



GAS DISTRIBUTION LICENCE

**AUSTRALIAN GAS NETWORKS
LIMITED
ACN 078 551 685**

**As varied on
5 April 2017**

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1. DEFINITIONS AND INTERPRETATION

- 1.1 In this licence, words and phrases appearing in italics have the meaning ascribed to them in part 1 of schedule 1.
- 1.2 This licence must be interpreted in accordance with the rules set out in part 2 of schedule 1.

2. GRANT OF LICENCE

The *Office*, in exercise of the powers conferred by section 48E of the *Act*, authorises the *Licensee* to provide services by means of *distribution pipelines* in the *distribution area* subject to the conditions set out in this licence.

3. TERM

- 3.1 This licence takes effect on and from 28 October 1999.
- 3.2 The *Office* may revoke this licence in accordance with clause 3.3 or 3.4.
- 3.3 The *Office* may at any time agree with the *Licensee* that this licence should be revoked, in which case the term of this licence ends on the day agreed.
- 3.4 The *Office* may at any time give at least 20 *business days* notice of revocation to the *Licensee* if the *Licensee* does not comply with an *enforcement order* or an *undertaking*, and the *Office* decides that it is necessary or desirable to revoke this licence in order to achieve the *policy objectives*, in which case the term of this licence ends, subject to clause 3.5, on the expiration of the period of the notice.
- 3.5 The term of this licence does not end at the expiration of the period of a notice of revocation given under clause 3.4 if, before the expiration, the *Licensee* complies with the *enforcement order* or the *undertaking* (as the case may be).

4. COMPLIANCE WITH CODES OTHER REQUIREMENTS

- 4.1 The *Licensee* must comply with the Access Arrangement, all applicable provisions of the *Customer Service Code* and the *Licensee's Distribution System Code*, and with all guidelines applicable to the Licensee and published by the Office under Section 12 of the *Office of the Regulator-General Act 1994*.
- 4.2 Subject to any limitations on the *Licensee's* ability to do so under the Access Arrangement or a code referred to in clause 4.1, if the *Licensee* becomes aware of a material breach by the Licensee of the Access Arrangement, such as a code or such a guideline, the *Licensee* must notify the *Office* of the material breach in accordance with any guidelines issued by the *Office* or, in the absence of such guidelines, as soon as practicable.
- 4.3 Without limitation to its powers, the *Office* may, on application of the *Licensee*, exercise its powers under the Act to amend the provisions of a code referred to in clause 4.1 for the purpose of its application under this licence or for the purpose of its application under this licence and otherwise than under this licence, as if a specified provision or provisions were omitted or were modified or varied in a specified manner and, when such an amendment is made, the relevant code applies accordingly.
- 4.4 An application by the *Licensee* under clause 4.3 must set out a draft of the amendment the *Licensee* seeks.
- 4.5 If:

- (a) the *Office* has received an application from the *Licensee* under clause 4.3; and
- (b) at the end of 20 *business days* after the day on which the Office received the application the *Office* has not:
 - (1) exercised its powers to make the amendment or amendments sought by the *Licensee*; or
 - (2) advised the *Licensee* that it will not so exercise those powers,

then the *Office* will be deemed to have so exercised those powers so that the amendments sought shall apply (under this licence only) as from the commencement of the twenty-first *business day* after the day on which the *Office* received the application.

- 4.6 The *Licensee* must give each *User* at least 5 *business days* notice of any planned maintenance testing or repair which will require interruptions to the delivery of gas at one or more *distribution supply points* of the *User* or the *customers* of the *User*.
- 4.7 The *Licensee* must use reasonable endeavours promptly to notify *Users* and *customers* of *Users* of any unplanned interruptions to the delivery of gas at one or more *distribution supply points* of the *Users* or the *customers* of the *Users*.

5. AMENDMENT OF DISTRIBUTION SYSTEM CODE

- 5.1 Each of the *Licensee* and the *Office* may amend the *Licensee's Distribution System Code* in accordance with this clause 5.
- 5.2 An amendment to which the *Victorian Gas Distribution Code Change Procedures* do not apply does not take effect unless and until:
 - (a) where the amendment has been initiated by the *Licensee*, the *Office* has, after taking into account the *policy objectives*, approved the amendment by giving written notice to that effect to the *Licensee*; or
 - (b) where the amendment has been initiated by the *Office*, the *Licensee* has been given an opportunity which is adequate in the opinion of the *Office* or accords with guidelines issued by the *Office* to make representations to the *Office* concerning the amendment.
- 5.3 An amendment to which *Victorian Gas Distribution Code Change Procedures* do apply takes effect on the date of its effect specified in the document which details that amendment and to which the *Office's* common seal has been applied in accordance with those procedures.

6. AUGMENTATION

- 6.1 Subject to clause 6.2 and 6.3, if the *Licensee* proposes to *augment* its *distribution system* in connection with an offer to provide a *Service* pursuant to its *Access Arrangement*, being a *Service* that is not a *Reference Service* to which a *Reference Tariff* applies, the *Licensee* must, before making the offer (or, where the proposal is not in connection with an offer, before performing any *augmentation* works), call for offers to perform the *augmentation* works from at least two other persons who compete in performing works of that kind (or who are capable of so competing) and must comply with any guidelines published by the *Office* under the *Office of the Regulator-General Act 1994* in relation to this tendering process.

- 6.2 The *Licensee* need not comply with clause 6.1, where the proposed *augmentation* is in connection with an offer to provide a *Service* being a *Service* that is not a *Reference Service* to which a *Reference Tariff* applied, if:
- (a) the *Licensee* and the person to whom the *Service* is to be provided agreed that the *Licensee* need not comply;
 - (b) a copy of the agreement made under paragraph (a) is given to the *Office* together with such other information about the proposed *augmentation* as the *Office* may reasonably require; and
 - (c) within 20 *business days* after the agreement made under paragraph (a) is given to the *Office*, the *Office*:
 - (1) gives the *Licensee* notice that the *Office* approves the agreement; or
 - (2) does not do so and does not notify the *Licensee* that the *Office* requires further time to consider whether or not to approve the agreement.

- 6.3 The *Licensee* need not comply with clause 6.1 where:
- (a) the *Office*, having notified the *Licensee* that the *Office* requires further time to consider whether or not to approve the agreement, at any time gives the *Licensee* notice that the *Office* approves the agreement; or
 - (b) the *Office* is satisfied that the costs likely to be incurred in a tendering process under clause 6.1 are likely to outweigh the benefits of the process, and notifies the *Licensee* accordingly.

7. STATEMENT OF CHARGES

On request from a *retailer* which sells gas to a *customer*, the *Licensee* must provide the *retailer* such information as the *retailer* reasonably requires to enable the *retailer* to comply with a legal or regulatory requirement to include, in statements the *retailer* issues to the *customer* requiring payment in respect of the gas sold, the total of amounts charged by the *distributor* in respect of that *customer*.

8. STANDARDS AND PROCEDURES

- 8.1 At the written request of the *Office*, the *Licensee* must participate to the extent specified by the *Office* in the development, issue and review of any *standards and procedures* specified by the *Office*.
- 8.2 The *Licensee* must in accordance with guidelines published by the *Office* under the *Office of the Regulator-General Act 1994*, or as directed by the *Office*, report to the *Office* on its performance against applicable *standards and procedures*.
- 8.3 If the *Office* considers that:
- (a) the *Licensee* has failed to comply with clause 8.1; or
 - (b) *standards or procedures* have been shown to be insufficient to prevent abuses by the *Licensee* or any monopoly power it enjoys,
- the *Office* may issue *standards and procedures* applicable to the *Licensee* and with which the *Licensee* must comply.

- 8.4 The *Licensee* must ensure that *standards and procedures* issued by it contain provisions approved by the Office relating to *distribution system* standards and indicators from time to time specified by the Office.

9. SEPARATE ACCOUNTS

The *Licensee* must establish and maintain:

- (a) a separate set of accounts in respect of the *Services* provided by each *Covered Pipeline* in respect of which the *Licensee* is a *Service Provider*; and
- (b) a separate consolidated set of accounts in respect of the entire business of the *Service Provider*.

to the extent required, and in accordance with guidelines set, by the *Office*.

10. DUTIES ON CONTESTABILITY

The *Licensee* must comply with any guidelines issued by, and other requirements of, the *Office* in connection with the transition of *customers* to contestability, including without limitation, guidelines and requirements in connection with notifying *customers* of the timing of, and their rights following, such transition.

11. DISPUTE RESOLUTION

- 11.1 The *Licensee* must submit to the *Office* for its approval, and if approved implement, a scheme for the fair, reasonable and effective investigation and resolution of disputes between it and:

- (a) a *customer* about the *Licensee's* services, billing and charging; and
- (b) aggrieved persons about the manner in which the *Licensee* conducts its business under this licence generally.

- 11.2 Unless it has been notified by the *Office* that it need not comply with this clause 11.2, the *Licensee* must comply with clause 11.1 by submitting to the *Office* for its approval an ombudsman scheme and implementing any such scheme that the *Office* has approved.

- 11.3 An ombudsman scheme that is implemented by the *Licensee* to comply with clause 11.2 must contain and comply with terms and conditions that:

- (a) bind the *Licensee* to participate in the scheme and comply with its rules (as amended from time to time) from the date on which it is approved by the *Office*;
- (b) provide the *Licensee's customers* and aggrieved persons with ready and equal access to the scheme;
- (c) subject to (d), present no cost barriers to *customers*;
- (d) do not permit fees to be charged to, or costs to be awarded against, residential and small business *customers*;
- (e) provide that the scheme be governed by a board consisting of an independent chairperson and equal numbers of *customer* representatives appointed by the *Office* and representatives appointed by the members of the scheme;
- (f) in accordance with a process approved by the *Office*, provide for those members of the scheme and *customer* representatives that are members of the board to appoint the chairperson after consultation with the *Office*;

- (g) provide for the board to appoint the ombudsman;
- (h) require the board to inform the *Office* of any proposed amendments of the scheme;
- (i) confer on the ombudsman the power to make rulings with which the *Licensee* is required to comply;
- (j) provide that, if the scheme prevents a ruling of the ombudsman from exceeding in value a maximum amount, that amount must be no less than \$20,000 in respect of a complaint from an individual customer;
- (k) confer on the ombudsman the power to impose sanctions on the *Licensee* for a breach of a ruling;
- (l) require the ombudsman to follow fair and efficient procedures, and make decisions that are fair and reasonable having regard to the law, the licences, industry codes, deemed contracts, and good industry practice;
- (m) enable the *Office* to refer complaints in relation to the conduct of the participating *Licensee's* business conducted under this licence to the ombudsman;
- (n) require the *Licensee* to bear a fair proportion of the cost of the development, establishment and operation of the ombudsman scheme;
- (o) enable a question as to the fairness of the proportion of the costs which must be borne by a *Licensee* to be decided by the *Office* on the basis of the *Office's* opinion of the fairness of the proportion;
- (p) require the ombudsman to report to the *Office* as and when required by the *Office* on the operation of the scheme in relation to the industry of which the *Licensee* is part;
- (q) require the ombudsman to publish its decisions and annual reports on the operation of the scheme and the performance of each member of the scheme in relation to the industry of which the *Licensee* is part;
- (r) require the board to conduct periodic and comprehensive reviews of the performance of the scheme in consultation with members, customer representatives, the *Office* and other interested parties; and
- (s) provide for the *Licensee* to withdraw from the scheme subject to:
 - (i) the *Office* notifying the *Licensee* that it need not comply with clause 11.2;
 - (ii) the *Licensee* providing to the *Office* 12 months' notice in writing of the *Licensee's* intention to withdraw; and
 - (iii) the *Licensee* satisfying the *Office* that the *Licensee* complies with clause 11.1.

12. PROVISION OF INFORMATION TO THE OFFICE

The *Licensee* must provide to the *Office*, in a manner and form and at a time decided by the *Office* and notified to the *Licensee*, such information as the *Office* may from time to time require. In addition (but without limitation) the *Licensee* must, promptly after being directed (pursuant to the *Access Code*) to do so by the *Office*, place on the Public Register (within the meaning of the *Access Code*) information specified in the relevant direction either concerning *Reference Tariffs* or information which constitutes, under the

Access Code, access arrangement information with respect to the *Access Arrangement*, or concerning the derivation of the elements of such tariffs, such information or the *Access Arrangement*.

13. PAYMENT OF LICENCE FEES

13.1 The *Licensee* must pay as directed by the *Office* a licence fee determined in accordance with section 48F(5) of the *Act*.

13.2 If the fee is an annual fee, it must be paid:

- (a) in four equal instalments due on the last days of September, December, March and June of each year; or
- (b) in full on or before the last day of September of each year.

13.3 The *Licensee* must pay as directed by the *Office* such other fees and charges in respect of this licence as are determined by the *Minister* in accordance with section 48F(5) of the *Act*.

14. COMPLIANCE WITH LAWS

The *Licensee* must comply with all applicable laws including, but not limited to, the Gas Pipelines Access (Victoria) Law.

15. VARIATION

This licence may be varied in accordance with the procedures specified in section 48H of the *Act*.

16. OPERATIONAL AND COMPLIANCE AUDITS

16.1 The *Licensee* must undertake operational and compliance audits of:

- (a) its compliance with obligations under this licence, the *Licensee's Distribution System Code* and the *Customer Service Code*; and
- (b) its compliance with policies, practices, procedures and systems for collection, analysis and reporting of data on the performance and the capacity of the gas distribution system.

16.2 The operational and compliance audits must be conducted annually by an independent expert or audit team nominated by the *Licensee* and approved by the *Office*.

16.3 The scope of the operational and compliance audits are to be approved by the *Office* and must meet any minimum audits scope required by the *Office*, but need not cover obligations, policies, practices, procedures or systems of the *Licensee* where compliance is audited under a separate regulatory requirement.

16.4 The *Licensee* must provide the results of the audit to the *Office* in accordance with any guidelines published by the *Office* under the *Office of the Regulator-General Act 1994*.

16.5 The terms and conditions of the operational and compliance audit contract which relate to the scope of the audits must be approved by the *Office*.

17. COMMUNICATIONS

17.1 A *communication* must be in *writing* in the English language.

- 17.2 A **communication** is to be regarded as having been given by the sender and received by the addressee:
- (a) when delivered in person to the addressee;
 - (b) 3 **business days** after the date of posting, if the **communication** is posted within Australia;
 - (c) 7 **business days** after the date of posting, if the **communication** is posted outside Australia; or
 - (d) when, according to the sender's transmission report, received by facsimile transmission by the addressee.

THE COMMON SEAL of THE ESSENTIAL)
SERVICES COMMISSION was affixed)
pursuant to the authority of the)
Commission on 7 April 2017)



DR RON BEN-DAVID
Chairperson



SCHEDULE 1: DEFINITIONS AND INTERPRETATION

1. DEFINITIONS

In this licence:

“*Access Arrangement*” means, at any time, an access arrangement:

- (a) then in force under that part of the Gas Pipelines Access (Victoria) Law as comprises a national third party access code for natural gas pipeline systems; and
- (b) which applies to the distribution pipeline (or any distribution pipelines) by means of which the Licensee is then authorised to provide services under this licence,

and, if there is more than one such access arrangement, it includes each such access arrangement.

“*Access Code*” means, at any time, that part of the Gas Pipelines Access (Victoria) Law as comprises the national third party access code for natural gas pipeline systems, in its form at that time. For the purpose of determining, however, the provisions to which the Access Arrangement is subject, that code shall be deemed to incorporate the sections of the “old Access Code” referred to in section 24A(3) of the Gas Pipelines Access (Victoria) Act (and be deemed not to include the corresponding provisions of the “new Access Code”), insofar as and for so long as the Access Arrangement is, pursuant to section 24A(3), subject to those sections of the “old Access Code”;

“*Act*” means the *Gas Industry Act 1994*;

“*augmentation*” means the *expansion* or *extension* of a *distribution pipeline* to provide a Service or Services which is a Service or includes a Service which is not a Reference Service to which a Reference Tariff applies;

“*business day*” means a day on which banks are open for general banking business in Melbourne, excluding a Saturday or Sunday;

“*Commission*” means the Essential Services Commission established under the *Essential Services Commission Act 2001*;

“*communication*” means a notice, agreement, consent, direction, representation, advice, statement or other communication required or given pursuant to or in connection with this licence;

“*Covered Pipeline*” has the meaning ascribed to that term in the *Access Code*;

“*customer*” means a person, other than a *retailer*, who buys or wishes to buy gas directly from a *retailer*.

“*Customer Service Code*” means, at any time, the code identified as the Customer Service Code in the *retail licence* of the *retailer* who is licensed to sell gas by retail to *customers* whose supply points (within the meaning of the *Act*) are or may be located within an area that is the same as or forms part of the *distribution area*, or of which *any of the distribution area* is part, as that code may have been amended or replaced prior to the relevant time. Where there are several such *retailers*, it means the code so identified in each relevant *retail licence*. In the event of inconsistency between the provisions of those codes, the provision which is more onerous from the *Licensee’s* perspective shall prevail;

“*distribute*”, in relation to gas, means to distribute gas using a *distribution system*;

“distribution area” means the area described in schedule 2;

“distribution pipeline” has the meaning ascribed to that term in the *Act*;

“distribution services” has the meaning ascribed to that term in the *Licensee’s Distribution System Code*;

“distribution supply point” has the meaning ascribed to that term in the *Licensee’s Distribution System Code*;

“distribution system” means in relation to a *distributor* a system of gas distribution pipelines (generally at pressure levels of 1050 kPa or below) which that *distributor* uses to *distribute* gas for *supply* to *customers*;

“distributor” has the same meaning as “gas distribution company” under the *Act*;

“enforcement order” means a provisional or final order made and served by the *Office* under section 35 of the *Office of the Regulator-General Act 1994*;

“expansion” means the process of upgrading the capacity or service potential of a distribution pipeline by:

- (a) replacing or enhancing existing plant or equipment; or
- (b) adding new plant or equipment.

“extension” means extending a *pipeline* to enlarge the area to which gas may be, or is, supplied, including (for the avoidance of doubt) extensions which connect together pre-existing *pipeline* systems;

“Licensee” means Australian Gas Networks Limited ACN 078 551 685;

“Licensee’s Distribution System Code” means a code in the form of the code that constitutes at the date this licence takes effect the Licensee’s distribution system code for the purposes of the licence held on that date by Australian Gas Networks (Vic) Pty Ltd (the “standard code”), but:

- (a) as if prior to that date that code had been amended:
 - (i) by the derogation’s outlined in Schedule 3 of this licence; and
 - (ii) so that the *Licensee* were specified in it as the distributor to which that code applied; and
- (b) As at any particular time after the date this licence takes effect, as the *Licensee’s Distribution System Code* (in its form as at the date this licence took effect) may have been amended or replaced prior to the relevant time by agreement of the *Office* and *Licensee*, under clause 5 of this licence or otherwise by the Office in exercise of powers vested in it. In this regard, any amendment or replacement of the standard code for application under the licence to which it applies and for application otherwise than under that licence shall (subject to clause 5) effect a corresponding amendment or replacement of the *Licensee’s Distribution System Code*;

“Office” means the *Office of the Regulator-General* under the *Office of the Regulator-General Act 1994*;

“Minister” means the Treasurer;

“policy objectives” means the objectives specified in section 8B of the *Act* and section 7 of the *Office of the Regulator-General Act 1994*;

“Reference Service” has the meaning ascribed to that term in that part of the Gas Pipelines Access (Victoria) Law as comprises a national third party access code for natural gas pipeline systems;

“Reference Tariff” has the meaning ascribed to that term in that part of the Gas Pipelines Access (Victoria) Law as comprises a national third party access code for natural gas pipeline systems;

“retailer” means a holder of a *retail licence* or a person who has been exempted from the requirement to a *retail licence* under section 48C of the *Act*,

“retail licence” means a licence to sell gas granted under section 48E of the *Act*;

“Service” has the meaning ascribed to that term in, and for the purposes of Section 1 of the *Access Code*;

“Service Provider” has the meaning ascribed to that term in the *Access Code*;

“standards and procedures” means:

- (a) customer-related standards;
- (b) overall performance standards;
- (c) complaint handling, escalation and resolution policies, practices and procedures;
- (d) security deposit, disconnection and credit policies, practices and procedures; and
- (e) rules and procedures for compensating *customers* for the *Licensee's* failure to comply with any such standards, policies, practices and procedures,

which are issued by the *Licensee* under clause 8.1 or by the *Office* under clause 8.3;

“supply”, in relation to gas, means the delivery of gas;

“undertaking” means an undertaking given by the *Licensee* under section 35(5)(a) of the Office of the Regulator-General Act 1994;

“User” has the meaning ascribed to that term in the *Licensee's Distribution System Code*;

“VENCorp” means Victorian Energy Networks Corporation established under the *Act*;

“Victorian Gas Distribution Code Change Procedures” means, at any time, procedures specified by the Office under Section 48F(7) of the Act and applicable at that time and being, at the date this licence takes effect, the procedures outlined in the document entitled “Victorian Gas Distribution System Code Change Procedures” to which the Office's common seal was applied on 8 June, 1999;

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

2. INTERPRETATION

In this licence, unless the context otherwise requires:

- (a) headings are 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 any thing includes a part of that thing;
- (f) a reference to a condition, clause, schedule or part is to a condition, clause, schedule or part of this licence;
- (g) 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;
- (h) 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;
- (i) a reference to a person includes that person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;
- (j) when italicised, other parts of speech and grammatical forms of a word or phrase defined in this licence has a corresponding meaning;
- (k) 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; and
- (l) 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*.

SCHEDULE 2: DISTRIBUTION AREA**Postcodes**

The distribution area consists of the City of Mildura, the Townships of Irymple, Red Cliffs, Merbein and Karadoc (postcodes 3500, 3501, 3498, 3496 and 3505), and the areas contiguous to and in the vicinity of distribution pipelines constructed to serve these areas.

SCHEDULE 3: DERROGATION – LICENSEE’S DISTRIBUTION SYSTEM CODE

At the date this licence takes effect, the Licensee’s Distribution Code is the same as that applicable to Australian Gas Networks (Vic) Pty Ltd (“AGN (Vic)”), but as if the code applicable to AGN (Vic) had, prior to that date, been amended in the manner outlined below:

Clause 1.2(b): Omit “..., other than tariffs prescribed under the Tariff Order, ...”.

Clause 1.3: For the clause substitute:

- “(a) *The commencement date of this Distribution Code is the date on which the Distribution Licence takes effect.*
- (b) *This Distribution Code operates and has effect under the Distribution Licence, until the term of the Distribution Licence ends.*
- (c) *A requirement under this Distribution Code shall not apply insofar as (but only to the extent that) it is inconsistent with the Access Arrangement. Such a requirement will be inconsistent with the Access Arrangement if:*
- (i) *its observance would necessarily result in the Distributor contravening the Access Arrangement; or*
 - (ii) *The Distributor establishes to the satisfaction of ORG that the issue addressed by the requirement is also addressed by the express provisions of the Access Arrangement and that the way in which the issue is addressed in this Distribution Code is (relative to the way in which it is addressed in the Access Arrangement) materially more adverse to the interests of the Distributor.*

A requirement under this Distribution Code shall not otherwise be considered to be inconsistent with the Access Arrangement.

- (d) *Nothing in this Distribution Code extinguishes or limits any obligation of the Distributor, or any right of a User or Customer, under the Access Code.*
- (e) *Nothing in this Distribution Code extinguishes or limits any obligation of the Distributor under the Distribution Licence.”*

Clause 2.1(b): For all words after “within its power” substitute “except as otherwise agreed between the Distributor and the User”.

Clause 3.2(a): For the clause substitute:

“The Distributor must connect its distribution system a prospective Customer’s natural gas installation located within premises the boundary of which is located not more than 15 metres from a main that comprises part of the distribution system”.

Clause 3.2(b): Delete.

Clause 4.1(a): Delete:

- (a) the words “or Contract Franchise Customers”; and
- (b) the words “or the applicable contract with the Customers”.

Clause 5.1: Delete paragraphs (b) and (c).

Clause 6.1(c):

- (a) in paragraph (1) delete “or not required by VENCORP for market purposes”;
- (b) in paragraph (5) insert after “market rules” the words “(but as if the second and third sentences of the Part 3 of that schedule were omitted)”;
- (c) (c) delete paragraph (8).

Clause 6.1(d): Delete.

Clause 6.1(e): In paragraph (I) delete “or where required by VENCORP for market purposes”.

Clause 6.2: Delete “and Market Settlement purposes”.

Clause 7.2(a): In paragraph (1) insert after “Market Rules” the words “(but as if the second and third sentences of Part 3 of that schedule were omitted)”.

Clause 10.1: Substitute :

“Without limitation to Clause 1.3 of this Distribution Code, the Distributor:

- (a) *will not seek to disconnect a Customer otherwise than under its contract with the Customer or in an emergency;*
- (b) *will not seek to take custody and control of gas injected into the Distribution System at a transfer point by a user after that transfer point;*
- (c) *will not seek to avoid the risk of loss of unaccounted for gas in excess of the benchmark quantity set out in Schedule 1, Part C;*
- (d) *will ensure that the change in custody and control of gas withdrawn from the distribution system at a distribution supply point occurs at the distribution supply point;*
- (e) *will deliver gas to a Customer at a distribution supply point free of any lien, charge, encumbrance or adverse claim (as to title or otherwise) arising on gas in the distribution system;*
- (f) *ensure that each Retailer is given access to metering data in respect of Customers to whom the Retailer sells gas;*
- (g) *ensure that each Customer is given access to metering data in respect of the Customer’s own consumption of gas;*
- (h) *ensure that VENCORP is given access to metering data in respect of Customers who transfer from one Retailer to another; and*
- (i) *ensure that each User is allowed (at its own cost) to provide additional or enhanced meters or similar equipment at or near a distribution supply point in addition to the metering installation provided by the Responsible Person at that distribution supply point for the purposes of checking or enhancing the metering data obtained from that metering installation (provided that such equipment does not interfere with the metering installation already installed by the Responsible Person)”.*

Clause 10.4(a) Delete the words “and the Market Rules”.

Clause 13.1:

- (a) at the beginning of the clause insert “This clause 13 applies to ...”; and
- (b) delete all words after paragraph (g) of the clause.

(c) **Clause 13.2:** At the beginning of the clause insert:

“The Distributor must develop and implement a scheme for the investigation and resolution of disputes of the type set out in Clause 13.1 (“Dispute”) consistent with this Clause 13.2. In particular, in order for such a scheme to be consistent with this Clause 13.2:

- (a) *if the parties to a dispute fail to reach agreement, it would provide for the dispute to be referred to the respective chief executive officers of the parties, whose unanimous decision would then bind the parties;*
- (b) *if those chief executive officers did not arrive at a unanimous decision within 10 days of the reference to them (the “resolution period”), it would allow either party to the dispute to seek to have it submitted to an Independent Expert whose determination on the matter would be final and binding;*
- (c) *it would provide that any hearing conducted by the Independent Expert would be one conducted in accordance with the rules for the conduct of commercial arbitration of the Institute of Arbitration, Australia, with the parties being entitled to legal representation at that hearing;*
- (d) *it would provide that no party was entitled to commence legal proceedings in respect of a dispute unless either the Independent Expert had made a determination with respect to the dispute or had failed to make such a determination within a period of one month of the dispute being submitted to the Independent Expert;*
- (e) *it would provide that no party was entitled to oppose an application for a stay of legal proceedings in respect of a dispute pending the making of a determination by the Independent Expert, unless that one month period had expired”.*

Clause 13.2: Delete.

Clause 13.3: Delete.

Clause 13.4: Delete.

Clause 14.1: Delete.

Clause 15.1, “Access Arrangement”: Insert at the end of the definition “..., being a pipeline constructed (or to be constructed) in and around Mildura and certain other places”.

Clause 15.1, “Contract Franchise Customer”: Delete the definition.

Clause 15.1, “Customer Service Code”: Delete all the words after “franchise customer”.

Clause 15.1, “Distribution Licence”:

- (a) after “provide” delete “distribution”; and
- (b) after “pipeline” insert “which comprises or forms part of the Distribution System”.

Clause 15.1, “Distribution Services”: For the definition substitute “... services provided by means of the distribution system (“core services”) and services provided by the Distributor as a result of provision of a core service, and includes Reference Services under the Access Arrangement”.

Clause 15.1, “Distribution Tariff D”: Delete the definition.

Clause 15.1m “Distribution Tariff V”: Delete the definition.

Clause 15.1, “Distributor”: For the definition substitute “Australian Gas Networks Limited ACN 078 551 685”.

Clause 15.1, “Emergency”: For the definition, substitute :

“means an event or circumstance:

- (a) *which the Governor in Council declares by proclamation to be an emergency under Part 6A of the GIA;*
- (b) *which it would be reasonable to believe constitutes a situation which may:*
 - (i) *threaten the personal safety of any person;*
 - (ii) *cause material damage to the transmission system;*
 - (iii) *cause material damage to the distribution system and thereby impact on the operation of the transmission system; or*
 - (iv) *cause material damage to any property, plant or equipment; or*
- (c) *which constitutes a level two to level four emergency (as set out in the emergency command organisation arrangements adopted by the distributor).*

Clause 13.1, “Force Majeure”: For paragraph (b) of the definition substitute:

“an event consisting of, or analogous to:

- (i) *the issue by the OGS of a direction under Section 106 or 107 of the Gas Safety Act 1997; or*
- (iii) *an act of nature, governmental intervention or act of war, neither anticipated nor controllable by the Distributor; and”*

Clause 15.1, “Independent Export”: For all words prior to “not mutually consent” substitute “In relation to a dispute, any person chose with the consent of all parties to the dispute, or if the parties do ...”.

Clause 15.1, “Market Participant”: Delete the definition.

Clause 15.1, “Regulatory Instrument”: Delete all words prior to “includes”.

Clause 15.1, “Tariff Order”: Delete the definition.

Clause 15.1, “Tariff D Customer”: Delete the definition.

Clause 15.1, “Tariff V Customer”: Delete the definition.

Clause 15.1, “Transmission System”: Delete the words “operation by VENCORP principally in Victoria”.

Clause 15.1, “User”: Delete the words “Market Participant”.

Schedule 1, Part C: Insert in substitution:

“The benchmark quantity of unaccounted for gas for the rates of flow which the distributor must use its reasonable endeavours to ensure in its distribution system in a financial year are:

Rate of Flow	Quantity of Unaccounted for Gas
< 250,000 GJ/pa	2.9% *
> or =250,000 GJ/pa	0.3% *

* Interim target numbers to 1 January 2001. Thereafter as specified by ORG in consultation with the Distributor.

Schedule 1, Part D: Delete the Part.

Schedule 3, Paragraph (1): Delete the words “other than a Contract Franchise Customer”.

SCHEDULE 4: VARIATIONS

This licence, which was originally issued on 28 October 1999, has been varied by the following:

The <i>Office</i>	17 April 2001	(To establish the Energy and Water Ombudsman)
The <i>Commission</i>	5 April 2017	(To amend the Licensee's name from 'Envestra Limited' to 'Australian Gas Networks Limited' and to amend Schedule 2 to incorporate postcode 3501)