



GAS ACT 2000

**DISTRIBUTION LICENCE
(OPERATIONS)**

Granted to

TAS GAS NETWORKS PTY LTD

ACN 104 499 569

14 July 2003

Amended: 7 April 2004
25 June 2004
20 August 2004
2 December 2005
7 April 2009

Tasmanian Gas Distribution Licence (Operations)

1. Grant of Licence

- 1.1. 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.
- 1.2. 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.

2. Definitions and Interpretation

- 2.1. In this licence, words and phrases appearing italicised in bold type:
 - 2.1.1. which are defined in the *Gas Act 2000*, have the same meaning when used in this licence; and
 - 2.1.2. which are not defined in the *Gas Act 2000*, have the meaning ascribed to them in part 1 of schedule 1.
- 2.2. This licence should be interpreted in accordance with the rules set out in part 2 of schedule 1.

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**.

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 the ***Director of Gas Safety*** has given to the ***Licensee*** consent in writing to introduce ***gas***.

4.3. Notwithstanding clause 4.2, the ***Licensee*** may not put ***gas*** into a ***distribution system*** otherwise than in accordance with the requirements of the ***Director of Gas Safety***.

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***.

6. Renewal of Licence

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

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***.

8. Transfer of Licence

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

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.

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 ring-fencing of accounts or operations.

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;
- 11.2.4. when, according to the sender's transmission report, received by facsimile transmission by the addressee; or
- 11.2.5. when sent by electronic mail when the **communication** is recorded as having been first received at the electronic mail destination.

12. Provision of Information

- 12.1. The **Licensee** must provide any information the **Director of Gas** or the **Director of Gas Safety** may reasonably require relating to the operation of an **authorised distribution system**.
- 12.2. The **Licensee** may require that any such request for information be made in writing by a properly authorised person.
- 12.3. The information must be provided in accordance with the requirements of any such request.
- 12.4. If the **Licensee** becomes aware of any material breach, by the **Licensee**, of the **Act**, 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.
- 12.5. 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.

13. Records

- 13.1. The **Licensee** must maintain:
- 13.1.1. a record of all activities carried out under this licence, including, where appropriate, maps and plans; and
 - 13.1.2. all records as required under the **Licensee's safety and operating plan**; and
 - 13.1.3. any other records required by the **regulations, Director of Gas** or **Director of Gas Safety**.
- 13.2. 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 13.1 upon receipt of written notice from the **Director of Gas** or the **Director of Gas Safety** or as prescribed in the **regulations**.
- 13.3. 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.

14. Prudential Reporting

- 14.1. The **Licensee** must report the occurrence of any of the following circumstances to the **Director of Gas** as soon as possible:
- 14.1.1. the **Licensee** is put under external administration as defined in the *Corporations Act 2001* (Commonwealth); or
 - 14.1.2. the **Licensee's** circumstances change in such a way that the **Licensee's** ability to meet its obligations under the **Act**, any **code** or this licence may be materially affected; or
 - 14.1.3. the manner in which the **Licensee** undertakes and/or fulfils its responsibilities under this licence undergoes a significant change.

15. Annual Report

- 15.1. Unless the **Director of Gas** notifies the **Licensee** otherwise, the annual return required under section 27(2)(a) of the **Gas Act** must be provided to the **Director of Gas** by 31 August in each year and must relate to the twelve month period ending on the immediately preceding 30 June.

16. Operations and Management Agreements

- 16.1. 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.
- 16.2. Not less than 14 days prior to the commencement of an agreement referred to in clause 16.1, the **Licensee** must submit to the **Director of Gas**:
- 16.2.1. a copy of the agreement; and
- 16.2.2. the following information in relation to a third party referred to in clause 16.1:
- 16.2.2.1. identity;
- 16.2.2.2. details of qualifications and experience; and
- 16.2.2.3. contact details.

17. Provision of Transmission Metering Data to Allocation Agent

- 17.1. The **Licensee** must provide to the **allocation agent, transmission metering data** received by the **Licensee** from a **pipeline operator** pursuant to any contractual arrangement between the **Licensee** and the **pipeline operator**.
- 17.2. Such **transmission metering data** must be provided to the **allocation agent** in the form and manner, and at the times, advised to the **Licensee** by the **allocation agent**.
- 17.3. Clauses 17.1 and 17.2 apply unless the **allocation agent** advises the **Licensee** that the **allocation agent** is otherwise in receipt of the relevant

information in a manner and form consistent with the discharge of the **allocation agent's** obligations.

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

Signed A. J. Reeves

Schedule 1 - Definitions and Interpretation

1. Definitions

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

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

“**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 in respect of which the **Licensee** has complied, to the satisfaction of the **Director of Gas Safety**, with all requirements of the **Director of Gas Safety** relating to the construction of, and flow of **gas** through, that **distribution system**.

“**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.

“**Licensee**” means Tas Gas Networks Pty Ltd (ACN 104 499 569).

“**management plan**” has the same meaning as in the *Tasmanian Gas Distribution Code*.

“**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**.

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

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

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

“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.

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

“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 the **authorised distribution systems**.

“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:
- 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***, the ***Act*** 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.