



GAS RETAIL LICENCE

Real Utilities Pty Ltd
(ABN 97 150 290 814)

Issued on 21 October 2020

GAS RETAIL LICENCE

This Licence is issued pursuant to section 26 of the *Gas Industry Act 2001* (Vic) and is subject to the terms set out in this Licence.

Date

This Licence was issued on 21 October 2020

Licensee

This Licence is issued to:

Real Utilities Pty Ltd (ABN 97 150 290 814)

Level 2, 1C Homebush Bay Drive

Rhodes, NSW 2138

THE COMMON SEAL of the
ESSENTIAL SERVICES COMMISSION
was affixed pursuant to the authority
of the Commission on 21 October 2020

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Kate Symons

Chairperson

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Part A - Interpretation

1. Definitions

1.1 Unless the contrary intention appears, a term has the meaning shown opposite it:

Act	the <i>Gas Industry Act 2001</i> (Vic)
administrator	means an administrator appointed by the Commission under section 41 of the Act in respect of the Licensee's retail business
AEMO	Australian Energy Market Operator Limited
business day	a day other than a Saturday, Sunday or a public holiday in Melbourne, Victoria
Change of control	occurs in relation to the Licensee if: (a) an entity that controls the Licensee ceases to Control the Licensee; or (b) an entity that does not control the Licensee starts to Control the Licensee provided that no change of control will be deemed to have occurred where: (c) the ultimate holding company that controls the Licensee remains the same; or (d) the change of control results from the acquisition or cancellation of, or dealing in, securities which are traded on a recognised financial market
child connection point	a point on an embedded network at which gas is withdrawn from the embedded network for delivery to a customer which is normally located at: (a) the inlet of a natural gas installation of a customer; or (b) the outlet of a meter; or (c) the end of a main
Commission	the Essential Services Commission established under the ESC Act
Commencement Date	21 October 2020
Control	in respect of an entity has the same meaning given in section 50AA of the Corporations Act
Corporations Act	means the <i>Corporations Act 2001</i> (Cth)

customer	a person who may buy gas from a retailer
deemed contract	a contract for the supply or sale of gas deemed by the Act to have been entered into or to otherwise be in place between a retailer and customer
distribution licence	a licence to distribute or supply gas granted under the Act
distribution pipeline	has the meaning given under the Act
distribution services	the transportation and delivery of gas through a distribution system, and in the case of the distribution system of a licensed distributor, and any other services which a distributor includes in its network tariff
distribution system	in relation to a distributor, a distribution pipeline or system of distribution pipelines, which the distributor uses to distribute or supply gas
distributor	a person who holds, or is exempt from holding, a distribution licence
embedded network	A distribution system that is downstream of, and connected at a parent connection point to, a distribution system of a distributor that is the holder of a distribution licence
embedded network operator	a person that owns, controls or operates an embedded network and that distributes and supplies gas within that embedded network
Energy Retail Code	means the code setting out terms and conditions relevant to contracts for the supply or sale of gas determined by the Commission under the Act and the ESC Act
ESC Act	the <i>Essential Services Commission Act 2001</i> (Vic)
external network charges	charges levied or passed through by the local licensed distributor with respect to the use of a distribution system for the supply of gas to the parent supply point.
final enforcement order	a final order made and served by the Commission under section 53 of the ESC Act
financially responsible retailer	in respect of a parent connection point, the <i>retailer</i> who is responsible for settling the account for gas withdrawn from the parent connection point (however described) under the <i>Retail Market Procedures</i> made pursuant to the National Gas Law.

Gas Distribution System Code	the code of that name certified by the Commission
guideline	a guideline published by the Commission
holding company	has the meaning given in the Corporations Act
hot water metering installation	a metering installation and associated equipment at a <u>supply</u> point which measures and records the flows of gas and hot water, consisting at a minimum of a gas metering installation, two or more hot water meters and a master cold water meter
last resort event	in respect of a retailer, means: <ul style="list-style-type: none"> (a) the retailer's retail licence is suspended or revoked; or (b) the right of the retailer to acquire gas from the wholesale gas market is suspended or terminated; whichever occurs first
law	means: <ul style="list-style-type: none"> (a) the common law and equity; (b) any statute, regulation, by-law, ordinance or subordinate legislation; or (c) any licence, order permit, authorisation, accreditation, code, guideline, procedure or similar instrument which is enforceable against the Licensee or which is issued under an instrument referred to in paragraph (b)
Licensee	Real Utilities Pty Ltd (ABN 97 150 290 814)
local licensed distributor	the relevant distributor that holds a distribution licence for the distribution system to which the relevant embedded network is connected
meter	has the meaning given in the Act
Minister	the person who is, from time to time, the Minister for the purposes of the relevant section of the Act
MIRN	the unique identifier for a gas metering installation allocated and registered under the <i>Retail Market Procedures</i> made pursuant to the National Gas Law
National Gas Law	The National Gas (Victoria) Law which applies in Victoria as a result of the operation of section 7 of the <i>National Gas (Victoria) Act 2008</i>
National Gas Rules	the rules of that name made under the National Gas Law
objectives	the objectives of the Commission specified in section 18 of the Act and section 8 of the ESC Act

Order	an Order in Council made or in force under the Act
parent connection point	a point on an embedded network at which gas is withdrawn into the embedded network from the distribution system of a distributor that is the holder of a distribution licence
residential customer	has the same meaning as in the Energy Retail Code
retail business	the business that a retailer carries on under its retail licence or exemption granted under the Act
retail licence	a licence, granted under the Act, authorising the holder thereof to sell gas
retailer	a person who holds or is exempt from holding a retail licence
Retail Market Procedures	<i>means the 'Retail Market Procedures' within the meaning of the National Gas Law and made under the National Gas Rules</i>
security deposit	has the same meaning as in the Energy Retail Code
subsidiary	has the meaning given in the Corporations Act
supply point	a point on a distribution system at which gas is withdrawn from the distribution system for delivery to a customer which is normally located at: <ul style="list-style-type: none"> (a) the inlet of a natural gas installation of a customer; or (b) the outlet of a meter; or (c) the end of a main
Term	the period commencing on the Commencement Date and concluding on the date that is the 5th anniversary of the Commencement Date, unless this Licence is revoked earlier in accordance with clause 24
transmission pipeline	has the meaning given under the Act
ultimate holding company	means, in relation to an entity, an entity that: <ul style="list-style-type: none"> (a) is a holding company of the first-mentioned entity; and (b) is itself a subsidiary of no entity
undertaking	an undertaking given by the Licensee under sections 53(5)(a) or 54B of the ESC Act
use of system agreement	an agreement between a retailer (or other person who has made an application for a retail licence) and a distributor which is necessary to ensure that gas is distributed or supplied by means of the distributor's

	distribution system to enable the retailer (or other person) to sell gas to its customers
wholesale gas market	means a market for wholesale trading in gas operated by AEMO under the National Gas Rules
writing	any mode of representing or reproducing words, figures, drawings or symbols in a visible form

1.2 In this Licence, unless the context otherwise requires:

- a. headings and footnotes are each for convenience only and do not affect the interpretation of this Licence;
- b. words importing the singular include the plural and vice versa;
- c. words importing a gender include any gender;
- d. an expression importing a natural person includes any company, partnership, trust, joint venture, association, corporation or other body corporate and any governmental agency;
- e. a reference to a condition, clause, part, paragraph, schedule or annexure is to a condition, clause, part or paragraph of, or schedule or annexure to, this Licence, and a reference to this Licence includes any condition, clause, part or paragraph of it, or schedule or annexure to it;
- f. a reference to any statute including the Act and regulation, proclamation, Order in Council, ordinance, code, guideline, procedure or by-law includes all statutes, regulations, proclamations, Orders in Council, ordinances, codes, guidelines, procedures 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;
- g. 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;
- h. a reference to a person includes that person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;

- i. other parts of speech and grammatical forms of a word or phrase defined in this Licence have a corresponding meaning;
- j. a period of time:
 - 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. which commences on a given day or the day of an act or event is to be calculated inclusive of that day;
- k. 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. Notices

- 2.1 A notice under this Licence is only effective if it is in writing, and dealt with as follows:
- a. if given by the Licensee to the Commission – addressed to the Chief Executive Officer of the Commission at the address specified below or as otherwise notified by the Commission

Essential Services Commission, Level 37, 2 Lonsdale Street,
Melbourne VIC 3000; or
 - b. if given by the Commission to the Licensee – given by the Chief Executive Officer of the Commission and addressed (and marked for attention of) the Chief Executive Officer of the Licensee at the address specified below or as otherwise notified by the Licensee:

Real Utilities Pty Ltd , Level 2, 1C Homebush Bay Drive, Rhodes, NSW
2138.
- 2.2 A notice is to be:
- a. signed by or on behalf of the person giving the notice and delivered by hand; or
 - b. signed by or on behalf of the person giving the notice and sent by pre-paid post; or

- c. transmitted electronically by or on behalf of the person giving the notice by electronic mail or facsimile transmission.

2.3 A notice is deemed to be effected:

- a. if delivered by hand – upon delivery to the relevant address;
- b. if sent by post – upon delivery to the relevant address;
- c. if transmitted electronically – in accordance with the *Electronic Transactions (Victoria) Act 2000 (Vic)*.

2.4 A notice received after 5.00 pm AEST, or on a day that is not a business day, is deemed to be effected on the next business day.

Part B - Licence

3. Grant of the Licence

- 3.1 In exercise of its powers under section 26 of the Act, the Commission grants the Licensee a licence to on-sell gas within an embedded network for the Term, on the terms and conditions set out in this Licence.
- 3.2 This Licence does not permit the Licensee to:
 - a. purchase or sell gas through the wholesale gas market; or
 - b. sell gas outside an embedded network.
- 3.3 This Licence is subject to any prohibition set out in any Order issued and in force under the Act.

Part C - Conditions of the Licence

4. Status of the requirements in this Part

- 4.1 A breach of any of the requirements set out in this Part C:
 - a. is a breach of a condition for the purposes of Part 7 of the ESC Act; and
 - b. is a breach of a condition for the purposes of clause 24 of this Licence.
- 4.2 The Licensee acknowledges that any condition deemed by the Act to be included in a licence to sell gas forms part of this Licence and that a breach of

any such condition constitutes a breach of a condition for the purposes of clause 24 of this Licence.

5. Payment of fees

- 5.1 The Licensee must pay a licence fee as determined by the Minister in accordance with the provisions of section 30 of the Act.

6. Ongoing technical capacity

- 6.1 The Licensee must at all times maintain:
- a. such technical capacity as is:
 - (i) required to meet its obligations under this Licence; and
 - (ii) reasonably required to undertake the activities authorised by this Licence; and
 - b. such additional technical capacity as is reasonably required to enable it to meet and utilise technological advances in the gas industry.
- 6.2 In this clause 6 activities undertaken pursuant to this Licence includes any activities of that type undertaken by a contractor, subcontractor, agent or other third party (a third party) engaged by the Licensee for the purpose of enabling the Licensee to undertake the activities authorised by this Licence.
- 6.3 The Licensee must ensure that all relevant staff or third parties are provided with appropriate training in all Victoria specific obligations including the conditions of this Licence.

7. Ongoing financial viability

- 7.1 The Licensee must at all times remain financially viable to undertake the activities permitted under this Licence.

8. Reliability of supply

- 8.1 The Licensee must comply with any standard relating to the reliability of supply of gas which is determined by the Commission. If any standard is so

determined, the Licensee must, whenever required by the Commission, demonstrate its actual and prospective compliance with such standard.

8.2 The Licensee must notify any relevant distributor (and AEMO as required) of the Licensee's contractual arrangements with the Licensee's customers relating to interruption or curtailment of supply within 21 business days of entering into such arrangements.

8.3 If the Licensee is notified by a distributor of any interruption or curtailment of delivery of gas at a distribution delivery point, the Licensee must use best endeavours to notify its customers to ensure they comply with any reasonable requirement set out in the notice.

9. Compliance with regulatory instruments

9.1 Subject to clause 9.2, the Licensee must comply with:

- a. the Gas Distribution System Code;
- b. any Order;
- c. the Energy Retail Code; and
- d. the Compliance Performance and Reporting Guideline; and
- e. any other code, procedure or guideline issued by the Commission from time to time that is expressed as being one with which the Licensee must comply;

to the extent they are applicable to activities undertaken by the Licensee pursuant to this Licence, including as set out or modified in the annexure.

9.2 The Commission may, from time to time, by written notice grant an exemption in relation to or otherwise modify the application of some of the requirements of the instruments referred to in clause 9.1.

9.3 The Licensee must have in place a system for monitoring its compliance with this Licence and the instruments referred to in clause 9.1.

9.4 The Licensee must comply with the requirements of the *Gas Safety Act 1997* and any regulations made under that legislation.

9.5 The Licensee must notify the Commission of any breach by it of the conditions of this Licence, including breach of any of the instruments referred to in clause 9.1, as soon as reasonably practicable after it becomes aware of the breach.

10. Gas purchase arrangements

- 10.1 The Licensee must have in place agreements or arrangements for the purchase of gas from a retailer who is the financially responsible retailer at the relevant parent connection point of the embedded network and any necessary authorisations as are required to enable the Licensee to perform its obligations under any contracts for the sale of gas to which it is a party.

11. Embedded network retail licence conditions

- 11.1 The Licensee must comply with the requirements set out in the annexure – Embedded network retail licence conditions.

12. Provision of distribution services

- 12.1 The Licensee must not enter into a contract for the sale of gas with a customer unless the contract also provides for the provision of, or procurement by the Licensee of, related distribution services within both:
- a. the distribution system of the licensed distributor within whose distribution licence area the customer is located; and
 - b. the embedded network through which the customer is connected, or from which the customer is otherwise supplied gas.

13. Contracts with customers

- 13.1 The Licensee must comply with the terms and conditions of any contract for the sale of gas with a customer.

14. Information to customers

- 14.1 The Licensee must include at least the following information in a bill issued to the customer for the supply or sale of gas:
- a. the Metering Installation Reference Number (**MIRN**) (including the MIRN checksum) assigned to the customer's metering installation or, if there is no assigned MIRN, the meter number or another unique identifying mark

- assigned to the customer's metering installation or the group metering installation serving the customer;
- b. the relevant tariff or tariffs applicable to the customer; and
 - c. any information required by the Act, the ESC Act, or any Commission code or guideline.
- 14.2 If a variation is made to a customer's tariff or to terms or conditions of a customer's contract, unless prior notice of the variation has been provided to a customer, the Licensee must provide such notice to the customer in the form of a statement setting out details of the variation at least 5 business days prior to any changes taking effect.
- 14.3 The Licensee must give notice to a customer who is a party to a deemed contract with the Licensee on, or as soon as practicable after, becoming aware of the deemed contract. This notice must:
- a. inform the customer that there is deemed to be a contract between the customer and the Licensee for the sale of gas;
 - b. set out the tariff and summarise other terms and conditions under the deemed contract;
 - c. describe the methods by which the deemed contract may be terminated and related terms and conditions; and
 - d. outline the options available to the customer.
- 14.4 Where the Act or this licence requires or has required the Licensee to publish the Licensee's tariffs in the Government Gazette, the Licensee must also publish on the same day in a newspaper circulating generally in Victoria:
- a. the tariffs; and
 - b. a statement that the Licensee's related terms and conditions are available on request and free of charge in English and, if the Licensee has a significant number of customers from the same non-English speaking background, in those other languages. Such terms and conditions must actually be available in those other languages.
- 14.5 If the contract between a customer and the Licensee is a fixed term contract, prior to the expiry of the fixed term the Licensee must notify the customer:
- a. that the contract is due to expire;

- b. when the expiry will occur;
- c. the tariff and terms and conditions that will apply to the customer beyond the expiry of the contract if the customer does not exercise any other option, which the Licensee may, subject to applicable laws, determine at its discretion; and
- d. what other options are available to the customer.

The information must be given no sooner than 60 days before, and no later than 30 days before, the expiration of the fixed term (unless the fixed term is less than one month in which case the information must be given to the customer at the commencement of the term).

15. Hot water metering

- 15.1 The Licensee must, for a customer for whom it is providing services associated with bulk hot water, ensure that each hot water metering installation is provided, replaced, installed, repaired and maintained in accordance with all applicable laws and any applicable guidelines.
- 15.2 Without limiting clause 15.1, within 20 business days after receiving a request for the provision, replacement, installation, repair or maintenance of a hot water metering installation which is not functioning in accordance with all applicable laws and any applicable guideline, the Licensee must offer to provide the service requested on terms which are fair and reasonable and which are not inconsistent in the opinion of the Commission with any applicable guideline.
- 15.3 If a customer replaces the Licensee with another retailer as the supplier of bulk hot water services for a multi-unit dwelling, the Licensee must, if it is the owner of the relevant hot water metering installation, on request offer to sell that hot water metering installation to the other retailer on fair and reasonable terms and conditions.
- 15.4 Any question as to the fairness and reasonableness of the terms and conditions of an offer made under clause 15.3 shall be decided by the Commission on the basis of the Commission's opinion on the fairness and reasonableness of the terms and conditions.

16. Separate accounts

- 16.1 If the Licensee holds more than one licence under Part 3 of the Act, the Licensee must prepare separate accounts for each part of its business in respect of which it has been granted a separate licence.

17. Payment methods

- 17.1 The Licensee must not implement a pre-payment meter scheme without the prior approval of the Commission.
- 17.2 The Licensee must notify the Commission at least 20 business days prior to the termination of an arrangement with any agency or payment outlet through which customers of the Licensee may pay bills.

18. Community service obligation agreements

- 18.1 If so directed by the Secretary to the Department of Human Services, the Licensee must enter into an agreement with the State for the provision of community services on terms and conditions determined or agreed in accordance with section 49 of the Act.

19. Retailer of last resort

- 19.1 The Licensee must notify the Commission as soon as practicable, and no later than within one business day of becoming aware, of a last resort event with respect to the retailer responsible for the sale and supply of gas at a parent connection point.
- 19.2 The Licensee must notify the Commission as soon as practicable, and no later than within one business day of becoming aware, of any circumstance which may threaten future continuation of supply of gas to its customers, including but not limited to, the Licensee entering into administration.

20. Provision of information to regulatory bodies

- 20.1 The Licensee must maintain comprehensive records regarding any activities undertaken pursuant to this Licence for a period of at least 7 years.
- 20.2 The Licensee must inform the Commission of any breach by it of the conditions of this Licence, including any non-compliance with the instruments referred to in clause 9.1, as soon as reasonably practicable after becoming aware of the breach.
- 20.3 The Licensee must as soon as reasonably practicable provide AEMO with such information relating to any activities undertaken pursuant to this Licence as AEMO may properly request in connection with the performance of its functions or the exercise of its powers under the National Gas Law in the manner and form specified by AEMO.
- 20.4 The Licensee must, as soon as reasonably practicable, provide the Commission with such information relating to any activities undertaken pursuant to this Licence as the Commission may properly request in connection with the performance of its functions or the exercise of its powers under the Act and in a manner and form specified by the Commission.
- 20.5 The Licensee must, as soon as reasonably practicable, provide the Commission with information on its ongoing technical capacity to undertake the activities authorised by this Licence as the Commission may properly request in connection with the performance of its functions or the exercise of its powers under the Act and in a manner and form specified by the Commission.
- 20.6 In this clause 20:
- a. activities undertaken pursuant to this Licence includes any activities of that type undertaken by a third party engaged by the Licensee for the purpose of enabling the Licensee to undertake the activities authorised by this Licence; and
 - b. information includes information in the possession, custody or control of any third party.

20.7 *Change of control*

- a. The Licensee must give the Commission a notice if any event occurs, any decision by the Licensee is made, or any other circumstance exists that will effect a change of control of the Licensee;
- b. The notice required under clause 20.7.a(a) must set out particulars of the relevant event, decision or circumstance and be provided as soon as practicable and, in any case, not later than 3 Business Days after the Licensee becomes aware of the event or circumstances or makes the decision.

21. Audit

- 21.1 Upon request by the Commission, the Licensee must appoint an auditor to be approved by the Commission to conduct audits of:
- a. the Licensee's compliance with its obligations under the Act or this Licence, including but not limited to the codes and guidelines referred to in clause 9.1;
 - b. the reliability and quality of information reported by the Licensee to the Commission and the consistency of that information with the Commission's specifications; and
 - c. any other matter as directed by the Commission.
- 21.2 The Licensee must ensure that the Commission is promptly provided with a copy of any reports produced by the auditor pursuant to this clause. The Licensee must comply, and must require the auditor to comply, with any guidelines issued by the Commission dealing with audits under this clause.

22. Dispute resolution

- 22.1 The Licensee must enter into a customer dispute resolution scheme approved by the Commission under section 36 of the Act.

23. Compliance with laws

- 23.1 The Licensee must comply with all applicable laws.
- 23.2 The Licensee must ensure that any contract entered with any third parties contains such provisions as are necessary to enable the Licensee to comply with the requirements of this Licence.

24. Revocation

- 24.1 The Commission may revoke this Licence:
- a. at any time at the request of or with the consent of the Licensee; or
 - b. in accordance with the Act.
- 24.2 Where consistent with its objectives, the Commission may revoke this Licence if:
- a. the Licensee fails to comply with an undertaking or a final enforcement order; or
 - b. the Licensee breaches any condition of this Licence, including any condition deemed to apply by the Act or any other legislation; or
 - c. any information provided by the Licensee pursuant to this Licence or in its application for the Licence is found to be false or misleading; or
 - d. the Licensee's financial viability or technical capacity is such that the Commission considers that the Licensee would be unable to satisfactorily meet its obligations under this Licence; or
 - e. the Licensee fails to comply with a decision, direction, determination or arrangement (as the case may be) made by or agreed with the Commission, AEMO or the Minister; or
 - f. following any one of the following events:
 - i. a petition or other application being presented or resolution being passed for the winding up, liquidation or dissolution of the Licensee or notice of intention to propose such a resolution being given or the entry of the Licensee into a scheme of arrangement or compromise or deed of company arrangement with any of its creditors; or

- ii. the appointment of an administrator, a receiver or receiver and manager or official manager or agent of a secured creditor to any of the Licensee's property; or
- iii. the Licensee ceasing to carry on business or stopping or wrongfully suspending payment to any of its creditors or stating its intention to do so;

and the Commission determines that the event, or actions arising from the event, would, or would be likely to, result in the inability of the Licensee to meet its obligations under this Licence.

24.3 Where the Commission decides to revoke this Licence, the Commission will issue a notice to the Licensee, specifying:

- a. the basis upon which the Commission is revoking this Licence; and
- b. the date upon which the revocation will take effect, such date to be:
 - i. in the case of a breach of clause 10 or 11.1 or where clause a applies or where in the Commission's opinion it is appropriate that the Licence be revoked in a shorter time frame having regard to its objectives and the events or circumstances that gave rise to the notice being issued, no less than 5 business days after the date upon which the notice is issued; and
 - ii. in all other cases, no less than 20 business days after the date upon which the notice is issued,

and, subject to clause 24.4, this Licence will be revoked on the date specified in the notice.

24.4 The Commission may, at its discretion and by written notice to the Licensee, withdraw a notice issued under clause 24.3 at any time prior to the revocation date specified in the notice if the Commission is satisfied that the Licensee has complied with the relevant final enforcement order or undertaking, rectified the breach or complied with the relevant decision, direction, determination or arrangement (as the case may be) or if the Commission considers that it is otherwise appropriate to withdraw the notice.

25. Variation

25.1 For the purposes of section 38 of the Act, the Commission may vary this Licence in accordance with the procedures set out in this clause 25.

25.2 Where the Commission:

- a. wishes to amend the list of instruments referred to in clause 9.1; or
- b. is of the opinion that a proposed variation to the Licence is consistent with its objectives and is:
 - i. of an administrative or trivial nature; or
 - ii. required urgently, such that it would not be appropriate to issue a notice under section 38(1)(c) of the Act,

the Commission may issue a notice to the Licensee varying this Licence accordingly without providing the Licensee with an opportunity to make representations in relation to the variation.

25.3 A notice issued under clause 25.2 will include:

- a. the terms of the variation;
- b. the purpose of the variation;
- c. where clause a applies, confirmation that the Commission is of that opinion; and
- d. the date upon which the variation will take effect.

26. Transfer

26.1 This Licence may be transferred in accordance with section 40 of the Act.

27. Administrator

27.1 Subject to clause 24, if an administrator is appointed to the Licensee's business under section 41 of the Act, the administrator must exercise its functions and powers in such a manner as may be specified by the Commission in the instrument of appointment.

Schedule 1 – Variations to the Licence

Date	Variation
	This licence has not been varied

Annexure – Embedded network retail licence conditions

1. Compliance with laws and regulatory instruments

1.1 Without limiting the application of clauses 9 and 23 of this Licence, where all or part of a law is restricted in its application to:

- a. a retailer that is a financially responsible retailer; or
- b. a customer that is supplied gas from a connection point at which the gas last leaves a distribution system owned or operated by a licensed distributor,

yet is capable of being applied with modification to the Licensee in the context of on-selling gas within an embedded network, the Licensee must comply with such law with only those modifications required to enable compliance in the context of on-selling gas within an embedded network.

1.2 For example, and without limitation, sections 42, 43, 46, 48A and 48C of the Act and any associated Orders made under those sections apply in respect of the Licensee, and the Licensee must comply with those sections and associated Orders as if an embedded network customer was a 'relevant customer', 'specified customer' or a 'prescribed customer', and the Licensee was a 'specified retailer' or 'specified licensee' for the purposes of those sections and associated Orders.

2. Use of system agreement

2.1 The Licensee must have a use of system agreement with an embedded network operator, that is the holder of a distribution licence or is exempt from this requirement, for each embedded network on which the supply point of any customer of the Licensee is located.

2.2 Each use of system agreement with an embedded network operator must:

- a. be in writing;
- b. require the embedded network operator to hold a distribution licence, or be exempt from this requirement;
- c. authorise the Licensee to on-sell gas to any customer connected to the embedded network operator's embedded network;

- d. not unreasonably discriminate, or have the effect of creating unreasonable discrimination, between retailers or customers of any retailer;
- e. require the embedded network operator to make arrangements for the continued supply of gas to the Licensee's customers within the embedded network if the Licensee cannot, for reasons including but not limited to the Licensee entering into administration or suspension or revocation of this Licence; and
- d. procure from the embedded network operator all necessary acts and obligations to ensure the Licensee's compliance with paragraphs 4, 5 and 7 of this annexure.

3. Energy Retail Code modifications

3.1 Notwithstanding clause 9.1 of this Licence, the Licensee:

- a. must not require a residential customer to provide a security deposit;
- b. must comply with clause 53(1) of the Energy Retail Code as if the reference to the 'financially responsible retailer for the premises concerned' was a reference to the Licensee;
- c. must comply with clauses 125, 127 and 128 of the Energy Retail Code as if those clauses were amended as follows:
 - i. a reference in clause 125(1)(a), 125(1)(c), 125(1)(d) and 125(1)(e) to 'the latter of' is a reference to the 'earlier of';
 - ii. the reference in clause 125(1)(c)(iv), clause 125(1)(c)(vi), clause 125(1)(d), clause 125(1)(e) and clause 125(2) to a 'distributor' is deemed to be a reference to both the local licensed distributor and the embedded network operator;
 - iii. any reference to the 'distributor' in clause 127(1), clause 127(2)(a) and clause 128(2)(a) is deemed to be a reference to both the local licensed distributor and the embedded network operator; and
- d. must comply with clause 19(2) of the Energy Retail Code as if references to 'distributor' were references to the 'embedded network operator'.

4. Contestability

- 4.1 The Licensee must not engage, and must procure that the embedded network operator does not engage, in any conduct that prevents a customer who is, or seeks to be, supplied gas through an embedded network from purchasing gas from a licensed retailer of its choice.
- 4.2 The Licensee must provide potential customers with information on how such potential customer can exercise choice of retailer, including how to obtain alternative offers from other licensed retailers for the supply of gas to the relevant child connection point.

5. Embedded network charges

- 5.1 Unless expressly permitted by law, the Licensee must ensure that no charge, fee or levy is payable by a customer of the Licensee with respect to the customer's access to the embedded network on which its supply point is located, or for the distribution or supply of gas by the embedded network operator.

6. External network charges

- 6.1 The Licensee must ensure that any external network charges:
- a. clearly attributable to a specific customer of the Licensee are passed through at cost to that customer;
 - b. not clearly attributable to a specific customer of the Licensee are charged to the customer on the basis that they are no greater than the published regulated charge which the local licensed distributor would have charged that customer, had the customer been supplied directly by the local licensed distributor; and
 - c. are included in a single invoice for both retail gas and external network charges, with the amount of external network charges separately identified.

7. Metering

- 7.1 The Licensee must, in respect of each child connection point (other than a child connection point for which another retailer is the financially responsible retailer), ensure that meters are installed and maintained in a manner which complies with the Gas Distribution System Code and Retail Market Procedures and promotes contestability, as if:
- a. the Licensee is a financially responsible retailer in respect of that child connection point;
 - b. the embedded network operator is the holder of a distribution licence; and
 - c. sections 6.1(b) and 6.1(d) of the Gas Distribution System Code are not applicable.