

Tasmanian Gas Pipeline Licence

1. Definitions and Interpretation

- 1.1. In this licence, words and phrases appearing in italics have the meaning ascribed to them in part 1 of schedule 1.
 - 1.2. This licence must be interpreted in accordance with the rules set out in part 2 of schedule 1.
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2. Grant of Licence

- 2.1. The ***Director of Gas***, in exercise of the powers conferred by section 10 of the ***Act***, grants the ***Licensee*** a pipeline licence to construct a ***Pipeline*** for carrying natural gas (regulated activity), subject to the conditions contained herein.
 - 2.2. For the purposes of clause 2.1, “construct” means to undertake activities necessary to construct and test, including final tie-in and preparation for commissioning, but does not include any activity involving the use of natural gas.
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3. The Pipeline

- 3.1. The pipeline to which this licence applies is described in schedule 3 (hereinafter referred to as stage 3 pipeline).
- 3.2. The ***Licensee*** warrants that technical and other information supplied in support of its application for this licence, and otherwise as required by this licence, is true and correct to the best knowledge of the ***Licensee***, the ***Licensee*** having made full and diligent inquiry.

- 3.3. The **Licensee** must construct the stage 3 pipeline in accordance with the description and technical and design specifications contained in schedule 3, except as otherwise authorised by section 19 of the **Act**.
- 3.4. The **Licensee** must construct the stage 3 pipeline in accordance with any plan to address safety issues as required under the Act and with any directions or requirements of the **Director of Gas Safety**.
- 3.5. The **Licensee** must notify the **Director of Gas** of any alteration to the pipeline route which will take stage 3 pipeline outside the corridor described in schedule 3 to this licence. Such notification must be accompanied by a copy of a permit or other authority for the construction of the pipeline under any relevant law, other than the **Act**, in respect of the alteration.
- 3.6. Upon receipt by the **Director of Gas** of:
- (a) notification in accordance with clause 3.5; and
 - (b) confirmation by the **Director of Gas Safety** that any safety concerns raised by the alteration are adequately addressed,
- schedule 3 of this licence will be deemed to be amended by agreement, pursuant to section 23(a) of the **Act**, so as to reflect the altered route of stage 2 pipeline.

4. Term of Licence

- 4.1. Subject to this licence and the **Act**, this licence takes effect on and from 25 January 2002 for a period of five (5) years or until it is:
- 4.1.1. surrendered by the **Licensee** under section 25 of the **Act**; or
 - 4.1.2. revoked by the **Director of Gas** under section 41 of the **Act**.

5. Renewal of Licence

- 5.1. This licence may be renewed by the **Director of Gas** on terms and conditions agreed between the **Director of Gas** and the **Licensee**.

6. Amendment to Licence

6.1. The terms and conditions of this licence may only be amended in accordance with sections 20 (2) or 23 of the **Act**.

7. Transfer of Licence

7.1. This licence may only be transferred in accordance with section 24 of the **Act**.

8. Payment of Fees and Charges

8.1. The **Licensee** must pay, as directed by the **Director of Gas**, a fee determined in accordance with section 14 of the **Act**.

9. Compliance with Law and Standards

9.1. The Licensee must comply with all applicable laws (including all applicable provisions of the **National Gas Code** and **Tasmanian Gas Code**) and requirements (including but not limited to any technical or safety requirements) and with all relevant recognised standards and practices applicable to the construction of a **Pipeline**.

9.2. The **Licensee** must ensure that all contractors engaged by it comply with the terms and conditions of this licence.

9.3. The **Licensee** must prepare **management plans** as required under clause 4 of schedule 2.

9.4. The **Licensee** must immediately advise the **Director of Gas** in the event of the breach, variation, surrender, revocation or cancellation of any permit or other authority issued to the **Licensee** in respect of the construction of the stage 3 pipeline.

10. Other licence conditions

10.1. This licence is also subject to the conditions set out in schedule 2.

11. Communications

11.1. A **communication** must be in **writing**.

11.2. A **communication** is to be regarded as having been given by the sender and received by the addressee :

11.2.1. when delivered in person to the addressee;

11.2.2. where sent by post, on the 3rd **business day** after the date of posting, if the **communication** is posted within Australia;

11.2.3. where sent by post, on the 7th **business day** after the date of posting, if the **communication** is posted outside Australia; or

11.2.4. when, according to the sender's transmission report, received by facsimile transmission by the addressee.

11.2.5 when sent by electronic mail when the **communication** is recorded as having been first received at the electronic mail destination.

Craig Henderson,
delegate, the **DIRECTOR OF GAS**
under the **Gas Pipelines Act 2000**

on January, 2002

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Schedule 1 - Definitions and Interpretation

1. Definitions

In this licence:

- (a) words which are defined in the **Act** have the same meaning where used in this licence; and
- (b) the following words or phrases have the following meanings:

“Act” means the *Gas Pipelines Act 2000* (Tas).

“business day” means a day on which banks are open for general banking business in Hobart, excluding a Saturday or Sunday.

“communication” means a written notice, agreement, consent, direction, representation, advice, statement or other communication required or given pursuant to or in connection with this licence.

“compliance plan” means a written plan developed by the **Licensee** outlining the procedures, practices and strategies for managing, auditing and reporting on the Licensee’s compliance with the **Act**, the **Regulations**, the **National Gas Code**, the **Tasmanian Gas Code**, other relevant permits, licences and authorities and this licence which must include (amongst other things) details of standards, indicators and targets for measuring the **Licensee’s** compliance performance and must be in accordance with AS3806.

“Director of Gas” means the **Director of Gas** under the *Gas Act 2000* (Tas).

“Director of Gas Safety” means the Director of Gas Safety appointed under the *Gas Act 2000* (Tas).

“land access plan” means a document describing how the **Licensee** will deal with the issue of access to land for purposes associated with construction of the stage 3 pipeline

and including a system for the handling of complaints and a process for the resolution of disputes in relation to access to land.

“Licensee” means DEI Tasmania Holdings Pty Ltd (ACN 083 052 019).

“management plan” means a **compliance plan** or **land access plan**.

“National Gas Code” means the *National Third Party Access Code for Natural Gas Pipeline Systems*.

“Pipeline” has the meaning given to that term under the Act, as amended from time to time.

“Regulated Activity” has the meaning given by Section 8 of the **Act**.

“Regulations” means any regulations made pursuant to the **Act**.

“standards and procedures” means overall performance standards or codes of conduct which are issued by the **Licensee** under clause 5.1 of schedule 2 or by the **Director of Gas** under clause 5.3 of schedule 2.

“Tasmanian Gas Code” means the code of that name issued by the **Director of Gas**.

“writing” includes any mode of representing or reproducing words, figures, drawings and symbols in a visible form.

2. Interpretation

In this licence, unless the context otherwise requires:

- 2.1 headings are for convenience only and do not affect the interpretation of this licence;
- 2.2 words importing the singular include the plural and vice versa;
- 2.3 words importing a gender include any gender;

- 2.4 an expression importing a natural person includes any company, partnership, trust, joint venture, association, corporation or other body corporate and any governmental agency;
- 2.5 a reference to a condition, clause, schedule or part is to a condition, clause, schedule or part of this licence;
- 2.6 a reference to terms of an offer or agreement is to all terms, conditions and provisions of the offer or agreement;
- 2.7 a reference to any statute, regulation, proclamation, order in council, ordinance or by-law includes all statutes, regulations, proclamations, orders in council, ordinances or by-laws varying, consolidating, re-enacting, extending or replacing them and a reference to a statute includes all regulations, proclamations, orders in council, ordinances, by-laws and determinations issued under that statute;
- 2.8 a reference to a document or a provision of a document includes an amendment or supplement to, or replacement or novation of, that document or that provision of that document;
- 2.9 a reference to a person includes that person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;
- 2.10 when italicised, other parts of speech and grammatical forms of a word or phrase defined in this licence have a corresponding meaning;
- 2.11 a period of time:
- (a) which dates from a given day or the day of an act or event is to be calculated exclusive of that day; or
 - (b) which commences on a given day or the day of an act or event is to be calculated inclusive of that day; and

- (c) an event which is required under this licence to occur on or by a stipulated day which is not a **business day** may occur on or by the next **business day**.

2.12 In the event of any inconsistency between the conditions of this licence, the **Act** or **Regulations**, the **Act** or **Regulations** will prevail to the extent of such inconsistency.

2.13 In the event of any inconsistency between the conditions of this licence and the schedules, the conditions of this licence prevail to the extent of such inconsistency.

Schedule 2 - Other Licence Conditions

1. Provision of Information

- 1.1. The **Licensee** must provide to the person making the request, within the time specified in a written request from the **Director of Gas** or **Director of Gas Safety** for the information, any information the **Director of Gas** or the **Director of Gas Safety** may reasonably require relating to the construction of the stage 3 pipeline.
- 1.2. If the **Licensee** becomes aware of any breach, by the **Licensee**, of the **Act**, the **Regulations**, the **National Gas Code**, the **Tasmanian Gas Code** or this licence, the **Licensee** must notify the **Director of Gas** as soon as practicable of the breach and provide such information as the **Director of Gas** requires in relation to the breach.

2. Records

- 2.1. The **Licensee** must maintain, in accordance with section 33 of the **Act**,:
 - 2.1.1. a record of all **regulated activities** carried out under this licence, including, where appropriate, maps and plans; and
 - 2.1.2. a record of compliance audits by internal or external auditors required under the **Regulations**; and
 - 2.1.3. any other records required by the **Regulations**.
- 2.2. The **Licensee** must provide the **Director of Gas** or the **Director of Gas Safety** with a copy of the records maintained under clause 2.1 upon receipt of written notice from the **Director of Gas** or as prescribed in the **Regulations**.

- 2.3. The **Director of Gas** or the **Director of Gas Safety** may issue a guideline detailing what information, reasonably required for the administration of the **Act**, the **Licensee** is required to record. The **Licensee** must comply with any such guideline.

3. Prudential Reporting

- 3.1. The **Licensee** must report the occurrence of any of the following circumstances to the **Director of Gas** as soon as possible:
- 3.1.1. the **Licensee** is put under external administration as defined in the *Corporations Law*, or
 - 3.1.2. the **Licensee** experiences a significant change in its circumstances which may affect the **Licensee's** ability to meet its obligations under the **Act**, the **Regulations**, the **National Gas Code**, the **Tasmanian Gas Code** or this licence.

4. Management Plans and Reports

- 4.1. The **Licensee** must develop and submit to the **Director of Gas**:
- 4.1.1. a **land access plan**; and
 - 4.1.2. a **compliance plan**.
- 4.2. The **management plans** must be submitted to the **Director of Gas** prior to the commencement of construction of stage 3 pipeline.
- 4.3. The **management plans** are to be made in accordance with and take account of any **standards and procedures** or guidelines issued by the **Director of Gas**.
- 4.4. The **Licensee** must undertake, to the satisfaction of the **Director of Gas**, community consultation on aspects of **management plans** which may affect the public.

- 4.5. The **Licensee** must consider any comments made by the **Director of Gas** on the **management plans** and, if required by the **Director of Gas**, amend provisions of a **management plan** related to reporting to the **Director of Gas**, including processes for capturing and analysing data that is to be reported.
- 4.6. The **Licensee** must provide, to the **Director of Gas**, a copy of any documents of the following types prepared in relation to the stage 3 pipeline:
- 4.6.1. plan addressing safety issues
 - 4.6.2. risk assessment study report.

5. Standard and Procedures

- 5.1. At the written request of the **Director of Gas**, the **Licensee** must participate to the extent specified by the **Director of Gas** in the development, issue and review of any **standards and procedures** specified by the **Director of Gas** which are, in the opinion of the **Director of Gas**, relevant to the achievement of the objects of the **Act** or to the functions of the **Director of Gas** under the **Act**.
- 5.2. The **Licensee** must, in accordance with directions of the **Director of Gas**, report to the **Director of Gas** on its performance against applicable **standards and procedures**.
- 5.3. The **Director of Gas** may issue **standards and procedures** applicable to the **Licensee** and with which the **Licensee** must comply, notwithstanding that the **Licensee** has failed to comply with clause 5.1.

6. Insurance

- 6.1. The **Licensee** must arrange and maintain with one or more insurers, adequate contract works and public liability insurance in respect of the potential for any loss, harm or damage caused to any person or property

arising out of, or in any way connected with, the action or inaction of the **Licensee** or any of its agents or employees, or of any contractor or subcontractor of the **Licensee** pursuant to this licence.

Schedule 3 - Description and Technical Design Specification of Stage 3 Pipeline.

Stage 3 pipeline is a buried high-tensile steel pipe to be installed within the corridor as identified in the Stage 3 polygon as submitted by Duke Energy International to the Board of Environmental Management and Pollution Control on 24 October 2001, and having the following characteristics:

| Parameter | Unit |
|--|---|
| Outer Diameter | 150 mm and 200 mm |
| Pipe grade | API Spec 5L, Grade X65 |
| Usual wall thickness | 4.8 mm and 7.9 mm |
| Minimum installation depth | In accordance with the Licensee's risk mitigation design approved by the Director of Gas Safety , but not less than 750 mm except at river crossings where the depth of cover shall be not less than 1200 mm and be sufficient to protect the pipeline from exposure, due to erosion of the medium in which it is buried, to a materially increased risk of damage. |
| Minimum standards | AS 2885, API Spec 5L |
| Fluid handled | Dry natural gas |
| Specific gravity of the gas | 0.61 |
| Design maximum operating pressure | 10.2 MPa |
| Design minimum hydrostatic test pressure | 12.75 MPa |
| Pipe lining: | |
| <ul style="list-style-type: none"> • Internal | Liquid epoxy 38 micron (DFT) |
| <ul style="list-style-type: none"> • Coating | Fusion bonded epoxy 400 micron (DFT) plus 600 micron Naprock |

GAS PIPELINES ACT 2000

PIPELINE LICENCE

Granted to

DEI TASMANIA HOLDINGS PTY LTD

ACN 083 052 019