

WATER ACT 2000 (QLD)

SOUTH EAST QUEENSLAND WATER GRID

GRID CONTRACT DOCUMENT

I, the Honourable Karen Struthers MP, Minister for Minister for Community Services and Housing and Minister for Women and acting Minister for Natural Resources, Mines and Energy and acting Minister for Trade of the State of Queensland, hereby make this Grid Contract Document for the supply of Declared Water Services pursuant to section 360ZDD(1)(a) of the *Water Act 2000* (Qld) between:

Name: South East Queensland Water Grid Manager
ABN: 14 783 317 630
Short name: Water Grid Manager
Address: Level 15
53 Albert Street
Brisbane Queensland 4001
Facsimile: [REDACTED]
Attention: Chief Executive Officer

and


Name: Queensland Bulk Water Supply Authority, trading as
Seqwater
ABN: 75 450 239 876
Short name: Service Provider
Address: PO Box 15236, City East Queensland 4002
Facsimile: [REDACTED]
Attention: Chief Executive Officer

This Grid Contract Document includes the following documents, each of which is attached to and forms part of this Grid Contract Document:

Appendix A	General terms and conditions
Schedule 1	Definitions
Schedule 2	ADWG Specifications
Schedule 3	Quality Parameters
Schedule 4	Manufactured Water Quality Requirements
Schedule 5	Bulk Supply Points
Schedule 6	Raw Water Metering (Power Stations)

This Grid Contract Document may not be amended except as set out in clause 32.8 and 32.9 of Appendix A.

Dated this 20th day of June 2010


The Honourable Karen Struthers MP
Minister for Community Services and Housing and Minister for Women
Acting Minister for Natural Resources, Mines and Energy
Acting Minister for Trade

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Appendix A – General terms and conditions

Background.

- A Water Grid Manager and Service Provider were established under section 6(1) of the Restructuring Act.
- B Water Grid Manager holds various water entitlements under the Water Act and is a counterparty to Grid Contract Documents made by the Minister under section 360ZDD of the Water Act for the supply of Declared Water Services from Grid Service Providers and the supply of bulk water to Grid Customers.
- C Service Provider is registered as a Bulk Supplier under the Market Rules and must carry out Bulk Supply Services in accordance with the Market Rules.
- D This Contract sets out the terms and conditions upon which Service Provider will, in accordance with the Market Rules, store, release and access Potable Water and Raw Water for Water Grid Manager, treat Potable Water and Raw Water for Water Grid Manager, accept Purified Recycled Water at Manufactured Water Supply Points and make available Potable Water and Raw Water at Bulk Supply Points.

1. Definitions

Capitalised terms used in this Contract have the meanings specified in Schedule 1. Capitalised terms used and not defined in Schedule 1 have the meaning specified in the Market Rules.

2. Interpretation

- (a) Sections 11.5 and 11.6 of the Market Rules apply to the interpretation of this Contract as though they were set out in this Contract with any necessary modifications to ensure consistency with this Contract.
- (b) In this Contract:
 - (i) a reference to an Appendix or a Schedule is a reference to an Appendix or a Schedule to this Contract;
 - (ii) a reference to 'A\$', '\$A', 'dollar' or '\$' is to Australian currency;
 - (iii) a reference to 'water' includes Manufactured Water; and
 - (iv) unless the context otherwise requires, a reference to the 'supply' or 'delivery' of Potable Water and Raw Water to any person includes making Potable Water and Raw Water available to such person.
- (c) In this Appendix A, unless otherwise indicated, a reference to a clause is a reference to a clause in this Appendix A.

3. Resolving inconsistencies

Any inconsistency, ambiguity or discrepancy between the provisions of this Contract and the other documents or instruments listed in section 1.10 of the Market Rules, will be resolved in accordance with section 1.10 of the Market Rules.

4. Grid Contract Document

- (a) This Contract is a Grid Contract Document made by the Minister under section 360ZDD(1)(a) of the Water Act.
- (b) The Declared Water Services from which the water supplied to Water Grid Manager under this Contract is supplied are those Declared Water Services declared by the Minister, from time to time, under Chapter 2A, Part 5A, Division 2 or section 1161 of the Water Act.
- (c) This Contract commences on the Commencement Date and, subject to clause 5, terminates on the Expiry Date (**Term**).

5. Extension

Subject to Chapter 2A of the Water Act:

- (a) between 1 July 2019 and 31 December 2019, Service Provider may notify Water Grid Manager that it wishes to extend the term of this Contract by a period of up to 10 years (**Extension Notice**);
- (b) if Service Provider gives an Extension Notice, the parties will use their best endeavours to negotiate and agree an extension of the Term and any amendments to the terms and conditions of the Contract;
- (c) if, prior to 1 July 2020, the Parties agree in writing to extend the Term, the Term will be extended for the agreed period and this Contract will be varied as agreed (if applicable); and
- (d) if, by 1 July 2020, the parties have not agreed in writing to extend the Term, this Contract will terminate in accordance with clause.

6. Legislative Requirements

- (a) The Parties must perform all of their obligations under, and otherwise comply with, all Legislative Requirements which are relevant to the performance of Service Provider's obligations under this Contract, including the documents and instruments referred to in section 1.10 of the Market Rules.
- (b) A failure to perform or otherwise act in accordance with a Legislative Requirement will constitute a breach of this Contract.
- (c) Service Provider must:
 - (i) obtain and maintain all licenses, approvals, permits, consents and other authorisations required to own or operate the Service Provider Infrastructure; and
 - (ii) notify Water Grid Manager promptly if any license, approval, permit, consent or other authorisation required to own or operate the Service Provider Infrastructure is cancelled, forfeited, withdrawn, terminated or expires.

7. Contracted obligations

- (a) Water Grid Manager may rely on the performance by Grid Participants of their obligations under other Grid Contract Documents to constitute performance by Water Grid Manager of its obligations under this Contract (including in relation to the delivery of Purified

Recycled Water into the Service Provider Infrastructure at Manufactured Water Supply Points in accordance with clause 9.2), provided that any failure by such Grid Participants to perform their obligations under such other Grid Contract Documents will not relieve Water Grid Manager from liability for its obligations under this Contract except to the extent set out in clause 19.4.

- (b) Service Provider's performance of its obligations under this Contract may constitute performance by Water Grid Manager of its obligations under Grid Contract Documents with:
 - (i) Grid Service Providers for the supply of Declared Water Services by such Grid Service Providers; and
 - (ii) Grid Customers for the supply of Potable Water and Raw Water to such Grid Customers.

8. SEQ Water Entitlement

8.1 Agency

- (a) Water Grid Manager appoints Service Provider as its agent (and Service Provider accepts the appointment) for the purpose of managing, releasing, delivering, taking and otherwise dealing with (for the purposes of this clause 7, **dealing with**) the SEQ Water Entitlement for the purpose of and in accordance with and subject to this Contract and the Market Rules.
- (b) In dealing with the SEQ Water Entitlement, Service Provider must comply with the terms and conditions of the SEQ Water Entitlement, as notified by Water Grid Manager to Service Provider, Legislative Requirements and Good Operating Practice, and must not cause Water Grid Manager to breach any Legislative Requirements or any term or condition of the SEQ Water Entitlement.
- (c) This agency may only be terminated in the event of termination of this Contract.

8.2 Assistance

Service Provider must:

- (a) without limitation to clause 16.1, meter all Raw Water taken under the SEQ Water Entitlement from Raw Water Supply Points for which Service Provider is the Responsible Person under the Market Rules and provide such meter readings to the Water Grid Manager by the 10th Business Day of each month and without limitation to clause 16 otherwise comply with Chapter 6 of the Market Rules in respect of each Raw Water Supply Point; and
- (b) provide Water Grid Manager with all other information reasonably required by Water Grid Manager in order to comply with its obligations in relation to reporting under the SEQ Water Entitlement and Legislative Requirements including to comply with the terms and conditions of any transmission licence under the Water Act.

9. Supply of Potable Water and Raw Water

9.1 Supply of Potable Water and Raw Water by Service Provider

Service Provider make available Raw Water at Raw Water Supply Points and Potable Water at Potable Water Supply Points in accordance with this Contract, the Market Rules and Approved Operating Protocols.

9.2 Supply of Manufactured Water to Service Provider

- (a) Under Grid Contract Documents with Manufactured Water Providers, Water Grid Manager may, but is under no obligation to, procure the supply of Purified Recycled Water into the Service Provider Infrastructure at Manufactured Water Supply Points.
- (b) Service Provider must receive Purified Recycled Water into the Service Provider Infrastructure at Manufactured Water Supply Points in accordance with this Contract, Legislative Requirements and Good Operating Practice.
- (c) Water Grid Manager must use its best endeavours to ensure that Purified Recycled Water delivered to Manufactured Water Supply Points complies with the Quality Requirements.

9.3 Management of catchment areas by Service Provider

Service Provider must:

- (a) use its best endeavours to manage all water catchment areas for the Service Provider Infrastructure which it owns or controls in accordance with Good Operating Practice;
- (b) use reasonable endeavours to ensure the appropriate management in accordance with Good Operating Practice by others of catchment areas for the Service Provider Infrastructure which Service Provider does not own or control; and
- (c) store, release, take, deliver and make available Potable Water and Raw Water in accordance with Good Operating Practice.

10. Quality

10.1 Testing and reporting

Service Provider must:

- (a) test and monitor Potable Water and Raw Water in the Service Provider Infrastructure in accordance with Schedule 2, Legislative Requirements and Good Operating Practice;
- (b) report the results of such testing and monitoring to Water Grid Manager in the form required by Water Grid Manager; and
- (c) immediately notify Water Grid Manager (and any other affected Grid Participant) if it becomes aware of any deterioration, other than deterioration that is minor or immaterial, in the quality of Potable Water and Raw Water in the Service Provider Infrastructure or at a Bulk Supply Point.

10.2 Potable Water Quality Requirements

Service Provider must:

- (a) ensure that all Potable Water made available at Potable Water Supply Points under this Contract is fit for human consumption and meets the Quality Requirements; and
- (b) use its best endeavours to ensure that Potable Water made available at Potable Water Supply Points under this Contract meets the Potable Water Additional Quality Parameters.

10.3 Potable Water - Failure to meet Quality Requirements

As soon as reasonably practicable after a Party becomes aware that Potable Water made available (or to be made available) at a Bulk Supply Point does not meet (or will not meet) the Quality Requirements:

- (a) that Party must notify the other Party;

- (b) Water Grid Manager may issue a direction to Service Provider as to the manner in which the Potable Water which does not meet the Quality Requirements should be dealt with, and Service Provider must comply with the direction unless to do so would cause Service Provider to breach a Legislative Requirement; and
- (c) Service Provider must:
 - (i) use its best endeavours to ensure that further Potable Water made available at Bulk Supply Points meets the Quality Requirements;
 - (ii) inform Water Grid Manager of the reason for the failure (or potential failure) to meet the Quality Requirements and the measures undertaken to prevent or remedy such failure; and
 - (iii) provide Water Grid Manager with daily updates of the reason for any continuing failure and the measures being undertaken to remedy such continuing failure.

10.4 Manufactured Water – Failure to meet Quality Requirements

As soon as reasonably practicable after a Party becomes aware that Manufactured Water made available (or to be made available) at a Manufactured Water Supply Point does not meet (or will not meet) the Quality Requirements:

- (a) Water Grid Manager may issue a direction to Service Provider as to the manner in which Manufactured Water which does not meet the Quality Requirements should be dealt with, and Service Provider must comply with the direction unless to do so would cause Service Provider to breach a Legislative Requirement; and
- (b) Water Grid Manager must:
 - (i) use its best endeavours to ensure that further Manufactured Water made available at Manufactured Water Supply Points meets the Quality Requirements;
 - (ii) inform Service Provider of the reason for the failure (or potential failure) to meet the Quality Requirements and the measures undertaken to prevent or remedy such failure; and
 - (iii) provide Service Provider with daily updates of the reason for any continuing failure and the measures being undertaken to remedy such continuing failure; and
- (c) that Party must notify the other Party and the relevant Manufactured Water Provider.

10.5 Raw Water Quality

- (a) Service Provider makes no representation and gives no warranty about, or in relation to the quality, suitability or fitness for any purpose of Raw Water made available under this Contract and any such representation or warranty that might be implied is hereby expressly negated.
- (b) Water Grid Manager acknowledges that:
 - (i) there are many factors that affect Raw Water quality;
 - (ii) Raw Water is not fit for human consumption;
 - (iii) Service Provider may, in accordance with Good Operating Practice, from time to time add chemicals or other foreign matter to Raw Water made available under this Contract, and the addition of such chemicals or other foreign matter may adversely affect the quality, suitability or fitness for any purpose of the Raw Water so supplied; and

- (iv) Raw Water supplied under this Contract may originate from various sources, including Purified Recycled Water, and the mixing of Raw Water from such sources may affect the quality of Raw Water made available by Service Provider.

10.6 Testing and monitoring of Raw Water

- (a) Water Grid Manager must satisfy itself as to the quality, suitability or fitness for any purpose of any Raw Water made available by Service Provider to Water Grid Manager under this Contract.
- (b) Water Grid Manager acknowledges that it may be necessary to treat and process Raw Water and carry out other activities to ensure that Raw Water made available under this Contract is of a quality that is suitable for the purpose for which it is intended to be used.
- (c) Notwithstanding clauses 10.6(a) and 10.6(b), Service Provider must provide to Water Grid Manager any information known to Service Provider in relation to the quality, suitability or fitness for purpose of any Raw Water made available, or to be made available, under this Contract as soon as reasonably practicable:
 - (i) after any reasonable request by Water Grid Manager; or
 - (ii) after Service Provider becomes aware of any information indicating there may be a material risk of any:
 - (A) damage to the property of any person or the environment; or
 - (B) injury or harm to any individual.

10.7 Directions by authorities

Service Provider must, as soon as reasonably practicable, provide Water Grid Manager with a copy of:

- (a) any direction or notice given to Service Provider under the Water Supply Act in relation to the quality or safety of Potable Water supplied to Water Grid Manager under this Contract including under sections 102, 102A, 270, 271 or 436 of that Act or under section 57A of the Public Health Act; and
- (b) any correspondence which Service Provider gives in response to such direction or notice.

11. Service Provider obligations

Service Provider must:

- (a) obtain and maintain all licenses, approvals, permits, consents and other authorisations required to carry out its obligations under this Contract;
- (b) comply with any reasonable request from Water Grid Manager for information which may assist Water Grid Manager to perform its obligations under the System Operating Plan, including in relation to minimising the costs and maximising the efficiency of the Water Grid;
- (c) use its best endeavours to minimise, mitigate and measure water losses in the Service Provider Infrastructure, including storage losses (including evaporation and leakage), release losses, transport losses and treatment losses; and
- (d) ensure that the Service Provider Infrastructure is at all times designed, constructed, operated and maintained so as to enable Service Provider to comply with all Legislative Requirements.

12. Transfer of risk

- (a) Service Provider has all risk in, and responsibility for, any Potable Water and Raw Water dealt with under this Contract from the point where Service Provider takes the water (as set out in paragraph 1 of the definition of 'water' in the Water Act) from a dam, watercourse, lake, spring or underground source.
- (b) All risk in, and responsibility for:
 - (i) Potable Water transfers to Water Grid Manager at Potable Water Supply Points; and
 - (ii) Raw Water transfers to Water Grid Manager at Raw Water Supply Points.

13. Bulk Supply Points

13.1 New Bulk Supply Point

If either Party wants to designate a new Bulk Supply Point:

- (a) the Party wishing to designate the new Bulk Supply Point must:
 - (i) notify the other Party of the proposed location of the new Bulk Supply Point; and
 - (ii) obtain the written consent of any Grid Participant whose Infrastructure will connect to the Service Provider Infrastructure at the new Bulk Supply Point and provide a copy of such consent to the other Party;
- (b) Without limitation to clause 13.1(d), neither Service Provider or Water Grid Manager shall unreasonably withhold consent to the new Bulk Supply Point;
- (c) Service Provider must use its best endeavours to agree Operating Protocols in relation to the new Bulk Supply Point with any Grid Participant whose Infrastructure will connect to the Service Provider Infrastructure at the new Bulk Supply Point; and
- (d) the Operating Protocol must be approved by Water Grid Manager under and in accordance with section 3.19 of the Market Rules.

13.2 Interconnection costs

Service Provider must agree with each Connected Grid Participant on the allocation between themselves of all costs incurred in connection with the installation, operation and maintenance of all interconnection works between the Service Provider Infrastructure and any Infrastructure.

14. Infrastructure losses

Any reference in an Instruction to a volume of Potable Water and Raw Water to be:

- (a) received at a Bulk Supply Point; or
- (b) made available at a Bulk Supply Point;

will be deemed to represent the actual volume of Potable Water and Raw Water to be received or made available at that Bulk Supply Point, and will not include any volume of Potable Water and Raw Water to account for any system losses in any Infrastructure.

15. Maintenance

15.1 Notification by Service Provider

- (a) Service Provider must:
 - (i) subject to clause 15.1(b) and clause 24, provide Water Grid Manager and all other Connected Grid Participants with not less than 60 days prior notice of all planned or scheduled maintenance to the Service Provider Infrastructure that may affect the performance of Service Provider's obligations under this Contract, including details of the matters to be set out in a notice given under clause 24.2(a);
 - (ii) to the extent reasonably practicable:
 - (A) comply with any reasonable request from Water Grid Manager to reschedule such activities;
 - (B) minimise the duration of any interruption to the performance of Service Provider's obligations under this Contract as a result of the planned or scheduled maintenance; and
 - (C) minimise the impact of the planned or scheduled maintenance on the quality of the Potable Water to be delivered by Service Provider under this Contract; and
 - (iii) use its best endeavours not to exceed the time frames specified for the planned or scheduled maintenance in the notice provided to Water Grid Manager under clause 15.1(a)(i).
- (b) Without limitation to clause 15.1(a)(ii)(A), Water Grid Manager must use its reasonable endeavours to notify Service Provider of a request to reschedule any planned or scheduled maintenance notified by Service Provider under clause 15.1(a)(i) by no later than 45 days prior to the day on which Service Provider has notified that the planned or scheduled maintenance is expected to commence.
- (c) The obligation of Service Provider to notify Water Grid Manager under clause 15.1(a)(i) does not apply to the extent that the planned or scheduled maintenance will only have an immaterial effect on the performance of Service Provider's obligations under this Contract.

15.2 Notification by Water Grid Manager

- (a) Subject to clause 15.2(c), Water Grid Manager must notify Service Provider of all maintenance to Infrastructure that may affect the performance of Service Provider's obligations under this Contract.
- (b) Water Grid Manager's notice to Service Provider under clause 15.2(a) must:
 - (i) include details of the matters to be set out in a notice given under clause 24.2(a) (as though Water Grid Manager were giving the notice under that clause); and
 - (ii) be given:
 - (A) in the case of any maintenance to Infrastructure that is not regularly required or anticipated to be required, as soon as reasonably practicable after the need to perform such unplanned maintenance is known by Water Grid Manager; and
 - (B) in the case of maintenance to Infrastructure the performance of which is required on a planned, regular or scheduled basis or is otherwise reasonably anticipated to be required to ensure the continuous and proper

functioning of the Infrastructure, as soon as reasonably practicable but in any event no later than 45 days prior to the anticipated commencement of the maintenance.

- (c) The obligation of Water Grid Manager to notify Service Provider under clause 15.2(a) does not apply to the extent that the maintenance will have an immaterial effect on the performance of Service Provider's obligations under this Contract.

16. Metering

16.1 Responsibility for metering

- (a) Service Provider must obtain Meter Data in accordance with Chapter 6 of the Market Rules for all Bulk Supply Points for which Service Provider is the Responsible Person under the Market Rules.
- (b) Water Grid Manager must:
 - (i) obtain meter readings in respect of Potable Water and Raw Water supplied to a Bulk Supply Point for which Service Provider is not the Responsible Person under the Market Rules for each calendar month and provide those meter readings to Service Provider by no later than the 10th Business Day of the following calendar month; and
 - (ii) provide reasonable assistance to Service Provider in carrying out its obligations under clause 16.2(a), including by assisting through using Water Grid Manager's best endeavours to procure meter readings in relation to meters located outside the Service Provider Infrastructure.
- (c) The Parties acknowledge and agree that the volume of Raw Water supplied to Bulk Supply Points for CS Energy Limited and Tarong Energy Corporation Limited will be determined in accordance with Schedule 6.

16.2 Metering results

- (a) Without limitation to the obligations of Service Provider under Chapter 6 of the Market Rules, Service Provider must, in connection with each invoice issued to Water Grid Manager under clause 17.2, provide Water Grid Manager with the Meter Data and other data used to:
 - (i) determine the actual volumes of Potable Water and Raw Water; and
 - (ii) calculate any estimated volumes of Potable Water and Raw Water in accordance with the Alternate Methodology published pursuant to section 6.4 of the Market Rules,made available at Bulk Supply Points during the preceding calendar month.
- (b) Service Provider's obligations under clause 16.2(a) to provide Water Grid Manager with any Meter Data relating to Potable Water and Raw Water supplied to any Bulk Supply Point for which Service Provider is not the Responsible Person under the Market Rules, shall be subject to Service Provider's receipt of meter readings and all other relevant data from Water Grid Manager.

16.3 Invoice adjustment for inaccurate or failed Metering Installations

- (a) Service Provider must:

- (i) notify Water Grid Manager as soon as reasonably practicable if a Metering Installation or Transitional Metering Installation is found to be inaccurate, whether as a result of any calibration or verification testing performed by Service Provider pursuant to the Market Rules or any other applicable Legislative Requirements or otherwise; and
 - (ii) use the Alternate Methodology in the circumstances contemplated by section 6.24 of the Market Rules.
- (b) If an invoice issued by Service Provider under clause 17.2 was prepared on the basis of metering results from an inaccurate or failed Metering Installation or Transitional Metering Installation, any overpayment or underpayment made on the basis of such invoice will be corrected by making a corresponding adjustment to the next invoice issued in accordance with clause 17.2 after the overpayment or underpayment is discovered.

17. Grid Service Charges

17.1 Payment obligations

Water Grid Manager must, upon receipt of an invoice from Service Provider in accordance with clause 17.2, pay (monthly in arrears and in accordance with clause 17.3) the Grid Service Charges for each calendar month during the Term.

17.2 Monthly invoices

- (a) Within 15 Business Days of the end of each calendar month during the Term, Service Provider must issue an invoice to Water Grid Manager specifying:
 - (i) the Grid Service Charges for the calendar month;
 - (ii) any other amounts (including overdue payments) payable by Water Grid Manager to Service Provider in accordance with this Contract;
 - (iii) any adjustments made pursuant to clause 16.3(b);
 - (iv) the volume of Potable Water delivered by Service Provider to each Bulk Supply Point, or where the Alternate Methodology applies, the estimated total volume of Potable Water supplied to a Bulk Supply Point, during the previous calendar month metered or estimated in accordance with clause 16.2; and
 - (v) the account to which payment must be made.
- (b) Each invoice issued by Service Provider to Water Grid Manager must be accompanied by such supporting documentation as may reasonably be required by Water Grid Manager to verify the invoice.

17.3 Payment terms

Subject to clause 17.4, Water Grid Manager must pay Service Provider the amount stated in an invoice issued pursuant to clause 17.2 within 20 Business Days of Water Grid Manager's receipt of the invoice or the determination of a dispute in respect of the invoice under clause 17.4.

17.4 Payment disputes

- (a) If Water Grid Manager disputes all or any part of an invoice it must:
 - (i) pay that part of the invoice not in dispute; and

- (ii) provide a detailed statement of its grounds for disputing all or any part of an invoice (with such reasonable supporting details as may be required to substantiate such grounds) to Service Provider,

by the due date for payment of that invoice under clause 17.3.

- (b) Payment of all or any part of an invoice does not prejudice the Water Grid Manager's right to dispute all or any part of such invoice.
- (c) If the dispute cannot be resolved between the Parties within 10 Business Days of Service Provider's receipt of Water Grid Manager's statement of its grounds for disputing the invoice, the dispute must be determined in accordance with Chapter 9 of the Market Rules.

17.5 Continued performance

Subject to the terms and conditions of this Contract (including clause 21), each Party must continue to perform its obligations under this Contract notwithstanding any dispute between the Parties relating to an invoice issued in accordance with this clause 17 or any amount owing in accordance with this Contract.

17.6 Interest on overdue sums

Interest on overdue sums (including any overdue sum that was subject to a dispute resolved in favour of Service Provider) will be payable at the Default Rate and such interest will accrue from the due date for payment in accordance with clause 17.3 until the date of payment.

17.7 Prudential Requirements and Security

Water Grid Manager must comply with section 2.23 of the Market Rules and acknowledges that Service Provider may have recourse to any Security provided by Water Grid Manager if Water Grid Manager fails to perform its obligations under this clause 17.

18. GST

18.1 Interpretation

In this clause 18, words or expressions have the same meaning as defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth), unless the context makes it clear that a different meaning is intended.

18.2 GST gross up

If a Party makes a supply under or in connection with this Contract in respect of which GST is payable, the consideration for the supply but for the application of this clause 18 (**GST Exclusive Consideration**) is increased by an amount equal to the GST Exclusive Consideration multiplied by the rate of GST prevailing at the time the supply is made.

18.3 Reimbursements

If a Party must reimburse or indemnify another Party for a loss, cost or expense, the amount to be reimbursed or indemnified is first reduced by any input tax credit to which the other Party is entitled for the loss, cost or expense and then increased in accordance with clause 18.2. That Party is assumed to be entitled to a full input tax credit unless it proves, before the date on which the payment must be paid, that its entitlement is otherwise.

18.4 Tax invoices

Notwithstanding any other provision of this Contract, the recipient of a taxable supply made under or in connection with this Contract need not make a payment until the supplier has given the

recipient a tax invoice for the supply to which the payment relates. The supplier must give the recipient an adjustment note for an adjustment arising from an adjustment event relating to a taxable supply made under or in connection with this Contract within 5 Business Days after the date the supplier becomes aware of the adjustment event.

18.5 GST group

If a Party is a member of a GST group, references to GST which the Party must pay, and to input tax credits to which the Party is entitled, include GST which the representative member of the GST group must pay and input tax credits to which the representative member is entitled.

18.6 Indemnities

If a payment under an indemnity gives rise to a liability to pay GST, the payer must pay and indemnify the payee against the amount of that GST.

19. Indemnity and liability

19.1 Indemnity of Service Provider

- (a) Subject to clause 19.4, Water Grid Manager must indemnify Service Provider for all costs, charges, expenses, losses or damages incurred by Service Provider that result, directly or indirectly, from a failure by a Connected Grid Participant to perform the obligations of the Connected Grid Participant under an Approved Operating Protocol.
- (b) The indemnity in clause 19.1(a) does not vary or exclude the operation of section 360ZDI(1) of the Water Act.

19.2 Indemnity of Water Grid Manager

Service Provider must indemnify Water Grid Manager and each of its board members, directors, officers, employees, agents, contractors and other representatives for all costs (including legal costs), charges, expenses, losses or damages incurred by or awarded against each of those persons as a direct or indirect result of:

- (a) any breach of this Contract by Service Provider, including any breach of an Approved Operating Protocol and any breach in respect of which Water Grid Manager exercises an express right to suspend the payment of all or any amount due and payable under this Contract under clause 21.2; or
- (b) any loss of or damage to any property (including the environment) or injury to or death of any person caused or contributed to by any negligent or unlawful act or omission or any wilful misconduct of:
 - (i) Service Provider; or
 - (ii) any of Service Provider's board members, directors, officers, employees, agents, contractors or other representatives to the extent that Service Provider is vicariously liable for the negligent or unlawful act or omission or wilful misconduct of any such person, or the negligent or unlawful act or omission or wilful misconduct of any such person was carried out in the course of their employment by Service Provider or the performance by the person of their responsibilities to Service Provider,

whether arising as a result of any Claim brought by Service Provider or a third party, or otherwise.

19.3 Exclusions

Service Provider's obligation to indemnify Water Grid Manager and each of its board members, directors, officers, employees, agents, contractors and other representatives under clause 19.2 will be reduced proportionately to the extent that any breach of this Contract by Water Grid Manager, or any negligent or unlawful act or omission or wilful misconduct of:

- (a) Water Grid Manager; or
- (b) any of Water Grid Manager's board members, directors, officers, employees, agents, contractors or other representatives to the extent that Water Grid Manager is vicariously liable for the negligent or unlawful act or omission or wilful misconduct of any such person, or the negligent or unlawful act or omission or wilful misconduct of any such person was carried out in the course of their employment by Water Grid Manager or the performance by the person of their responsibilities to Water Grid Manager,

has contributed to the costs, expenses, losses or damages incurred by or awarded against such persons.

19.4 Liability of Water Grid Manager

- (a) Subject to clause 19.4(b), the total, aggregate liability of Water Grid Manager to Service Provider (including for a breach of Water Grid Manager's obligations under this Contract) for any costs, expenses, losses or damages (**Losses**) sustained or incurred by Service Provider as a result of:

- (i) any breach of a Grid Contract Document; or
 - (ii) any negligent or unlawful act or omission or wilful misconduct (including a breach of the Market Rules),

by any Grid Participant or Grid Participants on whom Water Grid Manager relied to perform Water Grid Manager's obligations under this Contract pursuant to clause 7(a) is limited to an amount equal to the Pass Through Limit.

For the purposes of this clause 19.4, the **Pass Through Limit** is the amount that Water Grid Manager recovers from such Grid Participant or Grid Participants in connection with the relevant breach, act or omission or wilful misconduct by any Grid Participant or Grid Participants (less Water Grid Manager's costs of such recovery) provided such amount is limited to the extent that the recovered amount relates to the Losses sustained or incurred by Service Provider in connection with the relevant breach, act or omission by such Grid Participant or Grid Participants.

- (b) Water Grid Manager must:
 - (i) use its best endeavours to enforce each Grid Contract Document on which it relies to perform its obligations under this Contract (**Relevant Grid Contract Document**); and
 - (ii) subject to clause 19.4(c), not waive a breach by a Grid Participant of any obligations under a Relevant Grid Contract Document where such breach may result in Water Grid Manager being unable to perform its obligations under this Contract without first obtaining the written consent of Service Provider, which consent must not be unreasonably withheld.
- (c) It will not be necessary for Water Grid Manager to seek the consent of Service Provider under clause 19.4(b)(ii) in circumstances where the relevant breach is minor or immaterial.

19.5 Survival of indemnity

This clause 19 will survive the termination or expiry of this Contract.

20. Insurance

20.1 Water Grid Manager insurances

Water Grid Manager must effect and keep current at all times during the Term (and, in the case of policies that insure on a 'claims made' basis, for a period of 7 years thereafter), such policies of insurance as an entity carrying out activities similar to those carried out by Water Grid Manager would effect, acting reasonably, including (to the extent they are available to Water Grid Manager on commercially reasonable terms):

- (a) professional indemnity insurance; and
- (b) public liability cover.

20.2 Service Provider insurances

(a) Service Provider must effect and keep current at all times during the Term (and, in the case of policies that insure on a 'claims made' basis, for a period of 7 years thereafter) such policies of insurance as an entity carrying out activities similar to those carried out by Service Provider would effect, acting reasonably, including (to the extent they are available to Service Provider on commercially reasonable terms):

- (i) professional indemnity insurance;
- (ii) public and products liability cover; and
- (iii) industrial special risks cover.

(b) Service Provider must use its reasonable endeavours to accommodate any reasonable request by another Grid Participant to be named as an additional or co-insured on any policy of insurance carried by Service Provider, provided the requesting Grid Participant:

- (i) has an insurable interest in the subject matter of the applicable policy of insurance; and
- (ii) agrees to pay Service Provider an amount equal to the increase in the amount of any premiums payable under the relevant policy of insurance, on terms reasonably acceptable to Service Provider.

20.3 Evidence of insurance

Service Provider must provide Water Grid Manager with copies of the policies of insurance or certificates evidencing the currency of the policies of insurance that Service Provider is required to maintain in accordance with clause 20.2:

- (a) by no later than 30 September of each year during the Term; and
- (b) within 30 days of receiving a written request from Water Grid Manager at any other time (including in the case of policies that insure on a 'claims made' basis, during the 7 years after the Term).

20.4 Changes to insurances

Service Provider must promptly notify Water Grid Manager if, at any time during the Term (and, in the case of policies that insure on a 'claims made' basis, for a period of 7 years thereafter), any policy of insurance Service Provider holds in accordance with clause 20.2 is cancelled or found to be void *ab initio* or there is any material change to the terms of such policy.

21. Default

21.1 Event of Default

If Service Provider fails to perform or comply with any of its obligations under this Contract (**Event of Default**), Water Grid Manager may serve a notice on Service Provider specifying the Event of Default and the time within which Service Provider must remedy the Event of Default (if the Event of Default is capable of being remedied) or take all reasonable steps to prevent the recurrence of the Event of Default (if the Event of Default is not capable of being remedied) which time must not be less than 10 Business Days after the date that the notice is given to Service Provider by Water Grid Manager.

21.2 Suspension of payment by Water Grid Manager

If, within the time specified in a notice given by Water Grid Manager under clause 21.1, Service Provider fails to:

- (a) take all reasonable steps to prevent the recurrence of an Event of Default that is not capable of remedy;
- (b) remedy any Event of Default that is capable of being remedied to the satisfaction of Water Grid Manager; or
- (c) provide satisfactory assurance to Water Grid Manager that any Event of Default that is capable of being remedied will be remedied as soon as reasonably practicable,

then Water Grid Manager may immediately suspend payment of all moneys otherwise due and payable under this Contract to Service Provider until such time as Service Provider has remedied the Event of Default or taken all reasonable steps to prevent the recurrence of an Event of Default that is not capable of remedy.

21.1 Continued performance

Subject to this clause 21, notwithstanding an Event of Default or a failure by Water Grid Manager to comply with its obligation to pay an amount due and payable to Service Provider under this Contract, each of the Parties must continue to perform its obligations under this Contract and the Market Rules.

21.2 Remedies not exclusive

The exercise by Water Grid Manager of its rights and remedies under this clause 21 are without limitation to any other rights or remedies available to Water Grid Manager in respect of any Event of Default.

22. Water supply emergencies

The obligations under this Contract will be suspended to the extent they are inconsistent with an emergency declaration or emergency regulation made by the Minister under the Water Act which is applicable to the Parties, but only to the extent of the inconsistency and only for the duration of the emergency declaration or emergency regulation.

23. Forecasted interruptions

Without limitation to clauses 15.1 and 24, not less than once in each Quarter, Service Provider must notify Water Grid Manager and all other affected Grid Participants of any reasonably anticipated and material:

- (a) shortfall in the amount of Potable Water and Raw Water available to be supplied; or
 - (b) interruptions to the supply of Potable Water and Raw Water,
- to any Bulk Supply Point.

24. Permitted interruptions

24.1 Service Provider permitted interruptions

Subject to clause 24.2, Service Provider may, without incurring liability to Water Grid Manager, interrupt or curtail the taking and delivery of Potable Water and Raw Water under this Contract:

- (a) to comply with any emergency declaration or emergency regulation, as described in clause 22;
- (b) to accommodate the performance of planned or scheduled maintenance to the Service Provider Infrastructure, provided such maintenance has been notified to Water Grid Manager within the time specified in clause 15.1(a)(i);
- (c) to prevent or minimise actual or imminent damage to the property of any person;
- (d) to avoid actual or imminent injury or harm to any individual;
- (e) to comply with any Legislative Requirement;
- (f) where such interruption or curtailment results from any non-performance or failure to perform by another Grid Participant of an obligation under a Grid Contract Document or the Market Rules, provided that Grid Participant's non-performance or failure to perform is permitted or excused under the applicable Grid Contract Document or the Market Rules; or
- (g) in order to comply with the terms and conditions of the SEQ Water Entitlement to the extent that such requirement to interrupt or curtail the supply is not due to any breach of, or failure to perform an obligation under, this Contract or the Market Rules by Service Provider.

24.2 Service Provider obligations

- (a) Service Provider must notify Water Grid Manager as soon as reasonably practicable after Service Provider determines to interrupt or curtail the supply of Potable Water and Raw Water under clause 24.1 or, in the case of interruption or curtailment under clause 24.1(f), becomes aware that supply has been curtailed or interrupted, giving particulars of:
 - (i) the reason for the interruption or curtailment;
 - (ii) the date and time of commencement of the interruption or curtailment;
 - (iii) the expected duration of the interruption or curtailment; and
 - (iv) any measures Service Provider has taken or will take to mitigate the effect of the interruption or curtailment.
- (b) Except in the case of an interruption or curtailment under clause 24.1(b), Service Provider will have fulfilled its obligation under clause 24.2(a) where the notice to be given by Service Provider to Water Grid Manager under that clause was given after the interruption or curtailment had commenced, provided that it was not reasonably practicable for Service Provider to have given notice at an earlier time.

- (c) Service Provider must, to the extent reasonably practicable, minimise the period of any interruption or curtailment under clause 24.1 and resume such supply as expeditiously as possible after the event or circumstance giving rise to the interruption or curtailment has ceased or abated to an extent which permits the resumption of such supply.

25. Force Majeure

25.1 Notification and diligence

A Party that is, by reason of Force Majeure, unable to perform any obligation under this Contract (**Affected Party**) must:

- (a) notify the other Party in writing as soon as reasonably practicable after becoming aware of the Force Majeure giving particulars of the event or circumstance of Force Majeure (known at the time of giving notice) including:
 - (i) the date of commencement of the Force Majeure;
 - (ii) details of the Force Majeure;
 - (iii) the obligations which the Affected Party is unable to perform, whether in whole or in part;
 - (iv) the expected duration of the delay arising as a result of the Force Majeure;
 - (v) details of the action the Affected Party has taken and proposes to take to remedy, abate or mitigate the effects of the Force Majeure; and
 - (vi) an estimate of the period of time required to enable it to resume full performance of its obligations;
- (b) use its best endeavours to remedy, abate or mitigate the effects of the Force Majeure as expeditiously as possible; and
- (c) resume performance as expeditiously as possible after the Force Majeure has abated to an extent which permits resumption of performance, and notify the other Party immediately when resumption of performance has occurred.

25.2 Non-performance excused

- (a) Any failure by an Affected Party to perform an obligation under this Contract will, to the extent that such performance is precluded, wholly or in part, by Force Majeure:
 - (i) be excused;
 - (ii) not give rise to any liability to the other Party, including for later performance of the obligation, the performance of which was precluded by the Force Majeure; and
 - (iii) be deemed not to result in a breach of this Contract, or (in the case of Service Provider) an Event of Default.
- (b) An Affected Party must, to the extent possible notwithstanding the Force Majeure, continue to comply with all of its other obligations under this Contract.
- (c) Nothing in this clause 25 will relieve a Party that is not affected by Force Majeure from performing its obligations under this Contract unless and to the extent such performance is precluded by the failure of an Affected Party to perform its obligations under this Contract.

25.3 Payment obligations

An event or circumstance of Force Majeure does not relieve either Party from any payment obligation under this Contract.

26. Dispute resolution

26.1 Disputes to be resolved in accordance with the Market Rules

Subject to clause 17.4, any dispute between the Parties arising under or in connection with this Contract or the Market Rules must be resolved in accordance with Chapter 9 of the Market Rules.

26.2 Disputes with Grid Participants

All disputes among Grid Participants, whether arising under or in connection with the Market Rules or the Approved Operating Protocols must be resolved in accordance with Chapter 9 of the Market Rules.

26.3 Continued performance of obligations

Notwithstanding the existence of a dispute, each Party must continue to perform its obligations under this Contract and the Market Rules.

27. Access rights

- (a) Subject to clause 27(b), Water Grid Manager may from time to time during the Term request, on its own behalf and on behalf of any Connected Grid Participant, that Service Provider grant Water Grid Manager and any such Connected Grid Participant access to the land owned or otherwise controlled by Service Provider (**Controlled Area**) as may be necessary to:
 - (i) install interconnection works for a new Bulk Supply Point designated pursuant to clause 13;
 - (ii) establish any required connections between the Service Provider Infrastructure and any Infrastructure;
 - (iii) comply with this Contract or Legislative Requirements;
 - (iv) monitor performance by Service Provider of its obligations under this Contract;
 - (v) install or maintain any interconnection works at Bulk Supply Points;
 - (vi) install, operate and maintain any metering or monitoring equipment necessary to meter the quantity, or monitor the quality, of Potable Water and Raw Water to be supplied in accordance with this Contract, any other Grid Contract Document, the Market Rules or any Approved Operating Protocol;
 - (vii) test any Metering Installation or Transitional Metering Installation in accordance with section 6.19 of the Market Rules; and
 - (viii) in the case of Water Grid Manager:
 - (A) comply with Water Grid Manager's obligations under this Contract, any other Grid Contract Document, the Market Rules or any other Legislative Requirements; and
 - (B) monitor performance by any Grid Participant of their obligations under any Grid Contract Documents,

which requests must not be unreasonably denied by Service Provider, but may be granted subject to such conditions as are reasonable in the circumstances.

- (b) If any consent or authorisation is required to be obtained to permit Water Grid Manager or any Connected Grid Participant to gain access to a Controlled Area that is not owned by Service Provider for the purposes described in clause 27(a):
 - (i) Service Provider must use its reasonable endeavours to procure all such required consents or authorisation from the relevant landowner, Government Instrumentality or other person; and
 - (ii) Water Grid Manager must provide such assistance and information, complete such forms and comply with all such directions and procedures as may reasonably be required by Service Provider or the relevant landowner, Government Instrumentality or other person to obtain the required consents or authorisations, and ensure that any other Grid Participant who requires access do the same.
- (c) Water Grid Manager must ensure that any board member, director, officer, employee, agent, contractor or other representative of Water Grid Manager or of any contractor of Water Grid Manager, including any Connected Grid Participant, who accesses a Controlled Area in accordance with this clause 27 complies with all applicable Legislative Requirements, Service Provider's access policies and induction requirements, and all reasonable directions of Service Provider, and causes as little interference and disruption to the operation of the Service Provider Infrastructure or the operations on the third party land as is reasonably practicable having regard to the purpose of such person or persons in entering the Controlled Area.
- (d) Water Grid Manager must use its best endeavours to procure access to any land owned or otherwise controlled by any Connected Grid Participant (**Connected Grid Participant Controlled Area**) as may be required by Service Provider for any of the purposes set out in clauses 27(a)(i) to 27(a)(vii).
- (e) A Party who is granted access to any Controlled Area or Connected Grid Participant Controlled Area must, as soon as reasonably practicable, remedy any damage to Infrastructure or any other property (whether belonging to Service Provider, Water Grid Manager, a Connected Grid Participant or any other third party) located on or within the Controlled Area or the Connected Grid Participant Controlled Area caused by:
 - (i) in the case of Water Grid Manager:
 - (A) Water Grid Manager or any board member, director, officer, employee, agent, contractor or other representative of Water Grid Manager or of any contractor of Water Grid Manager; and
 - (B) any Connected Grid Participant or any board member, director, officer, employee, agent, contractor or any other representative of any Connected Grid Participant or of any contractor of Connected Grid Participant; and
 - (ii) in the case of Service Provider, Service Provider or any board member, director, officer, employee, agent, contractor or other representative of Service Provider or of any contractor of Service Provider.

28. Information sharing

- (a) Subject to clauses 28(b) and 28(c), each Party must provide the other with any information reasonably required to assist the other Party with:

- (i) infrastructure planning;
 - (ii) short and medium term water balance modelling and formulation of Grid Instructions;
 - (iii) the development of operation and maintenance, water quality, incident and risk management plans, protocols and policies; and
 - (iv) compliance with, or demonstrating compliance with, Legislative Requirements.
- (b) Clause 28(a) does not apply to any information:
- (i) that a Party, in its sole discretion, considers to be commercially sensitive;
 - (ii) that is subject to a legally recognised form of professional privilege; or
 - (iii) in respect of which an obligation of confidentiality is owed to a third party.
- (c) The confidentiality obligations set out sections 11.1, 11.2 and 11.3 of the Market Rules apply to all Confidential Information exchanged between the Parties in connection with this Contract as though such obligations were set out in this Contract with any necessary modifications to ensure consistency with this Contract.
- (d) In addition to the exceptions to confidentiality set out in section 11.3 of the Market Rules, the Parties may disclose Confidential Information to their contractors, subcontractors, agents and other representatives, provided the Party to whom Confidential Information is disclosed has a need to know the Confidential Information and the Party making disclosure informs the proposed recipient of the confidentiality of the information and takes appropriate precautions to ensure the proposed recipient keeps the information confidential and does not use the information for any purpose other than the purpose for which it is disclosed.

29. Subcontracting

- (a) Subject to clause 29(b), Service Provider must not enter into a contract or other arrangement with another person in relation to:
- (i) the operation and maintenance of the Service Provider Infrastructure;
 - (ii) the performance of any of Service Provider's obligations under this Contract in relation to quality management, testing or monitoring of the quality of Potable Water; or
 - (iii) the performance of any of Service Provider's obligations under this Contract in relation to metering,
- without the prior written consent of Water Grid Manager which consent must not be unreasonably withheld or delayed but which may be given subject to any reasonable conditions.
- (b) Service Provider is not required to obtain Water Grid Manager's consent to a contract or other arrangement relating to the operation and maintenance of the Service Provider Infrastructure if the total amount payable by Service Provider under the contract or other arrangement each year is less than five per cent of Service Provider's operation and maintenance budget for the corresponding year.
- (c) Service Provider is responsible for the performance of all of its obligations under this Contract and remains liable for any failure to comply with its obligations under this Contract despite entry into a contract or other arrangement with another person.

30. Nature of relationship

- (a) This Contract is not intended to create nor will it be construed as creating any legal partnership, joint venture or fiduciary relationship between the Parties and it will not give rise to any obligations between the Parties apart from those obligations expressly stated in this Contract or imposed by Legislative Requirements. Without limitation, the provisions of this Contract do not give rise to joint and several liability between the Parties.
- (b) Each of the Parties is an independent entity, and for the purposes of this Contract, the board members, directors, officers employees, agents, subcontractors or other representatives of each of the Parties will not be regarded as board members, directors, officers, employees, agents, subcontractors or other representatives of another Party, unless deemed otherwise by law.

31. Notices

Section 11.7 of the Market Rules will apply to all communications (including all notices, consents, approvals, requests and demands) given under or in connection with this Contract, as though that section was set out in this Contract with any necessary modifications to ensure consistency with this Contract.

32. Miscellaneous provisions

32.1 Assignment

Service Provider and Water Grid Manager must not assign or transfer and must not purport to assign or transfer any of their respective rights or obligations under this Contract.

32.2 Governing law

This Contract is to be governed by and construed in accordance with the laws of the State of Queensland and each Party irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of Queensland.

32.3 Entire agreement

This Contract constitutes the entire agreement between the Parties with respect to the subject matter of this Contract and supersedes all previous communications, representations, inducements, undertakings, agreements or arrangements between the Parties.

32.4 Joint and several liability

If a Party comprises two or more persons, the provisions of this Contract binding that Party bind those persons jointly and severally.

32.5 Survival after termination

The termination of this Contract will not affect any terms of this Contract that expressly provide that they will operate after termination or expiry of this Contract or which of necessity must continue to have effect after termination or expiry of this Contract, notwithstanding that the clauses themselves do not expressly provide for this.

32.6 No waiver

A person does not waive its rights, powers or discretions (for the purpose of this clause, 'rights') under this Contract by:

- (a) failing to exercise its rights;

- (b) only exercising part of its rights; or
- (c) delaying the exercise of its rights.

32.7 Severability

Part or all of any provision of this Contract that is illegal or unenforceable may be severed from this Contract and the remaining provisions of this Contract will continue in force.

32.8 Amendments prior to 1 July 2011

- (a) Subject to clause 32.8(b), this Contract may only be amended by the Minister prior to 1 July 2011.
- (b) Notwithstanding clause 32.8(a), the Parties may amend any of Schedule 2, Schedule 3, Schedule 4, Schedule 5 or Schedule 6, provided that:
 - (i) the Parties agree in writing on the form of any amendment to be made to such Schedules; and
 - (ii) the form of each amendment is notified to the Rules Administrator,
in which case the amendments will take effect from the date that notice is given to the Rules Administrator under this clause 32.8(b).
- (c) Service Provider must ensure that any amendments required to be made to the Approved Operating Protocol as a result of an amendment made to any of Schedule 2, Schedule 3, Schedule 4, Schedule 5 or Schedule 6, under this clause 32.8 are made and approved in accordance with the Market Rules.

32.9 Amendment from 1 July 2011

From 1 July 2011, the Parties may amend this Contract only in accordance with the Water Act.

Schedule 1 – Definitions

Capitalised terms used in this Contract have the meaning specified below. Capitalised terms used and not defined in this Contract have the meaning specified in Market Rules.

ADWG Specifications means the requirements set out in Schedule 2.

Affected Party has the meaning specified in clause 25.1.

Claim means any and all causes of action, claims, demands, or proceedings of any nature arising or commenced in any jurisdiction, whether in tort (including negligence), in equity, for breach of contract, for legal costs or interest, or otherwise.

Commencement Date means 1 July 2010.

Connected Grid Participant means any Grid Participant whose Infrastructure connects with the Service Provider Infrastructure.

Connected Grid Participant Controlled Area has the meaning specified in clause 27(d).

Contract means this Grid Contract Document, including all Appendices and Schedules attached to and forming part of this Grid Contract Document, and any reference to the obligations of a Party under this Contract is a reference to the obligations of that Party in each Appendix and Schedule of this Contract.

Controlled Area has the meaning specified in clause 27(a).

Default Rate means the interest rate applicable to debt funding arrangements between Service Provider and Queensland Treasury Corporation, plus 2%.

Directive means any present or future requirement, instruction, direction or order of a Government Instrumentality that is legally issued and binding on either Party (as applicable) or otherwise applies in respect of the Water Grid, and any modification, extension or replacement thereof from time to time in force.

Event of Default has the meaning specified in clause 21.1.

Expiry Date means 30 June 2020.

Force Majeure means, in respect of a Party, any event or circumstance or combination of events or circumstances outside that Party's reasonable control, including:

- (a) a lack of available supply of power, water or other essential equipment, goods, supplies or services;
- (b) acts of God, including without limitation, droughts, earthquakes, floods, wash outs, landslides, lightning, storms or natural disasters;
- (c) fires or explosions;
- (d) epidemics, pandemics or quarantines;
- (e) strikes, lockouts, bans, slowdowns or other industrial disturbances (other than of a localised or entity-specific nature);
- (f) any order of any court or the order, law, rule, regulation, act or omission of any Government Instrumentality having jurisdiction or any failure to obtain any necessary consent or approval of any Government Instrumentality;

- (g) any accident, breakages or accident to machinery, pipelines or other infrastructure or equipment, the necessity for making repairs and/or alterations in machinery, pipelines or other infrastructure or equipment, freezing of reservoirs, catchments or pipelines;
- (h) terrorism, acts of a public enemy, war (declared or undeclared), blockades, revolution, insurrection, rebellion, riots, sabotage, invasion, rebellion, political disturbance or civil disturbance;
- (i) the failure of a Grid Service Provider, a Distribution Service Provider or Grid Customer to perform an obligation under a Grid Contract Document or the Market Rules where the Grid Service Provider, Distribution Service Provider or Grid Customer's failure to perform is permitted or excused by the terms of the applicable Grid Contract Document or the Market Rules; or
- (j) the effects of any of the foregoing events or circumstances that continue after the cessation of the relevant event or circumstance,

which, by taking due care and proper precautions, or by using reasonable alternative measures, that Party is not reasonably able to prevent or overcome.

Government Instrumentality means any federal, state or local government or any ministry, department, court, commission, agency, institution or similar entity of any such government.

Grid Participant means a Grid Service Provider (other than Service Provider), Distribution Service Provider or Grid Customer.

GST Exclusive Consideration has the meaning specified in clause 18.2.

Instruction means any Grid Instruction, Operating Instruction or Emergency Operating Instruction.

Legislative Requirements means:

- (a) any statute, regulation, by-law, ordinance or statutory instrument of the Commonwealth of Australia or the State of Queensland;
- (b) any ordinances, orders, awards, statutes, proclamations, codes, standards or legally issued and binding guidelines of any Government Instrumentality with jurisdiction over the Parties or the subject matter of this Contract;
- (c) any terms or conditions of any licences, approvals, permits, consents or authorisations issued by a Government Instrumentality to either Party; and
- (d) any Directive,

whether in existence at the date of this Contract or coming into existence after that date.

Losses has the meaning specified in clause 19.4(a).

Market Rules means the South East Queensland Water Market Rules made by the Minister under section 360ZCX of the Water Act.

Parties means, collectively, Water Grid Manager and Service Provider and Party means either of them.

PRW Quality Requirements means the Manufactured Water quality specifications set out in Schedule 4.

PRW Supply Point means a Bulk Supply Point for Manufactured Water identified in Schedule 5.

Quality Requirements means:

- (a) any water quality requirements set out in Legislative Requirements, including in respect of Potable Water, any approved Drinking Water Quality Management Plan and in respect of Purified Recycled Water, any approved recycled water management plan (as defined in the Water Act); and

- (b) in respect of Potable Water, the ADWG Specifications; and
- (c) in respect of Purified Recycled Water, the PRW Quality Requirements.

Quarter means a period of 3 calendar months commencing on each 1 January, 1 April, 1 July and 1 October during the Term.

Raw Water Meter means a meter located at a Raw Water Supply Point.

Raw Water Supply Point means a Bulk Supply Point for Raw Water identified in Schedule 5.

Relevant Grid Contract Document has the meaning specified in clause 19.4(b)(i).

Relevant Meter means a meter that is used to measure the flow of water through a Bulk Supply Point that has not yet been assessed in accordance with section 6.7 of the Market Rules.

SEQ Water Entitlement means the various water allocations, water licences and interim water allocations held by Water Grid Manager under the Water Act.

Service Provider Infrastructure means Infrastructure owned or controlled by Service Provider.

Term has the meaning specified in clause 4(c).

Potable Water Additional Quality Parameters means the additional quality requirements set out in Schedule 3.

Potable Water Supply Point means a Bulk Supply Point for Potable Water identified in Schedule 5.

Schedule 2 – ADWG Specifications

Compliance with the Australian Drinking Water Guidelines 2004 developed by the National Health and Medical Research Council in collaboration with the Natural Resource Management Ministerial Council as amended from time to time.

Schedule 3 – Potable Water Additional Quality Parameters

In accordance with clause 10.2(b) of Appendix A, Service Provider must use its best endeavours to ensure that Potable Water supplied to Water Grid Manager under this Contract meets the Potable Water Additional Quality Parameters set out in the tables below:

In relation to Potable Water supplied from the Mount Crosby or North Pine Water Treatment Plants:

Additional Quality Parameters	Limit
Aluminium	0.2 mg/L
True Colour	5
Copper	1 mg/L
Iron	0.1 mg/L
Manganese	0.1 mg/L
Monochloramine (measured as mg Cl as Cl ₂ /L)	4.1 mg/L
pH	6.5 – 8.5 pH
Temperature	35°C
Total Hardness	200 mg/L
Total THMs	<.25 mg/L
Turbidity	2 NTU

NTU = nephelometric turbidity

In relation to Potable Water supplied from the Molendinar or Mudgeeraba Water Treatment Plants:

Additional Quality Parameters	Limit
E.Coli	< 1 CFU/100ml
Total Coliforms	< 1 CFU/100ml
Heterotrophic Plate Count	<100 CFU/ml
Turbidity	<1.0 NTU
True Colour	<5 HU
pH	7.0 – 8.0
Free Chlorine	>or = 0.2 mg/L & < 1.5 mg/L
Manganese (Total)	< 0.05 mg/L
Aluminium (Acid Soluble)	<0.2 mg/L

Alkalinity (as CaCO ₃)	>35 mg/L
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In relation to Potable Water supplied from the Landershute Water Treatment Plant, Noosa Water Treatment Plant, Image Flat Water Treatment Plant, Kenilworth Water Treatment Plant Noosaville Council Works Depot or Maleny Water Treatment Plant:

Additional Quality Parameters			
Parameter	Units	RPM ¹	Limiting Value
Additional Quality Parameters for Noosa Water Treatment Plant			
Aluminium	mg/L	≤0.05@95th percentile	0.20
Bromate	mg/L	n/a	0.02
Colour	Co-Pt	≤5@95th percentile	8
Iron (total)	mg/L	n/a	0.05
Manganese (total)	mg/L	≤0.01@95th percentile	0.02
Particles (3-12µm) ²	particles/mL	n/a	100
Trihalomethanes	mg/L	n/a	0.20
Turbidity	NTU	≤0.30@95th percentile	0.50
Additional Quality Parameters for Image Flat Water Treatment Plant			
Aluminium	mg/L	≤0.05@95th percentile	0.20
Colour	Co-Pt	≤5@95th percentile	8
Iron (total)	mg/L	n/a	0.05
Manganese (total)	mg/L	≤0.01@95th percentile	0.02
Turbidity	NTU	≤0.30@95th percentile	0.50
Additional Quality Parameters for Kenilworth Water Treatment Plant			
Aluminium	mg/L	≤0.05@95th percentile	0.20
Colour	Co-Pt	≤5@95th percentile	8

¹ Rolling Performance Measure (RPM)

For 95th percentile compliance a sample is deemed to comply if no more than two tests out of the most recent fifty tests exceed the stated maximum RPM values.

² For Particle Count compliance a sample is deemed to comply if there is less than 100 particles per millilitre in the size range 3µm to 12µm.

Additional Quality Parameters

Parameter	Units	RPM ¹	Limiting Value
Iron (total)	mg/L	n/a	0.05
Manganese (total)	mg/L	≤0.01 @95th percentile	0.02
Turbidity	NTU	≤0.30@95th percentile	0.50
Quality Parameters for Landershute Water Treatment Plant			
Aluminium	mg/L	≤0.05 @95th percentile	0.20
Bromate	mg/L	n/a	0.02
Colour	Co-Pt	≤5 @95th percentile	8
Iron (total)	mg/L	n/a	0.05
Manganese (total)	mg/L	≤0.01 @95th percentile	0.02
Trihalomethanes	mg/L	n/a	0.20
Turbidity	NTU	≤0.30 @95th percentile	0.50

Disinfection

Site ID	Free Chlorine Residual Target	Plan Number	AMG Easting	AMG Northing
Noosaville Council Works Depot	0.5 mg/L	SC100B	504093	7078605
Image Flat Water Treatment Plant	3.0 to 3.5 mg/L	SC200A	492502	7057906
Kenilworth Water Treatment Plant	0.5 to 1.2 mg/L	SC300B	472981	7058377
Landershute Water Treatment Plant	1.2 to 1.5 mg/L	SC400B	491083	7044778
Maleny Water Treatment Plant	0.5 to 1.0 mg/L	SC500B	484623	7039983

Schedule 4 – PRW Water Quality Requirements

1. Best endeavours will be used to ensure that the Purified Recycled Water supplied at the PRW Supply Points shall comply with s18AD of the *Public Health Regulation 2005* (Qld) (PHR), and meet the additional parameters set out in the table in Item 3 of this Schedule.
2. Compliance with Item 1 above, is subject to:
 - (a) an annual 98 percent pass rule for the microorganisms listed in Part 1, Schedule 3B of the PHR;
 - (b) an annual 95th Percentile for those chemical compounds listed in Part 2, Schedule 3B of the PHR; and
 - (c) an annual mean for those parameters listed in Item 3 of this Schedule (except for Turbidity and Total Dissolved Solids which are based on maximum values).

Parameter	Water Quality Standard
Hardness as CaCO ₃	50 to 125 mg/L
Alkalinity	40 to 100 mg/L
Total Nitrogen	<1.5mg/L
Total Phosphorous	<0.15 mg/L
Turbidity Maximum	5 NTU
pH	6.5 – 8.5
Total Dissolved Solids (TDS) Maximum	250mg/L
Manganese	<0.05mg/L
Copper	<0.05mg/L
Boron	<0.37mg/L
Aluminium	<0.1mg/L
Zinc	<0.1mg/L

3. Meanings for Item 3.2 of the Schedule.

The following terms have the following meanings:

- (a) 'annual' this means a rolling 12 month basis; and
- (b) percentiles are to be calculated in accordance with the methodology set out in the *Australian Drinking Water Guidelines 2004* developed by the National Health and Medical Research Council in collaboration with the Natural Resource Management Ministerial Council, and includes any amendments, revisions and subsequent versions of these guidelines.

Schedule 5 – Bulk Supply Points

Manufactured Water Supply Point means the point at which Purified Recycled Water discharges from the Western Corridor Recycled Water Scheme into Wivenhoe Dam.

Raw Water Supply Point means the point at which a third party takes Raw Water at the Commencement Date or such other point as the Parties agree under clause 13.

Potable Water Supply Point means the point at which Potable Water exits a clearwater storage at a water treatment plant.

2010 ID	Description	Easting	Northing	GC 2010 ID
BS-01	Molendinar Water Treatment Plant Outlet	534715	6905142	BS-BT-03
BS-02	Mudgeeraba Water Treatment Plant Outlet	532156	6891095	BS-BT-04
BS-03	Calamvale/Algeria Aquifer	502591	6946275	QUU-425
BS-04	Forest Lake Aquifer	496297	6946010	QUU-426
BS-05	Sunnybank Aquifer	505547	6949128	QUU-427
BS-06	Runcorn Aquifer	507314	6948091	QUU-428
BS-07	Chandler Aquifer	514313	6956925	QUU-429
BS-12	North Pine Dam	494298	6984141	BS-BT-09
BS-13	North Stradbroke Island Water Treatment Plant outlet	543420	6949331	BS-BT-05
BS-14	Dunwich Water Treatment Plant Outlet	540725	6957444	RCC-55
BS-15	Amity Point Water Treatment Plant Outlet	544968	6967726	RCC-57
BS-16	Point Lookout WTP	550093	6965780	RCC-58
BS-17	Woodford Water Treatment Plant	476347	7020033	MBRC-05
BS-18	Bribie Island South Water Treatment Plant	519566	7005528	MBRC-07
BS-	Caboolture Water Treatment Plant	493944	7004047	MBRC-

2010 ID	Description	Easting	Northing	GC 2010 ID
19				04
BS-20	Helen St Beaudesert	499330	6904859	QUU-412
BS-21	Albert River Water Treatment Plant	502571	6903651	QUU-413
BS-22	Canungra WTP	515929	6900427	QUU-409
BS-23	Kooralbyn	485697	6892261	QUU-411
BS-24	Rathdowney Water Treatment Plant	486939	6878743	QUU-410
BS-25	Boonah-Kalbar Water Treatment Plant	462264	6906660	QUU-408
BS-26	Noosa (Lake MacDonald)	493155	7082186	SCRC-01
BS-27	Noosa (Lake MacDonald) -	493351	7082189	SCRC-02
BS-28	Image Flat Water Treatment Plant	492506	7057912	SCRC-04
BS-29	Kenilworth	472986	7058376	SCRC-05
BS-30	Maroochy - Pipe to Nambour	491113	7044800	SCRC-06
BS-31	Landershute to Caloundra	495834	7042306	SCRC-07
BS-32	Landershute - Caloundra new main	503283	7042881	SCRC-08
BS-33	Landershute - Maroochy new main	504646	7045123	SCRC-09
BS-34	Maleny	484634	7039999	SCRC-10
BS-36	Image Flat to Maroochy	492518	7057895	SCRC-03
BS-37	Lowood for Tarampa/Minden	458701	6960930	QUU-415
BS-38	Esk Water Treatment Plant	443915	6985846	QUU401
BS-	Somerset Water Treatment Plant	455855	7000962	QUU-

2010 ID	Description	Easting	Northing	GC 2010 ID
39				402
BS-41	Linville Water Treatment Plant	428936	7030212	QUU-403
BS-42	Kilcoy (Wade St) Water Treatment Plant	456792	7020926	QUU-404
BS-43	Somerset (Kilcoy)	457355	7018998	QUU-405
BS-44	Jimna (Yabba Ck) Water Treatment Plant	446780	7050573	QUU-406
BS-45	Lowood Water Treatment Plant	458720	6960941	QUU-407
BS-46	Capalaba Water Treatment Plant	518151	6954529	BS-BT-06
BS-47	Enoggera Water Treatment Plant	493110	6964103	QUU-423
BS-48	Enoggera Water Treatment Plant	493108	6964101	QUU-424
BS-49	Dayboro Water Treatment Plant			MBRC-20
BS-50	Mt Crosby East Bank	481267	6955539	BS-BT-08
BS-51	Mt Crosby West Bank	481253	6955537	BS-BT-07
BS-52	Banksia Beach Water Treatment Plant	519566	7005528	MBRC-09
BS-53	Petrie Water Treatment Plant			MBRC-21
BS-54	Enoggera WTP, 50 Mt Nebo Rd	492839	6964222	QUU-422
BS-55	Ewen Maddock WTP	501294	7039242	SCRC-11
BS-56	Wamuran Water Treatment Plant			MBRC-22
BS-56	Molendinar to Allconnex	537005	6892131	GCCC-13
BS-57	South Maclean WTP	502630	6924413	LCC-23

Schedule 6 – Raw Water Metering (Power Stations)

1. **In respect of Raw Water supplied to Bulk Supply Points for CS Energy Limited:**

For the purposes of this Contract, unless the Parties agree otherwise in writing, for so long as Raw Water from Wivenhoe Lake and the Warrill Supply Scheme are delivered into Berry's Lagoon and taken from Berry's Lagoon by CS Energy Limited, the total volume of Raw Water supplied to such Bulk Supply Points will be determined as follows:

Total volume of Raw Water supplied = Wivenhoe Volume + Warrill Volume

Where:

Wivenhoe Volume is the volume of Raw Water metered through the Kholo Meter; and

Warrill Volume is:

Volume of Raw Water metered through the Berry's Lagoon Meter - (Wivenhoe Volume x 0.90)

2. **In respect of Raw Water supplied to Bulk Supply Points for Tarong Energy Corporation Limited:**

For the purposes of this Contract, unless the Parties agree otherwise in writing, Water Grid Manager must calculate the volume of Raw Water supplied to such Bulk Supply Points as follows:

Volume of Raw Water supplied to Tarong Energy Corporation Limited = CM - PM

Where:

CM means the volume of water metered through the Caboonbah Meter for the relevant calendar month (**Caboonbah Meter** means the metering installation located on the Tarong Pipeline between the Caboonbah Balancing Tank and the Tarong Power Station in the vicinity of Grid Customer's Caboonbah Balancing Tank and known as M-085-BS Caboonbah Meter).

PM means the volume of water metered through the PRW Meter for the relevant calendar month (**PRW Meter** means the metering installation owned and operated by Western Corridor Recycled Water Pty Ltd located in Western Corridor Recycled Water Pty Ltd's pipeline at Caboonbah and known as M-086-MW).