

*GAS PIPELINES ACT 2000*

**NOTICE OF VARIATION No. 5**

of the

**PIPELINE LICENCE**

granted on

**14 August 2002**

to

**ALINTA DTH PTY LTD**

(formerly DEI TASMANIA HOLDINGS PTY LTD)

ACN 083 052 019

## **Background**

Alinta DTH Pty Ltd [Alinta] is the holder of a licence under the *Gas Pipelines Act 2000* [Gas Pipelines Act], authorising the operation of gas transmission pipelines [the Licence].

On 20 July 2004, the Director of Gas issued the *Gas Customer Transfer and Reconciliation Code* [the Code]. The Code sets out the framework for the transfer of customers between retailers and for the allocation, between retailers, of the costs of carriage of gas through the distribution networks.

The Code is made under the provisions of the *Gas Act 2000* which does not apply to the operators of high pressure transmission pipelines. Consequently, the Code is unable to bind Alinta.

The reconciliation process set up under the Code requires data from meters at the points where gas passes from the transmission pipelines into the distribution networks. This data is collected by Alinta and is provided to the relevant distributor, pursuant to contractual arrangements between the distributor and Alinta. This data enables settlement for the carriage of gas through the transmission pipeline.

To ensure that the relevant information is available to the allocation agent (which carries out the reconciliation calculations), the Director of Gas has proposed an amendment to the distributor's operation licence imposing an obligation on the distributor to provide to the allocation agent such relevant information as the distributor receives from a transmission pipeline operator (Alinta).

At this time the relevant information is provided by Alinta to the distributor consistent with a contractual obligation to such effect. It is possible that this contractual obligation could fail in some circumstances. To ensure that the allocation agent receives the relevant information, the Director of Gas proposed an amendment to the Licence requiring that Alinta provide the relevant information to the allocation agent.

This obligation may be discharged by the provision of the necessary information to the distributor pursuant to a contractual obligation. However, if the relevant information is not provided to the distributor, Alinta will be obliged by its licence to provide the information direct to the allocation agent.

Alinta has agreed to the proposed changes.

## **Decision**

In exercise of the power conferred by section 20(2)(b) of the *Gas Pipelines Act 2000*, the decision of the Director of Gas is to vary the Licence in the manner proposed by the Director of Gas and agreed by Alinta.

The licence for the operation of a gas transmission pipeline granted to Alinta DTH Pty Ltd (formerly DEI Tasmania Holdings Pty Ltd) on 14 August 2002, and amended on 26 September 2002, 29 October 2002, 13 December 2002 and 1 June 2004, is further varied by:

1. inserting the following clause in Schedule 2:

## **7 Provision of Transmission Metering Data to Allocation Agent**

7.1 The **Licensee** must provide, to the **allocation agent**, **transmission metering data** as required to enable the **allocation agent** to perform its functions under the **Tasmanian Gas Customer Transfer and Reconciliation Code**. **Transmission metering data** required to be provided under this clause 7.1 shall be provided in a form and manner, and no more frequently than is required, to enable the **allocation agent** to perform its functions under the **Tasmanian Gas Customer Transfer and Reconciliation Code**.

7.2 The **Licensee's** obligation to provide **transmission metering data** under clause 7.1, may be discharged by the **Licensee** providing, to the relevant **distributor**, the **transmission metering data** which the **Licensee** is obliged to provide to a **distributor** pursuant to any contractual arrangement between the **Licensee** and the **distributor**.

2. inserting the following definitions in part 1 of Schedule 1:

**“allocation agent”** has the same meaning as in the **Tasmanian Gas Customer Transfer and Reconciliation Code**.

**“distributor”** means the holder of a distribution licence under the *Gas Act 2000*.

**“distribution system”** has the same meaning as in the *Gas Act 2000*.

**“meter”** means an instrument which measures the quantity of gas passing through it and includes associated equipment attached to the instrument to filter, control or regulate the flow of gas.

**“Tasmanian Gas Customer Transfer and Reconciliation Code”** means the *Gas Customer Transfer and Reconciliation Code* issued by the **Director of Gas** on 20 July 2004, as amended from time to time.

**“transmission metering data”** means the data obtained from a **transmission metering installation**, the processed data or estimated data.

***“transmission metering installation”*** means the ***meter*** and associated equipment and installations relating to a point of delivery of gas into a ***distribution system***.

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Andrew John Reeves

**Director of Gas**

13 July 2005