



REGULATORY DISCLOSURE

Gas transmission services: Non-standard contracts disclosure

12 months ended 30 September 2024



1 Introduction

Firstgas is part of the Clarus group of companies which is one of New Zealand's largest energy groups with businesses that touch many aspects of the energy supply chain including Rockgas, Firstgas, Firstlight Network, First Renewables and Flexgas. Whether it's transmission, distribution, supply or storage of energy, the companies within the Clarus group service over half a million homes and businesses of all sizes around New Zealand.

Firstgas owns and operates more than 2,500 kms of high pressure gas transmission pipelines and stations that supply natural gas from Taranaki to industrial consumers throughout the North Island. It also owns 4,800 kms of gas distribution networks across parts of the North Island. Combined, Firstgas connects over 300,000 homes and businesses with natural gas through its transmission and distribution systems. This essential infrastructure supports New Zealand's economy, so the group is committed to helping customers maximise value from it. Flexgas provides energy storage services to electricity generators, offering an important source of flexibility to the electricity system and supporting high levels of intermittent wind, hydro and solar generation.

Rockgas is New Zealand's largest LPG retail supplier, providing fast and reliable service through a national network of branches and franchises.

Firstlight Network is the lines company supplying electricity to the Tairāwhiti and Wairoa region, responsible for keeping the lights on across 12,000 square kilometres of the East Coast.

We are also investing in innovative renewable energy solutions such as biomethane and hydrogen, to help New Zealand reach its net zero carbon goals by 2050. Our First Renewables business is leading this work, alongside other options that will bring renewable energy to New Zealand homes, businesses and energy-intensive industries in the future.

Clarus was previously known as Firstgas Group.

Gas transmission system

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

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

including all Receipt and Delivery Points on each part.

Disclosure of new and modified non-standard contracts

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

Firstgas¹ is required to disclose defined terms and conditions for any new non-standard contracts entered into, as well as any modifications to existing non-standard contracts made during the disclosure year.

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

The GTC allows Firstgas to enter into non-standard contracts² for gas transmission services on any Non-Maui pipeline. This document represents Firstgas' required disclosure of such contracts (the Disclosure) for the disclosure year 1 October 2023 to 30 September 2024.

This Disclosure was prepared in March 2025.

Further information

For further information regarding this regulatory disclosure, please contact:

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

² See section 2.7 of the "GTC Effective 09 August 2021", on OATIS at www.oatis.co.nz, "Publications page".

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2 Types of non-standard contracts

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

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

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

Non-standard transmission contracts:

- **Supplementary Agreement (SA)**
 - Sets the firm gas transmission capacity, being the maximum daily quantity (MDQ) and maximum hourly quantity (MHQ) of gas that Firstgas is required to receive at the Receipt Point(s) and the equivalent quantities of gas that Firstgas is required to make available to the Shipper at the Delivery Point(s)
- **Interruptible User Contract (IUC)**
 - The Shipper may request interruptible transmission capacity (MDQ and hence MHQ) for and/or on each day
 - Firstgas is not obliged to approve any capacity request and may curtail approved interruptible transmission capacity at any time
- **Interruptible Shipper Contract (ISC)**
 - The Shipper may request interruptible transmission capacity (MDQ and hence MHQ) for and/or on each day to ship gas from one part of a Non-Maui pipeline to another, or between Non-Maui pipelines (i.e. not for supply to an end-user)
 - Firstgas is not obliged to approve any capacity request and may curtail approved interruptible transmission capacity at any time.

Firstgas had no IUCs or ISCs in this disclosure year.

Connection contracts

Firstgas also offers a form of contract that allows a party to physically connect to a Non-Maui pipeline. While such contracts are not part of the GTC, they reference various GTC provisions.

- **Interconnection Agreement (ICA)**
 - Allows a gas producer, gas distribution business, directly connected consumer or other party to physically connect to a Non-Maui pipeline
 - Applicable to a receipt point, delivery point or bi-directional point (or more than one)
 - An ICA does not provide for the transmission of gas.

3 Disclosure format

The following appendices are provided with this disclosure:

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

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

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

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

Again, Common Terms are used to avoid unnecessary repetition.

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

Appendix 1: Contract terms to be disclosed

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

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

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

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

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

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

Appendix 2: New non-standard contracts

| Contract Identifier | | 2024: ICA | |
|---|--|---|---------------------------|
| Contract Type and Name | Interconnection Agreement for Receipt Points (Including: Broadlands Receipt Point) | Receipt Point(s) | Broadlands Receipt Point |
| Contract Party | First Renewables Limited | Delivery Point(s) | n/a (Receipt Points only) |
| IDD Reference | | | |
| section 1.4.3 (a): goods or services to be supplied | | See Common Term 1d | |
| section 1.4.3 (b): quantity of good or services supplied | | n/a (not a transmission agreement) | |
| section 1.4.3 (c) (ii): timing of payment | | See Common Term 3b | |
| section 1.4.3 (c) (iii): security for payment | | See Common Term 4b | |
| section 1.4.3 (c) (iv): Firstgas' obligations if service is interrupted | | See Common Term 5c | |
| section 2.4.17 (1): maximum monthly amount of gas | | n/a (not a transmission agreement) | |
| section 2.4.17 (2): month of maximum monthly amount of gas | | n/a (not a transmission agreement) | |
| section 2.4.17 (3): pressure at which the gas is to be supplied or conveyed | | Pipeline pressure at Receipt Point MAOP of the pipeline is 86 bar g. The normal operating pressure is now < 20 bar g | |

| Contract Identifier | | 2024: SA | |
|---|--|---|-----------------------|
| Contract Type and Name | Supplementary Agreement (Broadlands Delivery Point) | Receipt Point(s) | Rotowaro (RTW3203) |
| Contract Party | Nova Energy Limited | Delivery Point(s) | Broadlands (BRO36301) |
| IDD Reference | | | |
| section 1.4.3 (a): goods or services to be supplied | | See Common Term 1a | |
| section 1.4.3 (b): quantity of good or services supplied | | MDQ = 640 GJ MHQ = MDQ ÷ 16 GJ | |
| section 1.4.3 (c) (ii): timing of payment | | See Common Term 3a | |
| section 1.4.3 (c) (iii): security for payment | | See Common Term 4a | |
| section 1.4.3 (c) (iv): Firstgas' obligations if service is interrupted | | See Common Term 5a | |
| section 2.4.17 (1): maximum monthly amount of gas | | 19,840 GJ (i.e. MDQ x 31 days); actual maximum quantity was 6,924 GJ | |
| section 2.4.17 (2): month of maximum monthly amount of gas | | July 2024 | |
| section 2.4.17 (3): pressure at which the gas is to be supplied or conveyed | | 3.5 bar g at the Delivery Point. The actual delivery pressure to the end-user is determined by the regulator in the GMS adjacent to the end-user's boiler house | |

| Contract Identifier | | 2024: SA | |
|---|---|---|-------------------------|
| Contract Type and Name | Supplementary Agreement (PanPac Hastings) | Receipt Point(s) | Kapuni South (KAP09004) |
| Contract Party | Pan Pac Forest Products Limited | Delivery Point(s) | Hastings (HST05210) |
| IDD Reference | | | |
| section 1.4.3 (a): goods or services to be supplied | | See Common Term 1a | |
| section 1.4.3 (b): quantity of good or services supplied | | MDQ = 2,845 GJ MHQ = MDQ ÷ 24 GJ | |
| section 1.4.3 (c) (ii): timing of payment | | See Common Term 3a | |
| section 1.4.3 (c) (iii): security for payment | | See Common Term 4a | |
| section 1.4.3 (c) (iv): Firstgas' obligations if service is interrupted | | See Common Term 5a | |
| section 2.4.17 (1): maximum monthly amount of gas | | 88,195 GJ (i.e. MDQ x 31 days); actual maximum quantity was 6,679 GJ | |
| section 2.4.17 (2): month of maximum monthly amount of gas | | May 2024 | |
| section 2.4.17 (3): pressure at which the gas is to be supplied or conveyed | | 10.5 bar g at the Delivery Point. The actual delivery pressure to the end-user is determined by the regulator in the GMS at the end-user's ICP on the distribution system | |

Appendix 3: Modified non-standard contracts

| Contract Identifier | | 2024: ICA | |
|-------------------------------|--|------------------------------|------------------------|
| Contract Type and Name | Interconnection Agreement for Stratford 2 Delivery Point | Receipt Point(s) | n/a |
| Contract Party | Contact Energy Limited | Delivery Point(s) | Stratford 2 (STR00521) |
| Modified Term(s) | | | |
| Expiry date of agreement | | Changed to 30 September 2026 | |

| Contract Identifier | | 2024: ICA | |
|-------------------------------|--|--------------------------|--|
| Contract Type and Name | Interconnection Agreement for TCC Delivery Point | Receipt Point(s) | n/a |
| Contract Party | Contact Energy Limited | Delivery Point(s) | TCC (Taranaki Combined Cycle) (TCC00201) |
| Modified Term(s) | | | |
| Expiry date of agreement | | Changed to 31 March 2025 | |

Appendix 4: Summary of Common Terms

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

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

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

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

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