

FOL/15/2425

23 January 2017

Office of the Economic Regulator
GPO Box 770,
Hobart TAS 7001

Attention: The Director

STRUCTURE OF LICENCE FEES.

Thank you for your email dated the 20 January 2017 seeking comments on the methodology for calculating annual electricity, water and sewerage, and gas entity licence fees as outlined in the Structure of Licence Fees documentation provided.

The Director of Gas Safety acknowledges and agrees that The Office of the Tasmanian Economic Regulator (OTTER), in supporting the Regulator, proposes to continue the recovery of costs incurred by the Director's office in administering the *Gas Act 2000* and *Gas Pipelines Act 2000*. Some of these statutory functions are required to be discharged by the Director before a licence can be issued, or amended, to a gas entity by OTTER.

Statutory functions incurring recovery of reasonable costs by the Director on an annual basis are in relation to:

- construction, alteration, operation, maintenance or decommissioning of a gas transmission pipeline;
- construction or operation of a gas supply pipeline;
- construction, alteration, or operation of gas pipeline facility;
- construction, operation or decommissioning of a gas distribution system;
- acceptance of safety cases for the design, construction, commissioning and operation of gas pipeline facilities;
- approval of the safety and operating plan of a gas entity;
- auditing and administration of entity safety and operating plan (safety case) and network operational safety;
- approvals to support consumer installation supply, reliability and safety which is relied upon by gas retailers and distributors.

Yours sincerely



Dale Webster
Director of Gas Safety