PETRONAS GAS BERHAD
NETWORK CODE
FOR
PENINSULAR GAS UTILISATION TRANSMISSION SYSTEM

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1. **INTRODUCTION**

The publication of this PETRONAS Gas Berhad Network Code for Peninsular Gas Utilisation Transmission System (“PGB Network Code” or “this Code”) represents a code of conduct which defines a standard of behaviour and disclosure in respect of provision of third party access to Gas Transportation System operated by PETRONAS Gas Berhad in Peninsular Malaysia.

1.1 **Objective**

1.1.1 This Code has been designed to provide a clear third party access regime through wide, transparent and uniform principles to allow entities to gain access to Gas Transportation System.

1.1.2 The objective of this Code is to establish a framework for third party access to Gas Transportation System, and wherever possible to:

   (a) promote the development of a competitive gas market by establishing uniform principles for owner and users of Gas Transportation System;

   (b) provide Services through capacity reservation and promote security of supply and safety in the gas industry;

   (c) ensure transparency, fair and equitable practices in all transactions within Gas Transportation System; and

1.1.3 This Code contains the standards and undertakings which represent the furthest extent to which a process of third party access is developed at this time.

1.2 **Gas Transportation System**

1.2.1 General information including a schematic diagram relating to Gas Transportation System and Services are found on the Website.

1.2.2 Those requiring latest information are requested to visit the said Website which will be updated from time to time.
1.3 **The Related Parties**

This Code is applicable to the Parties envisaged as follows:

(a) Transporter, who operates and maintains Gas Transportation System and is responsible to transport Gas for Shipper within Gas Transportation System;

(b) Shipper, who brings in Gas and supplies it to the End-users pursuant to a gas sales agreement; and

(c) Connected Parties, whose facilities are connected to Gas Transportation System.

1.4 **Governance and Compliance**

1.4.1 This Code is applicable to the whole of Peninsular Malaysia.

1.4.2 Parties to Gas Transportation Agreement or Grid Connection Agreement or Grid Connection Arrangement, as the case may be, shall be subjected to all applicable laws in connection with Gas Transportation System.

1.4.3 Parties shall maintain all necessary consents, approvals, permits, licenses, and authorisations of, and declarations, filings and registrations with any Government Body.

1.5 **Evolution of Third Party Access and amendment of the Code**

1.5.1 This Code is intended to keep pace with the realities of the marketplace in order to achieve the desired outcomes.

1.5.2 This Code may be amended from time to time as business and operational conditions require and vary. Transporter may consult the stakeholders in the event such amendments are deemed necessary.

**END OF SECTION**
3. **ACCESS TO GAS TRANSPORTATION SYSTEM**

3.1 **Introduction**

This Section lays down the provisions for entry to and exit of Gas from Gas Transportation System, in accordance with the terms and conditions laid down in the Gas Transportation Agreement to be signed between Transporter and each Shipper and conforming to the provisions of this Code.

3.2 **Services**

3.2.1 Transporter shall provide Services, which include the following:

(a) receipt of Gas at Entry Points;
(b) transportation of Gas from Entry Points to Exit Points;
(c) delivery of Gas at Exit Points;
(d) measurement of Gas quantity, quality, pressure for the purposes of metering and billing, and the operational and safety requirements of Gas Transportation System;
(e) maintenance of Gas Transportation System;
(f) manage Shipper’s Gas Inventory in the Gas Transportation System.

3.2.2 Transporter may provide such other Services to Shipper as may be agreed in writing between Transporter and Shipper in relation to Gas Transportation System.

3.2.3 For the avoidance of doubt, except otherwise stated, Services of Transporter shall not include the production, processing or sale of Gas.

3.3 **Shipper’s Registration**

3.3.1 A person who wishes to apply to be a Shipper (“Prospective Shipper”) shall make an application to be registered as a Shipper in accordance with the requirements as set out on the Website and shall provide the necessary supporting documents.
3.3.2 Conditions precedent for registration as a Shipper:

(a) Prospective Shipper is required to obtain all necessary licences, if any, from the Government Body in order to act as a Shipper of Gas; and

(b) Prospective Shipper’s credit rating is satisfactory based on assessment of its credit rating by Transporter.

3.3.3 Transporter shall acknowledge receipt of such application within 3 Days of receipt. If all the necessary requirements are met and subject to the discretion of Transporter, Transporter shall notify a successful applicant within 30 Days from the date of receipt of such application and accordingly register the person as a Shipper.

3.3.4 Shipper is required to sign a Gas Transportation Agreement with Transporter containing the standard terms and conditions of service, prior to first Gas-in.

3.4 Application for Capacity Reservation

Shipper shall apply to reserve the Available Firm Capacity and/or Available Interruptible Capacity, expressed in GJ, and shall enter into a Gas Transportation Agreement with Transporter prior to Gas-in.

3.5 Reserved Firm Capacity and Reserved Interruptible Capacity

3.5.1 The Gas delivered by Shipper at Entry Point and received by Shipper at Exit Point shall be within the Reserved Firm Capacity and/or Reserved Interruptible Capacity, as the case may be.

3.5.2 Transporter is not obliged to receive at Entry Point or deliver at Exit Point a quantity of Gas greater than the Reserved Firm Capacity or Reserved Interruptible Capacity.

3.6 Application for Reserved Firm Capacity

3.6.1 Shipper may apply to Transporter for Available Firm Capacity.

3.6.2 Shipper shall be entitled to submit a request in respect of any quantity for the Available Firm Capacity in respect of Transportation Path on the Day to which the request relates.

3.6.3 An application for Reserved Firm Capacity shall specify:

(a) the MDQ applied for;

(b) the reservation period with a minimum of 12 months;
whether or not Shipper will accept a reservation of Reserved Firm Capacity of less than Shipper has applied for;

(d) the Transportation Path in respect of which the capacity is applied for; and

(e) any other information that Transporter may reasonably require from Shipper in respect of Transportation Path.

3.6.4 Transporter shall maximise, calculate and determine the level of Available Firm Capacity by acting as a Reasonable and Prudent Operator.

3.7 Application for Reserved Interruptible Capacity

3.7.1 Shipper may apply to Transporter for Available Interruptible Capacity.

3.7.2 Transporter may offer Available Interruptible Capacity to Shippers after Available Firm Capacity has been fully reserved.

3.7.3 Shipper shall be entitled to submit a request in respect of any quantity up to the Available Interruptible Capacity in respect of the Transportation Path on the Day to which the request relates.

3.7.4 An application for Reserved Interruptible Capacity shall specify:

(a) the MDQ applied for;

(b) the reservation period with a minimum of 12 months;

(c) whether or not Shipper will accept a reservation of Reserved Interruptible Capacity of less than it has applied for;

(d) the Transportation Path in respect of which the capacity is applied for; and

(e) any other information that Transporter may reasonably require from Shipper in respect of Transportation Path.

3.8 Approval, Reduction, or Rejection of an Application for Capacity Reservation

3.8.1 Transporter shall process the request for Services on a first come, first serve basis.

3.8.2 Transporter shall determine which Shipper made their application for Reserved Capacity first, by reference to the time stamp indicated on the electronic mail showing when the application was received.
3.8.3 Transporter shall approve or reject a request for Services as soon as reasonably practicable and in any event not later than:

(a) 14 Days in the event no expansion is required for Gas Transportation System; or

(b) 30 Days in the event an expansion is required for Gas Transportation System.

3.9 **Review of Non-utilisation of Reserved Firm Capacity**

3.9.1 Transporter may at its option, offer any unutilised Reserved Firm Capacity to any Other Shipper as Available Interruptible Capacity.

3.9.2 However, Shipper shall have the right to utilise their Reserved Firm Capacity at any time subject to Section 3.10.

3.10 **Principle of “Use It or Lose It”**

3.10.1 This principle is to ensure that the capacity in 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, this principle aims to ensure that all capacity that could be available to Shippers is indeed made available for use by those who need it.

3.10.2 If the aggregate of any Shipper’s utilisation of its Reserved Firm Capacity during any consecutive 6 months period is less than 75%, (“Under-using Shipper”) and if there is any request from other Shipper or Prospective Shipper to take such shortfall or a portion thereof, upon such request;

(a) Transporter shall give 14 Days notice to Under-using Shipper to remedy the non-utilisation of the Reserved Firm Capacity;

(b) Where Under-using Shipper fails to remedy the same, Transporter may, in its discretion:

(i) offer such shortfall or a portion thereof to other Shipper or Prospective Shipper on a fair and equitable basis; and

(ii) issue a notice of reduction to Under-using Shipper, informing them that the shortfall or a portion thereof will be reduced 5 Days from the date of the notice of reduction.

(c) Transporter shall accordingly reduce the Under-using Shipper’s Reserved Firm Capacity by such shortfall or a portion thereof.
3.11 **Transfer of Reserved Firm Capacity**

3.11.1 Shipper ("Transferor") may apply to transfer all or part of its Reserved Firm Capacity to another Shipper ("Transferee") subject to Transporter's prior written consent. The transfer shall be in relation to a specified Transportation Path.

3.11.2 Such transfer may only be made to a Transferee:

(a) in respect of a period of minimum 12 Months; and

(b) in respect of Transportation Path in relation to which the said Reserved Firm Capacity is being acquired or increased; and

(c) subject to signing of Gas Transportation Agreement between Transferee and Transporter.

3.11.3 A Transferor intending to make the said transfer shall, jointly with the Transferee, submit to Transporter a Reserved Firm Capacity transfer application in a form prescribed by Transporter ("Capacity Transfer Application").

3.11.4 In considering any Capacity Transfer Application, Transporter shall assess the creditworthiness of Transferee.

3.11.5 Notwithstanding Section 3.11.4 above, Transporter shall reject any Capacity Transfer Application if the requirements in the said form are not complied with.

3.11.6 Transporter shall reject any Capacity Transfer Application if the requirements in the said form are not complied with or the Transferee fails Transporter's creditworthiness assessment.

3.12 **Sub-letting**

Notwithstanding anything contrary herein, a Shipper shall not sub-let, part, or all of its Reserved Firm Capacity and Reserved Interruptible Capacity to any third party.

3.13 **Open Season**

3.13.1 Open Season is carried out to assess market demand by evaluating the need for new capacity and possibility of expansion of Gas Transportation System.

3.13.2 Transporter may invite Shippers and/or Prospective Shippers to submit applications for new Reserved Firm Capacity and Transporter shall provide adequate publicity in respect of such invitation.
3.13.3 An application for a new Reserved Firm Capacity submitted in response to an Open Season Invitation shall provide the necessary particulars required by Transporter.

3.13.4 If an agreement is reached between Transporter and Shippers and/or Prospective Shippers who wish to be registered as a Shipper for the proposed additional Reserved Firm Capacity, the agreement shall be formalised between Transporter and Shippers and/or Prospective Shippers by way of Memorandum of Understanding.

3.13.5 Immediately thereafter, Transporter will then proceed with a detailed study of an expansion program and if at the discretion of Transporter that the expansion program is feasible, Transporter will invite the relevant Parties referred to in Section 3.13.4 to enter into Heads of Agreement.

3.13.6 Transporter will notify the relevant Parties referred to in Section 3.13.4 to agree and execute a Gas Transportation Agreement. For avoidance of doubt, if a Gas Transportation Agreement has already been entered into between Transporter and the relevant Parties referred to in Section 3.13.4 above, then an addendum to the existing Gas Transportation Agreement will be entered into between them. Thereafter, Transporter shall construct and make available the expansion facilities to Shippers and/or Prospective Shippers referred to in this Section 3.13.

3.13.7 In the event of a construction of the expansion facilities by Transporter, Transporter may revise Transportation Tariff, whereupon Transporter shall notify such changes accordingly to Shippers.

3.14 **Request for Minor Expansion from Shipper**

3.14.1 Shipper may request to Transporter for an expansion of Gas Transportation System.

3.14.2 If in the opinion of Transporter, the expansion will not require substantial investment, Transporter shall determine the estimated cost of the expansion, and how it intends to recover such cost in respect of the said expansion.

3.14.3 The contractual arrangement for the construction of the expansion and the execution of the relevant agreements shall then follow the provisions referred to in Section 3.13.

3.15 **Option to Shipper to Construct New Interconnection / Expansion Facilities**

3.15.1 Upon Transporter’s consent, Shipper has the option to construct new facilities (“New Facilities”) at its costs on the condition that the ownership of such New Facilities is to be handed over to Transporter.
New Facilities mean metering facilities and/or pipeline and other equipment/appliances that is an extension from the Gas Transportation System.

3.15.2 The terms and conditions of such construction and handing over of ownership of the New Facilities shall be agreed between the Parties.

END OF SECTION
4. CONNECTION

4.1 Introduction

4.1.1 This Section requires an agreement to be established between Transporter and Connected Parties regarding several aspects of the physical connection, measurement, allocation, operational balancing, operational safety, financial aspects, and arrangements with regard to connecting facilities.

4.1.2 This section is applicable to all existing and new connecting facilities in Gas Transportation System starting from Entry Point and including pipelines, necessary appliances, and the metering and control facilities, by which Gas will be transferred to End-users.

4.1.3 The existing connecting facilities will be required to adopt and adhere to the provision of this section in order to ensure consistency of interfaces in Gas Transportation System as between Transporter and Connected Parties.

4.2 Objective

4.2.1 The objective of this Section is to:

(a) ensure technical compatibility of the connections for the safe and reliable operation of Gas Transportation System; and

(b) clearly define the roles and responsibilities of Transporter and Connected Parties.

4.2.2 For the purpose of implementation of this Section, Transporter and Connected Parties shall enter into a Grid Connection Agreement or Grid Connection Arrangement (hereinafter collectively referred to as GCA).

4.2.3 In their decision-making and cooperation, Parties shall be under an obligation to each other to take into account the importance of operational compatibility, safety and economics of infrastructural measures. In so doing, Parties shall take into account the consequences of installing connecting facilities to Gas Transportation System.
4.3 **Grid Connection Agreement or Grid Connection Arrangement**

4.3.1 The GCA shall have provisions on matters related to Gas quality, pressure, metering, allocation, data provision, safety, responsibilities and other relevant provisions to the specific connection(s), including rights and responsibilities of the parties.

4.3.2 The purpose of GCA is to optimise harmonisation between Transporter and Connected Parties to ensure that Parties are able to fulfill their respective roles and responsibilities, especially in relation to the technical and operational aspect of the Entry Point and Exit Point facilities.

4.3.3 The relationship between supplier’s facilities, Entry Point, Gas Transportation System, Exit Point and End-user’s facilities is set out in the diagram found at Appendix 1- Facilities Interfacing.

4.4 **Connected Parties Facilities at Entry Point**

4.4.1 Connected Parties at Entry Point shall ensure that:

(a) their facilities shall not cause any harm to the proper functioning of Gas Transportation System;

(b) the compliance of its facilities with the applicable standards, laws and regulations prior to flowing of Gas into Gas Transportation System;

(c) safety documentation regarding the facilities be made available to Transporter and updated from time to time;

(d) an isolation facility is available in order to prevent an unscheduled flow of Gas into Gas Transportation System; and

(e) the injection pressure is sufficient for the Gas to flow into Gas Transportation System, and shall not be greater than the Maximum Allowable Operating Pressure.

4.4.2 Transporter has the right to inspect the facilities where necessary, and may, at the discretion of Transporter and where circumstances warrant, shut off connection, preventing entry of Gas into Gas Transportation System, if there is evidence of non-compliance with the provisions as set out in Section 4.4.1 above.

4.4.3 Transporter shall be allowed access into the facilities of Connected Parties, upon Transporter complying with the safety requirements of the Connected Party.
4.5 **Transporter’s Entry Point and Exit Point Facilities**

4.5.1 The facilities and operations at Entry Point and Exit Point connections shall be safe, reliable and efficient, and shall comply with all applicable laws and regulations in line with Transporter’s Metering Philosophy.

4.5.2 Gas quantity delivered through Entry Point and Exit Point facilities shall be measured by Transporter.

4.5.3 Transporter, who owns and/or operates the Entry Point and Exit Point facilities (as applicable), shall ensure the following:

   (a) the facilities shall not cause any harm to the proper functioning of Gas Transportation System;

   (b) the compliance of its facilities with all applicable standards, laws and regulations;

   (c) safety documentation regarding Entry Point and Exit Point facilities shall be made available and updated from time to time; and

4.5.4 A Connected Party or a Shipper, as the case may be, may inspect, upon reasonable notice, Transporter’s Entry Point and Exit Point facilities at its own costs and is allowed access into Transporter’s Entry Point and Exit Point facilities subject to compliance with Transporter’s safety requirements.

4.5.5 Connected Parties shall adhere to one standard time at the respective locations for the purpose of measurement, as specified by the Transporter.

4.5.6 Parties shall arrange and agree on the mechanism to be adopted for any joint maintenance program at Transporter’s Entry Point and Exit Point connection, which may include, but not limited to, pigging and cathodic protection.

4.6 **Connected Parties Facilities at Exit Point**

4.6.1 Connected Parties at Exit Point shall ensure that:

   (a) their facilities shall not cause any harm to the proper functioning of Gas Transportation System;

   (b) the compliance of its facilities with the applicable standards, laws and regulations prior to flowing of Gas from Gas Transportation System;

   (c) safety documentation regarding Exit Point facilities shall be made available and updated from time to time; and
(d) an isolation facility at the facilities is available in order to prevent an unscheduled flow of Gas out of Gas Transportation System.

4.6.2 Transporter has the right to inspect the Connected Parties Exit Point facilities where necessary, and may, at the discretion of Transporter and where circumstances warrant, shut off connection, preventing exit of Gas from Gas Transportation System, if there is evidence of non-compliance with the provisions as set out in Section 4.6.1 above.

4.6.3 Transporter shall be allowed access into the facilities of Connected Parties, upon Transporter complying with the safety requirements of the Connected Party.

END OF SECTION
5. METERING

5.1 Metering

5.1.1 The rights, interests, covenants, and obligations of Parties in respect of the measurement and analysis of Gas transported in Gas Transportation System by Transporter under this Code shall be as set out in Transporter’s Metering Philosophy.

5.1.2 Measuring Equipment shall be installed and maintained by Transporter to measure the quantity and quality of Gas:

(a) received into Gas Transportation System at each Entry Point; and

(b) delivered through each Exit Point.

5.1.3 Transporter does not have to measure the quality of Gas at each and every Exit Point but may assume that the quality of Gas delivered at one of the Exit Point is the same as the quality of Gas delivered at another Exit Point on Gas Transportation System if it is reasonable to do so.

5.1.4 The design of the metering facility shall comply with all applicable laws and regulations as well as with Transporter’s Metering Philosophy.

5.2 Alternative Ownership of Measuring Equipment

5.2.1 Transporter will determine whether it owns, maintains and operates all Measuring Equipment or whether it makes alternative arrangements with Connected Parties.

5.2.2 If Connected Parties, own or operate and maintain any Measuring Equipment:

(a) the Measuring Equipment shall comply with all applicable laws and regulations as well as Transporter’s Metering Philosophy;

(b) Connected Parties must operate and maintain the Measuring Equipment in accordance with the standards of a Reasonable and Prudent Operator;

(c) Transporter shall have access to measurement data for the purpose of billing and monitoring purposes; and

(d) Transporter will have the right to inspect records and require validation and/or calibration, as the case may be, of the Measuring Equipment of Connected Parties.
5.3 **Metering Capacity**

Gas flow shall not be below the agreed minimum metering capacity, failing which Parties shall take actions to remedy the situation. Transporter shall have the right to stop the flow of Gas if it is found that the flow is below metering capacity.

5.4 **Validation and Calibration**

5.4.1 The process and procedure of the validation and calibration to be carried out on the Measuring Equipment shall be in accordance with Transporter’s Metering Philosophy.

5.4.2 The party responsible for the operation and maintenance of Measuring Equipment shall, at their expense:

(a) validate said Measuring Equipment as; and

(b) calibrate said Measuring Equipment as and when deemed necessary and

as may be prescribed in Transporter’s Metering Philosophy.

5.4.3 Transporter may, where necessary, undertake additional checks on the Measuring Equipment owned by Connected Parties.

5.4.4 When carrying out validation or calibration, as the case may be, on its Measuring Equipment, Transporter shall invite relevant Shippers, relevant Connected Parties and Government Body to witness the process. Transporter shall carry out the validation process on the nominated Day whether or not such persons referred to in this subsection are present.

5.4.5 In the event there is a dispute on the result of the validation of Measuring Equipment, the disputing party shall notify Transporter within 14 Days from the date of validation. Transporter may instruct an independent expert to verify the validation. If the expert finds the validation to be accurate, then the disputing party shall bear the cost of said validation and the cost of the independent expert.

5.5 **Operation and Maintenance of the Measuring Equipment**

Unless otherwise stated, Transporter shall be responsible for the operation and maintenance of Transporter’s Measuring Equipment in accordance with Transporter’s Metering Philosophy. Connected parties who owns measuring equipment, shall also be responsible for the operation and maintenance of the measuring equipment in accordance to Transporter’s Metering Philosophy.
5.6 **Upgrading of Measuring Equipment**

In the event there is a need to upgrade the Measuring Equipment, Transporter will inform Shippers and Connected Parties, who may be affected, within a reasonable time-frame in advance of the upgrading works. In carrying out the upgrading works, Transporter shall endeavour to coordinate the upgrading works with the objective of minimum interruption to Gas Transportation System.

END OF SECTION
6. **GAS QUALITY**

6.1 **Gas Specification and Pressure**

6.1.1 All Gas delivered or to be delivered by Shipper at Entry Point for transportation through Gas Transportation System by Transporter at Entry Point shall conform to Gas Specification set forth in Appendix 2-Gas Specification.

6.1.2 All Gas entering Gas Transportation System shall be of sufficient pressure for it to flow in Gas Transportation System. The entry pressure shall not exceed Transporter’s Maximum Allowable Operating Pressure.

6.2 **Off-specification Gas**

6.2.1 In the event that Gas to be delivered at any Entry Point does not comply with Gas Specification ("Off-specification Gas"), Shipper shall inform Transporter promptly of a deviation from Gas Specification.

6.2.2 Transporter shall have the right to refuse Off-specification Gas at Entry Point, but otherwise may accept such Off-specification Gas.

6.2.3 If Gas received at Entry Point is Off-specification Gas, Transporter shall have the right to suspend (completely or partially) receipt of Gas from Shipper with immediate effect, until Transporter is satisfied that Gas which Shipper is able to deliver to Gas Transportation System is within Gas Specification.

6.2.4 In the event Off-specification Gas has entered into Gas Transportation System, Transporter may make inquiries to Shipper as to whether the Shipper or its End-users is willing to accept the Off-specification Gas.

6.2.5 Shipper shall use reasonable endeavours to accept, but otherwise may refuse to take delivery of, Off-specification Gas at Exit Point.

6.2.6 Transporter may, in its discretion, dispose of Off-specification Gas that has entered into Gas Transportation System, in a manner deemed fit by Transporter, in order to protect Gas Transportation System and/or Connected Parties facilities.

6.2.7 The cost incurred to manage the Off-specification Gas shall be borne by Shipper who injected such Gas into Gas Transportation System.

**END OF SECTION**
7. TRANSPORTATION

7.1 Introduction

Gas transportation is a service provided by Transporter to Shipper under Gas Transportation Agreement which details the obligations of Parties from the receipt of Gas at an Entry Point until the delivery of Gas at an Exit Point in Gas Transportation System.

7.2 Objective

The objective of this Section is to provide information to Shippers on the process and procedure of transporting Gas via Gas Transportation System and to ensure that such Gas is delivered to the respective End-users.

7.3 Agreement between Transporter and Shipper

7.3.1 Transporter and Shipper shall enter into Gas Transportation Agreement which will include the commercial and operational requirements, and their roles and responsibilities in respect of Gas Transportation System.

7.3.2 The Gas Transportation Agreement shall make provisions for measurement of Gas quantity, quality and pressures for the purpose of metering, billing and the operational and safety requirements of Gas Transportation System.

7.4 Obligations of Shipper and Transporter

7.4.1 Shipper shall deliver Gas at Entry Point and receive Gas at Exit Point.

7.4.2 Shipper shall ensure that all Gas entering Gas Transportation System shall conform to Gas specification set forth in Appendix 2 - Gas Specification and shall be of sufficient pressure for it to flow in Gas Transportation System. The entry pressure shall not exceed Transporter’s Maximum Allowable Operating Pressure.

7.4.3 Transporter will transport Gas received at Entry Point through Gas Transportation System and will deliver Gas at Exit Point.

7.4.4 Transporter shall be responsible for the overall management of Gas Transportation System and its related Services.

7.5 Overview of Gas Transportation Process

The Gas transportation process will include the following:

(a) Contracting: establishment of Gas Transportation Agreement;
(b) Planning: the capacity and nomination procedures for Gas transport;

(c) Transporting: transportation of Gas from Entry Point to Exit Point;

(d) Allocation: allocation of Gas and calculations of receipt and delivery of Gas;

(e) Reconciliation: management of Inventory;

(f) Invoicing: procedure for payment by Shipper of Transportation Tariff and Surcharges to Transporter; and

(g) Termination: termination of Gas Transportation Agreement by expiry or for stipulated reasons as contained therein.

7.6 Key Elements of Gas Transportation Agreement

7.6.1 Prior to first Gas-in, Transporter and Shipper shall enter into a Gas Transportation Agreement.

7.6.2 The Gas Transportation Agreement may include, but is not limited to the following:

(a) Representations, Warranties and Covenants;
(b) Transportation Period, Effective Date and Conditions;
(c) Parties’ Obligations;
(d) Facilities;
(e) Capacity Reservation;
(f) Nominations
(g) Curtailment;
(h) Title and Risk;
(i) Tariff
(j) Surcharges;
(k) Taxes and GST;
(l) Measurement;
(m) Allocation;
(n) Invoicing and Payment;
(o) IGC;
(p) Linepack;
(q) Quality and Off-specification Gas;
(r) Maintenance;
(s) Force Majeure;
(t) Liability;
(u) Indemnities;
(v) Insurance;
(w) Governing Law and Dispute Resolution;
(x) Assignment;
(y) Confidentiality;
7.6.3 The minimum Reserved Firm Capacity or Reserved Interruptible Capacity shall be determined by Transporter from time to time.

7.7 Management of Linepack

7.7.1 General Principles of Linepack

Transporter will not own Linepack, however will manage Gas Transportation System so as to ensure sustainable Linepack for security of supply and continuous Gas flow, with some degree of flexibility to Shippers. Transporter will set up the Linepack quantity which is deemed sufficient for operating Gas Transportation System.

7.7.2 Shippers must provide Linepack prior to actual Gas-in. The entire Linepack will be owned by all Shippers in proportion to their aggregate Reserved Firm Capacity. Transporter will monitor and track Linepack quantity owned by Shippers.

7.7.3 Provision of Linepack

(a) At the commencement of this Code, PETRONAS will provide and own Linepack in Gas Transportation System, as it is the first and only Shipper prior to the coming into effect of this Code. Transporter will coordinate with PETRONAS and schedule the Linepack up to the required level which provides for third party access to Gas Transportation System.

(b) New Shippers who enter into Gas Transportation System with Transporter will have to provide the required Linepack in proportion to their Reserved Firm Capacity and the total Linepack requirement for Transporter to operate Gas Transportation System. Transporter will calculate the amount of Linepack to be provided by each new Shipper and/or other Shippers.

7.8 Management of IGC

7.8.1 General Principles of IGC

For planning purposes, Transporter will provide an estimate of IGC quantity to be provided by Shippers on a daily basis. Transporter will consolidate the actual usage of the IGC and will reconcile at the end of the year, the difference between actual usage and nominated IGC quantity.
7.8.2 Provision of IGC

Shippers must deliver a quantity of Gas in proportion to their nominated daily quantity for the purposes of IGC on each Day, immediately prior to actual Gas transport.

7.9 Planning for Gas Transport

7.9.1 Shipper shall notify Transporter of quantities of Gas which Shipper intends to deliver at each Entry Point and receive at each Exit Point from Gas Transportation System on a Day (“Nomination”).

7.9.2 Subject to Section 7.9.3, Shipper may re-submit Nomination on the Day, should there be any changes to Shipper’s gas delivery requirements (“Intra-day Nomination”).

7.9.3 Shipper shall comply with detailed Nomination procedure which is provided for in the Gas Transportation Agreement.

7.9.4 A Nomination shall:

(a) specify Day or Days to which it relates;
(b) specify nominated quantity;
(c) identify the End-user which shall offtake the corresponding quantity of Gas from Gas Transportation System; and
(d) specify the Entry Point and Exit Point.

7.9.5 Transporter has the right to impose Surcharges for Nomination variances, beyond the tolerable limits and will determine the tolerance allowance for such Nomination variance subject to Section 9.12 and in accordance with the standard of a Reasonable and Prudent Operator.

7.10 Actual Gas Transport Day

7.10.1 Shippers shall, during actual Day adhere to the following:

(a) Nominations

Shipper shall maintain actual daily receipt and delivery quantities for each contracted Transportation Path in Gas Transportation System in accordance with its Nominations. Transporter may allow variance of actual receipt and delivery quantities against Nominations based on system capability and limitations (“Variance Tolerance”). Transporter shall impose Surcharges for Variance outside Variance Tolerance.
(b) Reserved Capacity

Shipper shall ensure actual hourly flowrate of receipt and delivery of Gas to be within the Reserved Capacity for each Transportation Path in Gas Transportation System. Transporter shall impose Surcharges for Overrun which exceeds the Overrun Tolerance.

(d) Linepack Requirements

Shipper shall ensure its Linepack is within the limits set by Transporter by ensuring minimal cumulative differences between the total receipt and total delivery quantities of Gas for each Day. Transporter shall impose Surcharges for Imbalance which exceeds the Imbalance Tolerance.

7.10.2 Managing abnormalities

(a) Transporter shall monitor the imbalances which may cause adverse impact to the stability of Gas Transportation System.

(b) In adverse circumstances, Transporter has the right, in its discretion to control Shipper’s Gas flow in order to safeguard the reliability, safety and integrity of Gas Transportation System by imposing an Operational Flow Order (which may include suspension of Nominations from Shippers) which Shippers are required to follow.

7.11 After Actual Gas Transport Day

7.11.1 Transporter shall record Shipper's Inventory at the end of the Day by measuring the actual receipt and delivery quantities for each Day. Measurement of quantity of Gas shall comply with Transporter’s Metering Philosophy.

7.11.2 Transporter shall apply the Allocation rules to determine Shipper’s actual daily receipt and delivery quantities in accordance with Section 8.

7.11.3 Measurement of actual receipt and delivery quantities as well as the Inventory shall be the basis for invoicing of Surcharges.

7.12 Scheduled Maintenance

7.12.1 To enable the scheduled maintenance of Transporter's Facilities and Shipper's Facilities, each Party shall have the right in each Year to give notice (“Maintenance Reduction”) respecting certain maintenance Days during the next Year under this Section 7.12.
7.12.2 Each Party shall give notice to the other Party of its requirements for its planned scheduled maintenance for the next Year (“Maintenance Notification”) not later than 31\textsuperscript{st} October in the Year preceding the Year in which the scheduled maintenance will be performed.

7.12.3 If the effective date of the Gas Transportation Agreement is after 31\textsuperscript{st} October and the scheduled maintenance is to take place between the effective date of the Gas Transportation Agreement and 31\textsuperscript{st} December of the year in which the effective date of the Gas Transportation Agreement takes place, Maintenance Notification shall be given by each Party, as soon as possible but not later than 30 Days after the effective date of the Gas Transportation Agreement.

7.12.4 Each Maintenance Notification shall specify:

(a) the dates for the maintenance Days in the next Year during which a Maintenance Reduction shall apply;

(b) the prevailing Reserved Capacity and the estimated required Maintenance Reduction for each maintenance Day;

(c) Entry Point and Exit Point in respect of which the injection of, conveyance through, and offtake of Gas from, will be affected by the scheduled maintenance; and

(d) such other information as may be reasonable for the Party to include.

7.12.5 If a Party fails to give a Maintenance Notification under Section 7.12.2 and/or Section 3, then the Party shall be deemed to have given a Maintenance Notification that specifies a requirement for no scheduled maintenance respecting the next Year.

7.12.6 The Parties shall use reasonable endeavours to ensure that, in respect of each Year, their respective maintenance Days shall coincide.

7.12.7 Shipper shall be obliged to comply with the scheduled maintenance program proposed by Transporter.

7.12.8 Transporter shall endeavour to ensure that the impact of curtailment to Shippers due to scheduled maintenance is minimised.

7.13 **Unscheduled Maintenance**

7.13.1 A Party may give notice to the other Party of its requirements for unscheduled maintenance, by providing a Maintenance Notification at any time.
7.13.2 A Party may only provide a Maintenance Notification in respect of unscheduled maintenance for operational or safety reasons or in the event of an emergency.

7.14 Consequences of Maintenance

7.14.1 In respect of each maintenance Day, Transporter shall only be bound to transport and deliver an aggregate quantity of Gas to Shipper at Exit Point, and Shipper shall only be permitted to nominate an aggregate quantity of Gas for transportation by Transporter to Exit Point, up to the Reserved Capacity as reduced by the Maintenance Reduction specified in the Maintenance Notification applicable to the maintenance Day.

7.14.2 The Maintenance Reduction for any given maintenance Day may be of such that the Nomination for that Day is zero.

7.15 Rescheduling

7.15.1 At any time during a Year after a Maintenance Notification has been given, or deemed to have been given, or during a Year in which scheduled maintenance is to be performed, a Party may reschedule any of its maintenance Days, or request additional maintenance Days, subject to the consent of the other Party (which consent shall not be unreasonably withheld).

7.15.2 The Parties shall update each other on any changes to scheduled maintenance on a monthly basis.

7.16 Termination of Gas Transportation Agreement

7.16.1 If a Party to a Gas Transportation Agreement:

(a) is declared bankrupt or is declared in a similar legal status affecting the rights of creditors generally;

(b) has committed any material breach,

the other Party shall be entitled, without judicial intervention to:

(i) terminate Gas Transportation Agreement; or

(ii) suspend Gas Transportation Agreement for a period not exceeding 60 Days to permit the Party in default to remedy such default, failing which Gas Transportation Agreement shall immediately be terminated.

7.16.2 If a Party to a Gas Transportation Agreement is unable to perform its obligations pursuant to an event of Force Majeure, the other Party would be entitled to suspend or terminate the Gas Transportation
Agreement according to the provisions stipulated in Gas Transportation Agreement.

7.16.3 If the other Party is a Shipper and:

(a) it fails to fulfil its payment obligations;

(b) its license or any other necessary approvals has been revoked; or

(c) its credit rating no longer in compliance with the acceptable standard set by Transporter at the time of Shipper’s registration,

Transporter may issue to Shipper a notice of intention to terminate, and suspend the provision of Services under Gas Transportation Agreement. Shipper shall be given a period of 15 Days to remedy the default, failing which Transporter may terminate Gas Transportation Agreement.

7.16.4 A Party shall notify the other Party, if that Party exercises its right to terminate the Gas Transportation Agreement, in accordance with the procedure as set out Gas Transportation Agreement. Monies that may be owed from the moment of termination of Gas Transportation Agreement shall be immediately due and payable and bear interest at 8% per annum, calculated on a daily basis, in case of late payment.

7.16.5 Release of Linepack upon termination

(a) Shipper shall release its ownership to its Linepack in Gas Transportation System at the time of termination by selling to the market or selling to other Shippers, with prior consultation of Transporter. Transporter shall be entitled to seize and dispose of all or a portion of Shipper’s Linepack in order to set-off for monies due and owed by Shipper to Transporter.

(b) For avoidance of doubt, the disposal of Linepack by Transporter shall not be deemed as sale of Gas.

(c) Shipper shall not continue to own any Linepack in Gas Transportation System after it has ceased to be a Party of the Gas Transportation Agreement.

END OF SECTION
8. ALLOCATION OF GAS QUANTITY

8.1 Introduction

Allocation is a mathematical arrangement whereby Transporter allocates to each Shipper in a single commingled stream or single stream, the proper share of the quantity of Gas measured from the relevant Entry Point or Exit Point.

8.2 Allocation Process

8.2.1 Transporter will allocate Entry Quantity and Exit Quantity among Shippers after actual Gas transport Day.

8.2.2 Shipper acknowledges that receipt of Gas at Entry Point or delivery of Gas at Exit Point may not exactly match the Nomination or Intra-Day Nomination made in respect of it and consequently under deliveries and over deliveries of Gas may occur.

8.2.3 All of Entry Quantity at Entry Point and Exit Quantity at each Exit Point shall be allocated to Shippers regardless of the reason for any such under deliveries or over deliveries.

8.3 Allocation Data

8.3.1 Transporter will process the data and inform Shippers of Shipper;s allocated measured energy including Overrun, Variance and Imbalance. Transporter will not disclose such data to Other Shippers.

8.3.2 Under normal operations, the allocated data will be based on confirmed Nomination, but when capacity curtailment occurs, the allocated data will be based on the confirmed curtailment quantity imposed by Transporter.

8.3.3 Transporter shall make available the allocated data to relevant Shippers on a daily basis.

8.4 Calculation of Allocation

Allocation will be calculated by Transporter in accordance with the calculation as set out below:

\[ S = Q \times \frac{N}{A} \]

where:
S = quantity of Gas allocated to a Shipper on the Day at Entry Point or Exit Point;

Q = Aggregate Quantity of Gas delivered at Entry Point or Exit Point on the Day;

N = Shipper’s Nominated Quantity on the Day at Entry Point or Exit Point;

A = aggregate of all Shipper’s Nomination(s) on the Day at Entry Point and Exit Point.

END OF SECTION
9. **TARIFF AND SURCHARGES**

9.1 **Introduction**

This Section describes the mechanism for charging of Services under categories of Tariff and Surcharges.

9.2 **Objective**

Tariff is the price for Services provided by Transporter, whereas Surcharges are meant to protect system integrity.

9.3 **Transportation Tariff**

9.3.1 The Transportation Tariff for the Services rendered by Transporter shall be as stated in Appendix 4.

9.3.2 The Transportation Tariff is applicable throughout the Gas Transportation System.

9.3.3 Although Shipper still need to specify the Entry Point and Exit Point, the Transportation Tariff is the same, regardless of the Transportation Path.

9.4 **Transportation Charge**

9.4.1 Transportation Charge shall be based on Transportation Tariff, Reserved Capacity and reservation period for the capacity.

Transportation Charge for any Month during the reservation period is:

\[
\text{Capacity (GJ/Day)} \times \text{Transportation Tariff (RM/GJ)} \times \text{no. of Days in the month (Days)}
\]

9.4.2 For partial or non-usage of Reserved Capacity on any one Day, the Transportation Tariff is payable by Shipper at full Day rate.

9.4.3 There are 2 types of Transportation Charge available:

(a) Firm Transportation Charge; and

(b) Interruptible Transportation Charge.

9.5 **Firm Transportation Charge**

9.5.1 Shipper shall pay Firm Transportation Charge to Transporter to reserve the right to flow Gas through Gas Transportation System in a Transportation Path from Entry Point to Exit Point.
9.5.2 The Reserved Firm Capacity is for minimum 12 months period.

9.5.3 Shipper will be charged for the Firm Transportation Charge on monthly basis.

Firm Transportation Charge calculation for each Month is:

\[
\text{Firm Transportation Charge} = \text{Transportation Charge}
\]

9.6 **Interruptible Transportation Charge**

9.6.1 Shipper shall pay Interruptible Transportation Charge to Transporter for Shipper’s Reserved Interruptible Capacity.

9.6.2 Reserved Interruptible Capacity shall be nominated by Shipper on daily basis.

Interruptible Transportation Charge calculation for each Month is:

\[
\text{Interruptible Transportation Charge} = \text{Transportation Charge} \times \text{Interuption Factor}
\]

9.7 **Tariff Revision/Adjustment**

9.7.1 Transporter has the right to revise Transportation Tariff:

(a) on 1 January 2019 and every 5 years thereafter; or

(b) where Transporter undertakes major investment or capital improvements including but not limited to:

   i. for additional Entry Points or Exit Points; or
   
   ii. to increase or decrease capacity at existing Entry Points or Exit Points;
   
   iii. to expand the capacity of Gas Transportation System;
   
   iv. to extend, improve, and/or replace Gas Transportation System.

9.7.2 In the event that there are changes in Transportation Tariff, Transporter shall notify Shipper, and shall update the changes in Transportation Tariff on the Website.
9.8 **New Taxes, GST, Duties & Charges**

In this Code:

(a) If a new Tax, Charge or Fee of general application is imposed or levied on Transporter or if an existing Tax, Charge or Fee is increased, Shipper must pay to Transporter as an additional charge, the amount of Tax, Charge or Fee in relation to Services; and

(b) Where Goods and Service Tax (GST) or service tax is applicable to Services, Transporter shall be entitled to impose GST charge or service tax, as the case may be, on Shippers.

9.9 **Changes in Legislation**

If during the Transportation Period, there are changes in legislation which increase the costs of operation of Gas Transportation System and/or require capital expenditure, Transporter shall provide a mechanism to recover such cost from Shipper and Other Shippers acting in accordance with the standards of a Reasonable and Prudent Operator.

9.10 **Latest Updates in respect of Transportation Tariff**

Transporter shall update the changes to the Transportation Tariff on the Website.

9.11 **Surcharges**

Transporter shall impose on Shippers, 3 types of Surcharges:

(a) Variance Surcharge;

(b) Overrun Surcharge; or

(c) Imbalance Surcharge.

9.12 **Variance**

9.12.1 Shipper must ensure that quantity of Gas received at Entry Point and delivered at Exit Point matches the quantity of Gas stated in an Entry Point nomination and Exit Point nomination.

9.12.2 Without limiting the generality of Section 9.12.1 above, a Variance occurs when the quantity of Gas:

(a) received is different from the Entry Point nomination; and/or

(b) delivered is different from the Exit Point nomination
by more than 5% of nominated capacity (either positive or negative).

9.12.3 Transporter has the right to impose Variance charge to Shipper when Variance occurs. Transporter will not impose Variance Surcharge for Variance quantity within the Variance Tolerance.

9.12.4 Variance Rate is calculated based on the following formula:

\[
\text{Variance Rate} = 5\% \times \text{Transportation Tariff}
\]

9.12.5 Variance Surcharge is calculated based on the following formula:

\[
\text{Variance Surcharge} = \text{Variance Quantity (GJ)} \times \text{Variance Rate (RM/GJ)}
\]

9.13 **Overrun**

9.13.1 Shipper must ensure that quantities of Gas received at Entry Point and delivered at Exit Point in any hour do not exceed the MHQ of the Transportation Path.

9.13.2 Overrun occurs when in the case of Reserved Capacity, at any hour in a Day,

a) the Actual Delivered Quantity or Actual Received Quantity exceeds 102% of MHQ for that Transportation Path, or

b) the Actual Delivered Quantity or Actual Received Quantity exceeds 102% of the quantity specified in an Operational Flow Order for that Transportation Path.

9.13.3 If quantity of Gas for a Transportation Path is less than the MHQ, the Overrun quantity for that Transportation Path will be 0 GJ and will not reduce the Overrun quantity for other Transportation Paths.

9.13.4 Overrun Rate is calculated based on the following formula:

\[
\text{Overrun Rate} = 200\% \times \text{Transportation Tariff}
\]
9.13.5 Overrun Surcharge is calculated based on the following formula: Overrun Surcharge = Overrun Quantity (GJ) x Overrun Rate (RM/GJ)

9.13.6 Shipper may request for an Authorised Overrun by submitting a Nomination to Transporter specifying:

a) the amount of Gas in excess of the MHQ derived from the Reserved Capacity;

b) the Transportation Path that the Authorised Overrun is requested to flow.

9.13.7 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 Nominated by Shipper, where:

a) the transportation of the requested quantities would disrupt Gas transportation of Other Shippers;

b) Transporter had already scheduled for Gas transportation for the Day.

9.14 **Imbalance**

9.14.1 Shipper is responsible to maintain a balance between total quantity of Gas received at Entry Points and delivered at Exit Points including IGC quantity under Shippers account.

9.14.2 Imbalance is the difference of the total quantity of Gas received on Shipper’s account at its Entry Points and delivered at its Exit Points.

9.14.3 Notwithstanding the aforesaid, Shipper has an allowable range of +/- 5% of Linepack quantity on Shipper's account.

9.14.4 Transporter will not impose Imbalance Surcharge for Imbalance quantity within the Imbalance Tolerance.

9.14.5 Imbalance Rate is calculated based on the following formula:

\[
\text{Imbalance Rate} = \text{Weighted Average Tariff for the relevant Transportation Paths} \times 300\%
\]
9.14.6 Imbalance Surcharge is calculated based on the following formula:

\[
\text{Imbalance Surcharge} = \text{Cumulative Imbalance Quantity (GJ)} \times \text{Imbalance Rate (RM/GJ)}
\]

END OF SECTION
10. INVOICING AND PAYMENT

10.1 Submission of Invoice

Transporter shall, as soon as reasonably practicable and in any event not later than 14 Days after the end of each Month, submit an invoice to each Shipper for Services rendered during the preceding month.

10.2 Payment Instructions

10.2.1 Parties shall notify each other, 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 such Shipper to Transporter, within 14 Days after the effective date of Gas Transportation Agreement, or in the event of any change to such details, not less than 30 Days before such change is effective.

10.2.2 All payments under this Section 10 shall be made by telegraphic bank transfer into Transporter's account. Any charges imposed by the bank in respect of the telegraphic bank transfer shall be borne by Shipper.

10.3 Set-off

10.3.1 Shipper shall pay in full all amounts due for payment by Shipper to Transporter under this Agreement and shall not make any set-off or deduction against any amounts.

10.3.2 Transporter may deduct or set-off from any amount due to Shipper, any amount owed by Shipper to Transporter.

10.4 Full Settlement of Invoice

Shipper shall settle the full amount of each Invoice within 30 Days following the date of receipt by Shipper of the Invoice. The invoice shall be sent by Transporter through telefax during the normal business hours and shall be deemed to have been received by Shipper on the date of the dispatch of the telefax.

10.5 Payments to be made in Ringgit Malaysia

Payments of any amount payable under an Invoice or debit note shall be made in Ringgit Malaysia (RM) to the account of Transporter to a bank in Malaysia notified to Shipper.

10.6 Adjustments to Invoice

10.6.1 Any adjustment to monthly Invoice shall be done by Transporter through an issuance of debit note or credit note, as the case may require.
10.6.2 The credit note or debit note shall be sent by Transporter through telefax during normal business hours and shall be deemed to have been received by Shipper on the date of the dispatch of the telefax.

10.7 **Dispute**

10.7.1 If Shipper wishes to raise dispute of any amount in an Invoice or debit note or credit note, Shipper shall 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.

10.7.2 Shipper may notify the dispute to Transporter, specifying:

(a) the date and number of the Invoice or debit note or credit note;

(b) the item(s) in the Invoice or debit note or credit note to which the dispute relates;

(c) an explanation of the basis on which the dispute is submitted; and

(d) the amount of the dispute.

10.7.3 Both parties shall notify any dispute to the other party within 24 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 24 months, then both parties are deemed to have waived all disputes arising from the said Invoice or debit note or credit note.

10.8 **Late Payment Penalty for Invoice or Debit Note**

Where any amount payable under an Invoice or debit note is not paid on or before the due date, the payee shall pay interest at the rate of 2.0% above the prevailing Base Lending Rate (BLR) quoted from time to time by Malayan Banking Berhad (Maybank) calculated on the daily basis using simple interest calculation based on 365 days, on the unpaid amount due date until the Day on which payment is made. For the avoidance of doubt, this Section 10 above shall not be construed as permitting late payment of any Invoice or debit note.

10.9 **Failure of Payment**

If Shipper fails to pay the Invoice or debit note within 14 Days after payment is due, Transporter shall have the right to suspend Shipper’s right to use Services until Shipper pays the Invoice or debit note, or terminate Gas Transportation Agreement.

END OF SECTION
11. COMMUNICATION

11.1 Introduction

11.1.1 A clear and well understood communication procedure is essential for Parties to react in a timely manner especially in Emergency situation in order to protect lives or properties and to minimise Gas supply interruptions. This will help to establish a good rapport and relationship as well as foster mutual understanding and cooperation between Transporter and Shippers in meeting mutual goal of ensuring the safe, reliable and efficient operations of Gas Transportation System.

11.1.2 Transporter and Shipper are to establish the communication protocol that would guide Transporter and Shipper during normal and emergency situations. This protocol shall be adhered to at all times to ensure safe, reliable and efficient operations of the Gas Transportation System.

11.2 Gas Management System

11.2.1 Transporter shall secure the establishment and operation of a web-based, Gas Management System (“GMS”) which provides for an electronic transfer of information between Transporter and Shipper.

11.2.2 Transporter and Shipper shall communicate with each other for the purposes of the daily operation and monitoring of Gas Transportation System by means of GMS.

11.2.3 The information provided by Transporter via GMS shall be limited only to the relevant Shipper's portfolio.

11.2.4 Transporter shall provide Shipper with access and use of the following:

(a) Shipper’s portfolio via GMS;

(b) software installed in respect of the GMS; and

(c) manuals or any materials provided by Transporter in respect of the GMS.

END OF SECTION
12. CURTAILMENT

12.1 Introduction

Transporter may deem it necessary to curtail Services on Gas Transportation System on a Day in the event capacity to transport the total quantity of Gas nominated by all Shippers under Gas Transportation Agreement is insufficient.

12.2 Curtailment for Force Majeure

Transporter may curtail provision of Services to Shipper if:

(a) an event of Force Majeure occurs; and

(b) as a result of the event of Force Majeure, the Reserved Firm Capacity of Gas Transportation System is constrained so that Transporter cannot transport the quantities of Gas scheduled.

12.3 Curtailment for Operational or Safety Reasons

Transporter may curtail deliveries to Shipper if it considers, in its discretion, it is necessary to do so:

(a) for maintenance, replacement, installation or repair of Gas Transportation System or associated Facilities, including Entry Points and Exit Points, interconnections, and compressors;

(b) because of damage to, or an outage on, a Gas Transportation System segment or associated facility used to provide Services to Shipper,

irrespective of the cause giving rise to the need to curtail.

12.4 Curtailment for Emergency

12.4.1 Transporter may curtail deliveries to Shipper if it considers, in its discretion, it is necessary to do so by reason of emergency, irrespective of the cause giving rise to the need to curtail.

12.4.2 The existence of an emergency under this Code shall be determined by Transporter, in its discretion, irrespective of the cause of emergency or whether Transporter or any other person may have caused, or contributed to the said emergency.

12.4.3 The procedures applicable in the event of emergency shall be set out in Gas Transportation Agreement and/or GCA and/or any communication protocol agreed between the Parties.
12.5 **Priority of Services for Curtailment**

Transporter may curtail the provision of Services to Shipper to meet its obligations to Other Shippers. Curtailment will be in accordance with the following order of priority:

(a) Shipper with Reserved Interruptible Capacity;

(b) Shipper with Reserved Firm Capacity whose act or omission caused the capacity reduction; and

(c) all Shippers’ Reserved Firm Capacities proportionately.

END OF SECTION
13. LIABILITIES AND INDEMNITIES

13.1 Introduction

The liabilities and indemnities of Transporter and Shipper will be detailed out in Gas Transportation Agreement. Some of the key elements are given below for purposes of the general information.

13.2 No Implied Warranties

To the extent permitted by law, the Gas Transportation Agreement shall provide that Transporter excludes all conditions, warranties and terms implied by law and custom.

13.3 Exclusive Remedies

The remedies set out under the Gas Transportation Agreement are the sole and exclusive remedies of Shipper for a breach by Transporter of that agreement or any other wrongful act or omission of Transporter.

13.4 No Indirect or Third Party Liability

Transporter is not liable for:

(a) 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;

(b) liability to a customer or a Third Party (including the supplier);

(c) loss or damage to the other Parties’ facilities (except where caused by wilful misconduct) or personnel and for Third Party claims attributable to that Party

(d) except as provided in the GTA, loss resulting from the liability of any other Party to any other person howsoever and whensoever arising; or

(e) any other indirect, consequential or special loss;

however caused (including but not limited to, by the negligence of Transporter) suffered or incurred by Shipper.

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.
13.5 Transporter’s Exclusion of Liability

13.5.1 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 Gas Transportation System or the provision of Services to Shipper, unless it is established that the loss or damage was caused by Transporters’ wilful misconduct under Gas Transportation Agreement.

13.5.2 Transporter will not be liable to Shipper for any loss suffered or incurred by Shipper where under any provision of Services are reduced, not provided or are suspended.

13.6 Limitation of Liability

13.6.1 The liability of Transporter to a Shipper in respect of any claim or a series of related claims shall not exceed in any Year:

(a) in the case of the liability of Transporter to any one Shipper, an amount of RM1 million; and

(b) in the case of the liability of the Transporter to all Shippers, an aggregate amount of RM10 million.

13.6.2 This limitation applies whether or not Shipper was aware of the possibility of the loss when the Gas Transportation Agreement was entered into.

13.6.3 The liability of Shipper(s) to Transporter shall not be subject to any monetary limit.

13.7 Transporter to Indemnify Shipper

13.7.1 Transporter is liable to Shipper for and indemnify, defend and hold harmless Shipper from and against any and all indemnified liabilities, 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 Gas Transportation Agreement, or Shipper’s breach of statutory duty or from the negligence of Shipper save to the extent that any indemnified liabilities arise from wilful misconduct of Shipper, subject to the provision as set out in Section 6.2.7.
13.8 **Shipper to Indemnify Transporter**

Shipper shall be liable to Transporter for and indemnify, defend and hold harmless Transporter from and against any and all indemnified liabilities, 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 Gas Transportation Agreement or Transporter’s breach of statutory duty or from the negligence of Transporter save to the extent that any indemnified liabilities arise from the wilful misconduct of Transporter.

13.9 **Costs and Expenses Covered**

This Section 13 extends to costs and other expenses (including legal expenses) reasonably incurred in connection with any loss or a claim.

END OF SECTION
14. CONFIDENTIALITY

14.1 Contents of Confidential Information

The content of the Confidential Information obtained under this Code by one party from the other, is strictly confidential. A Receiving Party cannot disclose the said information during the term of Gas Transportation Agreement and for a period of 5 Year after the termination date of Gas Transportation Agreement, without prior written consent of a Disclosing Party.

14.2 Permitted Disclosures

The following matters do not apply to any Confidential Information which:

(a) at, or after, the time of disclosure becomes part of the public domain (other than by reason of a breach of this Code by the Receiving Party);

(b) is known by the Receiving Party at the time it obtains the Confidential Information (save where the information is known by the Receiving Party as a result of it having previously been disclosed by the Disclosing Party to it);

(c) is lawfully acquired by the Receiving Party from a third party otherwise than in breach of an obligation of confidentiality;

(d) it is required to be made in order to comply with the requirements of any Government Body over the Receiving Party;

(e) employees, officers, and directors of the Party to enable the Party to perform its obligations;

(f) employees, officers, and directors of an Affiliate of the Party to enable the Party and/or an Affiliate to perform its obligations;

(g) any consultant, agent, or legal counsel retained by the Party or its Affiliate to enable the Party to perform its obligations;

(h) any bona fide prospective transferee of a Party's rights and obligations under this Agreement (including a prospective transferee with whom a Party and/or its Affiliates are conducting bona fide negotiations directed toward a merger, consolidation, or the sale of a majority of its or an Affiliate's shares) and any consultant retained by the prospective transferee to enable the prospective transferee to assess the Party's rights and obligations; or
(i) any bank or other financial institution or entity funding or proposing to finance the Party and/or an Affiliate, including any consultant retained by the bank or other financial institution or entity.

END OF SECTION
15. GOVERNING LAW AND DISPUTE RESOLUTION

15.1 Governing Law

This Code will be governed by and construed in accordance with the laws of Malaysia.

15.2 Dispute Resolution

The Gas Transportation Agreement will provide a mechanism for resolution of disputes by expert determination and by arbitration.

END OF SECTION
16. DEFINITIONS AND INTERPRETATIONS

16.1 Definitions

Unless the context otherwise requires, any reference in this Code to:

“Actual Delivered Quantity” means the actual quantity of Gas made available and delivered or deemed to be delivered by Transporter to or on behalf of Shipper at a relevant Exit Point for a Day;

“Actual Received Quantity” means the actual quantity of Gas made available and received or deemed to be received by Transporter to or on behalf of Shipper at a relevant Entry Point for a Day;

“Affiliate” means a legal entity that controls, or is controlled by an entity that controls, a Party;

“Allocation” has the meaning set out in Section 8.1;

“Authorised Overrun” has meaning set out in Section 9.13.6

“Available Firm Capacity” means the capacity of Gas Transportation System which Transporter in its discretion, determines from time to time, is available for the purposes of Reserved Firm Capacity based upon the following:

(i) the capacity of Gas Transportation System; and

(ii) the capacity at the relevant Entry Point and/or Exit Point;

“Available Interruptible Capacity” means capacity made available by Transporter after Available Firm Capacity has been fully reserved;

“Balancing Mechanism” means the mechanism by Transporter to facilitate Shippers to balance its Gas flow to ensure its Linepack is within the limits set by Transporter;

“Base Lending Rate” or “BLR” means a base interest rate calculated by Malayan Banking Berhad according to a formula which takes into account the institutions cost of funds and other administrative costs;

“Capacity Transfer Application” has the meaning set out in Section 3.11.3;

“Charge” means a fee or charge, whatever it is called and whatever the reason for imposing it, imposed by a Government Body;

“Confidential Information” means

(a) information that is by its nature confidential relating to each of the parties or its Affiliate including but not limited to 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 Affiliate), whether written, oral or otherwise recorded received by one party from the disclosing party;

(b) information that is known by the Transporter to be confidential and includes:

(i) any information relating to the financial position of a Shipper or Prospective Shipper and, in particular, includes information relating to the assets or liabilities of the Shipper or Prospective Shipper and any other matter that affects or may affect the financial position or reputation of the Shipper or Prospective Shipper;

(ii) information relating to the internal management and structure of the Shipper or Prospective Shipper or the personnel, policies and strategies of a Shipper or Prospective Shipper;

(iii) information of a Shipper or Prospective Shipper to which the Transporter has access, other than information referred to in paragraphs (a) and (b), that has any actual or potential commercial value to the Shipper or Prospective Shipper or the person or corporation which supplied that information; and

(iv) any information in the Transporter’s possession relating to the Shipper’s or Prospective Shipper’s customers or suppliers and like information.

“Connected Parties” has the meaning set out in Section 1.3 (c);

“Day” means a period of 24 consecutive hours beginning at 0600 hours Malaysian standard time;

“Disclosing Party” means a party who discloses Confidential Information received from Receiving Party;

“End-users” means the recipients of Gas or whose premises are connected to Gas Transportation System for the purpose of supply of Gas by Shipper;

“Entry Point” means a point at which Gas is received into Gas Transportation System as specified in Gas Transportation Agreement from or on account of Shipper;
“Entry Quantity” means the actual quantity of Gas delivered to Transporter by Shipper at Entry Point, expressed in GJ;

“Exit Point” means a point at which Gas is delivered from Gas Transportation System to End-users as specified in Gas Transportation Agreement;

“Exit Quantity” means the actual quantity of Gas delivered to Shipper by Transporter at Exit Point, expressed in GJ;

“Firm Transportation Charge” has the meaning set out in Section 9.5;

“Force Majeure” means any occurrence or circumstance beyond the control of the Party claiming excuse and resulting in or causing a failure by such Party in the fulfilment of any of its obligations under this Agreement and which by the exercise of due diligence such Party is unable to prevent or overcome and without prejudice to the generality of the foregoing includes:

(a) lockouts, blockades, insurrections, riots, epidemic;
(b) hurricanes, typhoons, natural catastrophes;
(c) arrests and restraints of governments and people, civil disturbances;
(d) explosions, breakages, breakdown or failure of pipelines or facilities, equipment or machinery for production, transmission, processing or storage, hydrate obstructions of lines of pipe;
(e) inability of Transporter to accept delivery of Gas due to the inability of any of Shipper’s customers to take gas if such customer’s inability is occasioned by an event or occurrence of the character described or envisaged in this provision as constituting force majeure partial or entire;
(f) failure of wells, well blowouts, craterings, platform loss;
(g) the binding order of any Government or governmental authority; or
(h) 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 the one of the Parties here to which affects receipt or delivery of the Gas at Entry Point and Exit Point.

“Gas” means Gas containing the qualities set out in Appendix 2 – Gas Specification;

“Gas-in” means Gas brought in by a Shipper, by way of Linepack, prior to first flow of Gas by that Shipper in Gas Transportation System;
“Gas Specification” has the meaning set out in Appendix 2 – Gas Specification;

“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 Gas Transportation System;

“Gas Transportation System” means Peninsular Gas Utilisation Transmission System, 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 Shipper’s Entry Point to Exit Point;

“GJ” means 1,000,000,000 joules of Gas;

“GMS” has the meaning set out in Section 11.2.1;

“Goods and Service Tax” or “GST” means consumption tax charged on a wide range of domestic & international products, goods and services, imposed by a Government Body;

“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;

“Grid Connection Agreement” means an agreement signed between Transporter and Connected Parties with regards to the connection between the Connected Party’s facilities and Gas Transportation System;

“Grid Connection Arrangement” has the same meaning with Grid Connection Agreement and is applicable where the Connected Party is another division of PETRONAS Gas Berhad;

“Gross Heating Value” means the energy produced from the complete combustion of one cubic metre of Gas with air, at a temperature of 15 degrees Celsius and at an absolute pressure of 101.325kPa, with the Gas free of all water vapour, the products of combustion cooled at a temperature of 15 degrees Celsius and the water vapour formed by combustion condensed to the liquid state, expressed in MJ per cubic metre (MJ/m3);

“Heads of Agreement” means a non-binding document outlining the main issues relevant to a tentative agreement between Transporter and Shipper and/or Prospective Shipper, as set out in Section 3.13.5;

“Imbalance” has the meaning set out in Section 9.14;

“Imbalance Surcharge” has the meaning set out in Section 9.14.4;
“Imbalance Rate” has the meaning set out in Section 9.14.5;

“Imbalance Tolerance” has the meaning set out in 9.14.4;

“Internal Gas Consumption” or “IGC” means the quantity of Gas used for compressor fuel and such other purposes necessary for the operation of Gas Transportation System. It also refers to the quantity of Gas otherwise lost and unaccounted for in connection with the operation of Gas Transportation System, but excludes Linepack;

“Interruption Factor” referred to in Section 9.6.2 means a figure to be determined by Transporter on a case by case basis, using historical and forecasted data to determine the probability of interruption;

“Interruptible Transportation Charge” has the meaning set out in Section 9.7;

“Intra-day Nomination” has the meaning set out in Section 7.9.2.

Inventory means designated account of Shipper that records the quantity of Gas from time to time held in the Gas Transportation System by Transporter for the account of Shipper. It shall be maintained within Imbalance Tolerance determined by Transporter.

“J” means one Joule at 101.325 kPa(abs) and 15 degrees Celsius;

“kPa” shall mean 1000 Pascals of pressure at absolute condition;

“Linepack” means the quantity of Gas in Gas Transportation System which is required to meet the aggregate Exit Point demand of all Shippers without increasing the input of Gas at Entry Point. It refers to the quantity of Gas in Gas Transportation System which is used for the operational purposes of transportation of Gas;

“Maintenance Notification” has the meaning set out in Section 7.12.2;

“Maintenance Reduction” has the meaning set out in Section 7.12.1;

“Maximum Allowable Operating Pressure” means the maximum allowable operating pressure for the operation of Gas Transportation System as determined by Transporter;

“Maximum Daily Quantity” or “MDQ” means the fixed maximum quantity of Gas, expressed in GJ, which Transporter is obliged to receive at Entry Point and deliver at Exit Point (exclusive of IGC) for the account of Shipper on each Day under this Code, as specified in Gas Transportation Agreement;

“Maximum Hourly Quantity” or “MHQ” means MDQ divided by 24;
“Measuring Equipment” means measuring equipments and other ancillary facilities supporting the measuring equipments, supplied, installed, operated and maintained to measure the quantity and quality of Gas;

“MJ” means mega joule 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;

“New Facilities” has the meaning set out in Section 3.15.1;

“Nomination” means the notification by Shipper to Transporter of the quantities of Gas which Shipper intends to deliver at each Entry Point and received at each Exit Point from Gas Transportation System on a Day;

“Off-specification Gas” means Gas that does not comply with the Gas Specification;

“Open Season” has the meaning set out in Section 3.13;

“Open Season Capacity Application” has the meaning set out in Section 3.13.4;

“Open Season Invitation” has the meaning set out in Section 3.13.3;

“Operational Flow Order” 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 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” has the meaning set out in Section 9.13;

“Overrun Rate” has the meaning set out in Section 9.13.4;

“Overrun Surcharge” has the meaning set out in Section 9.13.5;

“Overrun Tolerance” has the meaning set out in Section 7.10.1 (b);

“Peninsular Gas Utilisation Transmission System” means Gas transportation pipeline which stretches approximately 1,163 kilometres (km) across Peninsular Malaysia. A schematic diagram of Gas Transportation System is provided herein as Appendix 3 - PGU map with Transportation Tariff. The latest and updated version of said schematic diagram is available on Website;
“Pascal” means the international system or SI unit of pressure of that name.

“Party” means either Transporter or Shipper;

“Parties” mean Transporter and Shipper or Other Shippers, as the case may be;

“Person” means any individual, partnership, corporation, association, trust, Government Body or other entity;

“Prospective Shipper” has the meaning set out in Section 3.3.1;

“Reasonable and Prudent Operator” means a person acting in good faith with the intention of performing its contractual obligation under this Code 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 operator complying with applicable law and engaged in the same type of undertaking and under the same or similar circumstances and conditions;

“Receiving Party” means party who receives Confidential Information;

“Reserved Capacity” means, in respect of a Day during the transportation period, the capacity in the Gas Transportation System that Transporter shall reserve, make available and provide to Shipper, on either a Reserved Firm Capacity basis or a Reserved Interruptible Capacity basis;

“Reserved Firm Capacity” means, in respect of a Day, the capacity in Gas Transportation System, comprising MDQ, that is reserved to a Shipper and which Transporter shall reserve, make available and provide to Shipper, in respect of a Transportation Path, and Shipper's entitlement to flow Gas through Gas Transportation System at a constant rate in GJ/day on an hourly basis;

“Reserved Interruptible Capacity” means, the provision of capacity in Gas Transportation System, comprising MDQ, 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 Gas Transportation System for any reason whatsoever;

“RM” means Ringgit Malaysia, the lawful currency of Malaysia;

“Services” has the meaning set out in Section 3.2;

“Services invoice” or “invoice” means an itemised bill of Services rendered by Transporter;

“Shipper” has the meaning set out in Section 1.3 (b);

“Shipper's Registration” has the meaning set out in Section 3.3;
“Surcharge” has the meaning set out in Section 9.11;

“Tax” means a tax, levy, duty, tariff or surcharge, however imposed and by whatever name called, but does not include tax payable on either party’s income;

“Transferee” has the meaning set out in Section 3.11.1;

“Transferor” has the meaning set out in Section 3.11.1;

“Transportation Tariff” is as described in Appendix 4 – Transportation Tariff;

“Transporter” means the owner and/or operator of PGU Gas Transportation System;

“Transportation Path” means the sections of Gas Transportation System, through which Gas is transported for Shipper, actually or nominally passes from an Entry Point to an Exit Point;

“Transporter’s Metering Philosophy” means the technical requirements for measuring equipment, validation and calibration, accuracy verification procedures, recalibration limits, billing correction limits and procedures for correction of readings from faulty measuring equipment;

“Under-using Shipper” has the meaning set out in Section 3.10.2;

“Variance” has the meaning set out in Section 9.12;

“Variance Quantity” means the difference of quantity of Gas received at Entry Point from its Entry Point nomination or delivered at Exit Point from its Exit Point nomination;

“Variance Rate” has the meaning set out in Section 9.12.4;

“Variance Surcharge” has the meaning set out in Section 9.12.5;

“Variance Tolerance” has the meaning set out in Section 7.10.1(a);

“Website” means the Transporter’s website; and

“Year” means the period of time beginning at 0600 hours from 1 January in any calendar year to 0600 hours on 1 January in the following calendar year.
16.2 Interpretations

Unless the context otherwise requires, any reference in this Code to:

(a) a statute, by-law, regulation, delegated legislation or order is to the same as amended, modified or replaced from time to time and to any by-law, regulation, delegated legislation or order made thereunder;

(b) any agreement or instrument is to the same as amended, novated, modified, supplemented or replaced from time to time;

(c) "including" shall mean including but not limited to;

a person shall be construed as a reference to any person, firm, company, corporation, government or agency of a state or any association or partnership (whether or not having separate legal personality) or two or more of the foregoing;

(d) time shall be construed by reference to whatever time may from time to time be in effect in Malaysia;

(e) the singular shall include the plural and vice versa;

(f) where a word or expression is defined in this Code, cognate words and expressions shall be construed accordingly;

(g) headings in this Code are for ease of reference only and shall not affect its construction;

(h) references to "this Code" shall mean the sections and Annexes of this Code and shall be read as one document; and

(i) references in this Code to sections and appendices are to sections and appendices of this Code;

END OF SECTION
17. **CONCLUSION**

17.1 **Code not Legally Binding**

This Code, unless otherwise stated or unless incorporated by way of reference in the Gas Transportation Agreement, is not in any way a legally binding document. It provides a framework for third party access to Gas Transportation System operated by PETRONAS Gas Berhad, as a Transporter.

17.2 **Intention to use Third Party Access Arrangements**

Prospective Shippers and Connected Parties (as defined in this Code) are required to study the Code, and if they intend to use the third party access arrangement, they will have to enter into a legally binding:

(a) Gas Transportation Agreement; and/or

(b) Grid Connection Agreement and/or Grid Connection Arrangement (as the case may be),

with Transporter.

<END OF CODE>
APPENDIX 1
(Section 4.3.3)

FACILITIES INTERFACING
APPENDIX 2
(Section 6.1.1)

GAS SPECIFICATION

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

(i) the transmission of the gas through pipelines; or

(ii) the commercial use of the gas by the shipper (including but not limited to; 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 have the following gas composition:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>GHV</td>
<td>35.1 – 48.1 MJ/sm³</td>
</tr>
<tr>
<td>Specific Gravity</td>
<td>&lt; 0.75</td>
</tr>
<tr>
<td>Hydrocarbon Dew Point</td>
<td>10 degree Celsius @ 56 Barg</td>
</tr>
<tr>
<td>Water Dew Point</td>
<td>10 degree Celsius @ 56 Barg</td>
</tr>
<tr>
<td>H₂S</td>
<td>&lt; 5.7 mg/m³</td>
</tr>
<tr>
<td>Total Sulphur</td>
<td>&lt; 30 mg/m³</td>
</tr>
<tr>
<td>Inert Gas</td>
<td>&lt; 10 % mole</td>
</tr>
</tbody>
</table>
The Transportation Tariff shall be based on postage of RM1.248/GJ. The Transportation Tariff shall be valid from 1 April 2014 until 31 December 2018.
TRANSPORTATION TARIFF

<table>
<thead>
<tr>
<th>Description</th>
<th>Transportation Tariff</th>
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<tbody>
<tr>
<td>Reserved Firm Capacity</td>
<td>RM 1.248/GJ</td>
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