



Gas Act 2000

Statement of Reasons

Distribution System Licence Application

Origin Energy Tasmania Pty Ltd

ABN 39 009 539 753

May 2008

Background

Pursuant to the *Gas Act 2000* (the Act), the Director of Gas is responsible for administering the licensing system for gas entities. The Director of Gas has the authority to consider and determine licence applications, and can refuse or issue licences to operate a distribution system.

On 9 May 2008, the Director of Gas received an application from Origin Energy Tasmania Pty Ltd for a distribution system licence.

Director of Gas' ASSESSMENT

The Director of Gas undertook a 'due diligence' assessment of the licence application from Origin Energy Tasmania Pty Ltd, having regard to its compliance with statutory licence application requirements.

The relevant provisions of the Act provide that the Director of Gas may only issue a distribution licence if satisfied that the applicant can meet the requirements of the Act as set out in section 24(2).

The Act outlines the matters that the Director of Gas may consider in deciding whether an applicant is a suitable person to hold a licence:

Section 23(1) of the Act provides that: "An application for the issue or renewal of a licence must:

- (a) be made to the Director of Gas in a form approved by the Director; and
- (b) be supported by such information or evidence as the Director may require.

Financial and technical and resources available to the applicant

Origin Energy Tasmania Pty Ltd states that it:

- has sufficient financial resources available for it to operate the activities for which the licence is required;
- has relevant technical, financial and expert staff with experience in the gas industry; and
- holds gas retail licences in other Australian jurisdictions; and

The information provided by Origin Energy Tasmania Pty Ltd in its licence application, together with information confirmed by the Australian Securities and Investments Commission satisfies the Director of Gas that Origin Energy Tasmania Pty Ltd is a suitable Body Corporate to hold a distribution system licence.

Permit and/or other legislative requirement received in support of application

The Director of Gas has received a copy of:

- the certificate from the Director of Gas Safety certifying that, in his opinion, the distribution system will have the necessary capacity to distribute gas safely; and
- the \$50 annual licence fee.

DIRECTOR OF GAS' decision

Section 24 of the Act provides that:

(1) The Director of Gas must consider an application for the issue of a licence and may, subject to this Division, issue or refuse to issue the licence within 60 days after receiving the application.

(2) Subject to this section, the Director may issue a licence only if satisfied that –

(a) the applicant is a body corporate or a partnership of 2 or more bodies corporate; and

(b) the applicant is suitable to hold the licence; and

(c) in the case of a licence authorising the operation of a distribution system, the Director of Gas Safety has provided a certificate that, in his or her opinion, the system has (or the proposed system will have) the necessary capacity for distributing gas safely; and

(e) in the case of a licence authorising other operations for which a licence is required under the regulations, the applicant meets any special requirements imposed by the regulations for the holding of the licence; and

(f) in the case of a licence of any class, the grant of the licence would be consistent with criteria (if any) prescribed by the regulations for a licence of the relevant class.

The Director of Gas is satisfied that the issue of a distribution system licence to Origin Energy Tasmania Pty Ltd is consistent with the objectives of the Act.

The Director of Gas issued an LPG distribution licence to Origin Energy Tasmania Pty Ltd on 01 June 2008 for a period of twenty-five years.

The Director of Gas issued the licence accepting that technical and other information supplied by Origin Energy Tasmania Pty Ltd in support of its application is true and correct, Origin Energy Tasmania Pty Ltd having made full and diligent inquiry in that regard. The Director of Gas has relied in good faith on the representations made by Origin Energy Tasmania in support of its application.

A copy of the licence is available on the website at www.energyregulator.tas.gov.au.

Andrew John Reeves

DIRECTOR OF GAS

30 May 2008