaysia;

CAPACITY	means the overall technical capacity of the GAS TRANSPORTATION SYSTEM, being the maximum quantity of GAS that can flow through the GAS TRANSPORTATION SYSTEM, without jeopardizing its normal and safe operation and in respect of a particular ENTRY POINT or EXIT POINT is the technical capacity of that point, in each case as determined by TRANSPORTER;
CAPACITY ALLOCATION MECHANISM	means TRANSPORTER'S mechanism for allocating CAPACITY to SHIPPERS, as described in AA 3.0;
CAPACITY RELOCATION APPLICATION	shall have the meaning set forth in AA 3.8(b);
CAPACITY RESERVATION APPLICATION	shall have the meaning set forth in AA 3.2(a);
CAPACITY TRANSFER APPLICATION	shall have the meaning set forth in AA 25.4(b);
CHANGE OF LAW	means a change in APPLICABLE LAWS;
COMMENCEMENT DATE	means, in respect of: <ul style="list-style-type: none"> (a) a GAS TRANSPORTATION AGREEMENT, the later of the EFFECTIVE DATE and the date specified as the COMMENCEMENT DATE in the SPECIFIC TERMS AND CONDITIONS set out in that GAS TRANSPORTATION AGREEMENT; and (b) a GAS CONNECTION MANUAL, the EFFECTIVE DATE;
COMMISSION	means Suruhanjaya Tenaga, the Energy Commission established under the Energy Commission Act 2001;
COMMON DISPUTES	in respect of: <ul style="list-style-type: none"> (a) a GAS TRANSPORTATION AGREEMENT, shall have the meaning set forth in AA 36.0(g)(i); and (b) a GAS CONNECTION MANUAL, shall have the meaning set forth in CTC 14(g)(i);

- COMMON TRIBUNAL in respect of:
- (a) a GAS TRANSPORTATION AGREEMENT, shall have the meaning set forth in AA 36.0(g)(i); and
 - (b) a GAS CONNECTION MANUAL, shall have the meaning set forth in CTC 14(g)(i);
- CONDITIONAL PERIOD means, in respect of a GAS TRANSPORTATION AGREEMENT or a GAS CONNECTION MANUAL, the time and date by which the CONDITIONS PRECEDENT must be fulfilled, as set out in the SPECIFIC TERMS AND CONDITIONS (in respect of a GTA) or Part 1 to the GCM between a CONNECTED PARTY and TRANSPORTER (in respect of a GAS CONNECTION MANUAL);
- CONDITIONS PRECEDENT in relation to:
- (a) a GAS TRANSPORTATION AGREEMENT, shall have the meaning set forth in the SPECIFIC TERMS AND CONDITIONS; and
 - (b) a GAS CONNECTION MANUAL, shall have the meaning set forth in CTC 2.1;
- CONFIDENTIAL INFORMATION means:
- (a) information that is by its nature confidential relating to each of the PARTIES to a GAS TRANSPORTATION AGREEMENT or a GAS CONNECTION MANUAL (as applicable) or its AFFILIATES including commercial, financial and/or technical information (the operations, plans, proposals, intentions, know-how, trade secrets, copyright and other intellectual property rights, software, technology or operational measures, market opportunities, strategies, customers and potential customers, customer data, brokers, suppliers, competitors and potential competitors, financing sources, bank and trust contracts, business and/or financial affairs of each of the PARTIES or its AFFILIATES), whether written, oral or otherwise recorded received by the RECEIVING PARTY from the DISCLOSING PARTY; and
 - (b) information that is known by TRANSPORTER to be confidential and includes:
 - (i) any information relating to the financial position of SHIPPER or CONNECTED

PARTY (as applicable) and, in particular, includes information relating to the assets or liabilities of SHIPPER or CONNECTED PARTY (as applicable) and any other matter that affects or may affect the financial position or reputation of SHIPPER or CONNECTED PARTY (as applicable);

- (ii) information relating to the internal management and structure of SHIPPER or CONNECTED PARTY (as applicable) or the personnel, policies and strategies of SHIPPER or CONNECTED PARTY (as applicable);
- (iii) information of SHIPPER or CONNECTED PARTY (as applicable) to which TRANSPORTER has access, other than information referred to in paragraphs (i) and (ii), that has any actual or potential commercial value to SHIPPER or CONNECTED PARTY (as applicable) or the person or corporation which supplied that information; and
- (iv) any information in TRANSPORTER'S possession relating to SHIPPER'S or CONNECTED PARTY'S (as applicable) customers or suppliers and like information;

CONFIRMED NOMINATION shall have the meaning set forth in AA 7.4(a) and includes an INTRA-DAY NOMINATION that has been accepted by TRANSPORTER under AA 7.6;

CONFIRMED QUANTITY means the quantity of GAS that is the subject of a CONFIRMED NOMINATION in respect of a DAY;

CONNECTED PARTY	means:
	(a) where used in this ACCESS ARRANGEMENT, any person whose facilities are physically connected to the GAS TRANSPORTATION SYSTEM and will, where applicable, include TRANSPORTER, and "CONNECTED PARTIES" will be construed accordingly; and
	(b) where used in the context of a particular GAS CONNECTION MANUAL, the person named as CONNECTED PARTY in the relevant GAS CONNECTION MANUAL unless the context requires otherwise;
CONNECTED PARTY'S CONNECTION FACILITIES	means the facilities used by CONNECTED PARTY to connect the CONNECTED PARTY'S FACILITIES to the GAS TRANSPORTATION SYSTEM, as further described in the GAS CONNECTION MANUAL between that CONNECTED PARTY and TRANSPORTER;
CONNECTED PARTY'S CONNECTION WORKS	means the works to be undertaken by CONNECTED PARTY to connect the CONNECTED PARTY'S CONNECTION FACILITIES to the GAS TRANSPORTATION SYSTEM, as further described in the GAS CONNECTION MANUAL between that CONNECTED PARTY and TRANSPORTER;
CONNECTED PARTY'S FACILITIES	means the GAS delivery and/or reception facilities of CONNECTED PARTY which are necessary to deliver GAS at an ENTRY POINT and to take delivery of GAS at an EXIT POINT (as applicable), as further described in the GAS CONNECTION MANUAL between that CONNECTED PARTY and TRANSPORTER;
CONNECTION CHARGES	means the CONNECTION CHARGES as set out in the GAS CONNECTION MANUAL between a CONNECTED PARTY and TRANSPORTER;
CONNECTION FACILITIES	means the TRANSPORTER'S CONNECTION FACILITIES and the CONNECTED PARTY'S CONNECTION FACILITIES;
CONNECTION POINT	means the connection point described in the GAS CONNECTION MANUAL;
CONNECTION SERVICES	shall have the meaning set forth in CTC 5.1 of the GAS CONNECTION MANUAL between a CONNECTED PARTY and TRANSPORTER;

CONNECTION TERM	shall have the meaning set forth in Part 1 to the GAS CONNECTION MANUAL between a CONNECTED PARTY and TRANSPORTER;
CONNECTION WORKS	means the works required to connect the CONNECTED PARTY'S FACILITIES to the GAS TRANSPORTATION SYSTEM, as further described in the GAS CONNECTION MANUAL between the CONNECTED PARTY and TRANSPORTER, and includes the TRANSPORTER'S CONNECTION WORKS and the CONNECTED PARTY'S CONNECTION WORKS;
CONSOLIDATION ORDER	in respect of: <ul style="list-style-type: none"> (a) a GAS TRANSPORTATION AGREEMENT, shall have the meaning set forth in AA 36.0(g)(ii); and (b) a GAS CONNECTION MANUAL, shall have the meaning set forth in CTC 14(g)(ii);
CONSTRUCTION TERM	shall have the meaning set forth in CTC 4.1;
CONTROL	means control of more than fifty percent (50%) of the voting rights in a company or other legal entity;
CREDIT WORTHINESS PROCEDURE	means the procedure set out in Schedule 2;
CUMULATIVE IMBALANCE	means a running total of SHIPPER'S DAILY IMBALANCES for each DAY of the TRANSPORTATION PERIOD;
CURTAILMENT	means an interruption, reduction or suspension (in whole or part) in the provision of a SERVICE or the CONNECTION SERVICES (as the context requires);
CURTAILMENT ALLOWANCE	means one hundred and sixty-eight (168) hours in any YEAR. For any YEAR which is less than three hundred and sixty-five (365) days, the CURTAILMENT ALLOWANCE shall be prorated accordingly, and rounded up or down to the nearest whole number;
DAILY NOMINATION	means SHIPPER'S NOMINATION for GAS to be received at each ENTRY POINT and taken from each EXIT POINT in respect of a DAY;

DAILY QUANTITY or MDQ	means in respect of an ENTRY POINT, EXIT POINT and SERVICE, the fixed quantity of GAS, expressed in GJ, which TRANSPORTER is obliged to receive at that ENTRY POINT and deliver at that EXIT POINT (exclusive of IGC) for the account of a SHIPPER on each Day, as set out in the SPECIFIC TERMS AND CONDITIONS;
DAY	means a period of 24 consecutive hours beginning at 06:00 hours Malaysian standard time;
DECOMMISSION	<p>means to abandon or decommission the facilities, property, or equipment (by way of physical separation and removal), exercising a standard of care and diligence consistent with that of a REASONABLE AND PRUDENT TRANSPORTER, and in compliance with all APPLICABLE LAWS and approvals, and includes:</p> <ul style="list-style-type: none"> (a) reclamation or rehabilitation of the relevant land; and (b) selling or otherwise disposing of such facilities, property or equipment, <p>and DECOMMISSIONING has the same meaning;</p>
DECOMMISSIONING COSTS	means TRANSPORTER'S costs associated with DECOMMISSIONING the CONNECTION FACILITIES;
DISCLOSING PARTY	<p>in respect of:</p> <ul style="list-style-type: none"> (a) a GAS TRANSPORTATION AGREEMENT, shall have the meaning set forth in AA 23.1; and (b) a GAS CONNECTION MANUAL, shall have the meaning set forth in CTC 20.1;
DISPUTE	means any dispute, controversy or claim between the PARTIES arising out of or in connection with a GAS TRANSPORTATION AGREEMENT or a GAS CONNECTION MANUAL (as applicable) (including any dispute as to its formation, validity or termination);
DISPUTE NOTICE	<p>in respect of:</p> <ul style="list-style-type: none"> (a) a GAS TRANSPORTATION AGREEMENT, shall have the meaning set forth in AA 35.0(a); and (b) a GAS CONNECTION MANUAL, shall have the meaning set forth in CTC 13.0(a);

DISPUTE RESOLUTION COMMITTEE	shall have the meaning set forth in AA 36.0(a) or CTC 14.0(a) (as applicable);
EFFECTIVE DATE	means, in relation to a GAS TRANSPORTATION AGREEMENT or a GAS CONNECTION MANUAL, the date of the fulfilment of all of the CONDITIONS PRECEDENT;
EMERGENCY	means a situation where the safety of human lives and/or the destruction of public or private property is imminently threatened;
END-CONSUMER	means the recipients of GAS or whose premises are connected to the GAS TRANSPORTATION SYSTEM for the purpose of receiving a supply of GAS by a SHIPPER for consumption;
ENTRY POINT	means a point at which GAS is received into the GAS TRANSPORTATION SYSTEM from or on account of SHIPPER and in respect of a particular SHIPPER is as specified in the SPECIFIC TERMS AND CONDITIONS, and as may be amended in accordance with this ACCESS ARRANGEMENT;
ENTRY POINT NOMINATION	means SHIPPER'S NOMINATION in respect of an ENTRY POINT and a DAY to the extent that it is the subject of a CONFIRMED NOMINATION;
ENTRY QUANTITY	means the actual quantity of GAS delivered to TRANSPORTER by SHIPPER at an ENTRY POINT, expressed in GJ;
EVENT OF FORCE MAJEURE	in relation to: <ul style="list-style-type: none"> (a) a GAS TRANSPORTATION AGREEMENT, shall have the meaning set forth in AA 21.1; and (b) a GAS CONNECTION MANUAL, shall have the meaning set forth in CTC 11.1;
EXECUTION DATE	means the date that a GAS TRANSPORTATION AGREEMENT or a GAS CONNECTION MANUAL (as applicable) is entered into between the relevant PARTIES;
EXIT POINT	means a point at which GAS is delivered from the GAS TRANSPORTATION SYSTEM to an END-CONSUMER on behalf of a SHIPPER and in respect of a particular SHIPPER is as specified in the SPECIFIC TERMS AND CONDITIONS, and as may be amended in accordance with this ACCESS ARRANGEMENT;

EXIT POINT NOMINATION	means SHIPPER'S NOMINATION in respect of an EXIT POINT and a DAY to the extent that it is the subject of a CONFIRMED NOMINATION;
EXIT QUANTITY	means the actual quantity of GAS delivered on behalf of SHIPPER to an END-CONSUMER by TRANSPORTER at an EXIT POINT, expressed in GJ;
EXPANSION PLAN	shall have the meaning set forth in AA 3.5(f);
EXPERT	in respect of: <ul style="list-style-type: none"> (a) a GAS TRANSPORTATION AGREEMENT, shall have the meaning set forth in AA 35.0(b); and (b) a GAS CONNECTION MANUAL, shall have the meaning set forth in CTC 13.0(b);
EXPIRY DATE	means the EXPIRY DATE set out in the Part 1 to the GAS CONNECTION MANUAL between a CONNECTED PARTY and TRANSPORTER;
FEASIBILITY REPORT	shall have the meaning set forth in AA 3.6(b);
FIRM TRANSPORTATION CHARGE	shall have the meaning set forth in AA 5.2(b);
FIRM TRANSPORTATION SERVICE	means the TRANSPORTATION SERVICE described in AA 4.2(b);
GAS	means any hydrocarbon or a mixture of hydrocarbons consisting principally of methane, other hydrocarbons and non-combustible gases, all of which are substantially in the gaseous phase;
GAS CONNECTION MANUAL or GCM	means a manual prepared by TRANSPORTER and with which the CONNECTED PARTY must comply, relating to the connection between the CONNECTED PARTY'S facilities and the GAS TRANSPORTATION SYSTEM, which comprises: <ul style="list-style-type: none"> (a) a form of agreement set forth in Part I of Schedule 6; (b) the STANDARD CONNECTION TERMS AND CONDITIONS set forth in Part II of Schedule 6; and (c) any Appendices to the form of agreement.
GAS MANAGEMENT SYSTEM OR GMS	shall have the meaning set forth in AA 42.0;

GAS SPECIFICATIONS	means the specifications for GAS set out in Schedule 3;
GAS SUPPLY ACT	means Act 501;
GAS TRANSPORTATION AGREEMENT or GTA	means the agreement executed by TRANSPORTER and a SHIPPER pursuant to which TRANSPORTER desires to provide, and SHIPPER desires to obtain, SERVICES through the GAS TRANSPORTATION SYSTEM and which incorporates this ACCESS ARRANGEMENT, and where the term is used in the context of a particular SHIPPER, means the GAS TRANSPORTATION AGREEMENT between TRANSPORTER and that SHIPPER;
GAS TRANSPORTATION SYSTEM	means the Peninsular Gas Utilisation Transmission System and the downstream facilities which are laid and owned by TRANSPORTER in Peninsular Malaysia (and as may be expanded from time to time) as may be necessary to transmit GAS from a SHIPPER'S ENTRY POINT to its EXIT POINT, as further described in Schedule 1, and includes the facilities identified as "TRANSPORTER'S FACILITIES" in Schedule 4;
GOVERNMENT BODY	means any government, governmental or semi-governmental or judicial entity, any ministry, inspectorate, official, public or statutory person or other statutory, administrative, supervisory or regulatory entity, federal, state or local and includes the COMMISSION;
GJ	means 1,000,000,000 joules of GAS;
GROSS HEATING VALUE or GHV	means the energy produced from the complete combustion of one (1) cubic meter of GAS with air, at a temperature of fifteen (15) degrees Celsius and at an absolute pressure of one hundred one and three hundred twenty five thousandths (101.325) kPa, with the GAS free of all water vapour, the products of combustion cooled at a temperature of fifteen (15) degrees Celsius and the water vapour formed by combustion condensed to the liquid state expressed in MJ per cubic meter (MJ/m ³);

GROSS NEGLIGENCE OR WILFUL MISCONDUCT	means any act or failure to act (whether sole, joint, or concurrent) by any person or entity that was intended to cause, or that was in reckless disregard of or wanton indifference to, harmful consequences that the person or entity knew, or should have known, would have on the safety or property of another person or entity or otherwise result in non-compliance with the material terms of the GAS TRANSPORTATION AGREEMENT or GAS CONNECTION MANUAL (as applicable);
GUARANTEE	shall have the meaning set forth in the CREDIT WORTHINESS PROCEDURE;
IGC MANAGEMENT PLAN	means the annual plan developed by TRANSPORTER in respect of IGC in accordance with the TPA CODE and approved by the COMMISSION in accordance with the TPA CODE;
IMBALANCE	shall have the meaning set forth in AA 15.3;
INTERNAL GAS CONSUMPTION or IGC	for a time period is defined as the quantity of GAS that is calculated as the sum of the GAS consumed by TRANSPORTER during the operation of the GAS TRANSPORTATION SYSTEM within a particular period (own consumption of GAS) and the GAS that is lost in a natural way during the operation of the GAS TRANSPORTATION SYSTEM over that particular period (natural losses of GAS), including unaccounted for GAS, but excludes LINEPACK;
INTERRUPTIBLE TRANSPORTATION CHARGE	shall have the meaning set forth in AA 5.2(d);
INTERRUPTIBLE TRANSPORTATION SERVICE	means the TRANSPORTATION SERVICE described in AA 4.2(c);
INTRA-DAY NOMINATION	shall have the meaning set forth in AA 7.6(a);
INVENTORY	means the designated account of a SHIPPER that records the quantity of GAS from time to time held in the GAS TRANSPORTATION SYSTEM by TRANSPORTER for the account of that SHIPPER. It will be maintained within the NEGATIVE IMBALANCE TOLERANCE LEVEL and POSITIVE IMBALANCE TOLERANCE LEVEL determined by TRANSPORTER;
IRB	shall have the meaning set forth in AA 16.11(a);

J	means one Joule at 101.325kPa (abs) and 15 degrees Celsius;
KPA	means 1000 Pascals of pressure at absolute condition;
LINEPACK	means the quantity of GAS in the GAS TRANSPORTATION SYSTEM which is required to meet the aggregate EXIT POINT demand of all SHIPPERS without increasing the input of GAS at an ENTRY POINT or changing the pressure of the GAS TRANSPORTATION SYSTEM. It refers to the quantity of GAS in the GAS TRANSPORTATION SYSTEM which is used for operational purposes for the transportation of GAS;
MAXIMUM ALLOWABLE OPERATING PRESSURE	means the maximum allowable operating pressure for the operation of the GAS TRANSPORTATION SYSTEM as determined by TRANSPORTER and published on the WEBSITE from time to time;
MEASURING EQUIPMENT	means measuring equipment and other ancillary facilities supporting the measuring equipment that is supplied, installed, operated and maintained to measure the quantity and quality of GAS;
METERING PHILOSOPHY	means the metering philosophy developed in accordance with all APPLICABLE LAWS, standards and guidelines including the GAS SUPPLY ACT, the TPA CODE and the Guidelines for Setting Up Custody Transfer Metering Stations at Entry and Exit Points published by the COMMISSION from time to time;
METERING RESPONSIBLE PARTY	shall have the meaning set forth in AA 8.3(b);
MJ	means 1,000,000 joules of GAS;
MONTH	means a period extending from the beginning of the first DAY in a calendar month to the beginning of the first DAY in the next calendar month;
MONTHLY PRE-PAYMENT	means the amount that is the applicable TRANSPORTATION TARIFF multiplied by the quantity of RESERVED FIRM CAPACITY agreed to be provided on a SPOT BASIS in respect of SHIPPER multiplied by the number of DAYS in the relevant MONTH;
MONTHLY PRE-PAYMENT STATEMENT	shall have the meaning set forth in AA 16.4(b);
NEGATIVE IMBALANCE	shall have the meaning set forth in AA 15.4(b);

NEGATIVE IMBALANCE CORRECTION CHARGE	shall have the meaning set forth in AA 15.7(a);
NEGATIVE IMBALANCE PREMIUM or NIP	means the NEGATIVE IMBALANCE PREMIUM as set out in Schedule 5;
NEGATIVE IMBALANCE RATE or NIR	shall have the meaning set forth in AA 15.7(a);
NEGATIVE IMBALANCE TOLERANCE LEVEL or NITL	means the NITL as set out in Schedule 5;
NEW FACILITIES	means metering facilities and/or pipeline and other equipment and/or appliances required to enable to the provision of the SERVICES to a particular SHIPPER that are an extension of the GAS TRANSPORTATION SYSTEM;
NEW FACILITIES REQUEST	shall have the meaning set forth in AA 3.7(b);
NOMINATED	means that SHIPPER has given a NOMINATION;
NOMINATION	shall have the meaning set forth in AA 7.2(a);
NOMINATION PERIOD	means, in respect of each DAY during the TRANSPORTATION PERIOD, a period of twenty-four (24) consecutive hours within the DAY, and the first NOMINATION PERIOD on a DAY shall commence on 0600 hours on the DAY;
OFF-SPECIFICATION GAS	shall have the meaning set forth in AA 11.4(a);
OFF-SPECIFICATION GAS NOTICE	means a notice given by a SHIPPER to TRANSPORTER of the injection or anticipated injection of OFF-SPECIFICATION GAS into the GAS TRANSPORTATION SYSTEM, which must include the information set out in AA 11.4(a);
OFO HANDLING PROCEDURE	means the procedure developed by TRANSPORTER in respect of OFOs in accordance with the TPA CODE;
OFO NOTICE	means a notice given by TRANSPORTER which includes the information set out in AA 4.5(c);
OPEN SEASON INVITATION	shall have the meaning set forth in AA 3.5(b);

OPERATIONAL FLOW ORDER or OFO	means an order issued by TRANSPORTER to SHIPPER, to alter GAS receipt and delivery, if in TRANSPORTER's opinion, such GAS may cause imbalance or adverse operating conditions of the GAS TRANSPORTATION SYSTEM;
OTHER SHIPPER	means any person other than SHIPPER that, at the relevant time, is delivering GAS into the GAS TRANSPORTATION SYSTEM and/or, as the context requires, receiving GAS from the GAS TRANSPORTATION SYSTEM pursuant to a GAS TRANSPORTATION AGREEMENT;
OVERRUN	shall have the meaning set forth in AA 15.10(b);
OVERRUN CORRECTION CHARGE	shall have the meaning set forth in AA 15.10(c);
OVERRUN PENALTY FACTOR	means the OVERRUN PENALTY FACTOR as set out in Schedule 5;
OVERRUN RATE or OR	shall have the meaning set forth in AA 15.10(c);
OVERRUN TOLERANCE LEVEL or OTL	means the OTL as set out in Schedule 5;
PARTICIPATING SHIPPER	means a SHIPPER or PROSPECTIVE SHIPPER who responds to an OPEN SEASON INVITATION with a request for new RESERVED FIRM CAPACITY;
PARTY	where used in this ACCESS ARRANGEMENT, includes TRANSPORTER, a SHIPPER or a CONNECTED PARTY, as the context requires, and (a) in relation to a GAS TRANSPORTATION AGREEMENT, means TRANSPORTER or SHIPPER as the context requires; and (b) in relation to a GAS CONNECTION MANUAL, means TRANSPORTER or CONNECTED PARTY as the context requires.
PASCAL	means the international system or SI unit of pressure of that name;
PGB	shall have the meaning set forth in AA 1.3(a);
PGU	shall have the meaning set forth in AA 1.3(a);
PGU TRANSPORTATION SYSTEM	means the GAS TRANSPORTATION SYSTEM;

POSITIVE IMBALANCE	shall have the meaning set forth in AA 15.4(c);
POSITIVE IMBALANCE TOLERANCE LEVEL or PITL	means the POSITIVE IMBALANCE TOLERANCE LEVEL as set out in Schedule 5;
PRESCRIBED FORM	means in relation to any notice or other document referred to in this ACCESS ARRANGEMENT as prescribed by TRANSPORTER from time to time, and as provided on the WEBSITE;
PRIORITY OF SERVICE	shall have the meaning set forth in AA 4.4(c);
PROSPECTIVE SHIPPER	shall have the meaning set forth in AA 2.1(a);
QMIN	means the minimum flow rate at which the MEASURING EQUIPMENT is able to measure the GAS flow rate to an EXIT POINT accurately and in respect of a particular EXIT POINT is as specified in the SPECIFIC TERMS AND CONDITIONS;
REASONABLE AND PRUDENT TRANSPORTER	means a person acting in good faith with the intention of performing its obligations under all relevant contracts and the GAS TRANSPORTATION AGREEMENT and/or the GAS CONNECTION MANUAL (if applicable) and who, in so doing and in the general conduct of its undertaking, exercises that degree of diligence, prudence and foresight which would reasonably and ordinarily be exercised by a skilled and experienced person complying with APPLICABLE LAWS and engaged in the same type of undertaking and under the same or similar circumstances and conditions;
REASONABLE ENDEAVOURS	means, for any action required to be made, tried, or taken by a PARTY under a GAS TRANSPORTATION AGREEMENT or a GAS CONNECTION MANUAL (as applicable), the efforts that a prudent person would undertake to protect its own interests, including commercial interests, taking into account the conditions affecting the action, including the amount of notice to act, recognition of the need to act, the duration and type of action, the competitive environment in which the action happens, and the projected benefit, cost, and risk to the PARTY required to take the action;

RECEIVING PARTY	<p>in respect of:</p> <ul style="list-style-type: none"> (a) a GAS TRANSPORTATION AGREEMENT, shall have the meaning set forth in AA 23.1; and (b) a GAS CONNECTION MANUAL, shall have the meaning set forth in CTC 20.1;
RELATED DISPUTE	<p>means, in respect of:</p> <ul style="list-style-type: none"> (a) a GAS TRANSPORTATION AGREEMENT, any dispute controversy or claim arising out of or in connection with any other GAS TRANSPORTATION AGREEMENT entered into by TRANSPORTER in relation to the GAS TRANSPORTATION SYSTEM (including any dispute as to its formation), which raises substantially the same or connected factual and/or legal issues as any DISPUTE under the GAS TRANSPORTATION AGREEMENT; and (b) a GAS CONNECTION MANUAL, any dispute controversy or claim arising out of or in connection with any other GAS CONNECTION MANUAL entered into by TRANSPORTER in relation to the GAS TRANSPORTATION SYSTEM (including any dispute as to its formation), which raises substantially the same or connected factual and/or legal issues as any DISPUTE under the GAS CONNECTION MANUAL;
REQUESTING SHIPPER	<p>shall have the meaning set forth in AA 3.6(a);</p>
RESERVED CAPACITY	<p>means, in respect of a DAY, the CAPACITY in the GAS TRANSPORTATION SYSTEM that TRANSPORTER will reserve, make available and provide to a SHIPPER, on either a RESERVED FIRM CAPACITY basis or a RESERVED INTERRUPTIBLE CAPACITY basis and in respect of a particular SHIPPER is as set out in the SPECIFIC TERMS AND CONDITIONS applicable to that SHIPPER;</p>

RESERVED FIRM
CAPACITY

means, in respect of a DAY, the CAPACITY in the GAS TRANSPORTATION SYSTEM, comprising the DAILY QUANTITY, that is reserved to a SHIPPER and which TRANSPORTER will reserve, make available and provide to SHIPPER, in respect of an ENTRY POINT and EXIT POINT, and SHIPPER'S entitlement to flow GAS through the GAS TRANSPORTATION SYSTEM at a constant rate in GJ/DAY on an hourly basis and in respect of a particular SHIPPER is as set out in the SPECIFIC TERMS AND CONDITIONS applicable to that SHIPPER;

RESERVED
INTERRUPTIBLE
CAPACITY

means, the provision of CAPACITY in the GAS TRANSPORTATION SYSTEM, comprising the DAILY QUANTITY, that is reserved to a SHIPPER which is subject to interruption, and may be temporarily reduced (including reduced to zero), when TRANSPORTER determines that CAPACITY is not available in the GAS TRANSPORTATION SYSTEM for any reason whatsoever and in respect of a particular SHIPPER is as set out in the SPECIFIC TERMS AND CONDITIONS applicable to that SHIPPER;

RM

means Ringgit Malaysia, the lawful currency of Malaysia;

SCHEDULED
MAINTENANCE

means, in respect of:

- (a) a GAS TRANSPORTATION AGREEMENT, the inspection, maintenance, repair, modification, or replacement of the GAS TRANSPORTATION SYSTEM (as applicable) in accordance with AA 10.0; and
- (b) a GAS CONNECTION MANUAL, the inspection, maintenance, repair, modification, or replacement of the CONNECTED PARTY'S FACILITIES or the GAS TRANSPORTATION SYSTEM (as applicable) in accordance with CTC 9.1;

SCHEDULED
MAINTENANCE PLAN

means the plan prepared by TRANSPORTER in accordance with the TPA CODE and AA 10.0 which sets out the plan for maintenance in respect of the GAS TRANSPORTATION SYSTEM in respect of a YEAR;

SERVICES

shall have the meaning set forth in AA 4.1(a) and in respect of a particular SHIPPER is as set out in the SPECIFIC TERMS AND CONDITIONS applicable to that SHIPPER;

SHIPPER	means a person that holds a SHIPPING LICENCE and ships GAS on the GAS TRANSPORTATION SYSTEM pursuant to a GAS TRANSPORTATION AGREEMENT, and in respect of a particular GAS TRANSPORTATION AGREEMENT, means the person named as SHIPPER in the relevant GAS TRANSPORTATION AGREEMENT unless the context requires otherwise;
SHIPPING LICENCE	means a licence for the shipping of GAS granted under section 11A of the GAS SUPPLY ACT;
SPECIFIC TERMS AND CONDITIONS	means the SPECIFIC TERMS AND CONDITIONS set out in Part III to a GAS TRANSPORTATION AGREEMENT;
SPOT BASIS	means RESERVED FIRM CAPACITY that is provided for a TRANSPORTATION PERIOD of less than 12 MONTHS;
STANDARD CONNECTION TERMS AND CONDITIONS	means the terms and conditions set out in Part II to the GAS CONNECTION MANUAL, as set out in Part II of Schedule 6;
SYSTEM CORRECTION CHARGE	means the NEGATIVE IMBALANCE CORRECTION CHARGE, VARIANCE CORRECTION CHARGE and OVERRUN CORRECTION CHARGE;
SYSTEM RESTORATION COSTS	means costs of restoring the GAS TRANSPORTATION SYSTEM following an OFO, including: <ul style="list-style-type: none"> (a) capacity usage charges; (b) implementation costs of OFO processes; (c) replacement and repair costs of the GAS TRANSPORTATION SYSTEM assets; and (d) other costs;
TARGET DATE FOR PRACTICAL COMPLETION	means the target date for practical completion of the CONNECTION WORKS as specified in the construction and commissioning timetable set out in the GAS CONNECTION MANUAL between a CONNECTED PARTY and TRANSPORTER and as may be amended pursuant to that GAS CONNECTION MANUAL;

TAX or TAXES	shall include but not be limited to any customs, income, profit, withholding, franchise, excess profits, royalties, other taxes, excises, fees, duties, levies, sales and use taxes and value added taxes, personal property taxes, employment taxes, charges and all other assessments, which may or may not hereafter be enacted, levied or imposed, directly or indirectly, by law, regulations or trade union contracts which may be imposed by a GOVERNMENT BODY and shall include penalties, interest and fines in respect thereof;
TECHNICAL REQUIREMENTS	means the technical requirements specified by TRANSPORTER in relation to the design, construction, connection and installation of the CONNECTED PARTY'S CONNECTION FACILITIES, as further described in the GAS CONNECTION MANUAL between that CONNECTED PARTY and TRANSPORTER;
TERMINATION DATE	in relation to: <ul style="list-style-type: none"> (a) a GAS TRANSPORTATION AGREEMENT, shall have the meaning set forth in AA 19.1; and (b) a GAS CONNECTION MANUAL, means the date of completion of the DECOMMISSIONING of the CONNECTION FACILITIES as notified by TRANSPORTER to CONNECTED PARTY following the EXPIRY DATE or the date of earlier termination of the GAS CONNECTION MANUAL in accordance with its terms;
THIRD PARTY	means, in respect of a GAS TRANSPORTATION AGREEMENT or a GAS CONNECTION MANUAL, any person other than a PARTY to that GAS TRANSPORTATION AGREEMENT or GAS CONNECTION MANUAL (as applicable);
TPA CODE	means the Third Party Access Code for Malaysian Transmission Pipelines established pursuant to section 37B of the GAS SUPPLY ACT and published by the COMMISSION;
TRANSFER	means any sale, assignment, pledge, charge, or other disposition by a PARTY of any rights or obligations derived from a GAS TRANSPORTATION AGREEMENT or a GAS CONNECTION MANUAL (as applicable);
TRANSFEREE	shall have the meaning set forth in AA 25.4(a);
TRANSFEROR	shall have the meaning set forth in AA 25.4(a);

TRANSPORTATION CHARGE	shall have the meaning set forth in AA 5.2(a);
TRANSPORTATION LICENSEE	means a person that holds a licence for the transportation of GAS granted under section 11A of the GAS SUPPLY ACT;
TRANSPORTATION PERIOD	means the period for which RESERVED CAPACITY is reserved for a SHIPPER and in respect of a particular GAS TRANSPORTATION AGREEMENT, means the period beginning on the COMMENCEMENT DATE and, subject to the provisions of the GAS TRANSPORTATION AGREEMENT, ending on the TERMINATION DATE;
TRANSPORTER	means the owner and/or TRANSPORTER of the GAS TRANSPORTATION SYSTEM and as at the date of this ACCESS ARRANGEMENT is PGB;
TRANSPORTER MAINTENANCE NOTIFICATION	shall have the meaning set forth in AA 10.2(a);
TRANSPORTER'S CONNECTION FACILITIES	means the facilities used by TRANSPORTER to connect the CONNECTED PARTY'S CONNECTION FACILITIES to the GAS TRANSPORTATION SYSTEM as further described in the GAS CONNECTION MANUAL between that CONNECTED PARTY and TRANSPORTER;
TRANSPORTER'S CONNECTION WORKS	means the works to be undertaken by TRANSPORTER to connect the CONNECTED PARTY'S CONNECTION FACILITIES to the GAS TRANSPORTATION SYSTEM, as further described in the GAS CONNECTION MANUAL between that CONNECTED PARTY and TRANSPORTER;
TRANSPORTATION SERVICE	shall have the meaning set forth in AA 4.2(a) and in respect of a particular SHIPPER is as set out in the SPECIFIC TERMS AND CONDITIONS;
TRANSPORTATION TARIFF	means the TRANSPORTATION TARIFF as published on the WEBSITE from time to time (as may be amended from time to time in accordance with AA 5.4);
UNDER-USED CAPACITY	shall have the meaning set forth in AA 26(c);
UNDER-USING SHIPPER	shall have the meaning set forth in AA 26(c);
UNDER-UTILISATION NOTICE	shall have the meaning set forth in AA 26.0(c)(iv);

UNSCHEDULED MAINTENANCE	means inspection, maintenance, repair, modification, or replacement of the CONNECTED PARTY'S FACILITIES or the GAS TRANSPORTATION SYSTEM (as applicable) that is not SCHEDULED MAINTENANCE;
USE-IT-OR-LOSE-IT	shall have the meaning set forth in AA 26(b);
VARIANCE	shall have the meaning set forth in AA 15.9(b);
VARIANCE CORRECTION CHARGE	shall have the meaning set forth in AA 15.9(c);
VARIANCE PENALTY FACTOR	means the VARIANCE PENALTY FACTOR as set out in Schedule 5;
VARIANCE RATE or VR	shall have the meaning set forth in AA 15.9(c);
VARIANCE TOLERANCE LEVEL or VTL	means the VARIANCE TOLERANCE LEVEL as set out in Schedule 5;
WEBSITE	means TRANSPORTER'S website available at www.petronasgas.com ; and
YEAR	means the period of time beginning at 06:00 hours from 1 January in any calendar year to 06:00 hours on 1 January in the following calendar year.

1.2 Construction and Interpretation

- (a) Unless a contrary indication appears, any reference in the GAS TRANSPORTATION AGREEMENT to:
- (i) any PARTY shall be construed so as to include its successors in title and permitted assigns;
 - (ii) words importing the singular only also include the plural and vice versa where the context so requires;
 - (iii) an agreement or any other instrument is a reference to such agreement or other instrument as amended, supplemented or novated from time to time in accordance with, and subject to, any requirements of such agreement and (in the case of a reference to any other instrument) that instrument;
 - (iv) a person includes any individual, firm, company, corporation, unincorporated organisation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or any other entity;
 - (v) a regulation includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but where it does not have the force of law, being one that a REASONABLE AND PRUDENT

TRANSPORTER would comply with) of any governmental, intergovernmental or supranational body, agency, department or regulatory, or other authority or organisation;

- (vi) a provision of any statute, law, statutory instrument or regulation is a reference to that provision as amended or re-enacted or consolidated from time to time as far as such amendment, re-enactment or consolidation applies or is capable of applying to any transactions entered into under the GAS TRANSPORTATION AGREEMENT;
 - (vii) any amount of money will mean a reference to the amount in RM;
 - (viii) any quantity of GAS means a reference to the amount of heat energy in GJ;
 - (ix) a time of day is a reference to Malaysian time;
 - (x) words of any gender include each other gender;
 - (xi) a period of time shall be based on, and computed according to, the Gregorian calendar;
 - (xii) any capitalised words, terms phrases and abbreviations used specifically in any schedule to this ACCESS ARRANGEMENT shall have the meanings set forth in such schedule to this ACCESS ARRANGEMENT; and
 - (xiii) "include" and "including" shall mean include or including without limiting the generality of the description preceding such term and are used in an illustrative sense and not a limiting sense.
- (b) Headings are for ease of reference only.
 - (c) The phrase "normal business hours" will mean Monday to Friday, from 0800hrs to 1700hrs Malaysian standard time.
 - (d) Where a word or expression is defined in this ACCESS ARRANGEMENT, cognate words and expressions will be construed accordingly.
 - (e) Any reference in this ACCESS ARRANGEMENT to "this ACCESS ARRANGEMENT" or "this document" will mean the Articles and Schedules of this ACCESS ARRANGEMENT and will be read as one document.
 - (f) References in this ACCESS ARRANGEMENT to AAs and Schedules are to Articles and Schedules of this ACCESS ARRANGEMENT.
 - (g) References in this ACCESS ARRANGEMENT to CTCs are to CTCs of the STANDARD CONNECTION TERMS AND CONDITIONS unless provided to the contrary.
 - (h) In the event of a conflict, a mathematical formula describing a concept or defining a term prevails over words describing the concept or defining the term.

- (i) If the day or DAY on or by which a person must make a payment under a GAS TRANSPORTATION AGREEMENT or a GAS CONNECTION MANUAL is not a BUSINESS DAY, the person must do it on or by the next BUSINESS DAY.
- (j) For the purposes of a GAS TRANSPORTATION AGREEMENT or a GAS CONNECTION MANUAL, and except as provided otherwise:
 - (i) any fractional part of an RM will be rounded to two (2) places after the decimal point with the 2nd decimal being rounded up if the 2nd decimal is "5" or a greater number, and rounded down if the 2nd decimal is less than "5"; and
 - (ii) any quantity of GAS will be rounded to the nearest GJ.

1.3 **Legal Framework**

- (a) This document sets out the ACCESS ARRANGEMENT that applies to the Peninsular Gas Utilisation Transportation System ("PGU") operated by Petronas Gas Berhad ("PGB") in Peninsular Malaysia. It contains the standard principles of arrangement between PGB, as TRANSPORTER, and persons who wish to access, or have obtained access to, the GAS TRANSPORTATION SYSTEM.
- (b) This ACCESS ARRANGEMENT has been developed by TRANSPORTER in accordance with the TPA CODE and the GAS SUPPLY ACT.
- (c) This ACCESS ARRANGEMENT has been approved by the COMMISSION in accordance with the TPA CODE and is effective from the date of its publication on the WEBSITE.

1.4 **The GAS TRANSPORTATION SYSTEM to which this ACCESS ARRANGEMENT relates**

- (a) This ACCESS ARRANGEMENT relates to the PGU TRANSPORTATION SYSTEM which stretches across Peninsular Malaysia.
- (b) A schematic diagram of the GAS TRANSPORTATION SYSTEM, which is current as at the date of this ACCESS ARRANGEMENT, is set out at Schedule 1.
- (c) A general description and schematic diagram of the GAS TRANSPORTATION SYSTEM, which is updated by TRANSPORTER from time to time, is published on the TRANSPORTER'S WEBSITE.

2.0 **ACCESS TO SERVICES**

2.1 **Overview**

- (a) This AA 2.0 sets out the process which must be followed by a person who wishes to register to obtain access to SERVICES provided by means of the GAS TRANSPORTATION SYSTEM ("PROSPECTIVE SHIPPER"). For the avoidance of doubt, a PROSPECTIVE SHIPPER is a person:

Open

- (i) that holds a SHIPPING LICENCE in accordance with the GAS SUPPLY ACT but has not entered into a GTA with TRANSPORTER; and
 - (ii) that has or will have title to GAS at the time it enters the GAS TRANSPORTATION SYSTEM at the relevant ENTRY POINT.
- (b) Once a PROSPECTIVE SHIPPER is registered to receive SERVICES, the PROSPECTIVE SHIPPER may apply for AVAILABLE FIRM CAPACITY or AVAILABLE INTERRUPTIBLE CAPACITY by making a CAPACITY RESERVATION APPLICATION in accordance with AA 3.0.

2.2 ACCESS APPLICATION

- (a) A PROSPECTIVE SHIPPER that wishes to register to obtain access to SERVICES must complete and submit to TRANSPORTER an application:
- (i) in the form published on the WEBSITE; and
 - (ii) in accordance with any requirements as set out on the WEBSITE or in this ACCESS ARRANGEMENT, including providing any necessary supporting documents with the application form,
- ("ACCESS APPLICATION").
- (b) TRANSPORTER is only required to consider an ACCESS APPLICATION if it satisfies the requirements set out in AA 2.2(a) and it is complete and accurate.
- (c) TRANSPORTER will acknowledge receipt of an ACCESS APPLICATION within three (3) DAYS of receipt of an application that complies with AA 2.2(b).

2.3 TRANSPORTER assessment

- (a) TRANSPORTER will assess a PROSPECTIVE SHIPPER'S ACCESS APPLICATION in accordance with the TPA CODE and the GAS SUPPLY ACT.
- (b) In the course of assessing an ACCESS APPLICATION, TRANSPORTER may request the PROSPECTIVE SHIPPER to provide further information to TRANSPORTER or to respond to queries in connection with its ACCESS APPLICATION. The PROSPECTIVE SHIPPER must promptly comply with any such request.
- (c) As part of its consideration of an ACCESS APPLICATION, TRANSPORTER shall conduct a credit worthiness check of the PROSPECTIVE SHIPPER. This check may result in the PROSPECTIVE SHIPPER being required to provide security to TRANSPORTER as a condition of TRANSPORTER'S provision of SERVICES to the PROSPECTIVE SHIPPER under a GTA. TRANSPORTER will conduct this check in accordance with the CREDIT WORTHINESS PROCEDURE.

2.4 **Criteria for Assessment**

In assessing a PROSPECTIVE SHIPPER'S ACCESS APPLICATION, the TRANSPORTER must have regard to the following criteria:

- (a) the PROSPECTIVE SHIPPER holds a SHIPPING LICENCE in accordance with the GAS SUPPLY ACT;
- (b) entering into a GTA with the PROSPECTIVE SHIPPER would not, in TRANSPORTER'S opinion, prevent TRANSPORTER from fulfilling its obligations under the TPA CODE;
- (c) the PROSPECTIVE SHIPPER is able to meet the necessary security or credit limit stipulations determined by TRANSPORTER in accordance with the CREDIT WORTHINESS PROCEDURE; and
- (d) the GAS TRANSPORTATION SYSTEM has, in TRANSPORTER'S opinion, sufficient CAPACITY to meet the requirements of the PROSPECTIVE SHIPPER.

2.5 **TRANSPORTER to approve or reject**

- (a) TRANSPORTER will approve an ACCESS APPLICATION from a PROSPECTIVE SHIPPER unless any of the criteria in AA 2.4 are not satisfied.
- (b) TRANSPORTER must notify the PROSPECTIVE SHIPPER whether its ACCESS APPLICATION has been approved or rejected (in whole or part) as soon as reasonably practicable and in any event not later than 30 DAYS after receipt of the ACCESS APPLICATION that complies with AA 2.2(b) or after receipt of any information requested by TRANSPORTER under AA 2.3(b).

3.0 **CAPACITY ALLOCATION MECHANISM**

3.1 **Overview of CAPACITY ALLOCATION MECHANISM**

- (a) This AA 3.0 sets out the process and principles that TRANSPORTER will apply in allocating the CAPACITY of the GAS TRANSPORTATION SYSTEM to SHIPPERS (being, persons that have an existing GTA with TRANSPORTER) and PROSPECTIVE SHIPPERS (being, persons who have made an ACCESS APPLICATION to TRANSPORTER and are yet to enter into a GTA with TRANSPORTER).
- (b) TRANSPORTER will publish from time to time on the WEBSITE:
 - (i) the CAPACITY of the GAS TRANSPORTATION SYSTEM; and
 - (ii) the AVAILABLE FIRM CAPACITY in respect of the GAS TRANSPORTATION SYSTEM.

3.2 General requirements for CAPACITY RESERVATION APPLICATION

- (a) A SHIPPER or PROSPECTIVE SHIPPER may apply to TRANSPORTER for RESERVED CAPACITY by completing and submitting an application:
 - (i) in the form published on the WEBSITE; and
 - (ii) in accordance with AA 3.2(d) and with any other requirements as set out on the WEBSITE, including providing any necessary supporting documents with the application form,("CAPACITY RESERVATION APPLICATION").
- (b) A CAPACITY RESERVATION APPLICATION may be made for RESERVED FIRM CAPACITY or RESERVED INTERRUPTIBLE CAPACITY. RESERVED INTERRUPTIBLE CAPACITY differs from RESERVED FIRM CAPACITY in two important ways:
 - (i) RESERVED INTERRUPTIBLE CAPACITY can be interrupted by TRANSPORTER at any time and for any reason; and
 - (ii) the TRANSPORTATION CHARGES for RESERVED INTERRUPTIBLE CAPACITY differ from the TRANSPORTATION CHARGES for RESERVED FIRM CAPACITY, reflecting that RESERVED INTERRUPTIBLE CAPACITY can be interrupted by TRANSPORTER at any time and for any reason.
- (c) TRANSPORTER will offer AVAILABLE INTERRUPTIBLE CAPACITY to SHIPPERS and PROSPECTIVE SHIPPERS after the AVAILABLE FIRM CAPACITY has been fully reserved.
- (d) A CAPACITY RESERVATION APPLICATION must include:
 - (i) the type of RESERVED CAPACITY applied for – being, AVAILABLE FIRM CAPACITY or AVAILABLE INTERRUPTIBLE CAPACITY;
 - (ii) each ENTRY POINT and EXIT POINT for which the RESERVED CAPACITY is required;
 - (iii) the DAILY QUANTITY required for each ENTRY POINT and EXIT POINT, and the aggregate RESERVED CAPACITY required, which must not be more than the AVAILABLE FIRM CAPACITY or AVAILABLE INTERRUPTIBLE CAPACITY (as applicable) for the relevant ENTRY POINT and EXIT POINT on the DAY to which its request relates;
 - (iv) whether RESERVED CAPACITY is required on a SPOT BASIS;
 - (v) the TRANSPORTATION PERIOD required, which, except where the RESERVED CAPACITY is requested on a SPOT BASIS, is not to be less than twelve (12) MONTHS or any shorter period agreed between TRANSPORTER and SHIPPER or PROSPECTIVE SHIPPER and approved by the COMMISSION;

- (vi) whether or not SHIPPER or PROSPECTIVE SHIPPER will accept a reservation of RESERVED CAPACITY of less than it has applied for; and
 - (vii) any other information that TRANSPORTER may reasonably require from SHIPPER or PROSPECTIVE SHIPPER.
- (e) A PROSPECTIVE SHIPPER must not apply for RESERVED CAPACITY unless it has also made an ACCESS APPLICATION pursuant to AA 2.0 (whether prior to or at the same time as its CAPACITY RESERVATION APPLICATION).
 - (f) TRANSPORTER is only required to consider a CAPACITY RESERVATION APPLICATION if it satisfies the requirements set out in AA 3.2(a) and it is complete and accurate.
 - (g) TRANSPORTER will acknowledge receipt of a CAPACITY RESERVATION APPLICATION within three (3) DAYS of receipt of an application that complies with AA 3.2(f).

3.3 Allocation of CAPACITY

- (a) TRANSPORTER will process CAPACITY RESERVATION APPLICATIONS on a "first-come-first-serve" basis.
- (b) TRANSPORTER will determine which SHIPPER or PROSPECTIVE SHIPPER made their CAPACITY RESERVATION APPLICATION first, by reference to the time stamp indicated on the electronic system or electronic mail showing when the application was received.
- (c) TRANSPORTER must notify SHIPPER or PROSPECTIVE SHIPPER whether its CAPACITY RESERVATION APPLICATION has been approved or rejected (in whole or part) as soon as reasonably practicable and in any event not later than thirty (30) DAYS after receipt of SHIPPER'S or PROSPECTIVE SHIPPER'S CAPACITY RESERVATION APPLICATION that complies with AA 3.2(f).

3.4 Entry into GTA or amendment to GTA

- (a) If:
 - (i) TRANSPORTER has approved PROSPECTIVE SHIPPER'S ACCESS APPLICATION pursuant to AA 2.5; and
 - (ii) TRANSPORTER approves PROSPECTIVE SHIPPER'S CAPACITY RESERVATION APPLICATION pursuant to AA 3.3,

TRANSPORTER will offer PROSPECTIVE SHIPPER to enter into a GTA which sets out the terms and conditions on which the SERVICES which TRANSPORTER has agreed to provide will be provided to the PROSPECTIVE SHIPPER. The GTA will include:

- (iii) the form of agreement of GTA, in the form published on the WEBSITE and approved by the COMMISSION in accordance with the TPA CODE;

- (iv) this ACCESS ARRANGEMENT; and
 - (v) any SPECIFIC TERMS AND CONDITIONS required by TRANSPORTER or requested by PROSPECTIVE SHIPPER and agreed by TRANSPORTER and included in Part III of the GTA.
- (b) PROSPECTIVE SHIPPER must within thirty (30) BUSINESS DAYS of receipt of an offer from TRANSPORTER pursuant to AA 3.4(f), notify TRANSPORTER whether it accepts or rejects the TRANSPORTER'S offer. If PROSPECTIVE SHIPPER fails to notify TRANSPORTER within such time period, SHIPPER will be deemed to have rejected the TRANSPORTER'S offer and TRANSPORTER'S offer will be deemed to cease to have effect.
 - (c) On receipt of a notice of acceptance from the PROSPECTIVE SHIPPER pursuant to AA 3.4(b), TRANSPORTER will in good faith negotiate any SPECIFIC TERMS AND CONDITIONS required by TRANSPORTER or requested by PROSPECTIVE SHIPPER.
 - (d) If TRANSPORTER and PROSPECTIVE SHIPPER have not entered into a GTA within sixty (60) BUSINESS DAYS of the TRANSPORTER'S acceptance of the CAPACITY RESERVATION APPLICATION, TRANSPORTER'S offer will be deemed to cease to have effect and should PROSPECTIVE SHIPPER still require access to CAPACITY, it will need to re-apply for access to CAPACITY in accordance with this AA 3.0.
 - (e) Once a GTA has been executed by both TRANSPORTER and PROSPECTIVE SHIPPER, the PROSPECTIVE SHIPPER is a SHIPPER for the purposes of this ACCESS ARRANGEMENT and the GTA.
 - (f) If TRANSPORTER approves SHIPPER'S CAPACITY RESERVATION APPLICATION pursuant to AA 3.3, TRANSPORTER will notify SHIPPER of the necessary amendments to SHIPPER'S GTA to reflect the CAPACITY RESERVATION APPLICATION to the extent approved by TRANSPORTER. SHIPPER'S GTA will be deemed to be amended on the date specified in TRANSPORTER'S notice without the requirement for TRANSPORTER or SHIPPER to execute any further documents.

3.5 **Open Season**

- (a) When required by the TPA CODE, TRANSPORTER will carry out an "open season" to assess market demand for CAPACITY by evaluating the need for new CAPACITY and the possibility of an expansion of the GAS TRANSPORTATION SYSTEM. This open season will be carried out in accordance with this AA 3.5, the TPA CODE and any applicable guidelines published by the COMMISSION.
- (b) If TRANSPORTER is required to carry out an open season, TRANSPORTER will publish on its WEBSITE an invitation to SHIPPERS and PROSPECTIVE SHIPPERS to:

- (i) apply for new RESERVED FIRM CAPACITY, by submitting an application in the form and time period required by TRANSPORTER; or
 - (ii) relinquish existing RESERVED FIRM CAPACITY, by submitting an application in the form and time period required by TRANSPORTER, ("OPEN SEASON INVITATION").
- (c) TRANSPORTER will also circulate the OPEN SEASON INVITATION to all SHIPPERS.
- (d) A SHIPPER is only able to relinquish existing RESERVED FIRM CAPACITY pursuant to this AA 3.5 if OTHER SHIPPERS or PROSPECTIVE SHIPPERS agree to take up that RESERVED FIRM CAPACITY on the same terms and conditions, including the same TRANSPORTATION CHARGES.
- (e) TRANSPORTER will promptly assess any responses received to the OPEN SEASON INVITATION. If TRANSPORTER concludes that any request for new RESERVED FIRM CAPACITY can be met without an expansion of the GAS TRANSPORTATION SYSTEM, TRANSPORTER will allocate the available capacity to the PARTICIPATING SHIPPERS accordingly subject to the approval of the COMMISSION.
- (f) If TRANSPORTER concludes that any request for new RESERVED FIRM CAPACITY cannot be met without an expansion of the GAS TRANSPORTATION SYSTEM, TRANSPORTER will develop a detailed plan for meeting that unmet RESERVED FIRM CAPACITY in accordance with the TPA CODE ("EXPANSION PLAN").
- (g) The EXPANSION PLAN will be approved by the COMMISSION in accordance with the TPA CODE. TRANSPORTER will provide a copy of the approved EXPANSION PLAN to all PARTICIPATING SHIPPERS, provided that TRANSPORTER may redact from such EXPANSION PLAN any commercially sensitive information or information that is confidential to third parties.
- (h) If a PARTICIPATING SHIPPER agrees to the approved EXPANSION PLAN and is required by TRANSPORTER, in accordance with the EXPANSION PLAN, to register for the proposed additional RESERVED FIRM CAPACITY, it must enter into a binding agreement with TRANSPORTER giving effect to its registration, in the form reasonably required by TRANSPORTER and approved by the COMMISSION.
- (i) TRANSPORTER will implement and comply with the EXPANSION PLAN. Upon completion of the EXPANSION PLAN, the PARTICIPATING SHIPPERS who have executed a binding agreement with TRANSPORTER as contemplated in AA 3.5(h) will each enter into an agreement with TRANSPORTER (in the form of a GTA or, where the PARTICIPATING SHIPPER is party to an existing GTA with TRANSPORTER, an amended GTA), which sets out the terms and conditions on which the PARTICIPATING SHIPPER will receive SERVICES in respect of the additional RESERVED FIRM CAPACITY.

3.6 **Minor expansions**

- (a) A SHIPPER or PROSPECTIVE SHIPPER ("REQUESTING SHIPPER") may request TRANSPORTER to undertake a minor expansion of the GAS TRANSPORTATION SYSTEM.
- (b) If in the opinion of TRANSPORTER, the expansion will not require substantial investment, TRANSPORTER will determine the estimated cost of the expansion, and how it intends to recover such cost in respect of the relevant expansion and provide the REQUESTING SHIPPER with a written report describing:
 - (i) the terms and conditions on which TRANSPORTER will undertake the expansion, including details of the works required to undertake the expansion, the proposed timeframe for undertaking those works and the proposed methodology for recovering the costs of such expansion from the REQUESTING SHIPPER; and
 - (ii) the process (including the time period) required to be undertaken by the REQUESTING SHIPPER if it wishes to proceed with the expansion, ("FEASIBILITY REPORT").
- (c) If the REQUESTING SHIPPER wishes to proceed with the expansion, it must notify TRANSPORTER within the time period specified in the FEASIBILITY REPORT and enter into an arrangement with TRANSPORTER to implement the expansion on the terms and conditions set out in the FEASIBILITY REPORT or as otherwise agreed by the REQUESTING SHIPPER and TRANSPORTER.
- (d) The method of cost recovery for any minor expansion will be subject to the approval of the COMMISSION.
- (e) If the minor expansion will, in the opinion of TRANSPORTER, require substantial investment, TRANSPORTER has no obligation to proceed with the expansion.

3.7 **Option to construct NEW FACILITIES**

- (a) A SHIPPER may construct NEW FACILITIES at its cost with the prior written consent of TRANSPORTER.
- (b) A SHIPPER that wishes to construct NEW FACILITIES and connect them to the GAS TRANSPORTATION SYSTEM must make an application to TRANSPORTER, such application to include:
 - (i) details of the NEW FACILITIES to be constructed, including their design and proposed location;
 - (ii) the proposed timing of connection of such NEW FACILITIES to the GAS TRANSPORTATION SYSTEM;

- (iii) evidence that the NEW FACILITIES will, when constructed, comply with the applicable technical standards published by TRANSPORTER from time to time;
 - (iv) the proposed contractor that will construct the NEW FACILITIES and evidence of the contractor's financial, technical and operational capability to construct the NEW FACILITIES in accordance with the applicable technical standards published by TRANSPORTER from time to time; and
 - (v) any other information reasonably requested by TRANSPORTER, ("NEW FACILITIES REQUEST").
- (c) TRANSPORTER may approve or reject a NEW FACILITIES REQUEST in its discretion. If TRANSPORTER rejects a NEW FACILITIES REQUEST, TRANSPORTER can elect to undertake the construction of the NEW FACILITIES, and if that offer is accepted by SHIPPER, TRANSPORTER and SHIPPER must enter into a GCM in respect of such NEW FACILITIES.
- (d) Without limiting AA 3.7(c), TRANSPORTER may reject a NEW FACILITIES REQUEST if:
- (i) the NEW FACILITIES are not anticipated to meet the technical standards published by TRANSPORTER from time to time, including if the proposed contractor does not in TRANSPORTER'S opinion, have the financial, technical and operational capability to construct the NEW FACILITIES; or
 - (ii) there is, in the opinion of TRANSPORTER, an overriding operational reason why the NEW FACILITIES should not be attached to the GAS TRANSPORTATION SYSTEM including (but not limited to) relating to duplication of equipment and pressure losses in the system.
- (e) Where TRANSPORTER has agreed to SHIPPER constructing the NEW FACILITIES, upon construction of the NEW FACILITIES, SHIPPER must do all things necessary to ensure that ownership of such NEW FACILITIES is handed over to TRANSPORTER and to ensure compatibility of the connection of the NEW FACILITIES with the GAS TRANSPORTATION SYSTEM.
- (f) SHIPPER will be required to enter into such binding arrangements as are necessary and are requested by TRANSPORTER to give effect to the matters contemplated in this AA 3.7, which may include entry into of a GCM.

3.8 Relocation of RESERVED FIRM CAPACITY

- (a) A SHIPPER may relocate all or any part of its RESERVED FIRM CAPACITY in respect of an ENTRY POINT or an EXIT POINT to another ENTRY POINT or EXIT POINT with TRANSPORTER'S prior written consent and provided that there is no change in SHIPPER'S total RESERVED FIRM CAPACITY.

- (b) If a SHIPPER wishes to relocate all or part of its RESERVED FIRM CAPACITY, it must submit to TRANSPORTER a RESERVED FIRM CAPACITY relocation application in the form prescribed by TRANSPORTER ("CAPACITY RELOCATION APPLICATION").
- (c) TRANSPORTER may reject a CAPACITY RELOCATION APPLICATION if:
 - (i) the relocation would result in a change to the RESERVED FIRM CAPACITY in respect of all EXIT POINTS and ENTRY POINTS for SHIPPER;
 - (ii) SHIPPER does not comply with the requirements set out in the form prescribed by TRANSPORTER for a CAPACITY RELOCATION APPLICATION; or
 - (iii) there is insufficient AVAILABLE FIRM CAPACITY available at the relevant ENTRY POINT or EXIT POINT.

4.0 SERVICES

4.1 SERVICES to be provided to SHIPPERS

- (a) TRANSPORTER will make the following SERVICES available in relation to the GAS TRANSPORTATION SYSTEM:
 - (i) TRANSPORTATION SERVICES; and
 - (ii) such other services as may be agreed in writing between the TRANSPORTER and a SHIPPER in relation to the GAS TRANSPORTATION SYSTEM,in accordance with the TPA CODE and APPLICABLE LAWS.
- (b) For the avoidance of doubt, except where otherwise agreed between TRANSPORTER and a SHIPPER, the SERVICES of TRANSPORTER will not include the production, processing or sale of GAS.
- (c) The SERVICES the subject of a particular GAS TRANSPORTATION AGREEMENT will be as specified in the SPECIFIC TERMS AND CONDITIONS incorporated in that GTA.
- (d) The PARTIES acknowledge that, notwithstanding anything to the contrary expressed or implied in a GAS TRANSPORTATION AGREEMENT, TRANSPORTER will retain and SHIPPER will have no control over:
 - (i) the method of provision of the SERVICES; or
 - (ii) the manner in which TRANSPORTER conducts its physical operations.

4.2 **TRANSPORTATION SERVICES**

- (a) TRANSPORTER will make the following TRANSPORTATION SERVICES available in relation to the GAS TRANSPORTATION SYSTEM:
 - (i) FIRM TRANSPORTATION SERVICE; and
 - (ii) INTERRUPTIBLE TRANSPORTATION SERVICE.
- (b) The FIRM TRANSPORTATION SERVICE comprises:
 - (i) receipt of GAS at ENTRY POINTS;
 - (ii) transportation of GAS from ENTRY POINTS to EXIT POINTS; and
 - (iii) delivery of GAS at EXIT POINTS,on a RESERVED FIRM CAPACITY basis.
- (c) The INTERRUPTIBLE TRANSPORTATION SERVICE comprises:
 - (i) receipt of GAS at ENTRY POINTS;
 - (ii) transportation of GAS from ENTRY POINTS to EXIT POINTS; and
 - (iii) delivery of GAS at EXIT POINTS,on a RESERVED INTERRUPTIBLE CAPACITY basis.

4.3 **RESERVED CAPACITY**

- (a) GAS delivered by SHIPPER at an ENTRY POINT and received by SHIPPER at an EXIT POINT must not exceed the RESERVED FIRM CAPACITY and/or RESERVED INTERRUPTIBLE CAPACITY (as applicable) for the relevant ENTRY POINT or EXIT POINT (as applicable).
- (b) TRANSPORTER is not obliged to receive at an ENTRY POINT or deliver at an EXIT POINT a quantity of GAS greater than the RESERVED FIRM CAPACITY and/or RESERVED INTERRUPTIBLE CAPACITY (as applicable) for the relevant ENTRY POINT or EXIT POINT (as applicable).

4.4 **Reduction in SERVICES**

- (a) Except as provided in AA 4.4(d) and AA 21.3(a), TRANSPORTER may CURTAIL the provision of the SERVICES to SHIPPER without incurring any liability to SHIPPER in the following circumstances:
 - (i) as a result of an EVENT OF FORCE MAJEURE;
 - (ii) if GAS received at an ENTRY POINT is OFF-SPECIFICATION GAS and is rejected (or deemed rejected) by TRANSPORTER in accordance with AA 11.4;

- (iii) for SCHEDULED MAINTENANCE or UNSCHEDULED MAINTENANCE or installation of the GAS TRANSPORTATION SYSTEM or associated facilities, including ENTRY POINTS and EXIT POINTS, interconnections, and compressors;
 - (iv) as a result of damage to a GAS TRANSPORTATION SYSTEM segment or associated facility used to provide SERVICES to SHIPPER;
 - (v) if the available CAPACITY to transport the total quantity of GAS NOMINATED by SHIPPER and all OTHER SHIPPERS under all GAS TRANSPORTATION AGREEMENTS is insufficient;
 - (vi) if SHIPPER does not comply with an OPERATIONAL FLOW ORDER given to SHIPPER;
 - (vii) by reason of an EMERGENCY;
 - (viii) if the GAS flow to an EXIT POINT is below the QMIN in accordance with AA 8.6; or
 - (ix) if SHIPPER fails to comply with its obligations under AA 11.3.
- (b) TRANSPORTER must inform SHIPPER of any CURTAILMENT as soon as reasonably practicable.
- (c) Except as provided in AA 4.6, without relieving TRANSPORTER of any of its obligations under the GAS TRANSPORTATION AGREEMENT, if there is insufficient CAPACITY to receive or deliver all of the quantities of GAS NOMINATED by all of SHIPPERS on any DAY, TRANSPORTER must allocate the available CAPACITY, and CURTAIL the SERVICES, in accordance with the following PRIORITY OF SERVICE (with the first in the list being CURTAILED first):
- (i) first – if such CURTAILMENT was caused by a particular SHIPPER or SHIPPERS, the quantities NOMINATED by such SHIPPER or SHIPPERS will be reduced to the extent required, up to their respective DAILY QUANTITY for such SERVICE;
 - (ii) second – quantities NOMINATED by SHIPPERS for transportation using AUTHORISED OVERRUN. If the CAPACITY available is not sufficient to meet all NOMINATIONS, the available CAPACITY must be allocated on a pro rata basis between those SHIPPERS on the basis of their respective NOMINATIONS for AUTHORISED OVERRUN;
 - (iii) third – quantities NOMINATED by SHIPPERS for transportation using the INTERRUPTIBLE TRANSPORTATION SERVICE. If the CAPACITY available is not sufficient to meet all NOMINATIONS, the available CAPACITY must be allocated on a pro rata basis between those SHIPPERS on the basis of their respective DAILY QUANTITIES for INTERRUPTIBLE TRANSPORTATION SERVICES; and

- (iv) fourth - quantities NOMINATED by SHIPPERS for transportation using the FIRM TRANSPORTATION SERVICE, up to their respective DAILY QUANTITY for such SERVICE. If the CAPACITY available is not sufficient to meet all NOMINATIONS, the available CAPACITY must be allocated on a pro rata basis between those SHIPPERS on the basis of their respective DAILY QUANTITIES for FIRM TRANSPORTATION SERVICES.
- (d) SHIPPER will be liable to pay the TRANSPORTATION CHARGES in full notwithstanding that the SERVICES are CURTAILED except to the extent that:
 - (i) such CURTAILMENT:
 - (A) is for the reasons set forth in AA 4.4(a)(iii) or 4.4(a)(iv); and
 - (B) is not the result of an EVENT OF FORCE MAJEURE, EMERGENCY or for safety reasons,

and the aggregate number of hours that SHIPPER has been CURTAILED in the relevant YEAR exceeds the CURTAILMENT ALLOWANCE; or
 - (ii) such CURTAILMENT is as a result of the GROSS NEGLIGENCE OR WILFUL MISCONDUCT of TRANSPORTER.
- (e) If SHIPPER is not liable to pay the TRANSPORTATION CHARGES as a result of a CURTAILMENT pursuant to AA 4.4(d) or AA 21.3(a), the TRANSPORTATION CHARGES payable by SHIPPER in the relevant MONTH will be reduced pro rata by the quantity of RESERVED CAPACITY that the TRANSPORTER is unable to provide as a result of the CURTAILMENT.

4.5 OPERATIONAL FLOW ORDERS

- (a) In adverse circumstances, TRANSPORTER may, in its discretion, control SHIPPER'S GAS flow in order to safeguard the reliability, safety and integrity of the GAS TRANSPORTATION SYSTEM by imposing an OPERATIONAL FLOW ORDER ("OFO") (which may include suspending SHIPPER'S right to give NOMINATIONS) which SHIPPERS are required to follow.
- (b) TRANSPORTER will issue an OFO when:
 - (i) the safe and reliable conveyance of GAS in the GAS TRANSPORTATION SYSTEM is at risk;
 - (ii) the maintenance of safe and reliable pressures in the GAS TRANSPORTATION SYSTEM is at risk; or
 - (iii) there exist such other circumstances affecting the GAS TRANSPORTATION SYSTEM that would or are reasonably likely to constitute an EMERGENCY.

- (c) When TRANSPORTER wishes to raise an OFO, it will give an OFO NOTICE to SHIPPERS in accordance with the requirements of the TPA CODE. The OFO NOTICE will specify:
 - (i) the time at which the OFO commences;
 - (ii) the estimated number of DAYS affected by the OFO; and
 - (iii) reasonable details of the event or of the existence of the circumstances which have resulted in the OFO.
- (d) SHIPPER must immediately comply with an OFO in accordance with the OFO NOTICE. Without limiting TRANSPORTER'S remedies, if SHIPPER fails to comply with an OFO, TRANSPORTER may:
 - (i) charge SHIPPER an OVERRUN CORRECTION CHARGE for that quantity of GAS by which SHIPPER deviates from the requirements of the OFO; and/or
 - (ii) proceed to physically limit or isolate the ENTRY POINT(s) or EXIT POINT(s).
- (e) During the entire period that the OFO is in effect, TRANSPORTER will keep SHIPPER reasonably informed about the progress of elimination of the adverse conditions resulting in the OFO.
- (f) When the conditions resulting in the OFO have ceased, TRANSPORTER will determine the SYSTEM RESTORATION COSTS arising out of the OFO in accordance with the TPA CODE and the OFO HANDLING PROCEDURE.
- (g) If the occurrence of the OFO was the fault of one or more SHIPPERS, TRANSPORTER may recover the costs from such SHIPPERS (including SHIPPER, if applicable).
- (h) TRANSPORTER will comply with the TRANSPORTER'S OFO HANDLING PROCEDURE.

4.6 **Security of supply**

In the event of a national security of supply crisis and a government directive relating to the security of gas supply to Peninsular Malaysia is issued in relation to, the PARTIES acknowledge and agree that such government directive, to the extent that it affects the GAS TRANSPORTATION SYSTEM and is inconsistent with the GAS TRANSPORTATION AGREEMENT, shall prevail over the terms of the GAS TRANSPORTATION AGREEMENT.

5.0 **FEES**

5.1 **Charges payable by SHIPPER**

SHIPPER will be required to pay to TRANSPORTER:

- (a) the TRANSPORTATION CHARGES;
- (b) the SYSTEM CORRECTION CHARGES (if any); and
- (c) any other amounts specified in this ACCESS ARRANGEMENT or its GTA with the TRANSPORTER,

in consideration for receiving the SERVICES and in accordance with AA 16.0.

5.2 TRANSPORTATION CHARGES

- (a) SHIPPER will be required to pay:
 - (i) the FIRM TRANSPORTATION CHARGE in respect of each MONTH of the applicable TRANSPORTATION PERIOD in consideration for the provision of the FIRM TRANSPORTATION SERVICE to SHIPPER; and
 - (ii) the INTERRUPTIBLE TRANSPORTATION CHARGE in respect of each MONTH of the applicable TRANSPORTATION PERIOD in consideration for the provision of the INTERRUPTIBLE TRANSPORTATION SERVICE to SHIPPER,

("TRANSPORTATION CHARGES").

- (b) The FIRM TRANSPORTATION CHARGE will be calculated for each MONTH of the TRANSPORTATION PERIOD in accordance with the following formula:

$$FTC = RC \times TT \times Days$$

where:

FTC = the FIRM TRANSPORTATION CHARGE payable by SHIPPER for FIRM TRANSPORTATION SERVICES;

RC = the quantity of RESERVED CAPACITY contracted by SHIPPER (in GJ/DAY);

TT = the TRANSPORTATION TARIFF (in RM/GJ) published on the WEBSITE from time to time (as may be amended in accordance with AA 5.4); and

DAYS = the number of DAYS in the relevant MONTH.

- (c) Except as provided in AA 4.4(d) and AA 21.3(a), SHIPPER will be required to pay the FIRM TRANSPORTATION CHARGE at the full TRANSPORTATION TARIFF regardless of whether it uses all, some or none of its RESERVED CAPACITY on a DAY.
- (d) The INTERRUPTIBLE TRANSPORTATION CHARGE will be calculated for each MONTH of the TRANSPORTATION PERIOD in accordance with the following formula:

$$ITC = TT \times AQ$$

where:

ITC = INTERRUPTIBLE TRANSPORTATION CHARGE payable by SHIPPER for INTERRUPTIBLE TRANSPORTATION SERVICES;

TT = the TRANSPORTATION TARIFF (in RM/GJ) published on the WEBSITE from time to time (as may be amended in accordance with AA 5.4); and

AQ = the actual quantity (in GJ) of RESERVED INTERRUPTIBLE CAPACITY used in the GAS TRANSPORTATION SYSTEM by SHIPPER in the relevant MONTH.

5.3 **SYSTEM CORRECTION CHARGES and other tariffs**

In addition to the TRANSPORTATION CHARGES, SHIPPER will be required to pay TRANSPORTER the following SYSTEM CORRECTION CHARGES and tariffs in the circumstances set out in this ACCESS ARRANGEMENT:

- (a) NEGATIVE IMBALANCE CORRECTION CHARGE (see AA 15.7);
- (b) VARIANCE CORRECTION CHARGE (see AA 15.9);
- (c) OVERRUN CORRECTION CHARGE (see AA 15.10); and
- (d) AUTHORISED OVERRUN CHARGE (see AA 15.11).

5.4 **Variation of tariffs and SYSTEM CORRECTION CHARGES**

- (a) The TRANSPORTATION TARIFF, the SYSTEM CORRECTION CHARGES and any other charges payable by SHIPPER under a GTA may be varied from time to time in accordance with the TPA CODE and the GAS SUPPLY ACT or as otherwise specified in the GTA. The up-to-date TRANSPORTATION TARIFF, SYSTEM CORRECTION CHARGES and any other charges will be published on the WEBSITE and TRANSPORTER will give prior notice to SHIPPERS of any variation to those amounts.
- (b) If during the TRANSPORTATION PERIOD, there is a CHANGE OF LAW which increases or decreases the costs of operation of the GAS TRANSPORTATION SYSTEM and/or requires additional capital expenditure, TRANSPORTER may with the prior approval of the COMMISSION, vary the tariffs or charges payable by SHIPPER or impose a new tariff or charge, to reflect the increase or decrease in costs or additional capital expenditure (as applicable).

6.0 **CONNECTION TO THE GAS TRANSPORTATION SYSTEM**

6.1 **GAS CONNECTION MANUAL**

- (a) A person who wishes to connect their facilities to the GAS TRANSPORTATION SYSTEM must make an application to TRANSPORTER in the form and in accordance with the requirements specified by TRANSPORTER from time to time. TRANSPORTER may, in accordance with APPLICABLE LAWS, approve or reject an application.

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- (b) If TRANSPORTER approves a request for connection to the GAS TRANSPORTATION SYSTEM, the applicant will be required to enter into a GAS CONNECTION MANUAL or GCM, before connecting their facilities to the GAS TRANSPORTATION SYSTEM.
- (c) SHIPPER must procure that there is a GAS CONNECTION MANUAL in effect in respect of each ENTRY POINT or EXIT POINT between TRANSPORTER and the relevant CONNECTED PARTY (which may be SHIPPER) at which SHIPPER has contracted to receive the SERVICES.
- (d) The objective of a GCM is to:
 - (i) ensure technical compatibility of facilities that are connected to the GAS TRANSPORTATION SYSTEM, for the safe and reliable operation of the GAS TRANSPORTATION SYSTEM;
 - (ii) define the roles and responsibilities of TRANSPORTER and the CONNECTED PARTIES, with respect to such matters; and
 - (iii) ensure fair, transparent and non-discriminatory connection arrangements between TRANSPORTER and the CONNECTED PARTIES.
- (e) When injecting GAS at an ENTRY POINT and receiving GAS at an EXIT POINT, SHIPPER must take into consideration the contents of the relevant GAS CONNECTION MANUAL(S).

6.2 **Connection obligations of CONNECTED PARTIES**

Without limiting its obligations under or pursuant to the TPA CODE, APPLICABLE LAWS, this ACCESS ARRANGEMENT or any other agreements and/or arrangements with TRANSPORTER, including the GCM, a CONNECTED PARTY must:

- (a) ensure the compliance of its facilities with all applicable standards, APPLICABLE LAWS and the relevant GCM;
- (b) allow TRANSPORTER to inspect its facilities where necessary;
- (c) ensure that all connection equipment owned, operated or controlled by it at all times complies with the applicable requirements and conditions for connection in accordance with the relevant GCM;
- (d) not make any material modification or addition to any connection equipment that is the subject of the GCM without the prior written consent of TRANSPORTER; and
- (e) provide access at any time for TRANSPORTER to inspect the GAS facilities located within the CONNECTED PARTY'S premises where necessary.

6.3 **Connection obligations of TRANSPORTER**

Without limiting its rights and obligations under or pursuant to the TPA CODE, APPLICABLE LAWS, this ACCESS ARRANGEMENT or any other agreements and/or arrangements with a CONNECTED PARTY, including the GCM, TRANSPORTER must:

- (a) ensure the compliance of its facilities with all applicable standards, APPLICABLE LAWS and the relevant GCM;
- (b) allow a CONNECTED PARTY to inspect the facilities where necessary on the terms set out in the GCM;
- (c) ensure that all connection equipment owned, operated or controlled by it at all times complies with applicable requirements and conditions for connection in accordance with the relevant GCM;
- (d) not make any material modifications to any connection equipment that is the subject of the GCM without sufficient prior notice to the relevant CONNECTED PARTY; and
- (e) use all REASONABLE ENDEAVOURS to comply with all reasonable requests of a person who applies to be a CONNECTED PARTY relating to its connection requirements.

7.0 **NOMINATIONS AND SCHEDULING**

7.1 **Overview**

The DAILY nomination and scheduling of TRANSPORTATION SERVICES on the GAS TRANSPORTATION SYSTEM will be undertaken in accordance with the procedures set out in this AA 7.0.

7.2 **SHIPPER to NOMINATE**

- (a) SHIPPER must notify TRANSPORTER of the quantities of GAS which SHIPPER intends to deliver at each ENTRY POINT and receive at each EXIT POINT from the GAS TRANSPORTATION SYSTEM on each DAY of the TRANSPORTATION PERIOD ("NOMINATION").
- (b) SHIPPER'S NOMINATION must:
 - (i) specify the DAY or DAYS to which it relates;
 - (ii) specify the required quantity, for each SERVICE;
 - (iii) identify the END-CONSUMER which will off-take the corresponding quantity of GAS from the GAS TRANSPORTATION SYSTEM; and
 - (iv) specify the ENTRY POINT and EXIT POINT.

7.3 Submission of NOMINATION

- (a) SHIPPER must submit MONTHLY and DAILY NOMINATIONS to TRANSPORTER for the quantity of GAS to be received at each ENTRY POINT and taken from each EXIT POINT by the following cut-off times and may submit INTRA-DAY NOMINATIONS by the applicable cut-off time set out below subject to AA 7.6. The NOMINATIONS must relate to the applicable effective time set out in the table below.

Period	Nomination cut-off time	Effective time
Monthly	12:00 hours on the DAY that is 7 DAYS prior to the first DAY of the MONTH	06:00 hours on the first DAY of the MONTH, for the remainder of the MONTH
DAILY	12:00 hours on the DAY prior to the DAY on which the SERVICES are required	DAY on which the SERVICES are required and each of the 6 DAYS following that DAY
INTRA-DAY	Anytime subject to TRANSPORTER'S approval	Remainder of the DAY on which the SERVICES are required. The INTRA-DAY NOMINATION shall be in DAILY average.

- (b) SHIPPER must:
- (i) use its REASONABLE ENDEAVOURS to ensure that its NOMINATION is as accurate as practicable; and
 - (ii) not NOMINATE a quantity in excess of its RESERVED CAPACITY, as may have been reduced by any CURTAILMENT.
- (c) TRANSPORTER will use REASONABLE ENDEAVOURS to accept any request by SHIPPER for a change to any MONTHLY or DAILY NOMINATION or any INTRA-DAY NOMINATION submitted after the applicable cut-off time specified in AA 7.3(a).

7.4 Acceptance, reduction or rejection of a NOMINATION

- (a) TRANSPORTER may accept, reduce or reject a DAILY NOMINATION as soon as reasonably practicable, and in any event not later than 18:00 hours on the DAY prior to the DAY on which the SERVICES are required and must give

SHIPPER notice of any such acceptance, reduction or rejection ("CONFIRMED NOMINATION").

- (b) If TRANSPORTER does not issue to SHIPPER a CONFIRMED NOMINATION in accordance with AA 7.4(a) TRANSPORTER will be deemed to have given a CONFIRMED NOMINATION equivalent to the DAILY NOMINATION.
- (c) TRANSPORTER may reject a NOMINATION:
 - (i) which is not submitted in accordance with this AA 7.0;
 - (ii) nominating a quantity of GAS in excess of SHIPPER'S RESERVED CAPACITY; or
 - (iii) if, in the opinion of TRANSPORTER, the NOMINATION may have an adverse effect on the GAS TRANSPORTATION SYSTEM.
- (d) Without limiting AA 7.4(c), if a NOMINATION is for the provision of an INTERRUPTIBLE TRANSPORTATION SERVICE, TRANSPORTER may reject a NOMINATION if the provision of the INTERRUPTIBLE TRANSPORTATION SERVICE would cause TRANSPORTER to CURTAIL a SERVICE with a higher PRIORITY OF SERVICE.
- (e) TRANSPORTER may reduce a NOMINATION if:
 - (i) the physical balance of the GAS TRANSPORTATION SYSTEM on any DAY cannot be achieved by TRANSPORTER applying the BALANCING MECHANISM; or
 - (ii) SHIPPER nominates a quantity of GAS exceeding the level prescribed in an OPERATIONAL FLOW ORDER, to the level prescribed in the applicable OPERATIONAL FLOW ORDER.
- (f) When reducing any NOMINATION under AA 7.4(e)(i), TRANSPORTER must comply with the PRIORITY OF SERVICE and, subject to the PRIORITY OF SERVICE, use its REASONABLE ENDEAVOURS to act equitably between all SHIPPERS.

7.5 **Zero NOMINATION**

Subject to AA 7.3(c), SHIPPER will be deemed to have submitted a NOMINATION for a zero quantity of GAS in respect of a DAY if:

- (a) SHIPPER has not submitted a NOMINATION in relation to that DAY in accordance with this AA 7.0; or
- (b) SHIPPER'S NOMINATION in relation to that DAY is rejected in full by TRANSPORTER.

7.6 INTRA-DAY NOMINATIONS

- (a) SHIPPER may re-submit a NOMINATION on the DAY that TRANSPORTER is required to provide the SERVICES, if there are any changes to SHIPPER'S GAS delivery requirements for that DAY ("INTRA-DAY NOMINATION") and provided that the INTRA-DAY NOMINATION is submitted to TRANSPORTER by the applicable cut-off time set out in AA 7.3(a).
- (b) TRANSPORTER may at its sole discretion, accept or reject an INTRA-DAY NOMINATION. TRANSPORTER must notify SHIPPER of its acceptance or rejection of an INTRA-DAY NOMINATION within one (1) hour of receipt.

7.7 Obligation to provide the TRANSPORTATION SERVICES

Except as otherwise provided in the GAS TRANSPORTATION AGREEMENT, TRANSPORTER must provide TRANSPORTATION SERVICES to SHIPPER up to the lower of:

- (a) the DAILY QUANTITY for each ENTRY POINT and EXIT POINT and SERVICE; and
- (b) the CONFIRMED NOMINATION for each ENTRY POINT and EXIT POINT and SERVICE (including any AUTHORISED OVERRUN agreed to be provided by TRANSPORTER pursuant to AA 15.11).

8.0 MEASUREMENT AND METERING

8.1 METERING PHILOSOPHY

- (a) The rights, interests, covenants, and obligations of the PARTIES in respect of the measurement and analysis of GAS transported in the GAS TRANSPORTATION SYSTEM by TRANSPORTER will be as set out in the METERING PHILOSOPHY.
- (b) If and to the extent that there is any inconsistency between this AA 8.0 and the METERING PHILOSOPHY, the METERING PHILOSOPHY will prevail.
- (c) SHIPPER must procure the relevant CONNECTED PARTY's compliance with this AA 8.0.

8.2 MEASURING EQUIPMENT

- (a) The measurement and determination of the quantities of GAS at each ENTRY POINT and EXIT POINT will be carried out by MEASURING EQUIPMENT.
- (b) TRANSPORTER will measure the quantity of GAS:
 - (i) received into the GAS TRANSPORTATION SYSTEM at each ENTRY POINT; and
 - (ii) delivered through the GAS TRANSPORTATION SYSTEM at each EXIT POINT,

in accordance with the TPA CODE and the METERING PHILOSOPHY.

- (c) Subject to AA 8.2(d), TRANSPORTER will measure the quality of GAS received into the GAS TRANSPORTATION SYSTEM at each ENTRY POINT.
- (d) Except if otherwise directed by the COMMISSION in accordance with the TPA CODE, TRANSPORTER is not required to measure the quality of GAS at each and every EXIT POINT but may assume that the quality of GAS delivered at one EXIT POINT is the same as the quality of GAS delivered at another EXIT POINT on the GAS TRANSPORTATION SYSTEM if it is reasonable to do so.
- (e) Any DISPUTE between the PARTIES regarding this AA 8.2 is to be determined by an EXPERT in accordance with AA 35.0.

8.3 **Ownership of MEASURING EQUIPMENT**

- (a) TRANSPORTER will determine whether it owns, maintains and operates all MEASURING EQUIPMENT or whether it wants to make alternative arrangements with CONNECTED PARTIES. If TRANSPORTER and the CONNECTED PARTIES cannot agree on the ownership of the MEASURING EQUIPMENT, TRANSPORTER will remain the owner of such MEASURING EQUIPMENT.
- (b) The person that owns, operates or maintains the MEASURING EQUIPMENT will be the METERING RESPONSIBLE PARTY in respect of that MEASURING EQUIPMENT.

8.4 **Operation, maintenance and upgrade of the MEASURING EQUIPMENT**

- (a) The METERING RESPONSIBLE PARTY must:
 - (i) ensure that the design and installation of the MEASURING EQUIPMENT complies with all APPLICABLE LAWS and standards and the METERING PHILOSOPHY; and
 - (ii) operate and maintain the MEASURING EQUIPMENT in accordance with the standards of a REASONABLE AND PRUDENT TRANSPORTER.
- (b) If a person other than TRANSPORTER is the METERING RESPONSIBLE PARTY, that person must:
 - (i) provide TRANSPORTER with access to data taken at the MEASURING EQUIPMENT for the purpose of billing and monitoring purposes; and
 - (ii) provide TRANSPORTER with the right to inspect records and require validation and/or calibration, as the case may be, of the MEASURING EQUIPMENT of that person.
- (c) SHIPPER acknowledges that the MEASURING EQUIPMENT will be connected to the PGB Gas Control Centre through Supervisory Control and Data Acquisition (“SCADA”) system to enable real time monitoring, regardless of whether a person other than TRANSPORTER is the METERING

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RESPONSIBLE PARTY. TRANSPORTER will provide real time data when reasonably required by the CONNECTED PARTY to enable it to perform its contractual obligations under its agreements with SHIPPER.

- (d) The METERING RESPONSIBLE PARTY must give reasonable prior notice of any upgrade to the MEASURING EQUIPMENT to all of the PARTIES who may be affected by such upgrade (including TRANSPORTER, if applicable). In carrying out the upgrading works, the METERING RESPONSIBLE PARTY must, acting as a REASONABLE AND PRUDENT TRANSPORTER, endeavour to coordinate the works with affected parties with the objective of causing minimum interruption to the operation of the GAS TRANSPORTATION SYSTEM.
- (e) The METERING RESPONSIBLE PARTY must give the PGB Gas Control Centre prior notice of any scheduled or unscheduled maintenance in respect of the MEASURING EQUIPMENT and notify the PGB Gas Control Centre when such maintenance has been completed. The METERING RESPONSIBLE PARTY must also give prior notice of such maintenance to the relevant END-CONSUMER if the maintenance may affect the delivery of GAS to the END-CONSUMER or result in irregularities in the data taken at the MEASURING EQUIPMENT.

8.5 **Validation and/or calibration**

- (a) The process for validation and calibration of the MEASURING EQUIPMENT is set out in the METERING PHILOSOPHY.
- (b) The METERING RESPONSIBLE PARTY shall, at their expense:
 - (i) validate the MEASURING EQUIPMENT; and
 - (ii) calibrate the MEASURING EQUIPMENT,as and when deemed necessary and as may be prescribed in the METERING PHILOSOPHY.
- (c) Where TRANSPORTER is not the METERING RESPONSIBLE PARTY, TRANSPORTER may, where necessary, undertake additional checks on the MEASURING EQUIPMENT.
- (d) The METERING RESPONSIBLE PARTY must give no less than fourteen (14) days prior notice to relevant SHIPPERS, relevant CONNECTED PARTIES and TRANSPORTER (if not the METERING RESPONSIBLE PARTY) of a scheduled validation and/or calibration in accordance with the METERING PHILOSOPHY, as the case may be, on its MEASURING EQUIPMENT and such SHIPPERS, CONNECTED PARTIES and TRANSPORTER (if not the METERING RESPONSIBLE PARTY), are permitted to witness the performance of the validation and/or calibration (as applicable). The METERING RESPONSIBLE PARTY must then carry out the validation and/or calibration process on the nominated DAY whether or not such persons referred

to in this AA 8.5(d) are present and provide the results of the validation and/or calibration to those persons.

- (e) The PARTY other than the METERING RESPONSIBLE PARTY may challenge a measurement taken by the MEASURING EQUIPMENT and request an unscheduled validation and/or calibration of the MEASURING EQUIPMENT if that PARTY believes that the MEASURING EQUIPMENT is registering inaccurately beyond the allowable limits set out in the METERING PHILOSOPHY. The METERING RESPONSIBLE PARTY must take all steps to validate and/or calibrate the MEASURING EQUIPMENT once requested, give prior notice to the other PARTY of such validation and/or calibration and allow such PARTY to witness the tests. The METERING RESPONSIBLE PARTY must then carry out the validation and/or calibration process on the nominated DAY whether or not such persons referred to in this AA 8.5(e) are present and provide the results of the validation and/or calibration to those persons.
- (f) If there is a DISPUTE in relation to the results of the validation and/or calibration of the MEASURING EQUIPMENT, the PARTY raising the DISPUTE must notify TRANSPORTER within fourteen (14) DAYS from the date of the validation and/or calibration. If TRANSPORTER is the PARTY raising the DISPUTE, TRANSPORTER must notify the METERING RESPONSIBLE PARTY of its DISPUTE.
- (g) If TRANSPORTER gives or receives a notice DISPUTING the results of the validation and/or calibration of MEASURING EQUIPMENT within the fourteen (14) DAY period, TRANSPORTER must instruct an EXPERT to verify the validation and/or calibration, in accordance with AA 35.0.
- (h) If the EXPERT determines that the MEASURING EQUIPMENT is validating and/or calibrating (as the case may be) accurately, then the PARTY who DISPUTED the results will bear the cost of the validation and/or calibration and the costs of the EXPERT.
- (i) If the EXPERT determines that the MEASURING EQUIPMENT is not validating and/or calibrating (as the case may be) accurately, then the METERING RESPONSIBLE PARTY will bear the cost of the validation and/or calibration and the costs of the EXPERT.

8.6 **Metering capacity**

SHIPPER must ensure that GAS flow to an EXIT POINT is not below the QMIN. If the GAS flow to an EXIT POINT is below the QMIN, the EXIT QUANTITY will be deemed as taken at QMIN. Otherwise, TRANSPORTER may stop the flow of GAS to the EXIT POINT.

9.0 ALLOCATION

9.1 General

TRANSPORTER will determine the quantity of GAS actually received and delivered on behalf of SHIPPER on a DAY in accordance with the TPA CODE and the allocation rules set out in this AA 9.0.

9.2 Time and process of allocation

- (a) TRANSPORTER will allocate ENTRY QUANTITY and EXIT QUANTITY among SHIPPERS after the end of the actual DAY. TRANSPORTER will record the actual receipt and delivery quantities in the INVENTORY.
- (b) SHIPPER acknowledges that receipt of GAS at an ENTRY POINT or delivery of GAS at an EXIT POINT may not exactly match the CONFIRMED NOMINATION made in respect of it and consequently, under deliveries and over deliveries of GAS may occur.
- (c) All of the ENTRY QUANTITY at each ENTRY POINT and the EXIT QUANTITY at each EXIT POINT will be allocated to SHIPPERS regardless of the reason for any such under deliveries or over deliveries.
- (d) Measurement of actual receipt and delivery quantities as well as the INVENTORY shall be the basis for invoicing of SYSTEM CORRECTION CHARGES.

9.3 Allocation data

- (a) TRANSPORTER will process the relevant data and inform SHIPPER of its allocated measured energy including OVERRUN, VARIANCE and IMBALANCE, on a DAILY basis. TRANSPORTER will not disclose such data to any OTHER SHIPPER.
- (b) Under normal operations, the allocated data will be based on the applicable CONFIRMED NOMINATION, but when a CURTAILMENT occurs after TRANSPORTER has given the CONFIRMED NOMINATION, the allocated data will be based on the confirmed CURTAILMENT quantity imposed by TRANSPORTER.

9.4 Allocation methodology

Unless otherwise notified by TRANSPORTER in relation to a specific EXIT POINT or ENTRY POINT and approved by the COMMISSION in accordance with the TPA CODE, TRANSPORTER must calculate the allocation of GAS to SHIPPER at each ENTRY POINT and EXIT POINT in accordance with the following calculation:

$$S = Q \times \left(\frac{N}{A} \right)$$

where:

- S = quantity of GAS allocated to SHIPPER on the DAY at the relevant ENTRY POINT or EXIT POINT;
- Q = aggregate quantity of GAS delivered at the relevant EXIT POINT or received at the relevant ENTRY POINT on the DAY (the aggregate quantity excludes the IGC amount);
- N = SHIPPER'S CONFIRMED QUANTITY on the DAY at the relevant ENTRY POINT or EXIT POINT; and
- A = aggregate of all SHIPPERS CONFIRMED QUANTITIES under their respective GAS TRANSPORTATION AGREEMENTS on the DAY at the relevant ENTRY POINT and EXIT POINT.

10.0 MAINTENANCE

10.1 SCHEDULED MAINTENANCE

TRANSPORTER may undertake SCHEDULED MAINTENANCE during a YEAR in accordance with the SCHEDULED MAINTENANCE PLAN applicable for that YEAR.

10.2 TRANSPORTER MAINTENANCE NOTIFICATION

- (a) TRANSPORTER must notify SHIPPER and the COMMISSION of its requirement for SCHEDULED MAINTENANCE in respect of the GAS TRANSPORTATION SYSTEM by no later than 31 October in the YEAR preceding the YEAR in which the SCHEDULED MAINTENANCE will be undertaken ("TRANSPORTER MAINTENANCE NOTIFICATION").
- (b) The TRANSPORTER MAINTENANCE NOTIFICATION must specify:
 - (i) the proposed dates for SCHEDULED MAINTENANCE in the next YEAR;
 - (ii) the proposed time-schedule and milestones of each maintenance related project;
 - (iii) the extent to which the proposed SCHEDULED MAINTENANCE will affect the normal operation of the GAS TRANSPORTATION SYSTEM including the expected reduction in the RESERVED CAPACITY available to SHIPPERS for those DAYS;
 - (iv) the ENTRY POINT(S) and EXIT POINT(S) in respect of which the injection of, conveyance through, and off-take of GAS from, will be affected by the proposed SCHEDULED MAINTENANCE; and
 - (v) such other information as may be reasonable for TRANSPORTER to include.
- (c) If TRANSPORTER fails to give a TRANSPORTER MAINTENANCE NOTIFICATION in accordance with this AA 10.2, then TRANSPORTER will be deemed to have given a TRANSPORTER MAINTENANCE NOTIFICATION

that specifies a requirement for no SCHEDULED MAINTENANCE in respect of the GAS TRANSPORTATION SYSTEM for the relevant YEAR.

10.3 **Development of SCHEDULED MAINTENANCE PLAN**

TRANSPORTER must prepare a SCHEDULED MAINTENANCE PLAN for a YEAR so as to minimise disruption to affected parties and to coordinate and coincide as much as possible the TRANSPORTER'S SCHEDULED MAINTENANCE with the SCHEDULED MAINTENANCE proposed by CONNECTED PARTIES.

10.4 **Changes to SCHEDULED MAINTENANCE**

TRANSPORTER will notify SHIPPER and the COMMISSION of any changes to the SCHEDULED MAINTENANCE PLAN no less than seven (7) BUSINESS DAYS prior to the commencement of maintenance in accordance with that plan (as amended).

10.5 **UNSCHEDULED MAINTENANCE**

TRANSPORTER must notify SHIPPER of the type, extent and proposed duration of any UNSCHEDULED MAINTENANCE in respect of the GAS TRANSPORTATION SYSTEM as soon as reasonably practicable.

10.6 **Consequences of Maintenance**

If TRANSPORTER'S provision of the SERVICES is CURTAILED as a result of SCHEDULED MAINTENANCE or UNSCHEDULED MAINTENANCE, SHIPPER must still pay for the SERVICES except as provided in AA 4.4(d).

11.0 **SPECIFICATION**

11.1 **Overview**

This AA 11.0 sets out quality and pressure requirements for GAS entering into the GAS TRANSPORTATION SYSTEM.

11.2 **GAS SPECIFICATIONS**

SHIPPER must ensure that all GAS injected or to be injected by or on behalf of SHIPPER at an ENTRY POINT for transportation through the GAS TRANSPORTATION SYSTEM by TRANSPORTER to the EXIT POINT conforms to the GAS SPECIFICATIONS set out in Schedule 3.

11.3 **Pressure Requirements**

SHIPPER must ensure that all GAS entering the GAS TRANSPORTATION SYSTEM at an ENTRY POINT is of sufficient pressure for it to flow in the GAS TRANSPORTATION SYSTEM and does not exceed the MAXIMUM ALLOWABLE OPERATING PRESSURE.

11.4 OFF-SPECIFICATION GAS

- (a) SHIPPER must promptly give TRANSPORTER an OFF-SPECIFICATION GAS NOTICE if GAS to be injected, being injected or that has been injected at any ENTRY POINT does not or will not comply with the GAS SPECIFICATIONS ("OFF-SPECIFICATION GAS"). The OFF-SPECIFICATION GAS NOTICE must include all information available to SHIPPER in respect of the OFF-SPECIFICATION GAS, including:
 - (i) each aspect of each of the GAS SPECIFICATIONS with which it fails to or is anticipated to fail to comply, and the degree of its failure, or anticipated failure, to comply;
 - (ii) the reasons for the failure (if then known); and
 - (iii) SHIPPER'S good faith best estimate of the likely time SHIPPER will be able to resume delivery of GAS in accordance with the GAS SPECIFICATIONS.
- (b) TRANSPORTER may accept or reject the injection or anticipated injection of OFF-SPECIFICATION GAS at an ENTRY POINT by notice to SHIPPER.
- (c) If SHIPPER fails to give an OFF-SPECIFICATION GAS NOTICE to TRANSPORTER, or OFF-SPECIFICATION GAS that is accepted by TRANSPORTER varies from the type and degree of non-conformance specified in the relevant OFF-SPECIFICATION GAS NOTICE, TRANSPORTER is deemed to have rejected the OFF-SPECIFICATION GAS.
- (d) If TRANSPORTER receives an OFF-SPECIFICATION GAS NOTICE requesting acceptance of OFF-SPECIFICATION GAS at an ENTRY POINT and TRANSPORTER fails to notify SHIPPER of its acceptance or rejection of that OFF-SPECIFICATION GAS, TRANSPORTER will be deemed to have rejected the OFF-SPECIFICATION GAS.
- (e) If GAS received at an ENTRY POINT is OFF-SPECIFICATION GAS and is rejected (or deemed rejected) by TRANSPORTER, TRANSPORTER may:
 - (i) suspend (completely or partially) receipt of GAS from the relevant SHIPPER with immediate effect, until such time as TRANSPORTER is satisfied that GAS which SHIPPER is able to inject into the GAS TRANSPORTATION SYSTEM meets the GAS SPECIFICATIONS; and/or
 - (ii) dispose of any OFF-SPECIFICATION GAS that enters the GAS TRANSPORTATION SYSTEM, in a manner deemed fit by TRANSPORTER and in accordance with APPLICABLE LAWS, in order to protect the GAS TRANSPORTATION SYSTEM and/or CONNECTED PARTIES' facilities.
- (f) If OFF-SPECIFICATION GAS has entered into the GAS TRANSPORTATION SYSTEM, TRANSPORTER:

- (i) must notify SHIPPERS and CONNECTED PARTIES (other than SHIPPER responsible for the delivery of such OFF-SPECIFICATION GAS) of the same and make inquiries of those SHIPPERS as to whether they or their END-CONSUMERS are willing to accept the OFF-SPECIFICATION GAS; and
 - (ii) may suspend (completely or partially) the delivery of GAS to one or more SHIPPERS at one or more EXIT POINTS.
- (g) SHIPPER (other than SHIPPER responsible for the delivery of such OFF-SPECIFICATION GAS) must use REASONABLE ENDEAVOURS to accept, but otherwise may refuse to take delivery of, OFF-SPECIFICATION GAS at an EXIT POINT.

11.5 Liability for OFF-SPECIFICATION GAS

- (a) TRANSPORTER will have no liability to SHIPPER in respect of any quantity of OFF-SPECIFICATION GAS which enters the GAS TRANSPORTATION SYSTEM unless caused by the GROSS NEGLIGENCE OR WILFUL MISCONDUCT of TRANSPORTER.
- (b) If SHIPPER injects or may inject OFF-SPECIFICATION GAS at an ENTRY POINT (regardless of whether TRANSPORTER has accepted such OFF-SPECIFICATION GAS):
 - (i) SHIPPER must perform or procure the performance of such remedial works as would be performed by a REASONABLE AND PRUDENT TRANSPORTER to ensure that any quantity of GAS which is or which may be OFF-SPECIFICATION GAS will at the ENTRY POINT conform to the GAS SPECIFICATIONS; and
 - (ii) if TRANSPORTER takes delivery of any quantity of OFF-SPECIFICATION GAS, SHIPPER must indemnify TRANSPORTER against any loss incurred by TRANSPORTER arising from that OFF-SPECIFICATION GAS, including:
 - (A) loss relating to any physical damage to the GAS TRANSPORTATION SYSTEM;
 - (B) costs incurred by TRANSPORTER to manage the OFF-SPECIFICATION GAS, including costs of co-mingling and disposing of such GAS;
 - (C) additional costs of purchasing replacement GAS; and
 - (D) any claim made against TRANSPORTER by an OTHER SHIPPER, a CONNECTED PARTY, an END-CONSUMER or any other third party.
- (c) Any DISPUTE between the PARTIES relating to the specification of any GAS is to be determined by an EXPERT in accordance with AA 35.0.

12.0 **TITLE AND RISK**

12.1 **Title and Risk**

Title and risk to all quantities of GAS to be transported under the GAS TRANSPORTATION AGREEMENT will remain with SHIPPER at all times whilst the GAS is within the GAS TRANSPORTATION SYSTEM.

12.2 **Possession and Control**

- (a) Possession and control of the GAS will pass from SHIPPER to TRANSPORTER at each ENTRY POINT, and possession and control will return to SHIPPER at each EXIT POINT.
- (b) Any loss or damage to the GAS whilst in TRANSPORTER'S possession and control will be for the TRANSPORTER'S account only to the extent that the loss or damage is proven to have been caused by the GROSS NEGLIGENCE OR WILFUL MISCONDUCT of TRANSPORTER and subject to the limitations and exclusions of liability in AA 14.0 and TRANSPORTER'S rights in relation to OFF-SPECIFICATION GAS under AA 11.4.

13.0 **UNDERTAKINGS**

13.1 **Standards of Performance**

In performing its obligations and exercising its rights under this ACCESS ARRANGEMENT, TRANSPORTER shall act in accordance with the standards of a REASONABLE AND PRUDENT TRANSPORTER.

13.2 **SHIPPER'S obligations**

SHIPPER will meet its obligations under the GAS TRANSPORTATION AGREEMENT, which include the following:

- (a) providing payment to TRANSPORTER for the SERVICES as specified in AA 16.0;
- (b) delivery of GAS at the ENTRY POINTS; and
- (c) receipt of GAS at the EXIT POINTS (on behalf of an END-CONSUMER).

14.0 **LIABILITIES AND INDEMNITIES**

14.1 **No Implied Warranties**

- (a) To the full extent permitted by APPLICABLE LAW, except as expressly stated in the GAS TRANSPORTATION AGREEMENT, no other representation or warranty is given by TRANSPORTER, whether written or oral, express or implied, including any representation or warranty of merchantability, conformity to samples, or fitness for any particular purpose.

- (b) All terms and conditions relating to the GAS TRANSPORTATION AGREEMENT that are implied by APPLICABLE LAW or custom are excluded to the full extent permitted by APPLICABLE LAW.

14.2 **Exclusive Remedies**

- (a) TRANSPORTER's sole liability to SHIPPER and SHIPPER'S sole remedy against TRANSPORTER at common law, in equity or otherwise in relation to or in connection with the provision of or failure to provide SERVICES pursuant to the GAS TRANSPORTATION AGREEMENT, whether as a result of a failure by TRANSPORTER to act as a REASONABLE AND PRUDENT TRANSPORTER, a breach of the GAS TRANSPORTATION AGREEMENT or the GROSS NEGLIGENCE OR WILFUL MISCONDUCT of TRANSPORTER or otherwise will be as stated in this AA 14.0.
- (b) The liabilities of TRANSPORTER set out in this AA 14.0 will constitute the entire liability of TRANSPORTER to SHIPPER in respect of the matters to which this AA 14.0 relates and TRANSPORTER's obligations under the GAS TRANSPORTATION AGREEMENT (whether arising under contract, tort or howsoever else arising) and will be in lieu of any and all other rights, claims or remedies which SHIPPER may possess howsoever arising. In the event of any conflict between the provisions of this AA 14.0 and the other provisions of the GAS TRANSPORTATION AGREEMENT this AA 14.0 will prevail.
- (c) Without prejudice to the other provisions of this AA 14.0, where any provision of the GAS TRANSPORTATION AGREEMENT provides for any amount to be payable by SHIPPER upon or in respect of SHIPPER'S breach of any provision of the GAS TRANSPORTATION AGREEMENT, SHIPPER agrees and acknowledges that the remedy conferred by such provision will be in substitution of any remedy in damages in respect of such breach or the event or circumstance giving rise thereto.
- (d) For the avoidance of doubt, nothing in this AA 14.0 will prevent any PARTY from or restrict it in:
 - (i) enforcing any obligation (including suing for a debt) owed to it under or pursuant to the GAS TRANSPORTATION AGREEMENT; or
 - (ii) exercising any right available to it under the TPA CODE or GAS SUPPLY ACT.

14.3 **No Indirect or Third Party Liability**

- (a) TRANSPORTER will not be liable for:
 - (i) any loss of revenue, loss of production, loss of profit, loss of reputation, loss of contract, loss of opportunity, loss of anticipated savings, loss of use, loss of goodwill, or increased cost of working and wasted effort or expenditure;

- (ii) liability to an END-CONSUMER, customer or any other third party (including any supplier of GAS or CONNECTED PARTY);
- (iii) loss or damage to the other PARTY'S facilities (except where caused by GROSS NEGLIGENCE OR WILFUL MISCONDUCT) or personnel and for third party claims attributable to that PARTY;
- (iv) except as provided in the GAS TRANSPORTATION AGREEMENT, loss resulting from the liability of any other party to any other person howsoever and whensoever arising; or
- (v) any other indirect, consequential or special loss,

however caused (including by the negligence of TRANSPORTER) suffered or incurred by SHIPPER.

- (b) This exclusion applies whether or not SHIPPER was aware of the possibility of such loss or damage when the GAS TRANSPORTATION AGREEMENT was entered into.

14.4 **TRANSPORTER'S Exclusion of Liability**

- (a) TRANSPORTER is not liable to SHIPPER for any liability, cost, expense, loss or damage (no matter of what kind) arising, wholly or partly, from its operation of the GAS TRANSPORTATION SYSTEM or the provision of SERVICES to SHIPPER, unless it is established that the loss or damage was caused by TRANSPORTER'S GROSS NEGLIGENCE OR WILFUL MISCONDUCT under the GAS TRANSPORTATION AGREEMENT.
- (b) Except as provided in AA 4.4(d) and AA 21.3(a), TRANSPORTER will not be liable to SHIPPER for any loss suffered or incurred by SHIPPER where the provision of the SERVICES are reduced, not provided or are suspended.

14.5 **Limitation of Liability**

- (a) The liability of TRANSPORTER to SHIPPER in respect of any claim or a series of related claims shall not exceed in any YEAR:
 - (i) in the case of the liability of TRANSPORTER to any one SHIPPER, an amount equal to the daily TRANSPORTATION CHARGE multiplied by the number of days during which such occurrence or series of occurrences occurs; and
 - (ii) in the case of the liability of TRANSPORTER to all SHIPPERS, an aggregate amount of RM10 million.
- (b) This limitation applies whether or not SHIPPER was aware of the possibility of the loss when the GAS TRANSPORTATION AGREEMENT was entered into.
- (c) The liability of SHIPPER to TRANSPORTER in respect of a single occurrence or series of occurrences shall be subject to a cap equal to the amount of the

daily TRANSPORTATION CHARGE multiplied by the number of days over which such occurrence or series of occurrences occurs.

14.6 **TRANSPORTER Indemnity**

Except as provided in AA 11.5, TRANSPORTER will indemnify, defend and hold harmless SHIPPER from and against any and all liabilities and other losses of TRANSPORTER, in respect of:

- (a) injury to or sickness, disease or death of any person employed by or engaged on behalf of TRANSPORTER; or
- (b) damage to or loss of property of TRANSPORTER,

howsoever arising (including out of SHIPPER'S breach of the GAS TRANSPORTATION AGREEMENT, or SHIPPER'S breach of statutory duty or from the negligence of SHIPPER), save to the extent that any such liabilities or other losses arise from the GROSS NEGLIGENCE OR WILFUL MISCONDUCT of SHIPPER and subject to any express provisions of the TPA CODE or the GAS TRANSPORTATION AGREEMENT which provide to the contrary in any specific case.

14.7 **SHIPPER Indemnity**

SHIPPER will indemnify, defend and hold harmless TRANSPORTER from and against any and all liabilities and other losses of SHIPPER, in respect of:

- (a) injury to or sickness, disease or death of any person employed by or engaged on behalf of SHIPPER; or
- (b) damage to or loss of property of SHIPPER,

howsoever arising (including out of TRANSPORTER'S breach of the GAS TRANSPORTATION AGREEMENT, or TRANSPORTER'S breach of statutory duty or from the negligence of TRANSPORTER), save to the extent that any such liabilities or other losses arise from the GROSS NEGLIGENCE OR WILFUL MISCONDUCT of TRANSPORTER and subject to any express provisions of the TPA CODE or the GAS TRANSPORTATION AGREEMENT which provide to the contrary in any specific case.

14.8 **Mitigation of Loss**

Each PARTY must use REASONABLE ENDEAVOURS to mitigate the loss and damage (if any) incurred by it as a result of breach by a PARTY of its obligations under the GAS TRANSPORTATION AGREEMENT.

14.9 **Costs and Expenses Covered**

This AA 14.0 extends to costs and other expenses (including legal expenses) reasonably incurred in connection with any loss or a claim.

15.0 **BALANCING MECHANISM**

15.1 **LINEPACK and IGC**

- (a) TRANSPORTER will be responsible for:
 - (i) managing and balancing the LINEPACK in the GAS TRANSPORTATION SYSTEM; and
 - (ii) managing the IGC requirements in respect of the GAS TRANSPORTATION SYSTEM,

in each case so as to ensure the safety and reliability of GAS supplies and in accordance with the IGC MANAGEMENT PLAN.
- (b) TRANSPORTER must make every effort to minimise the IGC requirements of the GAS TRANSPORTATION SYSTEM. Any GAS purchased by TRANSPORTER for the purpose of managing IGC will be paid for at the BALANCING GAS PRICE pursuant to a BALANCING AGREEMENT.
- (c) TRANSPORTER will at all times own LINEPACK and IGC.
- (d) TRANSPORTER may recover the costs of LINEPACK and IGC from SHIPPER as part of the TRANSPORTATION TARIFF in accordance with the TPA CODE and the GAS SUPPLY ACT.

15.2 **TRANSPORTER Obligation to Balance**

TRANSPORTER must maintain a balance between the total GAS inputs to, and total GAS outputs from, the GAS TRANSPORTATION SYSTEM, including by adjusting the NOMINATIONS of SHIPPER where necessary.

15.3 **Calculation of DAILY IMBALANCE**

TRANSPORTER will calculate SHIPPER'S IMBALANCE on a DAILY basis. An IMBALANCE is:

- (a) the aggregate quantity of GAS as delivered by SHIPPER at its ENTRY POINTS; less
 - (b) the aggregate quantity of GAS as received by SHIPPER at its EXIT POINTS,
- and may be a positive or a negative amount ("IMBALANCE").

15.4 **CUMULATIVE IMBALANCE**

- (a) TRANSPORTER will monitor and record a running total of SHIPPER'S DAILY IMBALANCES, at the end of each DAY ("CUMULATIVE IMBALANCE") and report this to SHIPPER.
- (b) A NEGATIVE IMBALANCE occurs if, during the DAY, the aggregate quantity of GAS received at SHIPPER'S ENTRY POINTS is less than the quantity of GAS delivered at its EXIT POINTS.

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- (c) A POSITIVE IMBALANCE occurs if, during the DAY, the aggregate quantity of GAS received at SHIPPER'S ENTRY POINTS is more than the quantity of GAS delivered at its EXIT POINTS.

15.5 SHIPPER Obligation to Minimise CUMULATIVE IMBALANCE

- (a) SHIPPER must, in respect of each DAY of the TRANSPORTATION PERIOD, ensure that:
 - (i) its CUMULATIVE IMBALANCE is minimised; and
 - (ii) its receipt of GAS at the EXIT POINTS and its deliveries of GAS at the ENTRY POINTS do not result in a NEGATIVE IMBALANCE.
- (b) If SHIPPER'S receipt of GAS at the ENTRY POINTS and deliveries of GAS at the EXIT POINTS results in a NEGATIVE IMBALANCE on any DAY, then SHIPPER must correct the NEGATIVE IMBALANCE as soon as possible by:
 - (i) submitting an INTRA-DAY NOMINATION which corrects the NEGATIVE IMBALANCE in accordance with AA 7.6; or
 - (ii) submitting a DAILY NOMINATION in respect of the following DAY, which corrects the NEGATIVE IMBALANCE.

15.6 Right to Trade CUMULATIVE IMBALANCE

- (a) SHIPPER may trade all or part of its CUMULATIVE IMBALANCES with an OTHER SHIPPER in accordance with this AA 15.6. The terms of any such trade are a matter for SHIPPER and the OTHER SHIPPER participating in the trade.
- (b) SHIPPER must notify TRANSPORTER of any trade of its CUMULATIVE IMBALANCES in respect of a DAY by 1700 hours on the DAY following the Day in respect of which the CUMULATIVE IMBALANCE is calculated.
- (c) On receipt of a notice from SHIPPER under AA 15.6(b) and an equivalent notice from the relevant OTHER SHIPPER in accordance with the terms of its GAS TRANSPORTATION AGREEMENT, TRANSPORTER must adjust its calculation of SHIPPER'S CUMULATIVE IMBALANCE for the relevant DAY to reflect the trade and notify both SHIPPER and OTHER SHIPPER of the adjustments by the beginning of the following DAY.

15.7 Consequences of CUMULATIVE IMBALANCE

- (a) If on any DAY SHIPPER has a NEGATIVE IMBALANCE which exceeds the NEGATIVE IMBALANCE TOLERANCE LEVEL, without prejudice to TRANSPORTER'S other rights and remedies, SHIPPER will be required to pay TRANSPORTER a NEGATIVE IMBALANCE CORRECTION CHARGE, calculated based on the following formula:

$$\text{Negative Imbalance Correction Charge} = ((NIQ - NITL) \times NIR)$$

where:

NEGATIVE IMBALANCE CORRECTION CHARGE = charge payable by SHIPPER to TRANSPORTER in relation to a NEGATIVE IMBALANCE on a DAY;

NIQ = the quantity of GAS comprising the NEGATIVE IMBALANCE;

NITL = the NEGATIVE IMBALANCE TOLERANCE LEVEL set out in Schedule 5;

NIR = the NEGATIVE IMBALANCE RATE, being the rate calculated based on the following formula:

$$NIR = (NIP) \times BGP$$

where:

NIR = the NEGATIVE IMBALANCE RATE;

NIP = the NEGATIVE IMBALANCE PREMIUM set out in Schedule 5; and

BGP = the BALANCING GAS PRICE.

15.8 **IMBALANCE Settlement**

TRANSPORTER will calculate and notify each SHIPPER of its MONTHLY CUMULATIVE IMBALANCE and any NEGATIVE IMBALANCE CORRECTION CHARGES at the end of each MONTH.

15.9 **VARIANCES**

- (a) SHIPPER must ensure that the quantity of GAS injected at each ENTRY POINT and off-taken at each EXIT POINT in a DAY matches the quantity of GAS stated in its ENTRY POINT NOMINATION and EXIT POINT NOMINATION for that DAY.
- (b) TRANSPORTER may impose a VARIANCE CORRECTION CHARGE on SHIPPER if the quantity of GAS:
 - (i) injected by SHIPPER at an ENTRY POINT is different from the ENTRY POINT NOMINATION; and / or
 - (ii) off-taken by or on behalf of SHIPPER at an EXIT POINT is different from the EXIT POINT NOMINATION,("VARIANCE"), by more or less than the VARIANCE TOLERANCE LEVEL.
- (c) The VARIANCE CORRECTION CHARGE will be calculated based on the following formula:

$$\text{Variance Correction Charge} = (VQ - VTL) \times VR$$

where:

VARIANCE CORRECTION CHARGE = charge payable by SHIPPER to TRANSPORTER in relation to a VARIANCE on a DAY;

VQ = the quantity (in GJ) of VARIANCE on the DAY;

VTL = the VARIANCE TOLERANCE LEVEL set out in Schedule 5; and

VR = the VARIANCE RATE, being the rate calculated based on the following formula:

$$\text{Variance Rate} = (\text{Variance Penalty Factor}) \times \text{Transportation Tariff}$$

where:

VARIANCE PENALTY FACTOR is set out in Schedule 5; and

TRANSPORTATION TARIFF is as published on the WEBSITE from time to time.

15.10 OVERRUN

- (a) SHIPPER must ensure that the quantities of GAS injected at the ENTRY POINT and off-taken at an EXIT POINT during any DAY of the TRANSPORTATION PERIOD do not exceed the MDQ at such ENTRY POINT and EXIT POINT.
- (b) Subject to AA 15.11, TRANSPORTER may impose an OVERRUN CORRECTION CHARGE on SHIPPER if SHIPPER:
 - (i) injects into or off-takes from the GAS TRANSPORTATION SYSTEM during a DAY a quantity of GAS that exceeds the MDQ for the relevant ENTRY POINT or EXIT POINT; or
 - (ii) injects into or off-takes from the GAS TRANSPORTATION SYSTEM during a DAY a quantity of GAS that exceeds the quantity specified in an OPERATIONAL FLOW ORDER for the relevant ENTRY POINT or EXIT POINT,(each an "OVERRUN") in each case, by more than the OVERRUN TOLERANCE LEVEL.
- (c) The OVERRUN CORRECTION CHARGE will be calculated based on the following formula:

$$\text{Ovrrun Correction Charge} = (OQ - OTL) \times OR$$

where:

OVERRUN CORRECTION CHARGE = charge payable by SHIPPER to TRANSPORTER in relation to an OVERRUN on a DAY;

OQ = the quantity (in GJ) of OVERRUN on the DAY;

OTL = the OVERRUN TOLERANCE LEVEL set out in Schedule 5; and

OR = the OVERRUN RATE, being the rate calculated based on the following formula:

$$\text{Overrun Rate} = (\text{Overrun Penalty Factor}) \times \text{Transportation Tariff}$$

where:

OVERRUN PENALTY FACTOR is set out in Schedule 5; and

TRANSPORTATION TARIFF is as published on the WEBSITE from time to time.

15.11 AUTHORISED OVERRUN

- (a) A SHIPPER may apply for, by submitting an application to TRANSPORTER, and hold, in respect of an ENTRY POINT and an EXIT POINT, the ability to inject or off-take a quantity of GAS in excess of the applicable MDQ ("AUTHORISED OVERRUN"). SHIPPER'S application for AUTHORISED OVERRUN must specify:
- (i) the amount of GAS in excess of the MDQ derived from the RESERVED CAPACITY; and
 - (ii) the ENTRY POINTS and EXIT POINTS that the AUTHORISED OVERRUN is requested for.
- (b) TRANSPORTER will assess flowability of the GAS TRANSPORTATION SYSTEM and is not obliged to provide the AUTHORISED OVERRUN, in respect of quantities or at a rate requested by SHIPPER, where:
- (i) the transportation of the requested quantities would disrupt the provision of SERVICES to OTHER SHIPPERS with a higher PRIORITY OF SERVICE; or
 - (ii) TRANSPORTER has already scheduled the provision of the SERVICES for the relevant DAY.
- (c) If TRANSPORTER agrees to provide the AUTHORISED OVERRUN to SHIPPER, SHIPPER will be required to pay the AUTHORISED OVERRUN CHARGE, which will be calculated on the basis of the following formula:

$$\text{Authorised Overrun Charge} = \text{AOR} \times \text{AOT} \times \text{DAYS}$$

where:

AUTHORISED OVERRUN CHARGE = charge payable by SHIPPER to TRANSPORTER in relation to an AUTHORISED OVERRUN on a DAY;

AOR = the quantity (in GJ) of AUTHORISED OVERRUN agreed to be provided to SHIPPER;

AOT = the AUTHORISED OVERRUN TARIFF, being the TRANSPORTATION TARIFF (in RM/GJ) as published on the WEBSITE from time to time multiplied by the AUTHORISED OVERRUN PREMIUM as set out in Schedule 5; and

DAYS = the number of DAYS of AUTHORISED OVERRUN actually provided to SHIPPER.

- (d) Notwithstanding any other provision of the GAS TRANSPORTATION AGREEMENT, the delivery of AUTHORISED OVERRUN on a DAY is interruptible and in the sole discretion of TRANSPORTER. SHIPPER acknowledges that TRANSPORTER will have no liability to SHIPPER for any and all losses suffered directly or indirectly arising out of SHIPPER delivering or taking AUTHORISED OVERRUN.

16.0 **INVOICING, PAYMENTS, TAXES AND DUTIES**

16.1 **Overview**

TRANSPORTER will issue invoices for tariffs and charges for SERVICES to SHIPPER, and SHIPPER will pay such invoices, subject to and on the terms of the invoicing and settlement procedure set out in this AA 16.0.

16.2 **Submission of Invoice**

- (a) TRANSPORTER must prepare and give to SHIPPER, as soon as reasonably practicable and not later than the fourteenth (14th) BUSINESS DAY after the end of each MONTH, an invoice showing the following information regarding the preceding MONTH:
- (i) the applicable TRANSPORTATION TARIFF;
 - (ii) the CONFIRMED QUANTITY for each NOMINATION PERIOD;
 - (iii) the TRANSPORTATION CHARGES payable by SHIPPER in respect of that MONTH;
 - (iv) the quantity of GAS delivered by SHIPPER to TRANSPORTER at each ENTRY POINT for each NOMINATION PERIOD;
 - (v) the quantity of GAS delivered by TRANSPORTER to SHIPPER at each EXIT POINT for each NOMINATION PERIOD;
 - (vi) any applicable SYSTEM CORRECTION CHARGES;
 - (vii) any applicable AUTHORISED OVERRUN CHARGES;
 - (viii) any applicable TAX or other amounts due for payment by SHIPPER;
 - (ix) any other amounts payable by SHIPPER to TRANSPORTER under the GAS TRANSPORTATION AGREEMENT;

- (x) any amounts payable by TRANSPORTER to SHIPPER under the GAS TRANSPORTATION AGREEMENT; and
 - (xi) the net amount payable by SHIPPER to TRANSPORTER after taking account of all the foregoing matters.
- (b) The invoice will be sent by TRANSPORTER through electronic mail or facsimile during normal business hours and will be deemed to have been received by SHIPPER on the date of the dispatch of the electronic mail or facsimile.

16.3 **Payment Instructions**

- (a) TRANSPORTER'S payment details are as specified in Article 2.0 of Part 1 to the GAS TRANSPORTATION AGREEMENT.
- (b) SHIPPER must notify TRANSPORTER of the account name and number, the name, address and other necessary payment details of the bank account to which payments are to be made by TRANSPORTER to SHIPPER, within fourteen (14) BUSINESS DAYS after the EXECUTION DATE.
- (c) Each PARTY must notify the other PARTY of any change to their payment details not less than thirty (30) BUSINESS DAYS before such change is effective.
- (d) All payments under the GAS TRANSPORTATION AGREEMENT shall be made by telegraphic bank transfer into the relevant PARTY'S account. Any charges imposed by the bank in respect of the telegraphic bank transfer will be borne by SHIPPER.

16.4 **Pre-payment for Spot RESERVED FIRM CAPACITY**

If SHIPPER has contracted to receive RESERVED FIRM CAPACITY on a SPOT BASIS:

- (a) SHIPPER must pay to TRANSPORTER the MONTHLY PRE-PAYMENT each MONTH;
- (b) no later than fifteen (15) BUSINESS DAYS prior to each MONTH, the TRANSPORTER must give SHIPPER a notice (a "MONTHLY PRE-PAYMENT STATEMENT") setting out full details of the MONTHLY PRE-PAYMENT for that MONTH;
- (c) SHIPPER must pay TRANSPORTER the full amount set out in the MONTHLY PRE-PAYMENT STATEMENT (without any set-off or deduction) no later than seven (7) days prior to the start of the relevant MONTH, in accordance with AA 16.3; and
- (d) TRANSPORTER will still issue an invoice at the end of the relevant MONTH under AA 16.2, but the invoice will include (as a credit amount in favour of SHIPPER) the amount of the MONTHLY PRE-PAYMENT STATEMENT paid by SHIPPER under AA 16.4(c).

16.5 Set-off

- (a) SHIPPER must pay in full all amounts due for payment by SHIPPER to TRANSPORTER under the GAS TRANSPORTATION AGREEMENT and must not make any set-off or deduction against any amounts.
- (b) TRANSPORTER may deduct or set-off from any amount due to SHIPPER any amount owed by SHIPPER to TRANSPORTER.

16.6 Full Settlement of Invoice

SHIPPER must settle the full amount of each invoice within thirty (30) DAYS following the date of receipt by SHIPPER of the invoice.

16.7 Payments to be made in RM

Payments of any amount payable under an invoice or debit note must be made in RM.

16.8 Adjustments to Invoice

- (a) Except as provided in AA 16.4, any adjustment to a MONTHLY invoice will be done by TRANSPORTER through an issuance of debit note or credit note, as the case may require.
- (b) The credit note or debit note will be sent by TRANSPORTER through email or facsimile during normal business hours and will be deemed to have been received by SHIPPER on the date of the dispatch of the facsimile.

16.9 DISPUTE

- (a) If SHIPPER wishes to DISPUTE any amount in an invoice or debit note or credit note, SHIPPER must first settle the full amount shown as payable by SHIPPER on the due date irrespective of the fact that SHIPPER intends to raise a DISPUTE concerning the invoice or debit note or credit note.
- (b) SHIPPER must notify the DISPUTE to TRANSPORTER, specifying:
 - (i) the date and number of the invoice or debit note or credit note;
 - (ii) the item(s) in the invoice or debit note or credit note to which the DISPUTE relates;
 - (iii) an explanation of the basis on which the DISPUTE is submitted; and
 - (iv) the amount of the DISPUTE.
- (c) Both PARTIES shall notify any DISPUTE to the other PARTY within twelve (12) MONTHS from the date of receipt of the relevant invoice or debit note or credit note. If no such notifications are made within the said twelve (12) MONTHS, then both PARTIES are deemed to have waived all DISPUTES arising from the said invoice or debit note or credit note.

- (d) The PARTIES may agree to submit DISPUTES over invoicing either for determination by an EXPERT under AA 35.0 or to the DISPUTE RESOLUTION COMMITTEE under AA 36.0(a). Where the PARTIES cannot agree on either of those alternatives then the DISPUTE shall be submitted to arbitration under AA 36.0(b) to (i).

16.10 Late payment penalty for invoice or debit note

Interest on any amount due but not paid on the due date shall accrue from the day immediately following the due date up to and including the day when payment is made, at a rate per annum which shall be two per cent (2%) above the average of the quoted six (6) month Kuala Lumpur Interbank Offered Rate ("KLIBOR") computed on the basis of three hundred and sixty five (365) days compounded monthly, as most recently published by Reuters KLIBOR on the due date. If no such interest rate is published on that day, the interest rate published on the next preceding day on which such a rate was so published shall be used.

16.11 TAXES

- (a) Each PARTY shall be responsible for and shall pay its own expense when due and payable all TAXES assessed against it in connection with the ACCESS ARRANGEMENT. All TAXES levied on each PARTY shall be for the account of the PARTY and shall not be reimbursed by the other PARTY.
- (b) Each PARTY shall protect, indemnify and hold safe and harmless the other PARTY from any and all claims or liability for TAXES assessed or levied by the Inland Revenue Board of Malaysia ("IRB"), whichever is applicable against such PARTY or its contractors for or on account of any payment made to or earned by the PARTY in connection with this ACCESS ARRANGEMENT. Each PARTY further shall protect, indemnify and hold safe and hold the other PARTY harmless from all TAXES assessed or levied against or on account of wages, salaries or other benefits paid to or enjoyed by such PARTY'S employees, or employees of its contractors, and all TAXES assessed or levied against, on or for account of any property or equipment of such PARTY.
- (c) Each PARTY shall have the right to withhold TAXES from payments due to the other PARTY under this ACCESS ARRANGEMENT to the extent that such withholding may be required by the IRB or relevant tax authorities, and payment by such PARTY to the IRB or relevant tax authorities of the amount of money so withheld will relieve the other PARTY from any further obligation to the other PARTY with respect to the amount so withheld.
- (d) Each PARTY shall indemnify the other PARTY against all claims, demands and causes of action based on any actual TAXES for which such PARTY is liable or any actual or alleged failures by such PARTY or its contractors to comply with applicable tax reporting, return, or other procedural requirement with respect to this ACCESS ARRANGEMENT. The indemnity shall include without limitation all penalties, awards, and judgments; court and arbitration costs; legal fees; and other reasonable expenses associated with such claims, demands, and causes of action.

- (e) Each PARTY shall give prompt notice to the other PARTY of all matters pertaining to non-payment, payment under protest or claim for immunity or exemption from any TAXES.

In the event that a refund opportunity arises with respect to any TAX paid by one PARTY as a result of the transactions governed by this ACCESS ARRANGEMENT, both PARTIES shall reasonably work together to pursue such refund. If one PARTY receives a refund or a credit for any TAX paid by the other PARTY with respect to this ACCESS ARRANGEMENT, then the PARTY receiving the refund or credit agrees to refund to that other PARTY the full amount of such refund or credit.

16.12 **SERVICE TAX**

- (a) This AA 16.12 shall only apply upon the enactment and implementation date of the Service Tax Act 2018 in Malaysia.
- (b) Where service tax is applicable to any services rendered by TRANSPORTER under the GAS TRANSPORTATION AGREEMENT, SHIPPER shall be responsible for and pay the service tax when invoiced by TRANSPORTER for any taxable service rendered, provided that TRANSPORTER shall provide SHIPPER a copy of a valid Service Tax license issued by the Royal Malaysian Customs Department confirming that TRANSPORTER is licensed under the applicable Act as a taxable person providing taxable services.
- (c) Service tax amount shall be separately stated in the prices and/or rates, and shall be separately itemized in the invoice.
- (d) For avoidance of doubt, "Service Tax" as mentioned above refers to the tax imposed on taxable services provided by a taxable person in Malaysia effective from 1 September 2018 as set out in the Service Tax Act 2018.

16.13 **Costs and Expenses**

Each PARTY shall bear its own respective legal costs, disbursements, charges and expenses incurred in connection with the negotiation, preparation and execution of the GAS TRANSPORTATION AGREEMENT, but the stamp duty shall be borne by SHIPPER.

17.0 **CREDIT SUPPORT**

- (a) SHIPPER shall at all times meet the credit requirements as set out further in the CREDIT WORTHINESS PROCEDURE.
- (b) SHIPPER agrees that at any time during the TRANSPORTATION PERIOD, TRANSPORTER has the right to review SHIPPER'S payment terms and the amount and terms of the GUARANTEE provided by SHIPPER, including as a result of prolonged non-payment by SHIPPER, changes of company management and financial crisis affecting SHIPPER.

18.0 **SUSPENSION**

If SHIPPER fails to pay an invoice or debit note within fourteen (14) BUSINESS DAYS after payment is due, TRANSPORTER will have the right to suspend SHIPPER'S right to use the SERVICES until SHIPPER pays the invoice or debit note, or TRANSPORTER terminates the GAS TRANSPORTATION AGREEMENT.

19.0 **TERMINATION**

19.1 **TERMINATION DATE**

The "TERMINATION DATE" for the purposes of the GAS TRANSPORTATION AGREEMENT will be the first of the following events to occur:

- (a) the date agreed in writing by the PARTIES terminating the GAS TRANSPORTATION AGREEMENT;
- (b) the DAY specified in a notice of early termination issued in accordance with the GAS TRANSPORTATION AGREEMENT; or
- (c) the expiration date of the GAS TRANSPORTATION AGREEMENT, as specified in the SPECIFIC TERMS AND CONDITIONS.

19.2 **Termination and/or Suspension for Default**

If a PARTY to the GAS TRANSPORTATION AGREEMENT:

- (a) is declared bankrupt or is declared in a similar legal status affecting the rights of creditors generally; or
- (b) has committed any material breach of the GAS TRANSPORTATION AGREEMENT (including the circumstances set out in AA 25.1(c), AA 39.0(b)(iv) or AA 39.0(g)),

the other PARTY will be entitled, without judicial intervention, to:

- (c) terminate the GAS TRANSPORTATION AGREEMENT by giving notice to the PARTY in default; or
- (d) suspend the GAS TRANSPORTATION AGREEMENT for a period not exceeding sixty (60) DAYS to permit the PARTY in default to remedy such default, failing which the GAS TRANSPORTATION AGREEMENT will immediately be terminated.

19.3 **TRANSPORTER'S additional right to terminate**

- (a) In addition to the circumstances set forth in AA 19.2, if:
 - (i) SHIPPER fails to fulfil its payment obligations under the GAS TRANSPORTATION AGREEMENT;
 - (ii) SHIPPER'S SHIPPING LICENCE or any other necessary approvals have been revoked;

- (iii) SHIPPER'S credit rating is no longer in compliance with the acceptable standard set by TRANSPORTER at the COMMENCEMENT DATE; or
- (iv) SHIPPER fails to provide, maintain or replace any GUARANTEE required to be provided by SHIPPER in accordance with the CREDIT WORTHINESS PROCEDURE,

TRANSPORTER may issue to SHIPPER a notice of intention to terminate and suspend the provision of the SERVICES under the GAS TRANSPORTATION AGREEMENT.

- (b) If SHIPPER does not remedy the default within fifteen (15) DAYS of TRANSPORTER'S notice (or five (5) days of TRANSPORTER'S notice in case of a default of the kind set forth in AA 19.3(a)(iv)), TRANSPORTER may terminate the GAS TRANSPORTATION AGREEMENT by giving notice to SHIPPER.

19.4 Consequences of termination

- (a) If the GAS TRANSPORTATION AGREEMENT is terminated in accordance with this AA 19.0 or AA 21.6(a), monies that may be owed as of the date of termination of the GAS TRANSPORTATION AGREEMENT (including any amounts due under AA 21.6(b) or 19.4(b)) shall be immediately due and payable and bear interest in accordance with the provisions referred to in AA 16.0 until payment has been made in full.
- (b) If TRANSPORTER terminates the GAS TRANSPORTATION AGREEMENT under this AA 19.0, TRANSPORTER may claim compensation from SHIPPER on a cost recovery basis.
- (c) SHIPPER must cooperate with TRANSPORTER insofar as reasonably practicable to ensure the continuity of supply to END-CONSUMERS of SHIPPER following the termination or suspension of the GAS TRANSPORTATION AGREEMENT.

19.5 Survival

- (a) The termination of the GAS TRANSPORTATION AGREEMENT will be without prejudice to any rights, obligations, and remedies arising out of or concerning the GAS TRANSPORTATION AGREEMENT that have vested, matured, or accrued to any PARTY before the date of the termination.
- (b) The provisions of this AA 19.0 and AA 1.0 (Definitions and Interpretations), 14.0 (Liabilities and remedies), 23.0 (Confidentiality), 24.0 (Notices), 25.0 (Assignment and Services Transfer), 35.0 (Expert Determination), 36.0 (Dispute Resolution), and 37.0 to 40.0 (General) will remain in effect until all rights, obligations, and remedies have been finally extinguished, and all DISPUTES, including any financial audits carried out under the GAS TRANSPORTATION AGREEMENT, have been finally resolved.

20.0 **CHANGE OF LAW**

If there is a change in APPLICABLE LAWS after the COMMENCEMENT DATE which:

- (a) makes it impossible for a PARTY to fulfil all or part of its obligations under the GAS TRANSPORTATION AGREEMENT;
- (b) has a material adverse effect on the ability of a PARTY to fulfil any of its obligations under the GAS TRANSPORTATION AGREEMENT; or
- (c) makes all or any part of the GAS TRANSPORTATION AGREEMENT unenforceable,

then upon the written request of any PARTY, the PARTIES shall promptly meet and discuss and, acting in good faith, agree upon any amendments that may be required to the terms of the GAS TRANSPORTATION AGREEMENT in order to take into account of the change in APPLICABLE LAWS such that each PARTY can continue to comply with the terms of the GAS TRANSPORTATION AGREEMENT.

21.0 **FORCE MAJEURE**

21.1 **Definition of EVENT OF FORCE MAJEURE**

For the purposes of the GAS TRANSPORTATION AGREEMENT, ("EVENT OF FORCE MAJEURE") means any occurrence or circumstance beyond the control of the PARTY claiming to be excused from its obligations by virtue of such occurrence or circumstance ("AFFECTED PARTY") and resulting in or causing a failure by the AFFECTED PARTY in the fulfilment of any of its obligations to the other PARTY and which by the exercise of due diligence the AFFECTED PARTY is unable to prevent or overcome and without prejudice to the generality of the foregoing includes:

- (a) fire, haze, explosion and acts of God including tsunamis, flood, lightning, storm, typhoon, hurricane, tornado, cyclone, earthquake, landslide, perils at sea, soil erosion, subsidence, washout or epidemic; or
- (b) war (whether declared or undeclared), civil war, act of terrorism, piracy, riot, civil disturbance, blockade, insurrection, embargo, trade sanctions, military uprising or act of public enemy; or
- (c) strike, lock out or industrial disturbance, provided that any strike, lock out or industrial disturbance that affects TRANSPORTER or TRANSPORTER'S sub-contractors only, will not be considered an EVENT OF FORCE MAJEURE; or
- (d) changes in APPLICABLE LAWS that directly affect any of the PARTIES and/or render unlawful performance of any of the PARTIES' obligations hereunder; or
- (e) inability of TRANSPORTER to accept delivery of GAS due to the inability of any END-CONSUMER to take GAS if such END-CONSUMER'S inability is

occasioned by an event or occurrence of the character described or envisaged in this provision as constituting an EVENT OF FORCE MAJEURE; or

- (f) acts of any GOVERNMENT BODY, including any exercise of the COMMISSION'S authority under section 38 of the GAS SUPPLY ACT; or
- (g) any other causes whether of the kind herein enumerated or otherwise and whether caused or occasioned by or happening on account of the act or omission of one of the PARTIES which affects receipt or delivery of the GAS at an ENTRY POINT and/or an EXIT POINT.

21.2 **Effect of EVENT OF FORCE MAJEURE**

- (a) Without prejudice to any other provisions of the GAS TRANSPORTATION AGREEMENT limiting or restricting the liability of the AFFECTED PARTY, if by reason of an EVENT OF FORCE MAJEURE, the AFFECTED PARTY is rendered unable wholly or in part to carry out its obligations under the GAS TRANSPORTATION AGREEMENT, then:
 - (i) its obligations will be suspended to the extent the AFFECTED PARTY'S ability to perform is hindered by the EVENT OF FORCE MAJEURE; and
 - (ii) the failure or omission of the AFFECTED PARTY to perform such obligations will not be treated as a failure or omission to comply with the GAS TRANSPORTATION AGREEMENT.
- (b) Where TRANSPORTER or SHIPPER fails or omits to perform an obligation under the GAS TRANSPORTATION AGREEMENT in obedience to any Government act, order or regulation, provided that it is proved that such failure or omission is the necessary consequence of such act, order or regulation, such failure or omission shall not be treated as a failure or omission to comply with the GAS TRANSPORTATION AGREEMENT.

21.3 **No Relief**

- (a) Notwithstanding the provisions of AA 21.2, SHIPPER shall not be obliged to pay the TRANSPORTATION CHARGES to the extent that TRANSPORTER is not providing the SERVICES as a result of an EVENT OF FORCE MAJEURE.
- (b) Subject to AA 21.3(a), an EVENT OF FORCE MAJEURE will not relieve a PARTY from any liability or obligation to:
 - (i) make payments due under the GAS TRANSPORTATION AGREEMENT; or
 - (ii) give any notice due under the GAS TRANSPORTATION AGREEMENT.

21.4 **Notification of EVENT OF FORCE MAJEURE**

Following any occurrence of an EVENT OF FORCE MAJEURE, the AFFECTED PARTY must, as soon as reasonably practicable, notify the other PARTY of the occurrence and nature of the EVENT OF FORCE MAJEURE, the expected duration

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thereof, (insofar as the same can reasonably be assessed), and the obligations of the AFFECTED PARTY performance of which is affected by it and from time to time thereafter provide to the other PARTY reasonable details of:

- (a) the estimated period during which performance may be prevented, interfered with, delayed, including, to the extent known or ascertainable, the estimated extent of such reduction in performance;
- (b) the particulars of the programme to be implemented to resume normal performance hereunder; and
- (c) the anticipated portion of the SERVICES that will not be made available or received, as the case may be, by reason of and EVENT OF FORCE MAJEURE.

Such notices shall thereafter be updated at reasonable intervals during the period of such claimed EVENT OF FORCE MAJEURE specifying the actions being taken to remedy the circumstances causing such EVENT OF FORCE MAJEURE.

21.5 Resumption of Obligations

The AFFECTED PARTY must resume the performance of any of its obligations that are affected by an EVENT OF FORCE MAJEURE as soon as reasonably practicable after the removal of the cause of the failure and must notify the other PARTY prior to its resumption.

21.6 Termination for EVENT OF FORCE MAJEURE

- (a) If an EVENT OF FORCE MAJEURE lasts for more than three (3) consecutive MONTHS either PARTY can terminate the GAS TRANSPORTATION AGREEMENT by notice to the other PARTY with immediate effect. If the GAS TRANSPORTATION AGREEMENT is terminated under this AA 21.6, subject to AA 21.6(b), neither PARTY will have any further liability to the other PARTY other than for:
 - (i) liabilities arising prior to termination; and
 - (ii) those provisions which survive the termination of the GAS TRANSPORTATION AGREEMENT.
- (b) If the GAS TRANSPORTATION AGREEMENT is terminated under AA 21.6(a) as a result of an EVENT OF FORCE MAJEURE where SHIPPER is the AFFECTED PARTY, TRANSPORTER will be entitled on a cost recovery basis to claim compensation from SHIPPER.

22.0 INSURANCE

22.1 Insurance

- (a) Both PARTIES must effect and maintain relevant insurance policies, which may include:

- (i) general third party insurance with a limit per occurrence or series of occurrences arising from one event of an amount to be determined in accordance with the standards of a REASONABLE AND PRUDENT TRANSPORTER;
 - (ii) insurance of not less than the greater of that amount required by applicable workmen's compensation or employer's liability legislation from time to time per occurrence or series of occurrences arising from any one event; and
 - (iii) a cross liability section which provides that where the insurance policy covers the interest of more than one party, any act, negligence or omission or breach of a policy condition by an individual party will not prejudice the rights of the remaining party/parties; provided the remaining party/parties must, upon becoming aware of any act, negligence or omission as a result of which the risk of legal liability to that party/parties has increased due to a breach of a policy condition, give notice to the insurers.
- (b) Each PARTY must ensure that its respective insurers include in their insurance policies a waiver of the subrogation rights of its insurer in respect of the matters indemnified in AA 14.0 for the benefit of the other PARTY except in the case of the GROSS NEGLIGENCE OR WILFUL MISCONDUCT of TRANSPORTER or SHIPPER (as appropriate) and SHIPPER must provide evidence of this to TRANSPORTER on request.

22.2 Other Insurance

During the TRANSPORTATION PERIOD, each PARTY must obtain and maintain policies of insurance as required by APPLICABLE LAWS, and obtain and maintain policies of insurance for their respective products and properties and to the extent available, the PARTY must require its insurers and underwriters to waive their rights of subrogation in favour of the other PARTY, its AFFILIATES, and their directors, officers, employees, agents, and insurers.

23.0 CONFIDENTIALITY

23.1 Each PARTY hereto undertakes that it will not, save as permitted pursuant to AA 23.2, divulge any CONFIDENTIAL INFORMATION to any persons other than its own officers, employees or professional advisers as having a reasonable need for such information in carrying out their respective duties for the purpose of the GAS TRANSPORTATION AGREEMENT and will procure that such persons will not disclose such information save as aforesaid.

23.2 Notwithstanding AA 23.1, either PARTY shall have the right to disclose CONFIDENTIAL INFORMATION without obtaining the other PARTY'S prior consent in the following situations:

- (a) if required by any court of law or any law, rule or regulation, or by a GOVERNMENT BODY (including by the COMMISSION having or asserting jurisdiction over a PARTY such disclosure in accordance with that jurisdiction

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(including in connection with the resolution of a DISPUTE), or pursuant to the rules of Bursa Malaysia Securities Berhad (Bursa Malaysia), Securities Commission (SC) or any other recognised stock exchange or agency on which either PARTY'S securities are quoted;

- (b) to accountants, other professional consultants or insurers, provided such disclosure is solely to assist the purpose for which the aforesaid were so engaged and further provided that such persons agree to hold such information or documents under terms of confidentiality equivalent to AA 23.0;
- (c) to its AFFILIATE and its shareholders, provided that such recipient entity has a bona fide business need for such information and agrees to hold such information or documents under terms of confidentiality equivalent to AA 23.0;
- (d) to any GOVERNMENT BODY to the extent such disclosure assists TRANSPORTER and CAPACITY SHIPPER in obtaining approvals;
- (e) to an EXPERT or to an arbitral tribunal in connection with the resolution of a DISPUTE; and
- (f) to the extent any such information or document has entered the public domain other than through the fault or negligence of the PARTY making the disclosure.

23.3 The obligations in AAs 23.1 and 23.2 with regard to the CONFIDENTIAL INFORMATION shall remain in effect for three (3) years after the GAS TRANSPORTATION AGREEMENT is terminated or expires.

23.4 Subject to any applicable statutory or regulatory rules or otherwise as may be required by Bursa Malaysia or SC, none of the PARTIES hereto shall make any public announcement in relation to the terms of the GAS TRANSPORTATION AGREEMENT of the transactions or arrangements hereby contemplated or herein referred to or any matter ancillary hereto unless:

- (a) the purpose, form and text thereof shall be specifically agreed in writing by the other PARTY; or
- (b) if the same shall be required by Bursa Malaysia or SC, the PARTIES shall mutually consult on the proposed text thereof and use all REASONABLE ENDEAVOURS to agree upon such text.

24.0 **NOTICES**

24.1 Except as otherwise specifically provided, all notices, statements, invoices, payments, requests, demands, or other communications under the GAS TRANSPORTATION

AGREEMENT shall be in writing or by facsimile in English sent or delivered to the intended recipient PARTY at the address indicated by the recipient PARTY.

24.2 All communications between the PARTIES shall be effective, in the case of written communication when delivered and, in case of a communication by facsimile, when sent and addressed as set forth above.

24.3 Oral communication is not notice for any purposes of the GAS TRANSPORTATION AGREEMENT, and telephone numbers for the PARTIES are listed as a matter of convenience only. Regarding facsimile and/or e-mail communication automatic delivery receipts issued is not evidenced of effective notices for purposes of the GAS TRANSPORTATION AGREEMENT and shall only be effective following direct human acknowledgement.

25.0 **ASSIGNMENT AND SERVICES TRANSFER**

25.1 **Transfer of Obligations**

- (a) Any TRANSFER by SHIPPER will be effective only if, and a transferee shall not have any rights in the GAS TRANSPORTATION AGREEMENT unless and until, TRANSPORTER has consented to the TRANSFER in writing.
- (b) Following an effective TRANSFER, only the transferee will be liable to the other PARTY for the transferor's obligations (financial or otherwise) that have vested, matured, or accrued under the GAS TRANSPORTATION AGREEMENT before the TRANSFER.
- (c) If transferor tries to make a TRANSFER without satisfying in all material respects the requirements of this AA 25.0, then the other PARTY may terminate and/or suspend the GAS TRANSPORTATION AGREEMENT in accordance with AA 19.2.
- (d) A PARTY may, upon notification to the other PARTY, appoint a THIRD PARTY to discharge its obligations under the GAS TRANSPORTATION AGREEMENT, subject to the continuing liability of the appointing party for the performance of those obligations.

25.2 **Assignment of Interest**

- (a) Without limiting AA 25.1, a PARTY'S interests in the GAS TRANSPORTATION AGREEMENT may only be transferred in whole by that PARTY:
 - (i) to a THIRD PARTY with the prior written consent of the other PARTY;
 - (ii) to an AFFILIATE of the transferor with the prior written consent of the other PARTY, subject to the transferor's continuing liability (and subject to a transfer back if the AFFILIATE ceases to be so); and
 - (iii) to lenders as security for the financing of the obligations of the transferor under the GAS TRANSPORTATION AGREEMENT with the prior written consent of the other PARTY.

- (b) For the avoidance of doubt, the transfer of SHIPPER'S RESERVED FIRM CAPACITY must be made in accordance with AA 25.4.

25.3 **Successors**

The GAS TRANSPORTATION AGREEMENT is binding upon and is for the benefit of the respective successors in title and permitted transferees of each PARTY.

25.4 **Voluntary release of RESERVED FIRM CAPACITY by a SHIPPER (TRANSFEROR) to an OTHER SHIPPER (TRANSFEREE)**

- (a) A SHIPPER ("TRANSFEROR") may agree to transfer all or part of its RESERVED FIRM CAPACITY in respect of an ENTRY POINT or EXIT POINT to an OTHER SHIPPER ("TRANSFEREE"). Any transfer is subject to TRANSPORTER'S prior written consent.
- (b) If a SHIPPER wishes to transfer all or part of its RESERVED FIRM CAPACITY, it must, jointly with the TRANSFEREE, submit to TRANSPORTER a RESERVED FIRM CAPACITY transfer application in the form prescribed by TRANSPORTER ("CAPACITY TRANSFER APPLICATION").
- (c) TRANSPORTER may reject a CAPACITY TRANSFER APPLICATION if:
 - (i) the transfer is not in respect of the same ENTRY POINTS or EXIT POINTS in relation to which the relevant RESERVED FIRM CAPACITY is being acquired or increased;
 - (ii) the TRANSFEROR does not comply with the requirements set out in the form prescribed by TRANSPORTER for a CAPACITY TRANSFER APPLICATION; or
 - (iii) the TRANSFEREE is unable to meet the necessary security or credit limit stipulations determined by TRANSPORTER in accordance with the CREDIT WORTHINESS PROCEDURE.
- (d) Any transfer of RESERVED FIRM CAPACITY is conditional upon the TRANSFEREE entering into a GAS TRANSPORTATION AGREEMENT with TRANSPORTER to give effect to the transfer, on the same terms and conditions as the GAS TRANSPORTATION AGREEMENT between TRANSPORTER and the TRANSFEROR unless otherwise agreed between the TRANSPORTER, the TRANSFEREE and the TRANSFEROR. The period for which the RESERVED FIRM CAPACITY will be transferred will be as agreed and set out in the agreement between the TRANSFEROR and TRANSFEREE and agreed with the TRANSPORTER.
- (e) Despite any transfer, the TRANSFEROR acknowledges that both the TRANSFEROR and the TRANSFEREE will be jointly and severally liable to TRANSPORTER for the TRANSFEROR'S obligations (financial or otherwise) that have vested, matured, or accrued under the GAS TRANSPORTATION AGREEMENT prior to the transfer and the capacity transfer agreement

between the TRANSFEROR and the TRANSFEREE must contain provisions to that effect.

- (f) The effective date of the transfer of the RESERVED FIRM CAPACITY will, unless otherwise agreed by TRANSPORTER and the TRANSFEROR, be the date upon which TRANSPORTER gives notice of confirmation of the transfer of such RESERVED FIRM CAPACITY to the TRANSFEROR.
- (g) With effect from the effective date of the transfer of the RESERVED FIRM CAPACITY, the RESERVED FIRM CAPACITY of the TRANSFEROR will be deemed to be reduced by the amount of the RESERVED FIRM CAPACITY transferred to the TRANSFEREE and the TRANSFEREE'S RESERVED FIRM CAPACITY will be deemed to be increased by that same amount.

25.5 **Sub-letting**

Notwithstanding anything to the contrary in this ACCESS ARRANGEMENT, a SHIPPER must not sub-let part or all of its RESERVED CAPACITY to any other person.

26.0 **USE-IT-OR-LOSE-IT**

- (a) TRANSPORTER will monitor the utilisation of the RESERVED FIRM CAPACITIES of SHIPPERS and offer any unutilised RESERVED FIRM CAPACITY to OTHER SHIPPERS as AVAILABLE FIRM CAPACITY in accordance with this AA 26.0. Notwithstanding the foregoing, a SHIPPER may utilise their RESERVED CAPACITY at any time subject to the following provisions of this AA 26.0.
- (b) TRANSPORTER will apply a use-it-or-lose-it policy, as further described in AA 26.0(c) ("USE-IT-OR-LOSE-IT"), to ensure that the CAPACITY in the GAS TRANSPORTATION SYSTEM is used efficiently and that a barrier to the development of effective competition does not arise through restricted or inadequate access to unused CAPACITY. In particular, the USE-IT-OR-LOSE-IT policy aims to ensure that all CAPACITY that could be available to SHIPPERS or PROSPECTIVE SHIPPERS is indeed made available for use by those who need it.
- (c) If at any relevant time:
 - (i) there is no AVAILABLE FIRM CAPACITY in the GAS TRANSPORTATION SYSTEM;
 - (ii) SHIPPER'S actual aggregate utilisation of its RESERVED FIRM CAPACITY during the 6 consecutive MONTH period immediately prior to the relevant time, as determined by TRANSPORTER, is less than 70% of its aggregate RESERVED FIRM CAPACITY for that 6 consecutive MONTH period ("UNDER-USING SHIPPER"); and
 - (iii) there is any request from any OTHER SHIPPER or PROSPECTIVE SHIPPER to take all or a portion of the RESERVED FIRM CAPACITY

that is not being used by the UNDER-USING SHIPPER ("UNDER-USED CAPACITY"),

then upon such request:

- (iv) TRANSPORTER will, by notice to the UNDER-USING SHIPPER, give the UNDER-USING SHIPPER no less than fourteen (14) DAYS to justify why the UNDER-USED CAPACITY should not be surrendered and made available to OTHER SHIPPERS or PROSPECTIVE SHIPPERS ("UNDER-UTILISATION NOTICE"); and
- (v) if TRANSPORTER is not satisfied with the UNDER-USING SHIPPER'S response to an UNDER-UTILISATION NOTICE, TRANSPORTER may, in its discretion:
 - (A) offer the UNDER-USED CAPACITY to any OTHER SHIPPER or PROSPECTIVE SHIPPER on a fair and equitable basis; and
 - (B) if an OTHER SHIPPER or PROSPECTIVE SHIPPER agrees to take the UNDER-USED CAPACITY, issue a notice to the UNDER-USING SHIPPER, informing it that its RESERVED FIRM CAPACITY will be reduced by the amount of the UNDER-USED CAPACITY (or such lesser quantity that has been acquired by an OTHER SHIPPER or PROSPECTIVE SHIPPER) by a date specified in the notice which must not be less than five (5) DAYS from the date of such notice.
- (d) If TRANSPORTER issues a notice to the UNDER-USING SHIPPER under AA 26.0(c)(v)(B), the RESERVED FIRM CAPACITY of the UNDER-USING SHIPPER as set out in the UNDER-USING SHIPPER'S GTA will be automatically reduced to give effect to TRANSPORTER'S notice without the requirement for that SHIPPER and TRANSPORTER to execute any other document, for the period that OTHER SHIPPER has agreed to take the UNDER-USED CAPACITY (which period must not be more than the TRANSPORTATION PERIOD under the UNDER-USING SHIPPER'S GTA).
- (e) If an OTHER SHIPPER agrees to take the UNDER-USED CAPACITY, the RESERVED FIRM CAPACITY of that OTHER SHIPPER as set out in OTHER SHIPPER'S GTA will be automatically increased on TRANSPORTER'S receipt of a notice from OTHER SHIPPER confirming to TRANSPORTER that they agree to take the UNDER-USED CAPACITY without the requirement for that OTHER SHIPPER and TRANSPORTER to execute any other document, for the period that OTHER SHIPPER has agreed to take the UNDER-USED CAPACITY.
- (f) If PROSPECTIVE SHIPPER agrees to take the UNDER-USED CAPACITY, the transfer of that UNDER-USED CAPACITY to PROSPECTIVE SHIPPER is conditional upon the PROSPECTIVE SHIPPER entering into a GTA with TRANSPORTER including the UNDER-USED CAPACITY.

- (g) If the period that the OTHER SHIPPER or PROSPECTIVE SHIPPER agree to take the UNDER-USED CAPACITY is less than the TRANSPORTATION PERIOD under the UNDER-USING SHIPPER'S GTA, then, on the expiry of the period that OTHER SHIPPER or PROSPECTIVE SHIPPER has agreed to take the UNDER-USED CAPACITY, the UNDER-USED CAPACITY will be deemed to be transferred back to the UNDER-USING SHIPPER and the OTHER SHIPPERS, PROSPECTIVE SHIPPERS and UNDER-USING SHIPPERS' GTAs will be deemed to be amended accordingly.

27.0 REVISIONS TO THIS ACCESS ARRANGEMENT

27.1 TRANSPORTER'S role

TRANSPORTER shall be entitled to propose amendments or modifications to this ACCESS ARRANGEMENT (each a "PROPOSED AA CHANGE"):

- (a) on its own accord; or
- (b) as a result of any directions from the ENERGY COMMISSION; or
- (c) as a result of any change requests (each an "AA CHANGE REQUEST") received from SHIPPERS (either individually or collectively) in accordance with the procedure set out below in AA 27.2.

27.2 Change request procedure

- (a) SHIPPER(S) may submit a AA CHANGE REQUEST to TRANSPORTER no later than six (6) MONTHS before the PROPOSED AA CHANGE is scheduled to take place.
- (b) The AA CHANGE REQUEST must include sufficient details on the changes being proposed by the SHIPPER(S), including a rationale and justification (as well as any relevant supporting documentation) for such changes.
- (c) Upon receipt of an AA CHANGE REQUEST, TRANSPORTER shall analyse and evaluate the AA CHANGE REQUEST, and may reasonably request any additional information and/or clarification from the SHIPPER(s).
- (d) Provided that TRANSPORTER is satisfied that the proposed changes contained therein are not inconsistent with the TP ACCESS CODE (and any other relevant codes developed and issued under the GAS SUPPLY ACT), TRANSPORTER shall publish the AA CHANGE REQUEST with the PROPOSED AA CHANGES which TRANSPORTER considers necessary to effect such AA CHANGE REQUEST for consultation in accordance with AA 27.3.

27.3 Consultation

TRANSPORTER shall publish the PROPOSED AA CHANGES (and relevant AA CHANGE REQUEST, if applicable) on its website. TRANSPORTER shall consult with the SHIPPER(S) on the PROPOSED AA CHANGES for ninety (90) days thereafter.

27.4 **COMMISSION approval**

Within thirty (30) days after the end of the consultation period in AA 27.3, TRANSPORTER shall forward the PROPOSED AA CHANGES (including any modifications arising from the consultation process) to the ENERGY COMMISSION for prior approval.

Within fourteen (14) days of the COMMISSION'S approval of the PROPOSED AA CHANGES (as modified, if necessary), TRANSPORTER shall publish the updated ACCESS ARRANGEMENT on its website and notify each of the SHIPPERS.

28.0 **FURTHER ASSURANCE**

Each PARTY shall co-operate with the other and execute and deliver to the other such other instruments and documents and take such other actions as may be reasonably requested from time to time in order to carry out, evidence and confirm their rights and the intended purpose of the GAS TRANSPORTATION AGREEMENT.

29.0 **ENTIRE AGREEMENT**

(a) The GAS TRANSPORTATION AGREEMENT in relation to the matters contained herein constitutes the entire agreement between the PARTIES.

(b) Save as otherwise expressly provided no modification, amendment or waiver of any of the provisions of the GAS TRANSPORTATION AGREEMENT shall be effective unless made in writing specifically referring to the GAS TRANSPORTATION AGREEMENT and duly signed by the PARTIES.

30.0 **SURVIVAL OF RIGHTS, DUTIES AND OBLIGATIONS**

Termination of the GAS TRANSPORTATION AGREEMENT for any cause shall not release a PARTY from any liability which at the time of termination has already accrued to another PARTY or which thereafter may accrue in respect of any act or omission prior to such termination.

31.0 **ANNOUNCEMENTS**

No PARTY shall make any press or other public announcement concerning any aspect of the GAS TRANSPORTATION AGREEMENT without first obtaining the agreement of the other PARTY to the text of that announcement.

32.0 **SEVERANCE**

If any provision of the GAS TRANSPORTATION AGREEMENT or part thereof is rendered void, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

33.0 **WAIVER**

The failure of a PARTY at any time to require performance of any of the provisions contained in the GAS TRANSPORTATION AGREEMENT shall in no way affect the

rights of such PARTY to require any performance which may be due thereafter pursuant to such provisions, nor shall the waiver by a PARTY of any such breach of any provision hereof be taken or held to be a waiver of any subsequent breach of such provision.

34.0 **MITIGATION**

Each PARTY shall use its REASONABLE ENDEAVOURS to mitigate any direct costs, losses and expenses in respect of which such PARTY is indemnified by the other PARTY pursuant to the GAS TRANSPORTATION AGREEMENT.

35.0 **EXPERT DETERMINATION**

- (a) In the event of a DISPUTE arising out of or relating to AAs 8.2, 8.5, 10.0 or 16.9, either PARTY may notify the other PARTY in writing of the DISPUTE (the "DISPUTE NOTICE") together with reasonable details of such DISPUTE. The PARTIES will then endeavour to resolve all matters in DISPUTE as soon as reasonably practicable.
- (b) In the event of their failing to resolve such matters within twenty-one (21) days of service of the DISPUTE NOTICE, either PARTY may submit such DISPUTE to administered expert proceedings in accordance with the Rules for the Administration of Expert Proceedings of the International Chamber of Commerce. The PARTIES agree that the findings of the expert so appointed (the "EXPERT") shall (in the absence of manifest error or fraud) be contractually binding upon them.
- (c) The EXPERT determination process is private and confidential except in relation to enforcement or if required by APPLICABLE LAW or for disclosure to advisors appointed by the EXPERT (on the basis that such parties are subject to the same confidentiality obligations).
- (d) All proceedings before the EXPERT shall be conducted in the English language and all documents submitted in connection with such proceedings shall either be in the English language or, if in another language, accompanied by a certified translation.
- (e) In the event that any DISPUTE which is to be decided pursuant to AA 35.0(b) and any ongoing RELATED DISPUTE which has also been referred to an EXPERT for determination give rise to one or more common issues of fact or law, the PARTIES agree that both the DISPUTE and the RELATED DISPUTE shall be determined (separately) by whichever EXPERT was first appointed.
- (f) Where any DISPUTE which is to be decided pursuant to AA 35.0(b) and a RELATED DISPUTE arising out of or relating to AAs 8.2, 8.5, 10.0 or 16.9, give rise to one (1) or more common issues of fact or law and an EXPERT has yet to be appointed in relation to either, the PARTIES agree to appoint the same person as the EXPERT to determine both (at the same time).
- (g) If the DISPUTE and any RELATED DISPUTE which has already been determined give rise to common issues of fact or law, the PARTIES agree that

submissions and evidence adduced, and the determination made, in the RELATED DISPUTE shall be admissible as evidence in the EXPERT determination concerning the DISPUTE.

36.0 DISPUTE RESOLUTION

- (a) Save for those DISPUTES which are to be resolved under AA 35.0 or which arise with respect to matters falling under sections 13 or 14 to 21 of the GAS SUPPLY ACT (and that are referred to the COMMISSION for determination in accordance with section 29 of the GAS SUPPLY ACT), any DISPUTE shall be settled in accordance with this AA 36.0 and in the spirit of mutual co-operation and goodwill. Any DISPUTE may be referred by either PARTY by written notice setting out a summary of the facts of the DISPUTE, to a dispute resolution committee (the "DISPUTE RESOLUTION COMMITTEE"). The DISPUTE RESOLUTION COMMITTEE shall consist of:
 - (i) one (1) representative nominated by SHIPPER; and
 - (ii) one (1) representative nominated by TRANSPORTER,each of which representatives shall have the authority to negotiate and agree an amicable settlement of any DISPUTE referred to it.
- (b) If any DISPUTE which is referred to the DISPUTE RESOLUTION COMMITTEE is not resolved amicably within thirty (30) days after the date of referral, either PARTY may refer that DISPUTE to be finally settled by arbitration in accordance with the Rules of Arbitration of the Asian International Arbitration Centre (the "AIAC"). For the avoidance of doubt, the AIAC shall be the appointing authority.
- (c) The seat, or legal place, of arbitration shall be [Malaysia].
- (d) The arbitration shall be conducted in the English language, and the place of arbitration shall be Kuala Lumpur. The decision of the arbitrators shall be final and binding on the PARTIES hereto.
- (e) The number of arbitrators shall be three (3). One (1) arbitrator shall be nominated by SHIPPER, and one (1) arbitrator shall be nominated by TRANSPORTER. The two (2) persons so nominated shall within fourteen (14) days of the appointment of the second of them, nominate a third arbitrator who shall act as the presiding arbitrator of the tribunal. If no such nomination is made within the time limit, then the appointing authority of the AIAC shall select and appoint the presiding arbitrator of the tribunal.
- (f) When a matter is referred to arbitration under the GAS TRANSPORTATION AGREEMENT, it shall not prevent or constitute a valid excuse for either PARTY from performing its respective obligations under the GAS TRANSPORTATION AGREEMENT.
- (g) Subject to AA 36.0(g)(v), the PARTIES agree as follows:

- (i) Where a RELATED DISPUTE arises which raises substantially the same or connected factual and/or legal issues as a DISPUTE under the GAS TRANSPORTATION AGREEMENT (whether or not arbitration of the RELATED DISPUTE has already been commenced) (the "COMMON DISPUTES"), then on request, the AIAC can appoint the same tribunal in respect of the COMMON DISPUTES (the "COMMON TRIBUNAL"). Where arbitrators have already been appointed to determine any of the COMMON DISPUTES, the tribunal first appointed will constitute the COMMON TRIBUNAL. The PARTIES will ensure that the appointment of any other arbitrator is terminated immediately. The termination is without prejudice to:
 - (A) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated;
 - (B) his entitlement to be paid his proper fees and disbursements; and
 - (C) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.
- (ii) If it considers it to be in the interests of justice and efficiency, the COMMON TRIBUNAL can order the COMMON DISPUTES to be consolidated (a "CONSOLIDATION ORDER"). On making a CONSOLIDATION ORDER, the COMMON TRIBUNAL will have exclusive jurisdiction to resolve the COMMON DISPUTES.
- (iii) If a CONSOLIDATION ORDER is made, the parties to each of the proceedings that are the subject of the order will be treated as having consented to the consolidated proceedings. The CONSOLIDATION ORDER and the award of the COMMON TRIBUNAL will be final and binding.
- (iv) Each PARTY agrees:
 - (A) that the arbitral tribunal has power to join any party that is not party to the arbitration to the proceedings (an "ADDITIONAL PARTY") and each PARTY consents to such joinder;
 - (B) that it may be joined as an ADDITIONAL PARTY to any arbitration commenced under another GAS TRANSPORTATION AGREEMENT entered into by TRANSPORTER in relation to the GAS TRANSPORTATION SYSTEM; and
 - (C) not to unreasonably object to the joinder or otherwise obstruct any attempt to join an ADDITIONAL PARTY.
- (v) The AIAC and arbitral tribunal may only exercise the powers in this AA 36.0(g) if all parties to the relevant arbitral proceedings (including in relation to AA 36.0(g)(iv), any ADDITIONAL PARTY) have been given a

reasonable opportunity to make representations to the AIAC or arbitral tribunal in relation to the exercise of such powers.

- (vi) If more than two parties are involved in any arbitral proceedings, the arbitral tribunal shall have all powers necessary to establish any supplementary procedural rules required or desirable in view of the multi-party nature of the arbitral proceedings. Such powers shall include the ability to issue one or more arbitration awards during or at the conclusion of the arbitration as considered necessary or appropriate or expedient by the arbitral tribunal.
- (h) Where the same or related issues of fact or law arise in two or more arbitration proceedings, evidence adduced and awards rendered in one such arbitration shall be admissible as evidence in the other(s). Subject to the above, the PARTIES agree that all arbitration proceedings shall be kept confidential and that the existence of the proceedings and all elements thereof (including but not limited to any pleadings, briefs or other documents submitted or exchanged, any testimony or other oral submissions, and any awards) shall not be disclosed beyond the tribunal, the AIAC, the PARTIES, their counsel and any person necessary for the conduct of the proceedings, except as may be lawfully required in judicial proceedings relating thereto or to the award resulting therefrom, or as may otherwise be required by APPLICABLE LAW.
- (i) By agreeing to arbitration under this AA 36.0, the PARTIES do not intend to deprive any court of its jurisdiction to issue an interim injunction or other interim relief in aid of the arbitration proceedings or the enforcement of any award, provided that the PARTIES agree that they may seek only such relief as is consistent with their agreement to resolve any dispute by way of arbitration. Without prejudice to such interim remedies in aid of arbitration as may be available under the jurisdiction of a court or otherwise, the arbitral tribunal shall also have full authority to grant interim remedies and to award damages for the failure of a PARTY to respect a court's or the arbitral tribunal's orders to that effect.

37.0 **GOVERNING LAW**

The GAS TRANSPORTATION AGREEMENT and any DISPUTE, shall be wholly and exclusively governed by and construed in accordance with the laws of Malaysia, save that Articles 41, 42 and 43 of the Arbitration Act, 2005 shall not apply.

38.0 **SOVEREIGN IMMUNITY**

- (a) The PARTIES recognise and acknowledge that the GAS TRANSPORTATION AGREEMENT is intended to constitute a commercial transaction and accordingly each PARTY acknowledges and agrees that it is not entitled to, and hereby irrevocably waives any right to, plead sovereign immunity for any purpose whatsoever, including, but not limited to, any right to plead sovereign immunity in respect of any action:

- (i) to refer a matter to an EXPERT, or to arbitration, pursuant to the terms of the GAS TRANSPORTATION AGREEMENT; or
 - (ii) in respect of the jurisdiction of the EXPERT or arbitral tribunal; or
 - (iii) to enforce or execute any award or determination rendered by an arbitral tribunal or any EXPERT pursuant to the terms of the GAS TRANSPORTATION AGREEMENT.
- (b) The PARTIES irrevocably waive any claim to sovereign immunity in relation to any court proceedings arising out of or in connection with the GAS TRANSPORTATION AGREEMENT, including for the purposes of enforcing any award or determination rendered by an arbitral tribunal or any EXPERT pursuant to the terms of the GAS TRANSPORTATION AGREEMENT.
- (c) Each of the PARTIES consents generally to the giving of any relief or the issuing of any process, including the making, enforcement or execution against any property of any order or judgement, in respect of:
- (i) any suit, legal action or proceedings arising out of or in connection with the GAS TRANSPORTATION AGREEMENT for the purpose of enforcing any order or any award made in any arbitration; or
 - (ii) any determination of any EXPERT.
- (d) To the extent that:
- (i) either PARTY may be entitled in any jurisdiction to claim for itself or its assets sovereign immunity in respect of its obligations under the GAS TRANSPORTATION AGREEMENT; or
 - (ii) in any jurisdiction there may be attributed to itself or its assets such sovereign immunity,

each of the PARTIES agrees not to claim and hereby irrevocably waives such sovereign immunity to the fullest extent permitted by the laws of such jurisdiction.

39.0 CODE OF CONDUCT AND BUSINESS ETHICS

- (a) For the purpose of this AA 39.0, each of the following expressions have, except where the context otherwise requires, the following meanings:
- (i) "ASSOCIATED PERSONS" means a person associated with SHIPPER, including, but not limited to any of its employees, agents, subcontractors, consultants, representatives and agents;
 - (ii) "PETRONAS ABC POLICY" means the PETRONAS Code of Conduct and Business Ethics and Country Supplement, and other related rules, regulations, policies, procedures, guidelines and requirements as updated from time to time;

- (iii) "RELEVANT REQUIREMENTS" means all applicable laws, statutes, regulations and codes relating to anti-bribery and anti-corruption;
 - (iv) "RELEVANT POLICIES" means Part II A (Conflict of Interest) and Part II B (Fighting Corruption and Unethical Practices) of TRANSPORTER'S Code of Conduct and Business Ethics and other related policies, procedures, guidelines and requirements as updated by TRANSPORTER from time to time; and
 - (v) "RELEVANT OBLIGATIONS" means obligations equivalent to those imposed on SHIPPER pursuant to the terms of this AA 39.0.
- (b) Business Conduct
- (i) SHIPPER shall comply with the PETRONAS ABC POLICY at all times.
 - (ii) SHIPPER shall ensure that all ASSOCIATED PERSONS shall comply with the PETRONAS ABC POLICY in connection with the GAS TRANSPORTATION AGREEMENT.
 - (iii) From time to time, at the request of TRANSPORTER, SHIPPER shall confirm in writing that SHIPPER and any ASSOCIATED PERSONS have complied with the obligations imposed upon it in this AA 39.0 and provide any information reasonably requested by TRANSPORTER in support of the compliance obligations.
 - (iv) In the event that SHIPPER and/or the ASSOCIATED PERSONS refuse, fail and/or is negligent in complying with the provisions of this AA 39.0, TRANSPORTER may, without prejudice to any other remedies available to it under the GAS TRANSPORTATION AGREEMENT or under the laws, take any such action as deemed necessary including termination of the GAS TRANSPORTATION AGREEMENT.
- (c) Conflict of Interest and Fighting Corruption and Unethical Practices
- (i) SHIPPER shall:
 - (A) comply with all RELEVANT REQUIREMENTS and RELEVANT POLICIES;
 - (B) have in place and maintain throughout the TRANSPORTATION PERIOD its own policies and procedures to ensure compliance with the RELEVANT REQUIREMENTS and RELEVANT POLICIES;
 - (C) with respect to any matter arising out of the GAS TRANSPORTATION AGREEMENT, maintain adequate internal controls and accurately record all transactions in its books and records;

- (D) enforce the policies and procedures referred to in AA 39.0(c)(i)(B), where appropriate;
 - (E) promptly report to TRANSPORTER any breach of this AA 39.0(c) arising in connection with the GAS TRANSPORTATION AGREEMENT and take such steps as TRANSPORTER may reasonably require in order to rectify any such breach;
 - (F) promptly report any request or demand for any undue financial or other advantage of any kind received by SHIPPER in connection with the performance of the GAS TRANSPORTATION AGREEMENT and take such steps in response to any such request as TRANSPORTER may require; and
 - (G) immediately notify TRANSPORTER in writing if a foreign public official becomes an officer or employee of SHIPPER or acquires a direct or indirect interest in SHIPPER.
- (d) SHIPPER warrants that no foreign public officials are officers or employees of SHIPPER or have direct or indirect interests in SHIPPER at the EXECUTION DATE.
 - (e) SHIPPER shall ensure that in connection with the GAS TRANSPORTATION AGREEMENT all ASSOCIATED PERSONS shall be subject to a written contract which imposes RELEVANT OBLIGATIONS on the ASSOCIATED PERSONS.
 - (f) SHIPPER shall be responsible for the observance and performance by the ASSOCIATED PERSONS of the RELEVANT OBLIGATIONS and shall be directly liable to TRANSPORTER for any breach of the RELEVANT OBLIGATIONS by any ASSOCIATED PERSON.
 - (g) Breach of this AA 39.0(c) shall be deemed a material breach and TRANSPORTER may terminate the GAS TRANSPORTATION AGREEMENT, without any ensuing obligations nor liabilities, except for that incurred prior to the date of the breach.

40.0 **DISCLAIMER OF AGENCY**

- (a) It is not the intention of the PARTIES to create, nor shall the GAS TRANSPORTATION AGREEMENT be deemed or construed to create, nor shall the PARTIES report for any purpose any transaction occurring pursuant to the GAS TRANSPORTATION AGREEMENT as a partnership, joint venture or other association or a trust.
- (b) The GAS TRANSPORTATION AGREEMENT shall not be deemed or construed to authorise any PARTY to act as an agent, servant or employee for the other PARTY for any purpose whatsoever except as explicitly set forth in the GAS TRANSPORTATION AGREEMENT. In their relations with each other under the GAS TRANSPORTATION AGREEMENT, the PARTIES shall not be considered fiduciaries.

41.0 REPRESENTATIONS AND WARRANTIES

41.1 TRANSPORTER'S warranties as to authority

TRANSPORTER represents and warrants to SHIPPER that, as at the EXECUTION DATE:

- (a) TRANSPORTER is a company validly incorporated under the laws of Malaysia;
- (b) TRANSPORTER has full power, authority, and legal right to own its assets and conduct its business as currently conducted and has taken all necessary corporate action to sign and deliver the GAS TRANSPORTATION AGREEMENT and perform its obligations under the GAS TRANSPORTATION AGREEMENT; and
- (c) the GAS TRANSPORTATION AGREEMENT has been duly signed and delivered by TRANSPORTER and forms a valid and binding obligation of TRANSPORTER, enforceable against TRANSPORTER under its terms.

41.2 SHIPPER'S warranties as to authority and credit worthiness

SHIPPER represents and warrants to TRANSPORTER that, as at the EXECUTION DATE:

- (a) SHIPPER is in good financial standing as required for performance under the GAS TRANSPORTATION AGREEMENT;
- (b) SHIPPER has or causes to have full power, authority, and legal right to own its assets and conduct its business as currently conducted and has taken all necessary corporate action to sign and deliver the GAS TRANSPORTATION AGREEMENT and perform its obligations under the GAS TRANSPORTATION AGREEMENT;
- (c) the GAS TRANSPORTATION AGREEMENT has been duly signed and delivered by SHIPPER and forms a valid and binding obligation of SHIPPER, enforceable against SHIPPER under its terms; and
- (d) SHIPPER has furnished to TRANSPORTER certified resolutions, or authenticated powers-of-attorney, or other corporate instruments necessary to authorize its execution, delivery, and performance of the GAS TRANSPORTATION AGREEMENT.

41.3 Additional representations and warranties of SHIPPER

In addition to the representations and warranties set out in AA 41.2, SHIPPER represents and warrants to TRANSPORTER that, as at the EXECUTION DATE:

- (a) SHIPPER has and will have good title to all GAS delivered to TRANSPORTER at each ENTRY POINT and whilst in the GAS TRANSPORTATION SYSTEM, the GAS will be free from all liens, encumbrances, charges, and adverse claims whatsoever;

- (b) the execution and delivery of the GAS TRANSPORTATION AGREEMENT by SHIPPER does not and the performance of the GAS TRANSPORTATION AGREEMENT will not:
 - (i) violate any provision of its governing documents or any APPLICABLE LAW presently in effect applicable to it or its properties or assets;
 - (ii) result in a breach of or be a default under any credit agreement or other agreement or instrument to or by which it or its properties or assets may be presently bound or affected; and
 - (iii) result in or require the creation or imposition of any encumbrance upon or of any of its properties or assets under any credit agreement, other agreement, or instrument;
- (c) there are no suits, judicial, or administrative actions, proceedings, or investigations (including bankruptcy, reorganisation, insolvency, or similar actions, proceedings, or investigations) pending or, to its knowledge, threatened against it before any court or by or before any GOVERNMENT BODY that, if decided adversely to its interest, could materially adversely affect its ability to perform its obligations under the GAS TRANSPORTATION AGREEMENT; and
- (d) all approvals, consents, or permissions of, and notifications or filings with, any person necessary for SHIPPER'S valid execution, delivery, and performance of the GAS TRANSPORTATION AGREEMENT have been obtained, are in full force and effect, and are final and not subject to appeal.

41.4 **Duration of representations and warranties**

Each PARTY represents and warrants to the other that the PARTIES have entered into the GAS TRANSPORTATION AGREEMENT, on the basis of and in reliance on the following:

- (a) the truth and correctness of the representations and warranties;
- (b) the representations and warranties shall on the EXECUTION DATE be true and accurate as if they were given immediately before the EXECUTION DATE; and
- (c) the representations and warranties shall remain in full force and effect notwithstanding the EXECUTION DATE.

41.5 **Notice regarding representations and warranties**

Each PARTY shall give notice to the other PARTY of any matter or event coming to its attention at any time which shows or may show that any representation or warranty made by that PARTY as set out in this AA 41.0 was when it made or at any time thereafter has become untrue, inaccurate or misleading in any respect.

41.6 SHIPPER'S covenants

- (a) SHIPPER covenants with TRANSPORTER that at no cost to TRANSPORTER, SHIPPER must:
 - (i) obtain consents, approvals or permissions (including a SHIPPING LICENCE), if necessary, to enable SHIPPER to make GAS available at the ENTRY POINT, and to perform SHIPPER'S obligations and the transactions contemplated by the GAS TRANSPORTATION AGREEMENT;
 - (ii) notify TRANSPORTER immediately if any of the said consents, approvals or permissions referred to in AA 41.6(a)(i), are not granted, have lapsed and are not renewed, are cancelled or terminated or if any proceeding is initiated; and
 - (iii) adhere to TRANSPORTER'S credit terms (including those set out in AA 16.0) and/or the terms of any security required to be provided by SHIPPER for payment and performance of its obligations under the GAS TRANSPORTATION AGREEMENT.

41.7 Mutual covenants

Each PARTY covenants to the other that the PARTY will comply with all APPLICABLE LAWS, including the TPA CODE and GAS SUPPLY ACT, governing or relating to its performance under the GAS TRANSPORTATION AGREEMENT.

42.0 GAS MANAGEMENT SYSTEM

- (a) TRANSPORTER will establish and operate a web-based GAS MANAGEMENT SYSTEM ("GMS") which provides for an electronic transfer of information between TRANSPORTER and all SHIPPERS.
- (b) TRANSPORTER and SHIPPER will communicate with each other for the purposes of the daily operation and monitoring of the GAS TRANSPORTATION SYSTEM by means of the GMS.
- (c) The information provided by TRANSPORTER via the GMS to SHIPPER will be limited only to SHIPPER'S portfolio.
- (d) TRANSPORTER will provide SHIPPER with access and use of the following:
 - (i) SHIPPER'S portfolio via GMS;
 - (ii) software installed in respect of the GMS; and
 - (iii) manuals or any materials in respect of the GMS,subject to SHIPPER'S compliance with any requirements notified by TRANSPORTER to SHIPPER from time to time.

43.0 **CHANGE OF CIRCUMSTANCES**

With the object of ensuring that the GAS TRANSPORTATION AGREEMENT (excluding this ACCESS ARRANGEMENT) remains fair and reasonable for its full term, if any substantial change in circumstances (including any change to the legal or regulatory regime affecting the GAS TRANSPORTATION SYSTEM) at any time during the TERM seriously prejudices or is foreseen seriously to prejudice any PARTY in relation to the GAS TRANSPORTATION AGREEMENT (excluding this ACCESS ARRANGEMENT), then the PARTIES at the written request of either PARTY, shall immediately consult together in a spirit of mutual understanding and co-operation and shall decide, if necessary subject to the approval of the COMMISSION whether and what revision of the terms and conditions of the GAS TRANSPORTATION AGREEMENT (excluding this ACCESS ARRANGEMENT) is reasonably necessary in view of the change in circumstances. Pending agreement on the revised terms and conditions or in the event that no revision is agreed upon, the terms and conditions contained in the GAS TRANSPORTATION AGREEMENT (excluding this ACCESS ARRANGEMENT) shall apply.

SCHEDULE 1
GAS TRANSPORTATION SYSTEM



SCHEDULE 2

CREDIT WORTHINESS PROCEDURE

1.0 ADDITIONAL DEFINITIONS:

ACCEPTABLE CREDIT RATING means in relation to a SHIPPER:

- (a) a rating for its long term unsecured and non-credit enhanced debt obligations of [A-] or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or [A3] or higher by Moody's Investor Services Limited; or
- (b) a comparable rating from an internationally recognised credit rating agency but, where the ratings issued by rating agencies for such obligations of a particular entity differ, applying the lowest of such ratings; or
- (c) any other rating approved by TRANSPORTER;

GUARANTEE means an irrevocable on-demand bank guarantee issued by an internationally recognised bank that is acceptable to TRANSPORTER containing terms substantially similar to the form included in Appendix 1 to this Schedule 2 or as otherwise acceptable to TRANSPORTER.

2.0 CREDIT REQUIREMENTS

2.1 Each SHIPPER (including a PROSPECTIVE SHIPPER) shall:

- (a) supply to TRANSPORTER one (1) original or certified true copy of SHIPPER'S audited accounts:
 - (i) for the three (3) years immediately preceding the EXECUTION DATE at TRANSPORTER'S request; and
 - (ii) the most recent audited accounts as at the EXECUTION DATE, and as at each financial year end thereafter,

as soon as they are available (and in any event no later than the date which is [six (6) months] after the end of SHIPPER'S financial year), together with a statement containing an estimate of the SHIPPER'S total assets less total liabilities as derived from the SHIPPER'S latest audited accounts, based on these accounts;

- (b) ensure that any reports or accounts provided pursuant to paragraph 2.1(a) give a true and fair view of the SHIPPER'S financial position as at the date at which those reports or accounts were drawn up; and
- (c) supply to TRANSPORTER any other information reasonably requested to enable TRANSPORTER to make a determination under paragraph 2.2.

2.2 Upon receipt by TRANSPORTER of the information set out in paragraph 2.1 above, TRANSPORTER shall determine in its discretion whether it shall require a

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GUARANTEE and, if a GUARANTEE is required, the amount of such GUARANTEE, provided that TRANSPORTER shall not require GUARANTEE if SHIPPER or PROSPECTIVE SHIPPER has an ACCEPTABLE CREDIT RATING.

- 2.3 Following a determination by TRANSPORTER pursuant to paragraph 2.2 above that a GUARANTEE is required with respect to a SHIPPER or PROSPECTIVE SHIPPER, TRANSPORTER shall notify the relevant SHIPPER or PROSPECTIVE SHIPPER of such determination and which form or forms of GUARANTEE is required by TRANSPORTER from that SHIPPER. Promptly and in any event within ten (10) days following such notification by TRANSPORTER SHIPPER or PROSPECTIVE SHIPPER shall procure and maintain (for so long as TRANSPORTER requires) the required GUARANTEE.
- 2.4 SHIPPER should replace any GUARANTEE no later than 30 days before such GUARANTEE expires with replacement GUARANTEE in substantially the same form.
- 2.5 If an entity providing GUARANTEE ceases to be acceptable to TRANSPORTER, SHIPPER shall within 7 days provide an alternative GUARANTEE in substantially the same form from a replacement entity that is acceptable to TRANSPORTER.
- 2.6 If SHIPPER fails to comply with the requirements of paragraphs 2.3, 2.4 or 2.5 above and such failure is not cured within five (5) days after receipt of notice from TRANSPORTER of such failure, TRANSPORTER may, without any liability on the part of TRANSPORTER, suspend or discontinue the provision of SERVICES to the relevant SHIPPER for the duration of such failure and/or may terminate the GAS TRANSPORTATION AGREEMENT in accordance with AA 19.3.

APPENDIX 1

FORM OF BANK GUARANTEE

BANK GUARANTEE NO.:

[XXX]

Tower 1, PETRONAS Twin Towers,
Kuala Lumpur City Centre,
50088 Kuala Lumpur.

AN AGREEMENT made the _____ day of _____ 201[●] between
_____ (hereinafter referred to as the "Bank") of the one part
and [XXX] (hereinafter called the "Seller") of the other part.

WHEREBY IT IS AGREED as follows:

1. In consideration of Seller agreeing to render **transportation** services to _____ (hereinafter referred to as the "Buyer"), the Bank hereby irrevocably and unconditionally guarantees and undertakes the payment to the Seller, as principal debtor and not merely as surety, on first demand, free of offsets or counterclaims, without restriction or conditions and notwithstanding any contestation or objection by with Buyer, such sums of money not exceeding **Ringgit Malaysia/United States Dollar** _____ (**RM/USD** _____) which may at any time be claimed by the Seller against the Buyer for the Buyer's failure to settle any amounts due under **Gas Transportation Agreement** between the Seller and the Buyer dated _____ and any amendments thereto which may subsequently be agreed upon by the Seller and the Buyer.
2. Notice in writing, without proof or conditions, of any claims by the Seller against the Buyer shall be given to the Bank, and within 7 days from the date of receipt of such notice full payment shall forthwith be made by the Bank to the Seller of all sums due under this guarantee.
3. This guarantee shall be effective for the period of _____ from the date hereof and shall expire on _____ and renewed at least 30 days before the expiry of the guarantee in the form similar and in the amount to be based on the provisions of the **Gas Transportation Agreement**.
4. The liability of the Bank shall not be affected nor shall this guarantee be discharged or diminished by reason of:
 - 4.1. any amendment, modification, extension, indulgence, waiver, or concession granted to the Buyer by the Seller, whether as to payment, time, performance or otherwise;

- 4.2. any renewal, variation, compromise or composition relating to the Gas Transportation Agreement or refusal or neglect to perfect the Gas Transportation Agreement or any decision by the Seller to not enforce the Gas Transportation Agreement or sue the Buyer;
- 4.3. any change whatsoever in the constitution of the Buyer or by the Buyer's liquidation or winding up or any legal limitation, disability, incapacity or similar circumstances relating to the Buyer; or
- 4.4. any act or omission on the part of the Seller which but for this provision might operate to exonerate or discharge the Bank from any of its obligations under this guarantee.
- 5. This guarantee shall ensure to the benefit of the Seller and its successors and assigns pursuant to the Gas Transportation Agreement notwithstanding any amalgamation, merger, reconstruction under this guarantee.
- 6. This guarantee shall remain in full force and effect notwithstanding any amalgamation, merger, reconstruction or any other change in the constitution of the Bank.
- 7. This guarantee is a continuing guarantee within the limits aforesaid as to time and amount. However any claim by the Seller for the Buyer's failure to settle any amount due under the Gas Transportation Agreement shall be submitted to the Bank within 1 month(s) after the expiry of the said time.
- 8. This guarantee shall be governed by and construed exclusively in accordance with the laws of Malaysia.
- 9. The Bank hereby waives notice of acceptance and execution of this Bank Guarantee by the Seller.

IN WITNESS WHEREOF the Bank hereto have hereunto set their hands the day and year first above written.

Signed for and on behalf of the Bank)
)
).....
 Name)
 Designation)
)
 In the presence of:)
).....
 Name)
 Designation)

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SCHEDULE 3

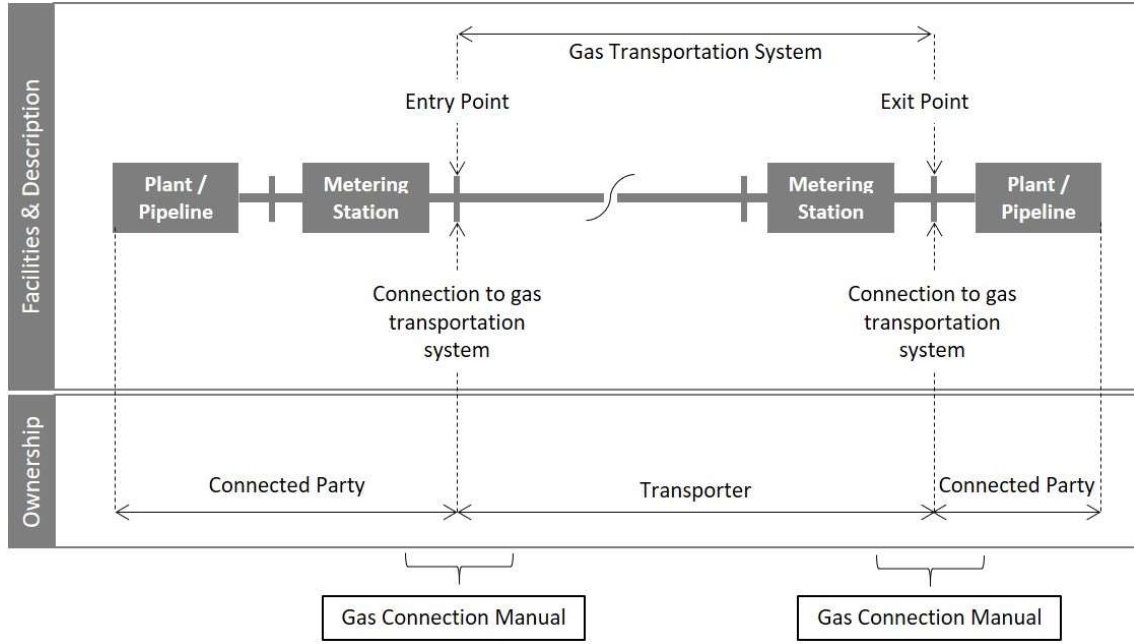
GAS SPECIFICATIONS

The GAS must be commercially free from objectionable substances that may damage pipelines, regulators, meters or other appliances, or that can adversely affect and interfere with:

- (a) the transmission of the GAS through pipelines; or
- (b) the commercial use of the GAS by SHIPPER (including: dust, gums, gum-forming constituents, crude oil, hydrocarbons liquefiable at pressures not exceeding the maximum pressure employed in the pipeline, and other impurities which are objectionable substances); and
- (c) have the following GAS composition:

Component	Specification
GHV	35.1 – 48.1 MJ/sm ³
Specific Gravity	< 0.75
Hydrocarbon Dew Point	10 degree Celsius @ 56 Barg
Water Dew Point	10 degree Celsius @ 56 Barg
H ₂ S	< 5.7 mg/m ³
Total Sulphur	< 30 mg/m ³
Inert GAS	< 10 % mole

SCHEDULE 4
TRANSPORTER'S FACILITIES



SCHEDULE 5

TOLERANCE LEVELS, DISCOUNT AND PREMIUM FACTORS

Description	Detail
NEGATIVE IMBALANCE TOLERANCE LEVEL or NITL (expressed as a %)	[- 5%] x total DAILY QUANTITY for a DAY for the account of SHIPPER
NEGATIVE IMBALANCE PREMIUM or NIP (expressed as a %)	[150%]
POSITIVE IMBALANCE TOLERANCE LEVEL or PITL (expressed as a %)	[+ 15%] x total DAILY QUANTITY for a DAY for the account of SHIPPER
VARIANCE TOLERANCE LEVEL or VTL (expressed as a %)	[+/- 5%] x SHIPPER'S CONFIRMED QUANTITY for the DAY
VARIANCE PENALTY FACTOR (expressed as a %)	[5%]
OVERRUN TOLERANCE LEVEL or OTL (expressed as a %)	[102%] x MDQ or quantity specified in applicable OPERATIONAL FLOW ORDER]
OVERRUN PENALTY FACTOR (expressed as a %)	[200%]
AUTHORISED OVERRUN PREMIUM (expressed as a %)	[120%]

SCHEDULE 6

PART I

FORM OF GAS CONNECTION MANUAL

[**Note:** See separate document.]

PART II

STANDARD CONNECTION TERMS AND CONDITIONS