



GAS PIPELINES ACT 2000

PIPELINE LICENCE

(Operations)

Granted to

Tas Gas Networks Pty Ltd

ACN 104 499 569

Date of Issue

28 May 2012

Tasmanian Gas Pipeline Licence

1. Grant of Licence

The **Regulator**, in exercise of the powers conferred by section 10 of the **Act**, grants the **Licensee** a **pipeline licence** to operate and maintain the **Authorised Pipeline** for carrying **natural gas (regulated activity)**, subject to the conditions contained herein.

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 **Act**, have the same meaning when used in this licence; and

2.1.2. which are not defined in the **Act**, have the meaning ascribed to them in Part 1 of Schedule 1.

2.2. This licence must be interpreted in accordance with Part 2 of Schedule 1.

3. Pipeline Operation and Maintenance

The **Licensee** must operate and maintain the **Authorised Pipeline** in accordance with, and otherwise comply with, **AS 2885** and any other standards required by the **Director of Gas Safety**.

4. Term of Licence

Subject to the **Act**, this licence takes effect on and from 28 May 2012 for a period of twenty-five (25) years.

5. Payment of fees

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

6. Compliance with Law and Standards

- 6.1. The **Licensee** must comply with all applicable laws (including all applicable provisions of the **National Gas Code**) and requirements (including any technical or safety requirements) and with all relevant recognised standards and practices applicable to the operation of a **Pipeline**.
- 6.2. The **Licensee** must use best endeavours to 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.

7. Provision of Information

- 7.1. The **Licensee** must provide to the **Regulator** and or the **Director of Gas Safety**, within the time specified in a written request for information from the **Regulator** or **Director of Gas Safety**, any information the **Regulator** or the **Director of Gas Safety** may reasonably require relating to the operation of the **Authorised Pipeline**.
- 7.2. If the **Licensee** becomes aware of any material breach of, or non-compliance with, the **Act**, the **regulations**, the **National Gas Code**, or this licence, the **Licensee** must notify the **Regulator** of the breach or non-compliance as soon as practicable and provide such information as the **Regulator** requires in relation to the breach or non-compliance.
- 7.3. The **Licensee** must immediately advise the **Regulator** in the event of any material breach, variation, surrender, revocation or cancellation of any permit or other authority issued to the **Licensee** directly relevant to the operation of the **Authorised Pipeline**, and must provide such information as the **Regulator** requires in relation to the breach, variation, surrender, revocation or cancellation.

8. Provision of Transmission Metering Data to Allocation Agent

- 8.1. 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 8.1 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**.
- 8.2. The **Licensee's** obligation to provide **transmission metering data** under clause 8.1, 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**.

9. Records

- 9.1. The **Licensee** must maintain in accordance with section 33 of the **Act**:
- 9.1.1. a record of all **regulated activities** carried out under this licence, including, where appropriate, maps and plans; and
 - 9.1.2. a record of compliance audits by internal or external auditors required under the **Regulations**; and
 - 9.1.3. any other records required by the **Regulations**.
- 9.2. The **Licensee** must provide the **Regulator** or the **Director of Gas Safety** with a copy of the records maintained under clause 9.1 upon receipt of written notice from the **Regulator** or as prescribed in the **Regulations**.
- 9.3. The **Regulator** 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.

10. Compliance Plans and Reports

- 10.1. The **Licensee** must develop and submit to the **relevant Regulator/Director**:
- 10.1.1. a **safety and operating plan**;
 - 10.1.2. a **compliance plan**; and
 - 10.1.3. any other **management plan** relating to the fulfilment of the objectives of the **Act** as the **Regulator** directs.
- 10.2. The **compliance plan** must be submitted to the **Regulator** on or before 30 September 2012 or such other date as notified by the **Regulator**, subsequently by the first anniversary of that date, and thereafter, as required and advised by the **Regulator**.
- 10.3. Any other **management plan** required under clause 10.1.3 must be submitted to the **Regulator** on such date as notified by the **Regulator**, subsequently by the first anniversary of that date, and thereafter, as required and advised by the **Regulator**.
- 10.4. The **management plans** are to be made in accordance with and take account of any **standards and procedures** or guidelines issued by the **Regulator**.
- 10.5. The **Licensee** must undertake, to the satisfaction of the **Regulator**, community consultation on aspects of **management plans** which may affect the public.
- 10.6. The **Licensee** must consider any comments made by the **Regulator** and the **Director of Gas Safety** on the **management plans** and, if required by the **relevant Regulator/Director**, amend provisions of a **management plan** related to reporting to the **relevant**

Regulator/Director, including processes for capturing and analysing data that is to be reported.

10.7. Each year, commencing in 2013, the **Licensee** must provide to the **relevant Regulator/Director**, by no later than 30 September or such other date as the **relevant Regulator/Director** nominates, a report in respect of each **management plan** which includes:

10.7.1. details of the **Licensee's** actual performance against the standards, indicators and targets included in the **management plan**;

10.7.2. 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;

10.7.3. projections of the **Licensee's** future performance against the standards, indicators and targets included in the **management plan**;

10.7.4. 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

10.7.5. details of the **Licensee's** adherence to relevant Australian Standards and other standards.

10.8. For the avoidance of doubt, the requirement under clause 10.7 to prepare a report containing the information listed in paragraphs 10.7.1 to 10.7.5, does not limit the powers of the **Regulator** or the **Director of Gas Safety** under clause 7.1, the **Act** or the **regulations** to require the **Licensee** to produce information.

10.9. Unless otherwise notified by the **Regulator**, reports prepared in accordance with clause 10.7 are to be submitted to the **relevant Regulator/Director** accompanied by a report prepared by a **reporter**.

- 10.10. The **relevant Regulator/Director** 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 **relevant Regulator/Director**.

11. Standard and Procedures

- 11.1. At the written request of the **Regulator**, the **Licensee** must participate to the extent specified by the **Regulator** in the development, issues and review of any **standards and procedures** specified by the **Regulator** which is, in the opinion of the **Regulator**, relevant to the achievement of the objects of the **Act** or to the functions of the **Regulator** under the **Act**.
- 11.2. The **Licensee** must, in accordance with directions of the **Regulator**, report to the **Regulator** on its performance against applicable **standards and procedures**.
- 11.3. If the **Regulator** considers that the **Licensee** has failed to comply with clause 11.1, the **Regulator** may issue **standards and procedures** applicable to the **Licensee** and with which the **Licensee** must comply.

12. Advice to the Regulator

The **Licensee** must report to the **Regulator** as soon as possible the occurrence of any of the following circumstances:

- 12.1. The **Licensee** is put under external administration as defined in the *Corporations Act 2001* (Commonwealth); or
- 12.2. The **Licensee's** circumstances change which may affect the **Licensee's** ability to meet its obligations under the **Act**, the **Regulations**, the **National Gas Code**, or this licence.

13. Insurance

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.

14. Communications

- 14.1. A **communication** must be in **writing**.
- 14.2. A **communication** is to be regarded as having been given by the sender and received by the addressee:
 - 14.2.1. when delivered in person to the addressee;
 - 14.2.2. where sent by post, on the 4th **business day** after the date of posting, if the **communication** is posted within Australia;
 - 14.2.3. where sent by post, on the 7th **business day** after the date of posting, if the **communication** is posted outside Australia; or
 - 14.2.4. when, according to the sender's transmission report, received by facsimile transmission by the addressee.

15. Management and Operating Contracts

- 15.1. The **Licensee** must advise the **Regulator** of the entering into, by the **Licensee**, of any contract under the terms of which another person assumes, or will assume, operational responsibility for carrying out any substantive part of the operations authorised by this licence.
- 15.2. The **Licensee** must submit to the **Regulator** not less than 14 days prior to the commencement of any contract referred to in clause 15.1
 - 15.2.1. the identity and contact details of the other person;

- 15.2.2. details of the nature of the operations that the other person will assume responsibility for carrying out; and
- 15.2.3. details of the relevant qualifications and experience of the other person to undertake the specified operations.

Signed

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Raymond Chan

DELEGATE OF THE REGULATOR

28 May 2012

Schedule 1 - Definitions and Interpretation

Part 1 - Definitions

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

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

“**AS 2885**” means *AS 2885 Pipelines–Gas and liquid petroleum* published by the Standards Association of Australia, as in force from time to time (including any code or standard having effect under that standard).

“**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 Pipeline**” means the totality of the **Pipelines** constructed pursuant to the licence to construct issued to the **Licensee** by the **Regulator** on 30 September 2011, 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** in relation to the construction of, and flow of **gas** through, that **Pipeline**;

“**communication**” means a notice, agreement, consent, direction, representation, advice or statement 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**, 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**.

“**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*.

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

“management plan” means any of the plans referred to in clause 10.1.

“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**.

“National Gas Code” means the *National Third Party Access Code for Natural Gas Pipelines Systems*;

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

“relevant Regulator/Director” means the **Regulator** or the **Director of Gas Safety** or both of them, as nominated by the **Regulator** with regard to the context in which the term is used.

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

“safety and operating plan” means the safety and operating plan required under section 47 of the **Act**.

“standards and procedures” means overall performance standards or codes of conduct which are issued by the **Licensee** under clause 11.1 or by the **Regulator** under clause 11.3; and

“Tasmanian Gas Customer Transfer and Reconciliation Code” means the *Gas Customer Transfer and Reconciliation Code* issued by the **Regulator** 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**.

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

Part 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 government 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 Part 2 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;

2.12 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***;

2.13 In the event of any inconsistency between the conditions of this licence and the ***Act***, the ***Act*** will prevail to the extent of such inconsistency;

2.14 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.