GAS DISTRIBUTION SYSTEM CODE

(Version 12.0 effective from 1 January 2018)

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1. **INTRODUCTION**

1.1 **To whom does the Distribution System Code apply?**

The *Distribution System Code* applies to each *Distributor* as the holder of a *Distribution Licence* and as operator of a *distribution system*.

1.2 **What is the purpose of the Distribution System Code?**

The purpose of the *Distribution System Code* is to set out the minimum standards for the operation and use of the *distribution system* including requirements for:

(a) the operation of the *distribution system*;

(b) *connection* and *augmentation*;

(c) disconnection and reconnection;

(d) provision of *metering installations*;

(e) *metering installation* testing;

(f) *meter* reading and data;

(g) curtailment;

(h) customer dispute resolution; and

(i) deemed distribution contract requirements.

1.3 **Commencement and operation**

(a) The commencement date of the revisions in Version 12.0 of the *Distribution System Code* is 1 January 2018.

(b) The *Distribution System Code* operates and has effect under a *Distributor’s Distribution Licence*.
1.4 Variation by written agreement

(a) A Distributor or a Large Customer may seek a written agreement with the other party to expressly vary their respective rights and obligations under the Distribution System Code.

(b) If such an agreement is sought, the Large Customer and the Distributor must negotiate in good faith.

(c) When such an agreement is entered into, the Distribution System Code is deemed to apply to:

(i) that Distributor in relation to that Large Customer; and

(ii) that Large Customer in relation to that Distributor,

as varied by the agreement.

1.5 What do italicised words mean?

Words and phrases in the Distribution System Code which appear in italics are defined in the glossary at clause 13.1.

1.6 How is this Code to be interpreted?

The Distribution System Code must be interpreted according to the principles of interpretation set out at clause 13.2.

2. OPERATION OF DISTRIBUTION SYSTEM

2.1 Distributor obligations

In operating the distribution system, a Distributor must:

(a) establish operational and system security standards for its distribution system and for all connections and proposed connections to its distribution system;

(b) maintain the delivery pressure of gas from the distribution system to ensure the minimum supply pressure is maintained at the outlet of the meter as set out in Schedule 1, Part A to the Distribution System Code to the extent to which it is within its power;
subject to the Distribution System Code, deliver gas received from a User at a transfer point through its distribution system to distribution supply points nominated by the User on terms and conditions set out in an Access Arrangement, or otherwise on fair and reasonable terms and conditions;

install and maintain metering installations and perform meter readings at basic metering installations (at least annually) and manage metering data in accordance with the metering provisions in clauses 5 to 8 of the Distribution System Code;

except where the Distributor is prevented from so doing by force majeure, ensure that gas which meets the prescribed standards of quality when delivered into the distribution system at a transfer point also meets the prescribed standards of quality (including odorisation) when it is delivered to a customer at a distribution supply point; and,

on request by a customer, provide (at no charge other than the cost of printing and postage for item 2.1(f)(i)):

(i) a copy of the Distribution System Code or other regulatory documents relevant to the customer’s request;

(ii) details as to the Distributor’s requirements in relation to:

A. the protection of the Distributor’s equipment; and

B. non-interference by the customer with the Distributor’s distribution system or with the supply to any other gas installation;

(iii) an explanation for any non-compliance with clauses 2.1(b) and 2.1d, within 10 business days of the request.

2.2 Guaranteed Service Levels

(a) A distributor shall use reasonable endeavours to, at a minimum, meet the Guaranteed Service Levels for tariff V customers;

(b) Where a distributor does not meet a Guaranteed Service Level in relation to a particular tariff V customer, the distributor shall ensure that tariff V customer is paid the applicable GSL payment as soon as practicable.
2.3 Maintenance

A Distributor must:

(a) use reasonable endeavours to maintain the capability of its distribution system;

(b) establish a firm maintenance program for its distribution system for the following year at least 3 months prior to the commencement of that year; and

(c) establish an indicative maintenance program for its distribution system for each of the following five years following the current firm maintenance program.

2.4 Unaccounted for gas

(a) A Distributor must use reasonable endeavours to ensure that the quantity of unaccounted for gas in its distribution system for any year as a percentage of the aggregate quantity of gas received by the Distributor at transfer points into its distribution system in that year is less than the unaccounted for gas benchmark set out against its name in Schedule 1, Part C to the Distribution System Code.

(b) With respect to clause 2.4(a), a Distributor must give written notice to AEMO of the volume of gas withdrawn by the Distributor for a customer for each calendar year. The Distributor must give the written notice to AEMO within 16 months after the end of the calendar year in which the gas was withdrawn.

(c) Where the percentage volume of unaccounted for gas in a year is different to the unaccounted for gas benchmark a Reconciliation Amount is payable.

(d) If the Reconciliation Amount is negative, the Distributor must pay the Reconciliation Amount to the respective Retailer.

(e) If the Reconciliation Amount is positive the Retailer must pay the Reconciliation Amount to the respective Distributor.

3. CONNECTIONS AND AUGMENTATION

3.1 Connection Entitlements

(a) Subject to clauses 3.1(b) and 3.1(c), upon the request of a customer, a Distributor must connect to its distribution system that customer’s gas installation, provided that:
(i) the *gas installation* at the supply address complies with *regulatory requirements*;

(ii) the *customer*:

   A. has a contract with the *Distributor* for the haulage of *gas*; or

   B. has a contract for the purchase of *gas* with a *Retailer* which has a contract with the Distributor for the haulage of *gas*; and

(iii) in respect of a new *connection* the *customer* provides to the *Distributor* upon request a notice of installation, or completion, of *gas installation* work from a *gas installer*.

(b) A *Distributor* must use its best endeavours to connect a *customer’s gas installation*:

   (i) at a supply address previously supplied by the *Distributor* within one *business day* or within a period agreed with the *customer*; or

   (ii) at a new supply address on the date agreed with the *customer* or, where no date is agreed, within 20 *business days*.

(c) A *Distributor* must connect the *gas installation* of a *customer* that resides within the minor or infill extension area on fair and reasonable terms and conditions.

(d) Upon being requested by a *customer* to do so, a *Distributor* must modify the *connection* of the *customer’s gas installation* to its *distribution system* within a reasonable time and on fair and reasonable terms and conditions.

(e) A *Distributor* must within 10 *business days* of a request by or on behalf of a *customer*, provide the *customer*, the *customer’s agent* or the *customer’s gas installer* with information as to the *Distributor’s requirements* for any proposed new *gas installation* or proposed changes to an existing *gas installation*, including advice about supply extensions. The information must be provided free of charge and in writing if so requested.

(f) In this clause 3.1, the phrase:

   (i) minor or infill extension area means an area which is up to 1 kilometre radially from the nearest part of the *distribution system main*; and
(ii) fair and reasonable terms and conditions means:

A. terms and conditions agreed between a Distributor and a customer, provided that the customer has received prior written notice of the terms and conditions, and has also been provided with a written copy of this clause 3.1;

B. principles or terms and conditions proposed by the Distributor and approved by the Commission; or

C. terms and conditions consistent with the Guidelines set out in Schedule 2 of the Distribution System Code

Note: Clause 4 of the Gas Distribution Licence made pursuant to section 29(c) of the Gas Industry Act requires compliance with the Gas Distribution System Code. Pursuant to section 31(1) of the Gas Industry Act, if a licence is subject to a condition of a kind referred to in section 29(c) of the Gas Industry Act, the Commission may:

(a) in accordance with procedures specified by the Commission, amend specified industry codes, standards, rules or guidelines, or a document referred to in any of them, for the purposes of their application under the licence; and

(b) resolve, or seek to resolve, disputes between the licensee and any other person relating to the specified industry codes, standards, rules or guidelines, or a document referred to in any of them, as they apply under the licence.

3.2 Augmentation

(a) Subject to clause 3.2(b), if a Distributor proposes to recover the costs of augmentation from another person, the Distributor must:

(i) request offers to perform the augmentation works from at least two persons, other than the Distributor, who compete in performing works of that kind (or who are capable of so performing works of that kind); and

(ii) comply with any guidelines published by the Commission in relation to the request for offers.

(b) A Distributor is not obliged to comply with clause 3.2(a) where:
(i) each person from whom the Distributor proposes to recover the costs of augmentation has been provided with a copy of this clause 3 and has subsequently agreed in writing that the Distributor need not comply;

(ii) expressly provided for in the Commission’s guidelines referred to in clause 3.2(a)(ii); or

(iii) the Commission has otherwise consented in writing. Such consent may be given subject to conditions.

4. DISCONNECTION AND RECONNECTION

4.1 Disconnection

(a) A Distributor may disconnect a customer from the distribution system:

(i) subject to clause 4.1(b), at the direction in writing of a Retailer;

(ii) where the customer requests the Distributor to disconnect the customer;

(iii) where the Distributor is directed to do so by the Director of Gas Safety under the Gas Safety Act 1997;

(iv) if a customer is obtaining or has obtained supply of gas at a supply address otherwise than in accordance with the Distribution System Code or any regulatory requirement; or

(v) as set out in clause 9.

(b) Where a Retailer directs a Distributor to disconnect a customer pursuant to clause 4.1(a)(i), the Distributor must not disconnect the customer unless the Retailer certifies in writing that it is entitled to disconnect the customer under the Energy Retail Code or the applicable contract with the customer.

(c) A Distributor may before making a disconnection directed by a Retailer in accordance with clause 4.1(a)(i) require the Retailer, in consideration of the Distributor disconnecting the customer, to indemnify and keep indemnified the Distributor from and against any loss, liability, damage, claim, action, proceeding, cost and expense suffered or incurred by or made or brought against the Distributor in consequence of the disconnection of the customer from the distribution system.
4.2 Reconnection

(a) Subject to clause 4.2(c), a Distributor must reconnect a disconnected customer who satisfies the requirements for connection to its distribution system on payment of any applicable reconnection charge.

(b) Any reconnection under clause 4.2(a) must be completed within sufficient time for a Retailer to meet its contractual obligations to the customer as set out in the Energy Retail Code.

(c) A Distributor is not obliged to reconnect a disconnected customer where the circumstances giving rise to the disconnection in accordance with clause 4.1 continue to apply.

5. METERING PROVISIONS

5.1 Scope

(a) Clauses 5 to 8 set out the metering provisions of the Distribution System Code.

(b) The metering provisions of the Distribution System Code provide for:

(i) the obligation to provide metering installations;

(ii) the standards of metering installations;

(iii) the testing of metering installations; and

(iv) the recording and provision of metering data.

(c) The metering provisions of the Distribution System Code are to be read, unless the contrary intention appears, in conjunction and consistently, with:

(i) clause 4.4 of the Market Rules, which set out, amongst other things, the metering requirements in connection with the operation of the Market Rules;

(ii) applicable Retail Rules, which provide for, amongst other things, the collection, recording and storage of metering data in relation to the operation of the retail gas market.
6. **PROVISION OF METERING INSTALLATIONS**

6.1 **Provision of Metering Installations**

(a) Subject to clause 6.1(b), the Distributor must provide a *metering installation* at each *distribution supply point*.

(b) Subject to clause 6.1(c), the Distributor shall not be obliged to provide a metering installation at a distribution supply point where the reasonably anticipated cost of installing, testing and maintaining that metering installation incurred by the Distributor exceeds the revenue reasonably anticipated to be derived by the Distributor from the distribution of gas to that distribution supply point.

(c) The Distributor must provide a *metering installation* where required under the *Market Rules*.

(d) Where the Distributor does not provide a *metering installation*, the Distributor and the User shall agree on another basis to determine the amount of *gas* so supplied.

(e) A *metering installation*:

   (i) comprising an *interval meter*, must contain telemetry if required by the *Market Rules* or, in the case of a *non–declared transmission system*, the *Retail Rules*;

   (ii) must contain an index register that

      A. has a visible and accessible display of *metering data*; or

      B. allows the *metering data* to be accessed and read at the same time by portable computer or other equipment of a type or specification reasonably acceptable to all persons who are entitled to have access to that *metering data*.

(f) Subject to any applicable *Retail Rules*, *gas* is to be metered by quantity and converted to units of energy for billing purposes.

(g) A *User* may install a *meter* at or after the *distribution supply point*. 
(h) Notwithstanding clause 6.1(g), the *metering data* recorded by the *metering installation* installed by the *Distributor* will be the *metering data* for billing purposes and market settlement purposes.

6.2 **Type of Metering Installation**

(a) The *Distributor* shall provide an *interval metering installation* where:

(i) at any time, the consumption of *gas* at the *distribution supply point* has exceeded 10,000 gigajoules for any consecutive 12 month period; or

(ii) in respect of a new *distribution supply point*, the consumption of *gas* at the *distribution supply point* is likely to be more than 10,000 gigajoules for any consecutive 12 month period commencing during the immediately following 12 month period.

(b) A *Distributor* must not, from the date 6 months after the introduction of full retail contestability, replace an *interval metering installation* with a *basic metering installation* at a *distribution supply point* that became contestable on 1 September 2001.

(c) In all other cases not provided for in clauses 6.2(a) and 6.2(b), a Distributor shall provide as a minimum a *standard metering installation*.

6.3 **Costs of Metering Installations**

(a) Where a Distributor is required to provide a *standard metering installation* pursuant to clause 6.2(c), the *Distributor* will be responsible for the cost of providing and installing that *metering installation*.

(b) The *Distributor* is responsible for the cost of providing and installing an *interval metering installation* and associated equipment, where such equipment has not previously been provided, at *distribution supply points* in respect of which the consumption of gas between the period 1 January 2001 to 31 December 2001 was more than 10,000 gigajoules.

(c) If a *Distributor* is, pursuant to clause 6.2(a), required to install an *interval metering installation* then the *User* must bear any fair and reasonable costs incurred by the *Distributor* in installing that *interval metering installation* in excess of those costs that the
Distributor would have incurred in installing a standard meter and associated metering installation.

(d) Subject to clause 6.3(b), if the User requests a metering installation which is different from a standard metering installation then the User will be responsible for the costs that exceed the fair and reasonable costs that the Distributor would have incurred in providing and installing a standard metering installation.

6.4 Installation Database

(a) A Distributor must maintain an installation database in respect of each metering installation.

(b) The installation database must contain the following information:

(i) the Metering Installation Reference Number (MIRN);

(ii) the location of each installed meter, corrector and data logger;

(iii) for each meter, corrector and data logger that is installed, the name and address of the customer and the date of installation;

(iv) the next scheduled date for test or replacement of each meter and corrector;

(v) data on performance of each meter, corrector and data logger (where relevant);

(vi) calibration records of all devices used to measure the quantity of gas;

(vii) testing records of all devices used to measure the quantity of gas;

(viii) date and details of all seals and labels applied to meters and correctors;

(ix) the date of, and details of, the most recent maintenance of all devices used to measure the quantity of gas; and

(x) the next scheduled date for maintenance of all devices used to measure the quantity of gas.

(c) A Distributor must maintain the information contained in the installation database:
(i) in an accessible format for a minimum period of 16 months from the date of inclusion of the information in the database; and

(ii) in archive for 7 years from the date of inclusion of the information in the database, or for the life of the relevant meter, whichever is longer.

(d) The Distributor must provide, upon request in writing, access to an Affected Party to information in the installation database relevant to that person:

(i) within two business days, where the information is in an accessible form as required by clause 6.4(c)(i); and

(ii) otherwise within thirty business days,

from the date of receipt of the request.

6.5 Metering Installation Standards

(a) A Distributor must ensure that each of its metering installations:

(i) complies, and is calibrated to comply, with the error limits;

(ii) relating to transfer points on the transmission system complies, and is calibrated to comply, with the metering uncertainty limits and calibration requirements in Schedule 4.1 of the Market Rules;

(iii) containing pressure regulators are able to provide sufficient flow at the minimum regulator inlet pressure, and where a fixed pressure factor is applied, are able to reliably control the outlet pressure to meet the distribution system pressure requirements in Schedule 1, Part A to the Distribution System Code;

(iv) incorporating an interval meter contains telemetry as required by the Market Rules or, in the case of a non-declared transmission system, the applicable Retail Rules.

6.6 Security

(a) A Distributor must use reasonable endeavours to protect the metering installation from unauthorised interference or damage.
(b) A Distributor must in respect of new metering installations, provide seals or other appropriate devices to detect any interference.

(c) If a Distributor finds evidence that the accuracy of a metering installation has been affected by any tampering, then the Distributor must test the metering installation to ensure that the metering installation operates within the error limits.

7. METERING INSTALLATION TESTING

7.1 Accreditation and Certification

(a) A Distributor must conduct tests, or must cause tests to be conducted, in respect of the setting, sealing or certifying the accuracy of meters and correctors, by persons, or in a facility, accredited by NATA to conduct such tests.

(b) A Distributor must ensure that calibrating equipment used in connection with the calibration of its metering installations is certified by a verifying authority empowered to issue certificates under Regulation 13 of the National Measurement Regulations (Cth).

7.2 Meter Testing

7.2.1 Acceptance testing and Type testing of metering installations

(a) A Distributor must carry out, or cause to be carried out, acceptance tests on meters, correctors and data loggers that are components of metering installations in the following circumstances:

(i) before a new meter, corrector or data logger is placed in service;

(ii) before a meter, corrector or data logger that has been removed from service is placed back into service; and

(iii) after any repairs, maintenance or recalibration performed on a meter, corrector or data logger have been completed.

(b) A Distributor must ensure that any new type of metering installation is submitted for type testing.
(c) A Distributor must ensure that any metering installations that have been modified are assessed to determine whether the modified design continues to meet the minimum standards prescribed by the Distribution System Code.

(d) If reasonable grounds exist for concluding that modifications to a metering installation affect its measuring capability, then the Distributor must ensure that the metering installation is submitted for type testing.

7.2.2 Testing on request

(a) A Distributor must:

(i) within 15 business days of a request from an Affected Party, test a metering installation which has been installed to measure and record the amount of gas supplied to a customer to ascertain whether or not the metering installation is defective; and

(ii) give the customer, and the Affected Party who requests a test, at least 5 business days notice (or agree such other mutually convenient time) of when the requested test is proposed to be performed.

(b) A Distributor may seek payment from the Affected Party of the anticipated costs of testing the metering installation, including the cost of replacing any seal used to protect the metering installation broken to allow the test to be carried out, if the metering installation is not defective and meets the accuracy standards prescribed by the Distribution System Code. A distributor must not seek payment from the Affected Party prior to the commencement of the test.

7.2.3 Meter families

(a) For meters that are defined in AS/NZS 4944:

(i) the initial life of a meter family must be determined by the Distributor in accordance with the requirements of AS/NZS 4944;

(ii) the Distributor must provide for the Commission’s approval, the sampling plan for the initial life of the meter family setting out the calculations in accordance with the requirements of AS/NZS 4944;

(iii) following the testing by the Distributor in accordance with subparagraph (i) to determine the initial life of a meter family, the Distributor is required to provide to
the Commission the calculations upon which the Distributor has determined the initial life of the meter family and the test results for both 20% and 100% of the badge capacity for the meter family;

(iv) if a Distributor intends to retain the meters in a meter family after the end of the initial life of the meter family, the Distributor must notify the Commission of its intention at least 3 months before the end of the initial life of the meter family;

(v) the ongoing life of a meter family must be determined by the Distributor in accordance with AS/NZS 4944;

(vi) the Distributor must provide for the Commission’s approval, the sampling plan for the ongoing life of the meter family setting out the calculations in accordance with the requirements of AS/NZS 4944; and

(vii) following the testing by the Distributor in accordance with subparagraph (iv) to determine the ongoing life of a meter family, the Distributor is required to provide to the Commission the calculations upon which the Distributor has determined the ongoing life of the meter family and the test results for both 20% and 100% of the badge capacity for the meter family.

(b) For meters that are not defined in AS/NZS 4944:

(i) the initial life of a meter family is 15 years commencing on the day a meter in that meter family was first used in the supply of gas to a customer;

(ii) if a Distributor intends to retain the meters in a meter family after the end of the initial life of that meter family, the Distributor must notify the Commission of its intention at least 3 months before the end of:

A. the initial life of the meter family; and

B. each year that the meter family is in service after the initial life of the meter family;

(iii) if a Distributor intends to retain the meters in a meter family after the end of the initial life of that meter family the Distributor must, in addition to the other meter testing provisions in the Distribution System Code, establish and maintain a sampling plan approved by the Commission to ensure that each meter family is tested in the field at least once during the initial life of the meter family and at least once in each subsequent year;

(iv) the sampling plan must provide that meters be tested at both 20% and 100% of the badge capacity of the meters;

(v) the Distributor is required to provide to the Commission the test results for both 20% and 100% for that meter family; and
(vi) if the test results do not satisfy:

A. the maximum allowable error limits for the badge capacity of the meters at both 20% and 100% as set out in Part B of Schedule 1; and

B. such other requirements of the sampling plan approved by the Commission

then the Distributor must replace or recalibrate all metering installations in that meter family.

7.3 Non-Compliant Meters

If the accuracy of a metering installation does not comply with the requirements of the Distribution System Code or if a Distributor becomes aware of any matter which could affect the integrity of the metering data, the Distributor must at the cost of the Distributor:

(a) notify the Affected Parties as soon as practicable;

(b) arrange for the accuracy of the metering installation to be restored or for the metering installation to be replaced by such time as the Affected Party may reasonably determine so that the metering installation meets the requirements of the Distribution System Code; and

(c) until the restoration or replacement of the metering installation in accordance with clause 7.3(b) use substitute readings in accordance with the relevant Retail Rules.

7.4 Correction

(a) In undertaking a meter reading at a metering installation the Distributor must adjust the meter reading for pressure, temperature or supercompressibility, or a combination of these factors, through applying the correction factors or using a corrector when:

(i) the error arising from these effects exceeds the requirements of the Distribution System Code including Schedule 1 Part B; or

(ii) the supply of gas is not through a standard metering installation; or

(iii) the operating condition varies during the course of the day affecting the pressure, temperature or supercompressibility.
(b) During the registration or change process, the Distributor must advise the Affected Parties (AEMO and the Retailers) of the method employed for adjusting the meter reading, and the correction factors.

(c) A Distributor can only make an adjustment for meter error using a corrector or a correction factor when:

(i) the corrector and meter for the specified correction is uniquely identified;

(ii) the accuracy of the meter and/or corrector is within the error limits;

(iii) the method of adjustment by the corrector can be varied; and

(iv) the Affected Parties (AEMO and the Retailers) are advised of the compensation device and the settings used.

7.5 Sealing and labelling

(a) A Distributor must place a label on any meter and corrector that has been subject to an acceptance test and found to pass the test. The label must include a distinguishing mark and the year of test attached to indicate that it has passed the test.

(b) If a meter or corrector has not been tested or has been found not to pass an acceptance test, the Distributor must ensure that it is not labelled.

8. METER READING AND DATA

8.1 Collection of metering data

(a) In relation to the supply of gas to a customer and unless otherwise agreed with the User, a Distributor must collect data stored in basic metering installations:

(i) by inspecting the metering installation; or

(ii) by electronic means; or

(iii) by using substitute readings made in accordance with the applicable Retail Rules, as frequently as is required to enable the relevant Retailer to discharge its obligations and exercise its rights consistent with the Energy Retail Code and the applicable Retail Rules.
(b) A Distributor must:

(i) retain basic metering data it collects in accordance with the Retail Rules; and

(ii) supply basic metering data it collects to the relevant Retailer on request from the Retailer.

(c) Where metering data is collected by electronic means, if there is any discrepancy between:

(i) the data stored in a metering installation; and

(ii) metering data in respect of that metering installation,

the data stored in the metering installation is to be the prima facie evidence of the quantity of gas or energy, if applicable, supplied to the relevant customer.

(d) The owner of the meter is the owner of all metering data produced or recorded by that meter. Each other person entitled to access to that metering data under the Distribution System Code has the right to a non-exclusive licence to use that metering data for the purposes of its business, subject to the provisions of the Gas Industry Act.

### 8.2 Pulse outputs

A Distributor must:

(a) within a reasonable time of being requested by an Affected Party, provide pulse outputs representing the quantities of gas measured for use by the Affected Party, provided that the Distributor may charge the Affected Party requesting the pulse output for the fair and reasonable costs of providing the pulse output; and

(b) where the metering installation measures the supply of gas to a market participant where the meter is a pulse output meter, ensure that the pulse output provided to AEMO is provided in a standardised form in accordance with Clause 4.4.16 of the Market Rules.

### 8.3 Access to metering data

(a) The only persons entitled to have either direct or remote access to metering data from a metering installation in relation to a distribution supply point are:
(i) the Market Participant associated with the distribution supply point;

(ii) the Distributor associated with the distribution supply point;

(iii) the Commission and its authorised agents;

(iv) AEMO and its authorised agents; and

(v) any customer which is supplied with gas through the distribution supply point, and any authorised agent of that customer.

(b) A Distributor must not provide metering data to a person who is not entitled to receive that data.

(c) For metering installations with electronic data storage and access capabilities, a Distributor must:

(i) ensure that metering data held in a metering installation is protected from local or remote electronic access by suitable password and security controls;

(ii) hold 'read-only' and 'write' passwords;

(iii) allocate 'read-only' passwords for each metering installation to the customer which has an interest in the metering installation; and

(iv) keep secure records of electronic access passwords.

(d) Electronic access to metering data from a metering installation must only be provided where passwords are allocated.

(e) If remote access is ordinarily available, but unavailable for a period of 5 consecutive business days, a Distributor must, if requested by any person entitled to have access, obtain readings locally from the metering installation and provide those readings to that person.

(f) A Distributor must not make, and must use reasonable endeavours to ensure that no other person makes, any alteration to the original stored data in a metering installation.
9. CURTAILMENT

9.1 Curtailment

A Distributor may curtail or interrupt the delivery of gas to a distribution supply point to the extent, and for such period of time, as the Distributor considers is necessary:

(a) if there is material damage to that part of the distribution system used to deliver gas at the distribution supply point or other necessity for repair;

(b) if a force majeure event occurs which affects the Distributor’s ability to deliver gas at the distribution supply point;

(c) in the event of or likelihood of an emergency;

(d) for a health or safety reason (subject to clause 9.2);

(e) if work under a planned maintenance or augmentation program is undertaken, at least 10 days notice of which has been given to the User; and

(f) under contractual interruption arrangements agreed between a Retailer and a customer, or the Distributor and a User.

9.2 Notice of health or safety interruption

Except in the case of an emergency, or where there is a need to reduce the risk of damage to persons or property or where relevant regulatory requirements require it, the Distributor must not disconnect a customer’s supply address for a health or safety reason unless the Distributor has:

(a) given the customer written notice of the reason;

(b) allowed the customer 5 business days to rectify the reason (the 5 business days must be counted from the date of receipt of the notice); and

(c) at the expiration of those 5 business days given to the customer, under clause 9.2(b) by way of a written disconnection warning, give the customer a further 5 business days’ notice of its intention to disconnect the customer (the 5 business days must be counted from the date of receipt of this notice under clause 9.2).
9.3 Unplanned interruptions

In the case of an unplanned interruption, the *Distributor* must provide a 24 hour telephone number to enable *customers* to ascertain details, and the expected duration, of the interruption.

9.4 Right to information by a Customer

The *Distributor* must, at the request of a *customer*, provide an explanation for any interruption to supply to the *customer’s* supply address and, if the *customer* requests that the explanation be in writing, it must be given in writing within 20 business days of the request.

9.5 Minimisation of interruption

The *Distributor* must use best endeavours to minimise the duration of an interruption to supply referred to in clause 9.1(a) to 9.1(e) and must restore supply as soon as practicable.

9.6 Interruption procedures

(a) A *Distributor* must give *Affected Parties* (including *AEMO* as required) 10 business days prior notice of any planned maintenance testing or repair which will require interruptions to the delivery of *gas* at one or more *distribution supply points*.

(b) The *Distributor* must use reasonable endeavours to promptly notify *Affected Parties* (including *AEMO* as required) of any unplanned interruptions to the delivery of *gas* at one or more *distribution supply points*.

9.7 Residual Retailer Obligations

(a) A *Retailer* must notify the *Affected Parties* (including *AEMO* as required) of its contractual arrangements with a *Customer* relating to interruption or curtailment within 21 business days of entering into such arrangements.

(b) A *Retailer* must give *Affected Parties* (including *AEMO* as required) 7 days prior notice of any planned maintenance testing or repair which will require interruptions to the delivery of *gas* at one or more *distribution supply point* of a *Customer* and must liaise with *Customers* and use reasonable endeavours to accommodate their needs.

(c) If the *Distributor* notifies a *Retailer* of any interruption to delivery of *gas* at a *distribution delivery point*, then the *Retailer* must use reasonable endeavours to ensure that its *Customers* comply with any reasonable requirement set out in the notice.
10. CUSTOMER COMPLAINT HANDLING

(a) A Distributor must handle a complaint by a customer in accordance with the relevant Australian Standard on complaints handling or the 'Benchmark for Industry Based Customer Dispute Resolution Schemes' published by the Commonwealth Government.

(b) The Distributor must make readily available to customers information on its complaint handling processes.

(c) When a Distributor responds to a customer's complaint, the Distributor must inform the customer that the customer:

(i) has a right to raise the complaint to a higher level within the Distributor's management structure; and

(ii) if, after raising the complaint to a higher level the customer is still not satisfied with the Distributor's response, the customer has a right to refer the complaint to the Energy and Water Ombudsman (Victoria) Ltd or another relevant external dispute resolution body (to be specified by the Distributor). This information must be given in writing.

(d) A Distributor must include information about the Energy and Water Ombudsman (Victoria) Ltd on any disconnection warning issued by the Distributor.

(e) A person who is exempt from holding a Distribution Licence need not comply with this clause 10 where a process of dispute resolution is specified in the applicable exemption.

11. DEEMED DISTRIBUTION CONTRACT REQUIREMENTS

11.1 Customer obligations

(a) A term or condition notified by the Distributor in accordance with section 48(1) of the Gas Industry Act shall not be inconsistent with the Distribution System Code to the extent that it provides that the customer must not:

(i) allow gas supplied by the Distributor to the customer’s supply address to be used at another supply address;

(ii) take at the customer’s supply address gas supplied to another supply address;
(iii) supply gas to any other person unless permitted by regulatory requirements or agreed by the Distributor;

(iv) tamper with, or permit tampering with, the meter or associated equipment;

(v) bypass, or allow gas supplied to the supply address to bypass the meter;

(vi) allow gas supplied under a residential tariff to be used for non-residential purposes other than home offices;

(vii) allow gas supplied under a specific purpose tariff to be used for another purpose;

(viii) allow a person, other than a person who is (to the best of the customer’s knowledge) a gas installer, to perform any work on the gas installation;

(ix) use the gas supply in a manner that may:

A. interfere with the Distributor’s distribution system or with supply to any other gas installation; or

B. cause damage or interference to any third party; or

(x) interfere, or knowingly allow interference, with the Distributor’s distribution system or any metering equipment at the supply address, except as may be permitted by law.

(b) A term or condition notified by the Distributor in accordance with section 48(1) of the Gas Industry Act shall not be inconsistent with the Distribution System Code to the extent, that it provides that a customer must:

(i) provide the Distributor and its equipment safe, convenient and unhindered access to the customer’s supply address for:

A. connection or disconnection of supply;

B. inspection or testing of gas installations or metering installations;

C. undertaking inspection, repairs, testing or maintenance of the distribution system; and
D. collection of metering data,

in accordance with the provisions of the Distribution System Code;

(ii) maintain the gas installation at the customer’s supply address in a safe condition;

(iii) protect the Distributor’s equipment at the customer’s supply address from damage and interference;

(iv) inform the Distributor as soon as possible if there is any:

   A. change to the major gas usage purpose of the Customer’s supply address;

   B. change affecting access to metering equipment;

   C. proposed change to the Customer’s gas installation which may affect the quality or safety of the supply of gas to the customer or any other person; or

   D. gas leak or other problem with the Distributor’s distribution system.

(v) take reasonable precautions to minimise the risk of loss or damage to any equipment, premises or business of the customer which may result from poor quality or reliability of gas supply.

(c) If required by the Distributor, a customer must provide estimated gas load information for its proposed use at the proposed supply address.

(d) If a User finds evidence of tampering with a metering installation it must notify that fact immediately to the Distributor.

(e) The cost of inspecting and testing metering installations or connections are to be borne by the Distributor, unless the inspection reveals that the customer is in breach of a Regulatory Instrument, in which case the customer will be responsible for the reasonable costs of the inspection.
11.2 Distributor Obligation

(a) A Distributor must include a condition in its deemed distribution contract to the effect that it will comply with its obligations in respect of the customer as set out in the Distribution System Code.

11.3 Liability

(a) A Distributor must not include any term or condition in its deemed distribution contract with a customer the effect of which is to limit the liability of the Distributor to the customer:

(i) for any breach by the Distributor of the contract; and

(ii) for any negligence by the Distributor in relation to the contract.

(b) Clause 11.3(a) does not prevent the inclusion of a term or condition in the deemed distribution contract:

(i) of the sort contemplated by section 68A of the Trade Practices Act 1974 (Cth) or section 97 of the Goods Act 1958 (Vic) or any other similar statutory provision;

(ii) under which the customer acknowledges the extent of the Distributor’s responsibility for the quality and reliability of gas supply under their contract; or

(iii) confirming that, under the contract, there is no variation or exclusion to the operation of sections 232 or 233 of the Gas Industry Act 2001 or section 33 of the Gas Safety Act 1997 (if that is the case).

11.4 Indemnity

(a) A Distributor must not include an indemnity or other term or condition in its deemed distribution contract with a customer the effect of which is to entitle the Distributor to recover from the customer in respect of:

(i) any breach by the customer of the contract; or

(ii) any negligence by the customer in relation to the contract,
any greater amount than that which, under the common law (including in equity) or statute, the Distributor is entitled to as compensation for the customer’s breach of contract or negligence.

12. OTHER MATTERS

12.1 Customer Information

A Distributor must comply with the Privacy Act 1988 (Cth) as well as any guidelines issued by the Commission in relation to the treatment of customer information.

12.2 Distributors permitted to subcontract functions

A Distributor may contract with another person to perform the Distributor’s functions under the Distribution System Code, but if so the Distributor remains responsible for ensuring that those functions are performed.

13. GLOSSARY AND INTERPRETATION

13.1 Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>acceptance testing</td>
<td>The testing and setting conducted by a manufacturer or installer on a meter, corrector or metering installation to establish the initial calibration of the meter, corrector or metering installation.</td>
</tr>
<tr>
<td>Access Arrangement</td>
<td>The arrangement for third party access to a distribution pipeline that has been approved by the Commission pursuant to the Access Code.</td>
</tr>
<tr>
<td>Affected Party</td>
<td>A person who may be affected by the possible inaccuracy of a metering installation or metering data from that metering installation.</td>
</tr>
<tr>
<td>AS/NZS 4944</td>
<td>Australian Standard AS/NZS 4944:2006 Gas Meters – In-service compliance testing, as amended from time to time.</td>
</tr>
<tr>
<td>Australian Standards</td>
<td>The Australian Standards set out in schedule 3 and all other Australian Standards relevant to distribution systems, or otherwise applicable to the operation of this Distribution System Code, as set out in the most recent edition of a standard publication by Standards Australia (Standards Association of Australia).</td>
</tr>
</tbody>
</table>
**augmentation** | The expansion or enhancement of a distribution pipeline.
---|---
**basic meter** | A *meter* without a *data logger*.
**basic metering data** | Data obtained from a *basic metering installation*.
**basic metering installation** | A *metering installation* without a *data logger*.
**business day** | A day other than a Saturday or a Sunday or a day which has been proclaimed to be a public holiday in Victoria.
**Commission** | The Essential Services Commission established under the Essential Services Commission Act 2001 (Vic).
**connection** | The joining of a *gas installation* to a *distribution supply point* to allow the flow of *gas*.
**corrector** | A device which adjusts uncorrected quantity of *gas* from actual to standard conditions for billing and other purposes.
**Covered Pipeline** | Has the same meaning as in the *Access Code*.
**customer** | In relation to a supply of *gas* from a *distribution supply point*, the person to whom the *Distributor* delivers *gas* through its *distribution system* at that *distribution supply point* and includes a person who has sought connection to the *distribution system* as a *customer*.
**data logger** | A device that collects and stores data relating to the quantity, temperature and pressure of *gas* and is capable of either:
- (a) transferring recorded data to a portable reading device; or
- (b) being accessed electronically by AEMO through a data collection system.
**dispute** | A dispute or difference which arises under the *Distribution System Code*.
**Distribution Licence** | A licence to provide *distribution services* by means of a *distribution pipeline* granted to the *Distributor* by the *Commission* under the *Gas Industry Act*.
**distribution pipeline** | Any *pipeline* which has a maximum allowable operating pressure of up to 1050 kPa gauge (including pipelines for the reticulation of TLPG) and any other *pipelines* which:
- have a maximum allowable operating pressure greater than 1050 kPa gauge;
- are functionally a *distribution pipeline* in nature (ie. few inputs and many closely spaced outputs);
and through which the *Distributor* transports *gas* to *customers*.
| **distribution service** | The service of receipt of gas at transfer points, haulage of the gas through the distribution system and delivery of the gas at distribution supply points. |
| **distribution 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:  
- the inlet of a gas installation of a customer;  
- the outlet of a meter; or  
- the end of a main;  
and includes a “supply point’ and an “ancillary supply point’ as defined in the Gas Industry Act in relation to a distribution system. |
| **distribution system** | Means a network of pipes, meters and controls which the Distributor uses to supply gas. |
| **Distribution System Code** | The Distribution System Code as issued and amended by the Commission from time to time. |
| **Distributor** | A person who holds a Distribution Licence under the Gas Industry Act. |
| **emergency** | An event or circumstance:  
- which the Governor in Council declares by proclamation to be an emergency under Part 6A of the Gas Industry Act;  
- which it would be reasonable to believe constitutes a situation which may:  
  - threaten the personal safety of any person;  
  - cause material damage to the transmission system;  
  - cause material damage to the distribution system and thereby impact on the operation of the transmission system; or  
  - cause material damage to any property, plant or equipment; or  
  - which constitutes a level two to level four emergency (as set out in the emergency command organisation arrangements adopted by the Distributor). |
<p>| <strong>Energy Retail Code</strong> | The code of that name determined by the Commission under the Electricity Industry Act and the Gas Industry Act. |
| <strong>error limits</strong> | The limits within which the components of metering installations affecting metering must be calibrated to be accurate as set out in Schedule 1, Part B. |
| <strong>ESV</strong> | Energy Safe Victoria established under the Energy Safe Victoria Act 2005 (Vic). |
| <strong>Expansion</strong> | The process of upgrading capacity or service potential of a <em>distribution pipeline</em> by: (a) replacing or enhancing existing plant or equipment; or (b) adding new plant or equipment. |
| <strong>Extensions/Expansions Policy</strong> | A policy contained in an <em>Access Arrangement</em> setting out a method for determining whether an extension or expansion to the <em>Covered Pipeline</em> is or is not to be treated as part of the <em>Covered Pipeline</em> for the purposes of the <em>Distribution System Code</em>. |
| <strong>force majeure</strong> | An event beyond the reasonable control of a person which causes a delay in performance, or non-performance by that person of an obligation and includes: (a) an <em>emergency</em>; (b) a force majeure event as set out in the <em>Market Rules</em>; and (c) an event consisting of, or analogous to: (i) the issue by ESV of a direction under Section 106 or 107 of the Gas Safety Act 1997 (Vic); or (ii) an act of nature, governmental intervention or act of war, neither anticipated nor controllable by the Distributor. |
| <strong>gas</strong> | Natural gas as defined in the <em>Gas Industry Act</em> which meets the <em>prescribed standards of quality</em> and other requirements prescribed under the Gas Safety Act 1997 (Vic) and includes natural gas that has been injected into and stored in a <em>storage facility</em> and, where applicable, <em>TLPG</em>. |
| <strong>gas installation</strong> | Any <em>gas</em> equipment located at a customer’s premises that is not part of a <em>distribution system</em>. |
| <strong>gas installer</strong> | A person authorised under relevant <em>regulatory requirements</em> to install, repair, alter or make any addition to a <em>gas installation</em> or to any part of a <em>gas installation</em>. |
| <strong>GJ</strong> | “Gigajoule”, being one thousand million Joules (1,000,000,000j). |
| <strong>Guaranteed Service Levels or GSLs</strong> | The levels of service in connection with the <em>distribution</em> of <em>gas</em> to... |</p>
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>customers</td>
<td>set out in Schedule 1, Part E to the <em>Distribution System Code</em>.</td>
</tr>
<tr>
<td>Guaranteed Service Level payments</td>
<td>The amounts in connection with the non-performance of the <em>Guaranteed Service Levels</em> set out in Schedule 1, Part E to the <em>Distribution System Code</em>.</td>
</tr>
<tr>
<td>HHV</td>
<td>Higher Heating Value being the gross heating value of a <em>standard cubic metre of gas</em>.</td>
</tr>
<tr>
<td>installation database</td>
<td>The database of calibration data which a <em>Distributor</em> is required to keep in respect of its <em>metering installations</em> pursuant to the <em>Distribution System Code</em>.</td>
</tr>
<tr>
<td>interval meter</td>
<td>A <em>meter</em> with a <em>data logger</em>.</td>
</tr>
<tr>
<td>interval metering installation</td>
<td>A <em>metering installation</em> with a <em>data logger</em>.</td>
</tr>
<tr>
<td>kPa</td>
<td>“Kilopascal” and is equal to one thousand pascals as defined in Australian Standard ASIOOO-1979 “The International System of Units (S1) and its Application” and, unless otherwise specified, refers to a gauge pressure in excess of the atmospheric pressure.</td>
</tr>
<tr>
<td>Large Customer</td>
<td>A <em>customer</em> who has taken, or is likely to take, an aggregate supply from a <em>distribution supply point</em> of more than 5,000 gigajoules in any year.</td>
</tr>
<tr>
<td>main</td>
<td>A low, medium or high pressure pipe in the <em>distribution system</em>, other than a <em>service pipe</em>.</td>
</tr>
<tr>
<td>market participant</td>
<td>A person who is registered with <em>AEMO</em> under the <em>Market Rules</em> as a <em>market participant</em>.</td>
</tr>
<tr>
<td>market rules</td>
<td>The Market and System Operations Rules published by the Governor in Council by Order in the Government Gazette under the <em>Gas Industry Act</em>.</td>
</tr>
<tr>
<td>meter</td>
<td>An instrument that measures the <em>quantity</em> of <em>gas</em> passing through it and includes associated equipment attached to the instrument to filter, control or regulate the flow of <em>gas</em>.</td>
</tr>
</tbody>
</table>
| meter family                     | For *meters* covered in AS/NZS 4944, a *meter family* is a group of *meters* defined as a population in AS/NZS 4944 and grouped in accordance with the requirements in AS/NZS 4944. For *meters* not covered in AS/NZS 4944, a *meter family* is a group of *meters* in which:  
  a) all *meters* have been made to the same specifications by the same manufacturer;  
  b) there are no significant differences in components or materials between the *meters*; and  
  c) all the *meters* have been sealed with the same date code. |
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>metering data</td>
<td>The measure of quantity of gas flow obtained from a metering installation.</td>
</tr>
<tr>
<td>metering installation</td>
<td>The <em>meter</em> and associated equipment and installations, which may include <em>correctors</em>, regulators, filters, <em>data loggers</em> and telemetry relating to a <em>distribution supply point</em>.</td>
</tr>
<tr>
<td>NATA</td>
<td>National Association of Testing Authorities, Australia.</td>
</tr>
<tr>
<td>non-declared transmission system</td>
<td>A <em>transmission system</em> that is not part of the <em>gas transmission system</em> operated by AEMO.</td>
</tr>
<tr>
<td>pipeline</td>
<td>As defined in the Gas Pipelines (Victoria) Act 1998 (Vic) and does not include a <em>storage facility</em>.</td>
</tr>
</tbody>
</table>
| pipeline equipment | In relation to a *pipeline*:  
(a) equipment for inducing or facilitating the flow or movement of gas through the *pipeline*;  
(b) equipment or structure for giving protection or support to the *pipeline*;  
(c) equipment for transmitting information or instruction with regard to the operation of the *pipeline*;  
(d) valves, valve chambers, manholes, inspection pits and other similar equipment or facilities annexed to or adjoining or forming part of the *pipeline*; and  
(e) equipment for metering the flow or movement of gas or energy through the *pipeline* or any point on the *pipeline*. |
<p>| prescribed standards of quality | The standards of quality and other requirements for <em>gas</em> set out in or as prescribed under the Gas Safety Act 1997 (Vic). |
| Reconciliation Amount | An amount calculated in accordance with Schedule 1, Part C of the <em>Distribution System Code</em>. |
| regulatory instrument | As defined in the <em>Access Code</em> and any contract between a <em>Distributor</em> and a <em>Retailer</em> or <em>customer</em> dealing with a matter referred to in clause 1.2 of the <em>Distribution System Code</em>. |
| regulatory requirements | Any applicable Commonwealth, Victorian or local law, subordinate legislation, legislative instrument or mandatory regulatory requirement including industry codes and standards. |
| residential customer | A <em>customer</em> who uses gas primarily for domestic purposes. |</p>
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Licence</td>
<td>A licence to sell gas granted to a Retailer by the Commission under section 26 of the Gas Industry Act.</td>
</tr>
<tr>
<td>Retail Rules</td>
<td>Retail gas market rules as detailed in Division 2 of the Gas Industry Act.</td>
</tr>
<tr>
<td>Retailer</td>
<td>A person authorised to sell gas under a Retail Licence issued by the Commission under the Gas Industry Act.</td>
</tr>
<tr>
<td>service pipe</td>
<td>A pipe ending at a metering installation or, for an unmetered site a gas installation, which connects a main or a transmission pipeline to customer’s premises, as determined by a Distributor.</td>
</tr>
<tr>
<td>Standard cubic metre (scm) of gas</td>
<td>The quantity of dry gas at 15 degrees Celsius temperature and 101.325 kPa absolute pressure enclosed in a volume of one cubic metre.</td>
</tr>
<tr>
<td>Standard metering installation</td>
<td>The least overall cost, technically acceptable meter able to measure and record the quantity of gas that is reasonably expected to be consumed by a customer at a distribution supply point at a metering pressure of 1.1 kPa, and for meters with a capacity in excess of a nominal 6m³/hr, at an hourly load factor of at least 5%.</td>
</tr>
<tr>
<td>storage facility</td>
<td>A facility for the storage of large quantities of gas, including liquid gas storage services and underground storage services.</td>
</tr>
<tr>
<td>TLPG</td>
<td>Tempered liquefied petroleum gas, being a mixture of vaporised commercial propane and air.</td>
</tr>
<tr>
<td>transfer point</td>
<td>A point at which the custody of gas is injected from a transmission system into a distribution system or from a distribution system into a distribution system.</td>
</tr>
<tr>
<td>transmission pipeline</td>
<td>Any pipeline which has a maximum allowable operating pressure of greater than 1050 kPa gauge and is not a distribution pipeline.</td>
</tr>
<tr>
<td>transmission system</td>
<td>A pipeline or a system of pipelines, for the high pressure transmission of gas operated by AEMO principally in Victoria, and all related facilities, together with:</td>
</tr>
<tr>
<td></td>
<td>(1) all structures for protecting or supporting the pipeline or system of pipelines;</td>
</tr>
<tr>
<td></td>
<td>(2) facilities for the compression of gas, the maintenance of the pipeline or system of pipelines and the injection or withdrawal of gas;</td>
</tr>
<tr>
<td></td>
<td>(3) all fittings, appurtenances, appliances, compressor stations, odorisation plants, scraper stations, valves, telemetry systems (including communications towers) and works and buildings</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>type testing</td>
<td>The testing conducted to establish the fitness for purpose of a new metering installation type.</td>
</tr>
<tr>
<td>unaccounted for gas</td>
<td>The difference between the amount of gas injected into the distribution system at all transfer points and the amount of gas withdrawn from the distribution system at all distribution supply points, including but not limited to leakage or other actual losses, discrepancies due to metering inaccuracies and variations of temperature, pressure and other parameters.</td>
</tr>
<tr>
<td>unaccounted for gas benchmark</td>
<td>The benchmark rate for each distributor in relation to the rates of flow of gas as set out in Schedule 1, Part C of the Distribution System Code.</td>
</tr>
<tr>
<td>User</td>
<td>A market participant, Retailer, or a customer who has a contract for distribution services with the Distributor.</td>
</tr>
<tr>
<td>year</td>
<td>A calendar year or a period commencing on 1 July in a calendar year and terminating on 30 June in the following calendar year.</td>
</tr>
</tbody>
</table>
13.2 Principles of interpretation

These principles of interpretation apply to the *Distribution System Code*:

(a) words importing the singular number include the plural number and words importing the plural number include the singular number;

(b) words denoting one gender include any other gender;

(c) words denoting persons only include natural persons, bodies corporate, unincorporated associations, firms, governments and any governmental agencies;

(d) a reference to a person includes that person’s executors, administrators, liquidators, successors and permitted assigns;

(e) the headings are inserted for convenience only and do not affect the interpretation of the *Distribution System Code*;

(f) a reference to any Act of Parliament or to any section or provision thereof extends to and includes any statutory modification or re-enactment thereof or any statutory provision substituted therefor;

(g) unless expressed to the contrary, references to paragraphs, subclauses, clauses, attachments and schedules are references to paragraphs, subclauses, clauses, attachments and schedules of the *Distribution System Code*;

(h) a reference to any agreement or document or regulatory instrument is a reference to that agreement or document or regulatory instrument as varied or amended from time to time and includes any schedules, annexures or attachments to the agreement or document;

(i) a period of time:

- which dates from a given day or the day of an act or event is to be calculated exclusive of that day; or

- which commences on a given day or the day of an act or event is to be calculated inclusive of that day;
(j) a reference to:

- time is a reference to Standard Time within the meaning of the *Summer Time Act 1972* (Vic) and not Summer Time within the meaning of that Act;

- a day is a reference to a period commencing immediately after midnight and ending the following midnight and

- a month is a reference to a calendar month;

(k) an event which is required under the *Distribution System Code* to occur on or by a stipulated day which is not a business day may occur on or by the next business day; and

(l) in deciding whether a *Distributor* has used its best endeavours, regard shall be had to relevant codes, good gas industry practice as defined in the *Distribution System Code* and other regulatory requirements, the performance of other *Distributors* and to interstate and international benchmarks.

The common seal of the Essential Services Commission was affixed pursuant to the authority of the Commission on 13 December 2017.

RON BEN-DAVID

Chairperson
SCHEDULE 1

PART A DISTRIBUTION SYSTEM PRESSURE

A Distributor must use all reasonable endeavours to maintain sufficient *distribution system* pressures to ensure the minimum pressure is maintained at the *distribution supply point*. The typical indicative daily pressure for each category of *distribution system* is as follows:

<table>
<thead>
<tr>
<th>Distribution System</th>
<th>Distribution System Pressure (kPa gauge)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
<td>Maximum</td>
</tr>
<tr>
<td></td>
<td>Fringe Point #</td>
</tr>
<tr>
<td>Low Pressure</td>
<td>7</td>
</tr>
<tr>
<td>Medium Pressure</td>
<td>20-210</td>
</tr>
<tr>
<td>High Pressure 1</td>
<td>515</td>
</tr>
<tr>
<td>High Pressure 2</td>
<td>1050</td>
</tr>
<tr>
<td>Transmission Pressure</td>
<td>Maximum allowable</td>
</tr>
<tr>
<td></td>
<td>operating pressure</td>
</tr>
<tr>
<td></td>
<td>under the Pipeline Licence</td>
</tr>
</tbody>
</table>

* Or other such value where a higher supply pressure has been agreed.

# Note: Network operators may use lower distribution system pressures during periods of low demand (eg overnight) to minimise *unaccounted for gas* and where the operator can demonstrate that quality and reliability of supply can be maintained at those pressures.
PART B MAXIMUM ALLOWABLE ERROR LIMITS

Unless specified in clause 7.2.3 the maximum allowable variance (error Units) in quantity from the agreed true quantity for gas meters shall be:

(a) not more that 2 percent in favour of the Distributor;

(b) not more that 3 percent in favour of the customer.

The maximum allowable error limit range for correctors shall be ±1 % in addition to the error limits outlined in (a) and (b) above.

Except where provided for in a sampling plan approved by the Commission, the error limit range of meters and correctors shall be established under standard conditions at (1) 20% and (2) 100% of the badge capacity of the meter, by a testing agency approved by the Commission.

The testing procedures for gas meters and correctors shall have an uncertainty limit of no more than 1%.

Note: Testing of meter families (field life extension) under clause 7.2.3 must be conducted in accordance with a sampling plan approved by the Commission.
### PART C UNACCOUNTED FOR GAS

**C1 Unaccounted for gas benchmarks – effective from and including 1 January 2018**

<table>
<thead>
<tr>
<th>Distributor</th>
<th>Class B benchmarks &lt;250,000 GJ/pa</th>
<th>Class A benchmarks &gt;= 250,000 GJ/pa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Gas Networks (Victoria)</td>
<td>0.040</td>
<td>0.003</td>
</tr>
<tr>
<td>Australian Gas Networks (Albury)</td>
<td>0.040</td>
<td>0.001</td>
</tr>
<tr>
<td>Multinet</td>
<td>0.053</td>
<td>0.003</td>
</tr>
<tr>
<td>AusNet Services</td>
<td>0.046</td>
<td>0.003</td>
</tr>
</tbody>
</table>

**Non-Declared Transmission System networks – Class A and Class B benchmarks**

<table>
<thead>
<tr>
<th>Distributor</th>
<th>2018-2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Gas Networks</td>
<td>0.020</td>
</tr>
<tr>
<td>Multinet</td>
<td>0.020</td>
</tr>
<tr>
<td>AusNet Services</td>
<td>0.049</td>
</tr>
</tbody>
</table>
C2 Reconciliation Amount

The Reconciliation Amount is: 

\[(X+Y) \times (B-A)\]

Where:

\[X = \text{the quantity annual price of Gas, using spot and contract prices and quantities, as determined by AEMO for the previous calendar year expressed in $ per gigajoule;}\]

\[Y = \text{the average transmission tariff for the previous calendar year expressed in $ per gigajoule as calculated under the transmission provider’s prevailing reference tariffs;}\]

\[A = D - (E/(1-G))\]

Where:

\[D = \text{the quantity of Gas withdrawn from the Transmission System by the Distributor for Retailer at the Connection Points for the previous calendar year;}\]

\[E = \text{the quantity of Gas withdrawn by Distributor for Retailer at all Class A Supply Points for the previous calendar year.}\]

\[B = H/(1-F)\]

\[H = \text{the quantity of Gas withdrawn by Distributor for Retailer at all Class B Supply Points for the previous calendar year;}\]

\[F = \text{the benchmark flow rate for Gas for Class B Supply Points set out above.}\]

\[G = \text{the benchmark flow rate of Gas for Class A Supply Points set out above.}\]
PART D HEATING VALUE

Interim Provisions 1 October 1999

1. NON-DAILY METERED CUSTOMERS

AEMO will monitor and declare a daily state-wide flow-weighted average (HHV) heating value for gas for all non-daily metered gas customers, excluding nominated zones (see derogations for new areas - Mildura, East Coast, Western System etc).

2. DAILY METERED CUSTOMERS

Unless otherwise agreed between market participants (customer, Retailer and Distributor) the declared AEMO zonal hourly “flow-weighted average” (HHV) heating value for gas shall be applied for the purposes of billing settlements.
### PART E GUARANTEED SERVICE LEVELS

<table>
<thead>
<tr>
<th>Area of service</th>
<th>Threshold to incur GSL payment&lt;sup&gt;a&lt;/sup&gt;</th>
<th>GSL payment amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appointments&lt;sup&gt;b&lt;/sup&gt;</td>
<td>Failure to attend appointment within agreed appointment window:</td>
<td>$50 per event</td>
</tr>
<tr>
<td></td>
<td>Customer present – 2 hours</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Customer absent – agreed date</td>
<td></td>
</tr>
<tr>
<td>Connections&lt;sup&gt;c&lt;/sup&gt;</td>
<td>Failure to connect a customer within 1 day of agreed date</td>
<td>$80 per day</td>
</tr>
<tr>
<td></td>
<td>(subject to a maximum of $240)</td>
<td></td>
</tr>
<tr>
<td>Repeat interruptions&lt;sup&gt;d&lt;/sup&gt;</td>
<td>Unplanned interruptions to a customer in a calendar year period resulting from faults in the distribution system:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Upon fifth interruption</td>
<td>$150</td>
</tr>
<tr>
<td></td>
<td>Upon tenth interruption</td>
<td>additional $150</td>
</tr>
<tr>
<td>Lengthy interruptions&lt;sup&gt;e&lt;/sup&gt;</td>
<td>Gas supply interruption to a customer not restored:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>within 12 hours</td>
<td>$150</td>
</tr>
<tr>
<td></td>
<td>within 18 hours</td>
<td>additional $150</td>
</tr>
</tbody>
</table>

<sup>a</sup> GSL scheme applies to tariff V customers only.

<sup>b</sup> An appointment window of two hours applies if the customer is required or requests to be present. A one day appointment window applies if the customer is not required or does not request to be present. Appointments rescheduled by the distributors are counted as missed appointments. Appointments rescheduled at the request of the customer are excluded from payments.

<sup>c</sup> Excluding if the distributor is unable to gain access to the installation site.

<sup>d</sup> Excluding force majeure, faults in gas installations, transmission faults, upstream events and third party events.

<sup>e</sup> Excluding force majeure, faults in gas installations, transmission faults, upstream events and third party events impacting large diameter mains affecting more than 50 customers. Large diameter mains are high pressure mains of nominal diameter 100 mm or greater, and medium pressure or low pressure mains of nominal diameter 150 mm or greater.
SCHEDULE 2

GUIDANCE ON CONNECTION CHARGES

1. Purpose and Limitation

The purpose of this Schedule is to provide guidance with respect to the determination of the charge component of the terms and conditions for the connection of a customer’s gas installation to the distributor’s distribution system within the minor or infill extension area. Nothing in this Schedule shall override any contractual provision relating to the charge levied on a customer for connecting to the distribution system that existed prior to the commencement of this Schedule.

2. Required Approach

The principles for determining the charge to be paid by a customer for obtaining connection to the distribution system is dependent on the type of tariff to which that customer would be assigned once connected.

(a) For Tariff V customers or customers who would be assigned to any tariff that succeeds part or all of the existing Tariff V tariff – the charge for obtaining connection to the distribution system shall be the greater of the deficit from the application of the economic feasibility test or zero.

(b) For Tariff D customers or customers who would be assigned to any tariff that succeeds part or all of the existing Tariff D tariff – the charge for obtaining connection to the distribution system shall be:

(i) the cost of installing and maintaining the connection facilities dedicated to that customer; and

(ii) a contribution to the reinforcement of the shared distribution system calculated as the greater of the deficit resulting from the application of the economic feasibility test or zero.

To the extent practicable, cost and revenue shall be calculated according to the incremental cost and revenue associated with the connection of a customer or group of customers to the distribution system. Incremental cost or revenue associated with a customer or group of customers means the revenue or cost that would be anticipated with the connection of that customer or group of customers less the revenue or cost that would be anticipated without the
connection of that customer or group of customers, both computed in present value terms. Further guidance on the estimation of incremental cost and revenue is set out below.

For the purpose of this Schedule, connection facilities dedicated to a customer mean those facilities that are used (or may be used) to transport gas to that customer and no other customer. The shared distribution system in relation to a customer refers to that part of the distribution system that is used (or may be used) to transport gas to that customer that does not comprise dedicated facilities.

3. Definition of the Economic Feasibility Test

The economic feasibility test refers to the computation (in present value terms) of the revenue anticipated from the provision of the reference service to the customer and the cost anticipated associated with serving that customer. The deficit from the application of the economic feasibility test refers to the difference between cost and revenue.

\[
\text{Deficit} = PV(\text{Cost}) - PV(\text{Revenue})
\]

where PV refers to a present value.

Nothing in this Guideline requires a distributor to undertake an economic feasibility test in respect of a customer or group of customers if it does not intend to charge a Tariff V customer or group of customers for obtaining connection to the distribution system, or to levy a contribution on a Tariff D customer or group of customers in respect of the reinforcement of the shared distribution system.

4. Estimation of Incremental Revenue and Cost

For Tariff V customers or customers who would be assigned to any tariff that succeeds part or all of the existing Tariff V tariff, the following assumptions should be adopted when applying the economic feasibility test (and hence computing whether a charge for connecting to the distribution system may be payable).

(a) Discount rate – the pre tax real WACC included in the distributor’s approved access arrangement;

(b) Period of analysis – 20 years for domestic customers and 15 years for commercial and industrial customers. A different life for commercial and industrial customers may be used if there are grounds to consider that the life of the connection may be less than 15 years.
(c) Tariffs – the current approved reference tariffs shall be adjusted by the prevailing X factor until the end of the current regulatory period and constant in real terms thereafter.

(d) Quantities – a forecast based upon the reasonably anticipated usage for a customer or group of customers shall be used.

(e) Incremental capital costs – shall include the cost of mains extensions, provision of a service pipe and provision of a standard meter for the customer or group of customers. The cost associated with the provision of these facilities shall be computed as the direct cost forecast to be incurred to purchase and install the facilities plus 10 per cent to reflect incremental overheads. It shall be assumed that the incremental cost associated with upstream reinforcement of the distribution system is immaterial.

(f) Incremental operating and maintenance costs – shall be assumed to be $17 per annum in dollars as at July 2006. This figure may be escalated by an annual amount of 0.32 per cent to account for the rate of change per connection, and for inflation to convert it into an equivalent cost in the year in which the economic feasibility test is being undertaken using the method for adjusting for inflation that is employed for reference tariffs.

For Tariff D customers or customers who would be assigned to any tariff that succeeds part or all of the existing Tariff D tariff, the following assumptions should be adopted when computing the incremental cost associated with the connection facilities dedicated to that customer:

(g) Capital costs – the cost of providing and replacing these facilities shall include the direct cost incurred to purchase and install the facilities plus 10 per cent to reflect incremental overheads.

(h) Maintenance costs – charges for the ongoing maintenance of connection facilities dedicated to a customer shall be based upon the direct cost of performing those maintenance activities. No allowances for overheads or other items may be included.

For Tariff D customers or customers who would be assigned to any tariff that succeeds part or all of the existing Tariff D tariff, the following assumptions shall be adopted when applying the economic feasibility test (and hence computing whether a charge in respect of upstream reinforcement may be levied).

(i) Discount rate – the pre tax real WACC included in the distributor’s approved access arrangement;
(j) Period of analysis – 15 years, although a different life may be used if there are grounds to consider that the life of the connection may be less than 30 years.

(k) Tariffs – the current approved reference tariffs shall be adjusted by the prevailing X factor until the end of the current regulatory period and constant in real terms thereafter.

(l) Quantities – a forecast based upon the reasonably anticipated usage for a customer shall be used.

(m) Incremental capital costs – shall include the cost of installing additional upstream facilities only (that is, excluding assets dedicated to the customer). The cost associated with the provision of these facilities shall be computed as the direct cost forecast to be incurred to purchase and install the facilities plus 10 per cent to reflect incremental overheads.

(n) Incremental operating and maintenance costs – shall be based upon reasonable forecasts of the direct cost of operating and maintaining the reinforced system less the direct cost of operating and maintaining the distribution system as it existed prior to the reinforcement. No allowances for overheads or other items may be included.

5. **Provision of Information**

Where requested, quotes for connections shall be itemised to include at least the following information:

(a) where relevant, assumption about the future usage by the customer or group of customers, and present value of incremental revenue;

(b) in relation to a contribution for upstream reinforcement by a Tariff D customer, the assumptions about the incremental increase or reduction in operating and maintenance costs;

(c) meter type and cost;

(d) mains extension cost;

(e) any other incidental costs; and

(f) any upstream augmentation works and associated costs.
SCHEDULE 3

AUSTRALIAN STANDARDS - GAS DISTRIBUTION

<table>
<thead>
<tr>
<th>Standard Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AS ISO 6993.1-2007</td>
<td>Buried high impact poly (vinyl chloride)(PVC-Hi) piping systems to the supply of gaseous fuels-Pipes for a maximum operating pressure of 1 bar (100kpa) (ISO 6993.1-2006, Mod)</td>
</tr>
<tr>
<td>AS ISO 6993.2-2007</td>
<td>Buried high impact poly (vinyl chloride)(PVC-Hi) piping systems to the supply of gaseous fuels-Fittings for a maximum operating pressure of 20 mbar (20kpa)</td>
</tr>
<tr>
<td>AS ISO 6993.2-2007</td>
<td>Buried high impact poly (vinyl chloride)(PVC-Hi) piping systems to the supply of gaseous fuels-Fittings and Saddles for a maximum operating pressure of 1 bar (100kpa)</td>
</tr>
<tr>
<td>AS 1697-2005</td>
<td>Installation and maintenance of steel pipe system for gas</td>
</tr>
<tr>
<td>Standard</td>
<td>Description</td>
</tr>
<tr>
<td>-------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>AS/NZS 4129:2000</td>
<td>Fittings for Polyethylene (PE) Pipes for Pressure Applications</td>
</tr>
<tr>
<td>AS/NZS 4130-2001</td>
<td>Polyethylene (PE) Pipes for Pressure Applications</td>
</tr>
<tr>
<td>AS/NZS 4131-2003</td>
<td>Polyethylene (PE) Compounds for Pressure Pipes and Fittings</td>
</tr>
<tr>
<td>AS 2885.1-2007</td>
<td>Pipelines - Gas and liquid petroleum - Design and construction</td>
</tr>
<tr>
<td>AS 2885.2-2007</td>
<td>Pipelines - Gas and liquid petroleum - Welding</td>
</tr>
<tr>
<td>AS 2885.3-2001</td>
<td>Pipelines - Gas and liquid petroleum - Operation and maintenance</td>
</tr>
<tr>
<td>AS 2885.4-2003</td>
<td>Pipelines – Gas and liquid petroleum – offshore submarine pipeline systems</td>
</tr>
<tr>
<td>Standard</td>
<td>Description</td>
</tr>
<tr>
<td>----------</td>
<td>-------------</td>
</tr>
<tr>
<td>AS 2885.5-2002</td>
<td>Pipelines – Gas and liquid petroleum – Field pressure testing</td>
</tr>
<tr>
<td>AS 2943-2007</td>
<td>Plastics pipes and fittings for gas reticulation - Polyamide compounds for manufacture</td>
</tr>
<tr>
<td>AS 2944.1-2007</td>
<td>Plastics pipes and fittings for gas reticulation - Polyamide - Pipes</td>
</tr>
<tr>
<td>AS 2944.2-2007</td>
<td>Plastics pipes and fittings for gas reticulation - Polyamide - Fittings</td>
</tr>
<tr>
<td>AS 3723-1989</td>
<td>Installation and maintenance of plastic pipe systems for gas</td>
</tr>
<tr>
<td>AS/NZS 4131:2003</td>
<td>Polyethylene (PE) Compounds for Pressure Pipes and Fittings</td>
</tr>
<tr>
<td>AS 4623-2004</td>
<td>Jointing compounds and materials for use in gas pipe joints</td>
</tr>
<tr>
<td>AS 2832.1-2004</td>
<td>Cathodic Protection of Metals – Pipes and Cables</td>
</tr>
<tr>
<td>AS 5601-2004</td>
<td>Gas Installations</td>
</tr>
<tr>
<td>AS 4645-2005</td>
<td>Gas Distribution Network Management</td>
</tr>
<tr>
<td>AS/NZS 4944:2006</td>
<td>Gas Meters – In service Compliance Testing</td>
</tr>
</tbody>
</table>
SCHEDULE 4

GAS DISTRIBUTION SYSTEM CODE CHANGE PROCEDURES

The following procedures apply to amendments to the Distribution System Code pursuant to section 31(1) and 38 of the Gas Industry Act.

1. Subject to clause 2, the Distribution System Code may be amended from time to time by the Commission applying the Commission’s common seal to a document detailing the amendment.

2. Unless the Commission is satisfied on reasonable grounds that an amendment is urgently required, the Commission will not amend this Distribution System Code until:

   (a) all Distributors, the Commission’s Customer Consultative Committee and other interested persons have been given a reasonable opportunity to make submissions to the Commission concerning the amendment; and
   
   (b) those submissions are taken into account.

3. The date specified on the amendment must not be earlier than the date on which the amendment is made without the prior agreement from Distributors and the Commission’s Customer Consultative Committee.

4. The Commission will notify all Distributors, the Commission’s Customer Consultative Committee and other interested persons of any amendment the Commission makes to the Distribution System Code in accordance with this Schedule 4.

5. A Distributor must inform a customer of any amendment to the Distribution System Code that materially affects the customer’s rights and obligations as soon as reasonably practicable after the Distribution System Code is amended by the Commission.