

*GAS ACT 2000*

**DISTRIBUTION LICENCE  
(OPERATIONS)**

Granted to

**POWERCO TASMANIA PTY LTD**

ACN 104 499 569

14 July 2003

Amended: 7 April 2004  
25 June 2004

# Tasmanian Gas Distribution Licence (Operations)

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## 1. Definitions and Interpretation

- 1.1. In this licence, words and phrases appearing italicised in bold type:
    - 1.1.1. which are defined in the *Gas Act 2000*, have the same meaning when used in this licence; and
    - 1.1.2. which are not defined in the *Gas Act 2000*, have the meaning ascribed to them in part 1 of schedule 1.
  - 1.2. This licence should 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 24 of the ***Act***, grants the ***Licensee*** a licence to operate the ***authorised distribution systems***, subject to the conditions contained in this licence.
  - 2.2. 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.
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## 3. Distribution System Operation

- 3.1. The ***Licensee*** must operate the ***authorised distribution systems*** in accordance with, and otherwise comply with, any standards required by the ***Director of Gas Safety***.
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## 4. Conditions Precedent

- 4.1. Gas may not be introduced into a ***distribution system*** until, in accordance with section 54 of the ***Act***, a certified ***safety and operating plan*** for that

***distribution system*** has been accepted or provisionally accepted by the ***Director of Gas Safety***.

- 4.2. Notwithstanding that the requirements of clause 4.1 may have been complied with in respect of one or more of the ***distribution systems***, gas may only be introduced into such of those ***distribution systems*** as in respect of which:
- 4.2.1. the requirements of clause 4.1 have been complied with;
  - 4.2.2. the ***Director of Gas Safety*** has accepted, in writing, the ***Licensee's commissioning plan***;
  - 4.2.3. the ***Director of Gas Safety*** has given to the ***Licensee*** consent in writing to introduce ***natural gas***;
  - 4.2.4. the ***Licensee*** has provided the ***Director of Gas*** with “as constructed” details of the ***distribution system*** and those details have been incorporated in schedule 3; and
  - 4.2.5. the ***Director of Gas*** has indicated, by initialling the relevant row of the table in schedule 3 to this licence, that he is satisfied that these requirements have been met.
- 4.3. Notwithstanding clause 4.2, the ***Licensee*** may not put ***natural gas*** into a ***distribution system***, otherwise than in accordance with the ***commissioning plan***, unless the ***Director of Gas Safety*** has given to the ***Licensee*** consent in writing.

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## 5. Term of Licence

- 5.1. Subject to this licence and the ***Act***, this licence takes effect on and from the date it is granted for a period of twenty five (25) years or until it is:
- 5.1.1. surrendered by the ***Licensee*** under section 36 of the ***Act***; or
  - 5.1.2. cancelled by the ***Director of Gas*** under section 46 of the ***Act***.

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## 6. Renewal of Licence

- 6.1. This licence may be renewed by the **Director of Gas** in accordance with section 26 of the **Act**.

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## 7. Amendment to Licence

- 7.1. The terms and conditions of this licence may only be varied in accordance with section 34 of the **Act**.

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## 8. Transfer of Licence

- 8.1. This licence may only be transferred in accordance with section 35 of the **Act**.

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## 9. Payment of Fees

- 9.1. Subject to clause 9.3, the **Director of Gas** must, by 31 May in each year, advise the **Licensee** of the annual fee for the next financial year, determined in accordance with section 27 of the **Act**.
- 9.2. The **Licensee** may pay the fee advised under clause 9.1 by equal quarterly instalments in advance, with the first instalment due by 30 June in the year of the advice and subsequent instalments due three monthly thereafter.
- 9.3. In respect of the period 1 July 2028 to the expiry of the term of this licence, the **Licensee** must pay, by no later than 30 June 2028, a fee determined in accordance with section 27 of the **Act** and advised by the **Director of Gas** by 31 May 2028.

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## 10. Compliance with Law and Standards

- 10.1. The Licensee must comply with all applicable laws (including all applicable **codes**) and requirements (including but not limited to any technical or safety requirements) and with all relevant recognised standards and practices applicable to the operation of a **distribution system**.

- 10.2. The **Licensee** must ensure that each contractor engaged by it complies with the terms and conditions of this licence, to the extent that such terms and conditions are relevant to that contractor.
- 10.3. The **Licensee** must comply with any **code** issued by the **Director of Gas** relating to the ringfencing of accounts or operations.
- 10.4. The **Licensee** must develop and submit **management plans** as required under clause 4 of schedule 2.

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## 11. Other licence conditions

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

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## 12. Communications

- 12.1. A **communication** must be in **writing**.
- 12.2. A **communication** is to be regarded as having been given by the sender and received by the addressee :
- 12.2.1. when delivered in person to the addressee;
- 12.2.2. where sent by post, on the 3<sup>rd</sup> **business day** after the date of posting, if the **communication** is posted within Australia;
- 12.2.3. where sent by post, on the 7<sup>th</sup> **business day** after the date of posting, if the **communication** is posted outside Australia;
- 12.2.4. when, according to the sender's transmission report, received by facsimile transmission by the addressee; or
- 12.2.5. when sent by electronic mail when the **communication** is recorded as having been first received at the electronic mail destination.

Signed by Andrew John Reeves, )  
)  
**DIRECTOR OF GAS** )  
)  
14 July, 2003 )

Signed A. J. Reeves

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## Schedule 1 - Definitions and Interpretation

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### 1. Definitions

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

“**AS 3806**” means *AS 3806 Compliance Programs* published by the Standards Association of Australia, as in force from time to time (including any code or standard having effect under that standard).

“**authorised distribution system**” means one of the **distribution systems** constructed pursuant to the licence to construct issued to the **Licensee** on 13 May 2003, as amended from time to time, and which are described in schedule 3.

“**code**” means any code issued under section 38A of the **Act**, providing for any matter relating to or incidental to the distribution or retailing of gas.

“**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.

“**commissioning plan**” means a written plan developed by the **Licensee** and accepted by the **Director of Gas Safety**, including any variations accepted by the **Director of Gas Safety** from time to time, specifying the procedures and practices in accordance with which the **Licensee** will undertake the commissioning of the **distribution systems**, from completion of construction in accordance with contractual arrangements to satisfactory commencement of operations delivering **natural gas** to customers.

“**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**, any applicable **Codes**, other relevant permits, licences and authorities and this licence which must include (amongst other things) details of standards, indicators and targets for assessing the **Licensee’s** compliance performance and must be in accordance with **AS 3806**.

**“Licensee”** means Powerco Tasmania Pty Ltd (ACN 104 499 569).

**“management plan”** means any of the plans referred to in clause 4.1 of schedule 2.

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

**“reporter”** means an appropriately qualified person engaged by the **Licensee** with the approval of the **Director of Gas**, to report to the **Director of Gas** on adequacy of, and compliance with, **management plans**, in accordance with terms of reference approved by the **Director of Gas**.

**“safety and operating plan”** means the safety and operating plan required under section 54 of the **Act**.

**“Tasmanian Gas Distribution Code”** means the code of that name issued under section 38A of the **Act**.

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

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## **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:
- 2.11.1. which dates from a given day or the day of an act or event is to be calculated exclusive of that day; or
  - 2.11.2. which commences on a given day or the day of an act or event is to be calculated inclusive of that day; and
  - 2.11.3. 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.

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## Schedule 2 - Other Licence Conditions

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### 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 operation of an **authorised distribution system**.
- 1.2. If the **Licensee** becomes aware of any material breach, by the **Licensee**, of the **Act**, the **regulations**, any **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.
- 1.3. The **Licensee** must immediately advise the **Director of Gas** in the event of the variation, material breach, surrender, revocation or cancellation of any permit or other authority issued to the **Licensee** and directly relevant to the operation of any **authorised distribution system** and must provide such information as the **Director of Gas** requires in relation to the variation, breach, surrender, revocation or cancellation.

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### 2. Records

- 2.1. The **Licensee** must maintain:
  - 2.1.1. a record of all activities carried out under this licence, including, where appropriate, maps and plans; and
  - 2.1.2. all records as required under the **Licensee's safety and operating plan**; and
  - 2.1.3. any other records required by the **regulations**, **Director of Gas** or **Director of Gas Safety**.
- 2.2. The **Licensee** must provide the **Director of Gas** or the **Director of Gas Safety**, as the case requires, with a copy of records maintained under

clause 2.1 upon receipt of written notice from the **Director of Gas** or the **Director of Gas Safety** 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.

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### 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 Act 2001* (Commonwealth); or
  - 3.1.2. the **Licensee** experiences a change in its circumstances which may affect the **Licensee's** ability to meet its obligations under the **Act**, the **regulations**, any **code** or this licence; or
  - 3.1.3. the manner in which the **Licensee** undertakes and/or fulfils its responsibilities under this licence undergoes a significant change.

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### 4. Management Plans and Reports

- 4.1. The **Licensee** must develop and submit to the **Director of Gas**:
- 4.1.1. **management plans** in accordance with the **Tasmanian Gas Distribution Code**; and
  - 4.1.2. any other **management plan** relating to the fulfilment of the objectives of the **Act** as the **Director of Gas** directs.
- 4.2. The **compliance plan** must be submitted to the **Director of Gas** on or before 31 December 2003 or such other date as notified by the **Director of Gas**, subsequently by the first anniversary of that date, and thereafter, as required and advised by the **Director of Gas**.

- 4.3. Any other **management plan** required under clause 4.1.2 must be submitted to the **Director of Gas** on such date as notified by the **Director of Gas**, subsequently by the first anniversary of that date, and thereafter, as required and advised by the **Director of Gas**.
- 4.4. The **management plans** are to be made in accordance with and take account of any **codes** issued by the **Director of Gas**.
- 4.5. The **Licensee** must undertake, to the satisfaction of the **Director of Gas**, community consultation on aspects of **management plans** which may affect the public.
- 4.6. 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, including processes for capturing and analysing data that is to be reported.
- 4.7. Each year, commencing in 2005, the **Licensee** must provide to the **Director of Gas**, by no later than 1 January or such other date as the **Director of Gas** nominates, a report in respect of each **management plan** which includes:
  - 4.7.1. details of the **Licensee's** actual performance against the standards, indicators and targets included in the **management plan**;
  - 4.7.2. if the **Licensee's** actual performance is below the targets included in the **management plan**, the reasons for the failure to meet the targets and strategies for achieving the targets in the future;
  - 4.7.3. projections of the **Licensee's** future performance against the standards, indicators and targets included in the **management plan**;
  - 4.7.4. a description of the strategies adopted or to be adopted by the **Licensee** to achieve or exceed the performance targets included in the **management plan**; and

- 4.7.5. details of the **Licensee's** adherence to relevant Australian Standards and other standards.
- 4.8. For the avoidance of doubt, the requirement under clause 4.7 of this schedule 2 to prepare a report containing the information listed in paragraphs 4.7.1 to 4.7.5, does not limit the powers of the **Director of Gas** under clause 1.1 of this schedule 2, the **Act** or the **regulations** to require the **Licensee** to produce information.
- 4.9. Reports prepared in accordance with clause 4.7 of this schedule 2 are to be submitted to the **Director of Gas** accompanied by a report prepared by a **reporter**.
- 4.10. The **Director of Gas** may require and advise the **Licensee** to arrange the provision of a report by a **reporter** at such times and on such conditions as are specified in terms of reference provided by the **Director of Gas**.

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## 5. Operations and Management Agreements

- 5.1. The **Licensee** must advise the **Director of Gas** as soon as possible if the **Licensee** enters any agreement for the management or operation of any **distribution system** by a third party.
- 5.2. Not less than 14 days prior to the commencement of an agreement referred to in clause 5.1, the **Licensee** must submit to the **Director of Gas**:
- 5.2.1. a copy of the agreement; and
- 5.2.2. the following information in relation to a third party referred to in clause 5.1:
- 5.2.2.1. identity;
- 5.2.2.2. details of qualifications and experience; and
- 5.2.2.3. contact details.

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## Schedule 3 – AUTHORISED DISTRIBUTION SYSTEMS <sup>1</sup>

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This licence authorises the operation of gas distribution systems in the locations specified in the table below. The pipeline route in each location is shown in blue on the Plan the number of which appears in the table against the name of the location. A technical description of the distribution system in each location is comprised in the Network Diagram the number of which appears in the table against the name of the location. The Plans and Network Diagrams are attached to this licence.

Location	Plan Number(s)	Network Diagram Number	Director of Gas Initials
Bell Bay	Ops 1	Ops 1	Initialled AJR
	Details of this network, as constructed, are comprised in the document <i>BELL BAY NETWORK 'As-Built'</i> lodged with the Director of Gas on 5 April 2004.		
Burnie	Ops 2	Ops 2	
Devonport	Ops 3	Ops 3	
Hobart	Ops 4A & Ops 4B	Ops 4	
Launceston	Ops 5	Ops 5	
Longford	Ops 6	Ops 6	Initialled AJR
	Details of this network, as constructed, are comprised in the document <i>LONGFORD NETWORK 'As-Built'</i> lodged with the Director of Gas on 5 April 2004.		
Ulverstone	Ops 7	Ops 7	

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<sup>1</sup> Schedule 3 amended 7 April 2004 – Bell Bay and Longford  
25 June 2004 - Westbury

Location	Plan Number(s)	Network Diagram Number	Director of Gas Initials
Westbury	Ops 8	Ops 8	
	<p>Details of this network, as constructed, are comprised in Appendix B of the document <i>Safety and Operation Plan – Tasmanian Natural Gas Networks</i> a copy of which was lodged with the Director of Gas on 8 June 2004.</p>		
Wynyard	Ops 9	Ops 9	