

Allgas Energy Ltd ACN 009 656 446

Details of authorisation

Gas Reticulator's Authorisation under the *Gas Supply Act 1996*.

Details concerning the conditions imposed by the Minister

Refer to the authorisation.

Determinations made by the Minister with respect to authorisations and their conditions

10 March 1999

Reticulator's Authorisation granted to Allgas Energy Ltd to supply gas within the local government areas of Tweed and Narrabri.

6 September 2001

Variation to the conditions of a gas reticulator's authorisation to add a new condition 15 "Retail Market Business Systems"; plus additional definitions in condition 5.

20 August 2002

Variation to the conditions of a gas reticulator's authorisation to add a new condition: 16 "Audit of Compliance with FRC obligations".

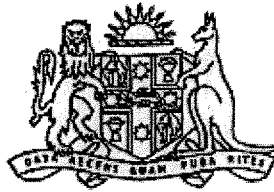
1 August 2004

Variation to the conditions of a gas reticulator's authorisation to standardise conditions, remove redundant conditions and simplify reporting arrangements.

9 January 2015

The Minister for Resources and Energy approved:

- ▼ the addition of Central Ranges Pipeline Pty Ltd and its distribution districts to the Standardised authorisation.
- ▼ changes to reflect corporate name changes from 'The Albury Gas Co Ltd' to 'Australian Gas Networks (Albury) Ltd', and from 'Envestra (NSW) Pty Ltd' to 'Australian Gas Networks (NSW) Pty Ltd'.
- ▼ the Wesfarmers Kleenheat Gas Pty Ltd authorisation be cancelled.



**NEW SOUTH WALES
GOVERNMENT**

GAS SUPPLY ACT 1996

RETICULATOR'S AUTHORISATION

SCHEDULE

Reticulator's Authorisation

Conditions Imposed by the Minister under s 11(1) (b) of the *Gas Supply Act 1996*

1 Application

This *reticulator's authorisation* is subject to these *Conditions*. The *distribution district* of an individual *reticulator* to which this *reticulator's authorisation* extends is listed in the Attachment to these *Conditions*.

2 Cessation of operations

A *reticulator* must, where practicable, give the *Tribunal* at least 3 months prior written notice of its intention to cease operating the whole or any substantial part of a *distribution pipeline* specified in its *reticulator's authorisation*.

3 Compliance with Network Code

3.1 Where a *reticulator's distribution pipeline* is a *designated distribution pipeline*, the *reticulator* must develop, adopt and comply with a *Network Code* for its *distribution pipeline*.

3.2 Where the *reticulator* has not previously operated within the NSW *gas* market, the obligation under clause 3.1 will apply when the *reticulator* commences to convey *gas* through its *distribution pipeline*.

3.3 The *reticulator* must notify the *Director-General* and the *Tribunal* of any amendment to the *Network Code* proposed by the *reticulator* or by an *authorised supplier*. The *reticulator* must seek submissions on the proposed amendment from *authorised suppliers* in accordance with any guidelines notified by the *Director-General*. The *reticulator* must notify all *authorised suppliers* in NSW, the *Director-General*, and the *Tribunal* of any amendments made to the *Network Code* adopted by the *reticulator*.

3.4 The *reticulator* must make a copy of the *Network Code* adopted by the *reticulator* available to any person on request for a reasonable charge to cover the costs of providing the copy.

4 Condition removed 24 June 2009 by notice published in Government Gazette No. 93 on 26 June 2009

5 Insurances and indemnity

- 5.1 A *reticulator* must maintain with a reputable insurance company, workers compensation insurance, public liability insurance and other insurances which it is necessary or prudent for it to maintain covering liability for it, its employees and agents for any loss or damage to property or for death or personal injury to any person for an amount which in all the circumstances is reasonable or for an amount which the *Minister* may from time to time specify.
- 5.2 A *reticulator* must produce to the *Minister* and the *Tribunal* on request satisfactory evidence that such insurance is in force.
- 5.3 A *reticulator* must not do or fail to do anything that would have the effect of avoiding the policy of insurance.
- 5.4 The *reticulator* must indemnify the *Minister* and the *Tribunal* and shall keep them indemnified against loss or damage, (including legal costs on an indemnity basis and the cost of rectifying any breach by the *reticulator* of the *Act* or its *reticulator's* *authorisation*) which they may jointly or severally sustain arising from any of the following:
- (a) the *reticulator's* failure to comply with the *reticulator's* *authorisation*;
 - (b) any negligent act or omission of the *reticulator*, its employees or agents.

6 Audit of compliance with conditions

- 6.1 To enable the *Minister* or an auditor appointed by the *Minister* to audit compliance by the *reticulator* with,
- (a) the *reticulator's* *FRC* obligations; or
 - (b) the *reticulator's* procedures and systems for ensuring compliance with *FRC* obligations,
- the *reticulator* must provide the *Minister* or the auditor with:
- (c) access to its premises and personnel;
 - (d) access to its records in whatever form they may be stored;
 - (e) such information about its records as may be requested for the conduct of the audit; and
 - (f) such assistance and co-operation as may reasonably be required for the conduct of the audit.
- 6.2 The *reticulator* must pay as directed by the *Minister* the costs of any audit conducted under this condition.

7 Compliance management systems

The *reticulator* must develop and maintain internal systems capable of effectively managing compliance with its *reticulator's* *authorisation*.

8 Compliance with statistical reporting obligations

A *reticulator* must provide the *Minister* or the *Minister's* nominee such operating statistics and performance indicators as may be requested from time to time by the *Minister* or the *Minister's* nominee. The *Minister* or the *Minister's* nominee will provide the *reticulator* with reasons for its request when the initial request is made and after that when a request relates to operating statistics and performance indicators that are of materially different type or category to that provided under the initial or a subsequent request.

9 Definitions and Interpretation

Definitions

9.1 In these *Conditions*, the following expressions have the meaning given to them:

Act	<i>Gas Supply Act 1996 (NSW)</i> .
approved scheme	A scheme, approved by the <i>Minister</i> , to develop, administer and implement appropriate <i>business rules</i> and <i>retail market business systems</i> to support full competition in the <i>gas</i> retail market in New South Wales.
business rules	The rules of an entity, established under an <i>approved scheme</i> , governing the operation of <i>retail market business systems</i> .
conditions	These <i>conditions</i> made by the <i>Minister</i> under s 11 (1) (b) of the <i>Act</i> , expressed in this document as clauses.
designated distribution pipeline	A <i>distribution pipeline</i> specified by the <i>Minister</i> as a designated <i>distribution pipeline</i> by publication in the NSW Government Gazette.
Director-General	The <i>Director-General</i> of the Ministry of Energy and Utilities.
FRC obligations	Those obligations of a <i>reticulator</i> which the <i>Minister</i> considers are obligations that relate to full competition in the retail market for <i>gas</i> in New South Wales and includes those which the <i>Minister</i> considers arise under the <i>Act</i> , the <i>Gas Supply (Natural Gas Retail Competition) Regulation 2001</i> and conditions imposed by the <i>Minister</i> .
gas	Natural gas.
Minister	The <i>Minister</i> responsible for administering the <i>Act</i> .
Network Code	A Code developed by the <i>reticulator</i> in accordance with guidelines approved by the <i>Director General</i> , on 20 December 2001 (as amended) that documents the <i>reticulator's</i> policies, practices and procedures with respect to the provision of services to gas suppliers, which are necessary to facilitate the operation of a competitive retail market.
premises	Includes a building or part of a building, a structure or part of a structure and land (whether built on or not).
retail market business systems	Has the meaning given to that term in section 33J of the <i>Gas Supply Act 1996</i> .

9.2 In these *Conditions*, the following expressions have the same meaning as in the Dictionary of the Act:

authorised supplier
distribution district
distribution pipeline
reticulator
reticulator's authorisation
supplier
supplier's authorisation
Tribunal

Interpretation

9.3 Wherever these *Conditions* require the *reticulator* to perform any obligation within a specified time, and that time has expired without the obligation being performed, the expiry of the time will not excuse the *reticulator* from performing the obligation.

9.4 In these *Conditions*:

- (a) the singular includes the plural and vice versa;
- (b) headings are used for convenience only and do not affect the interpretation of these *authorisation* conditions;
- (c) a reference to a document, instrument or law includes any amendments, revisions, renewals, replacements or reprints from time to time;
- (d) a person includes an individual, body corporate, an unincorporated body or other entity;
- (e) the law includes legislation, regulations, licences, orders, codes, permits and directions;
- (f) italicised expressions are defined in clause 9.1, or defined by reference in clause 9.2;
- (g) where a word is defined, any other grammatical form of that word has a corresponding meaning;
- (h) a financial year means a year commencing on 1 July and ending on 30 June in the subsequent calendar year.

ATTACHMENT

Reticulators' Distribution districts

Each reticulator listed in this Attachment has a distribution district comprising the local government areas, or parts of local government areas, corresponding to that reticulator in this Attachment.

Name of Reticulator	Distribution district
ActewAGL Distribution Limited (ACN 073 025 224) and AGL Gas Company (ACT) Limited (ACN 008 552 663) as partners in the partnership styled <i>ActewAGL Distribution</i>	Eastern Capital City Regional, Greater Queanbeyan, Shoalhaven, Tumut
Jemena Gas Networks (ACN 003 004 322)	Ashfield, Auburn, Bankstown, Bathurst, Baulkham Hills, Berrigan, Blacktown, Bland, Blayney, Blue Mountains, Bombala, Boorowa, Botany, Burwood, Cabonne, Camden, Campbelltown, Canada Bay, Canterbury, Cessnock, Conargo, Coolah, Coolamon, Coonabarabran, Cooma-Monaro, Cootamundra, Corowa, Cowra, Culcairn, Deniliquin, Dubbo, Eastern Capital City Regional, Evans, Fairfield, Forbes, Gilgandra, Gosford, Greater Argyle, Greater Queanbeyan, Lithgow, Griffith, Gundagai, Gunnedah, Harden, Hawkesbury, Holbrook, Holroyd, Hornsby, Hume, Hunters Hill, Hurstville, Jerilderie, Junee, Kiama, Kogarah, Ku-ring-gai, Lake Macquarie, Lane Cove, Leeton, Leichhardt, Liverpool, Maitland, Manly, Marrickville, Moree Plains, Mosman, Mudgee, Murray, Muswellbrook, Narrabri, Narrandera, Narromine, Newcastle, North Sydney, Oberon, Orange, Parkes, Parramatta, Parry, Penrith, Pittwater, Port Stephens, Quirindi, Randwick, Rockdale, Ryde, Shellharbour, Shoalhaven, Singleton, Snowy River, Strathfield, Sutherland, Sydney, Tamworth, Temora, Tumut, Upper Lachlan, Warringah, Waverley, Weddin, Wellington, Willoughby, Wingecarribee, Wollondilly, Wollongong, Woollahra, Wyong, Yass Valley, Young
Australian Gas Networks (Albury) Ltd (ACN 000 001 249)	Albury, Berrigan, Conargo, Corowa, Deniliquin, Hume, Jerilderie, Murray
Allgas Energy Ltd (ACN 009 656 446)	Tweed, Narrabri
Australian Gas Networks (NSW) Pty Ltd (ACN 083 199 839)	Bombala, Cooma-Monaro, Cootamundra, Culcairn, Gundagai, Holbrook, Junee, Lockhart, Temora, Tumut, Wagga Wagga
Central Ranges Pipeline Pty Ltd (ACN 108 218 355)	Dubbo City Council, Gilgandra Shire Council, Gunnedah Shire Council, Liverpool Plains Shire Council, Mid-Western Regional Council, Tamworth Regional Council, Warrumbungle Shire Council

Department of Water and Energy

WATER ACT 1912

APPLICATIONS for licences under section 10 of Part 2 of the Water Act 1912, have been received as follows:

William Michael NEVILLE and Heather Nancy NEVILLE for a pump on the Goulburn River, on part Lot 156, DP 753767, Parish Arndell, County Hunter, for irrigation of 6 hectares (split of existing entitlement) (Reference: 20SL061793).

William Michael NEVILLE and Heather Nancy NEVILLE for a pump on the Goulburn River, on an easement within Lot 156, DP 753767, Parish Arndell, County Hunter, for water supply for stock and domestic purposes (to proposed Lot 1, exempt from current 22BA embargo) (Reference: 20SL061795).

William Michael NEVILLE and Heather Nancy NEVILLE for a pump on the Goulburn River, on an easement within Lot 156, DP 753767, Parish Arndell, County Hunter, for water supply for stock and domestic purposes (to proposed Lot 2, exempt from current 22BA embargo) (Reference: 20SL061796).

William Michael NEVILLE and Heather Nancy NEVILLE for a pump on the Goulburn River, on an easement within Lot 156, DP 753767, Parish Arndell, County Hunter, for water supply for stock and domestic purposes (to proposed Lot 3, exempt from current 22BA embargo) (Reference: 20SL061797).

Robert James LLOYD for a pump on Halls Creek, on an easement within Lot 40, DP 750963, Parish Wickham, County Brisbane, for water supply for stock and domestic purposes and irrigation of 7 hectares (split of existing entitlement, exempt from current 22BA embargo) (Reference: 20SL061804).

Written objections to the application specifying grounds thereof must be lodged with the Department of Water and Energy, PO Box 796, Murwillumbah NSW 2484, within 28 days of the date of publication.

D. MILLING,
Manager,
Licensing

WATER ACT 1912

APPLICATION for a licence under Part 5 of the Water Act, 1912, as amended, has been received as follows;

Murrumbidgee Valley

Jason William MARSH for a bore licence on Lot 145 DP754559, Parish of Mimosa, County of Mitchell for a water supply for irrigation purposes (cereals and pastures). Conversion of a test bore lodged prior to the existing embargo .New Licence. (Ref.40BL192145) Any inquiries regarding the above should be directed to the undersigned on (02) 6953 0700. Written objections, from any local occupier or statutory authority, specifying grounds and how their interests are affected, must be lodged with the Department of Water and Energy, PO Box 156, Leeton NSW 2705, within 28 days of the date of this publication.

S.F. WEBB,
Licensing Manager

GAS SUPPLY ACT 1996

Section 12

Notice Of Variation of Conditions of Supplier's Authorisation

THIS Notice applies to the conditions of Supplier's Authorisation granted by the Minister for Energy on 9 July 2004 under section 11(1)(b) Gas Supply Act 1996. Under section 12 Gas Supply Act 1996 the conditions are varied as follows:

1. Clause 3 (Requirement to participate in an approved scheme) is deleted in its entirety.

All remaining conditions of the Supplier's Authorisation remain in force. This variation shall take effect on the 'changeover date' as defined in the National Gas Law adopted in New South Wales through the National Gas (New South Wales) Act 2008.

Dated at Sydney, this 24th day of June 2009.

IAN MACDONALD, M.L.C.,
Minister for Energy

GAS SUPPLY ACT 1996

Section 12

Notice of Variation of Conditions of Reticulator's Authorisation

THIS Notice applies to the conditions of Reticulator's Authorisation granted by the Minister for Energy on 9 July 2004 under section 11(1)(b) Gas Supply Act 1996. Under section 12 Gas Supply Act 1996 the conditions are varied as follows:

1. Clause 4 (Requirement to participate in an approved scheme) is deleted in its entirety.

All remaining conditions of the Reticulator's Authorisation remain in force. This variation shall take effect on the 'changeover date' as defined in the National Gas Law adopted in New South Wales through the National Gas (New South Wales) Act 2008.

Dated at Sydney, this 24th day of June 2009.

IAN MACDONALD, M.L.C.,
Minister for Energy

NATIONAL GAS LAW

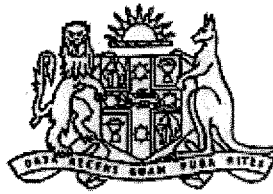
Schedule 3, Section 67

Notice of Allocation Order

PURSUANT to section 67(1) of Schedule 3 of the National Gas Law, I, Ian Macdonald, Minister for Energy, New South Wales make the following Allocation Order with effect on and from the Relevant Date as defined in the Allocation Order.

Dated at Sydney, this 24th day of June 2009.

IAN MACDONALD, M.L.C.,
Minister for Energy



**NEW SOUTH WALES
GOVERNMENT**

GAS SUPPLY ACT 1996

RETICULATOR'S AUTHORISATION

SCHEDULE

Reticulator's Authorisation

Conditions Imposed by the Minister under s 11(1) (b) of the *Gas Supply Act 1996*

1 Application

This *reticulator's authorisation* is subject to these *Conditions*. The *distribution district* of an individual *reticulator* to which this *reticulator's authorisation* extends is listed in the Attachment to these *Conditions*.

2 Cessation of operations

A *reticulator* must, where practicable, give the *Tribunal* at least 3 months prior written notice of its intention to cease operating the whole or any substantial part of a *distribution pipeline* specified in its *reticulator's authorisation*.

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4 Condition removed 24 June 2009 by notice published in Government Gazette No. 93 on 26 June 2009

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- (a) the *reticulator's* failure to comply with the *reticulator's* *authorisation*;
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6 Audit of compliance with conditions

- 6.1 To enable the *Minister* or an auditor appointed by the *Minister* to audit compliance by the *reticulator* with,
- (a) the *reticulator's* *FRC* obligations; or
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gas	Natural <i>gas</i>
Minister	The <i>Minister</i> responsible for administering the Act.
Network Code	A Code developed by the <i>reticulator</i> in accordance with guidelines approved by the Director General, on 20 December 2001 (as amended) that documents the <i>reticulator's</i> policies, practices and procedures with respect to the provision of services to gas suppliers, which are necessary to facilitate the operation of a competitive retail market
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retail market business systems	Has the meaning given to that term in section 33J of the <i>Gas Supply Act 1996</i> .

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supplier's authorisation
Tribunal

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9.4 In these *Conditions*:

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- (h) a financial year means a year commencing on 1 July and ending on 30 June in the subsequent calendar year.

ATTACHMENT

Reticulators' Distribution districts

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Name of reticulator	Distribution district
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<i>Jemena Gas Networks</i> (ACN 003 004 322)	Ashfield, Auburn, Bankstown, Bathurst, Baulkham Hills, Berrigan, Blacktown, Bland, Blayney, Blue Mountains, Bombala, Boorowa, Botany, Burwood, Cabonne, Camden, Campbelltown, Canada Bay, Canterbury, Cessnock, Conargo, Coolah, Coolamon, Coonabarabran, Cooma-Monaro, Cootamundra, Corowa, Cowra, Culcairn, Deniliquin, Dubbo, Eastern Capital City Regional, Evans, Fairfield, Forbes, Gilgandra, Gosford, Greater Argyle, Greater Queanbeyan, Lithgow, Griffith, Gundagai, Gunnedah, Harden, Hawkesbury, Holbrook, Holroyd, Hornsby, Hume, Hunters Hill, Hurstville, Jerilderie, Junee, Kiama, Kogarah, Ku-ring-gai, Lake Macquarie, Lane Cove, Leeton, Leichhardt, Liverpool, Maitland, Manly, Marrickville, Moree Plains, Mosman, Mudgee, Murray, Muswellbrook, Narrabri, Narrandera, Narromine, Newcastle, North Sydney, Oberon, Orange, Parkes, Parramatta, Parry, Penrith, Pittwater, Port Stephens, Quirindi, Randwick, Rockdale, Ryde, Shellharbour, Shoalhaven, Singleton, Snowy River, Strathfield, Sutherland, Sydney, Tamworth, Temora, Tumut, Upper Lachlan, Warringah, Waverley, Weddin, Wellington, Willoughby, Wingecarribee, Wollondilly, Wollongong, Woollahra, Wyong, Yass Valley, Young
<i>Albury Gas Company</i> (ACN 000 001 249)	Albury, Berrigan, Conargo, Corowa, Deniliquin, Hume, Jerilderie, Murray
<i>Allgas Energy Ltd</i> (ACN 009 656 446)	Tweed, Narrabri
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<i>Wesfarmers Kleenheat Gas Pty Limited</i> (ACN 008 679 543)	Armidale Dumaresq



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INDEPENDENT PRICING AND REGULATORY TRIBUNAL
OF NEW SOUTH WALES

Our reference: 02/240

23 July 2004

Contact Ms Kumi Cuthbertson,
Analyst, Energy Licensing
Ph: (02) 9290 8479 Fax: (02) 9290 8462
Email: kumi_cuthbertson@ipart.nsw.gov.au

Mr Tom Bloxsom
Chief Executive Officer
Allgas Energy Limited
PO Box 1461
BRISBANE QLD 4001

Dear Mr Bloxsom

**Ministerially-imposed natural gas reticulators' authorisation conditions
under Section 11(1) (b) of the *Gas Supply Act 1996***

In its major licensing report, *Review of Electricity and Gas Licensing Regimes in NSW*, the Tribunal recommended a review of existing Ministerially-imposed gas authorisation conditions to standardise obligations across the industry. (A copy of the report, released in January 2003, is available on the Tribunal's website at www.ipart.nsw.gov.au). Following consultation with stakeholders in 2003, the Tribunal finalised the standard conditions for the Minister's approval. I am now pleased to inform you that the Minister has varied the gas authorisation conditions as recommended by the Tribunal.

The attached schedule replaces your company's existing Ministerially-imposed reticulator authorisation conditions. In standardising these conditions, the Minister has removed redundant conditions and simplified reporting arrangements. The conditions are enforceable from 1 August 2004.

As these conditions are standard across the industry in NSW, they will also be available on the Tribunal's website. If you have any questions on this matter, please contact Gary Drysdale on (02) 9290 8477 or Kumi Cuthbertson on (02) 9290 8479.

Yours sincerely,

James Cox
Acting Chairman



**NEW SOUTH WALES
GOVERNMENT**

GAS SUPPLY ACT 1996

RETICULATOR'S AUTHORISATION

SCHEDULE

Reticulator's Authorisation

Conditions Imposed by the Minister under s 11(1) (b) of the *Gas Supply Act 1996*

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3.1 Where a *reticulator's distribution pipeline* is a *designated distribution pipeline*, the *reticulator* must develop, adopt and comply with a *Network Code* for its *distribution pipeline*.

3.2 Where the *reticulator* has not previously operated within the NSW gas market, the obligation under clause 3.1 will apply when the *reticulator* commences to convey gas through its *distribution pipeline*.

3.3 The *reticulator* must notify the *Director-General* and the *Tribunal* of any amendment to the *Network Code* proposed by the *reticulator* or by an *authorised supplier*. The *reticulator* must seek submissions on the proposed amendment from *authorised suppliers* in accordance with any guidelines notified by the *Director-General*. The *reticulator* must notify all *authorised suppliers* in NSW, the *Director-General*, and the *Tribunal* of any amendments made to the *Network Code* adopted by the *reticulator*.

3.4 The *reticulator* must make a copy of the *Network Code* adopted by the *reticulator* available to any person on request for a reasonable charge to cover the costs of providing the copy.

4 Requirement to participate in an approved scheme

4.1 This condition applies only to a *reticulator* whose *distribution pipeline* specified in that *reticulator's authorisation* is a *designated distribution pipeline*.

- 4.2 A *reticulator* must participate in an *approved scheme*.
- 4.3 The *reticulator* must provide to the *Minister* or the *Minister's* nominee information about the operation of the *approved scheme* as may be required from time to time by the *Minister*.

5 Insurances and indemnity

- 5.1 A *reticulator* must maintain with a reputable insurance company, workers compensation insurance, public liability insurance and other insurances which it is necessary or prudent for it to maintain covering liability for it, its employees and agents for any loss or damage to property or for death or personal injury to any person for an amount which in all the circumstances is reasonable or for an amount which the *Minister* may from time to time specify.
- 5.2 A *reticulator* must produce to the *Minister* and the *Tribunal* on request satisfactory evidence that such insurance is in force.
- 5.3 A *reticulator* must not do or fail to do anything that would have the effect of avoiding the policy of insurance.
- 5.4 The *reticulator* must indemnify the *Minister* and the *Tribunal* and shall keep them indemnified against loss or damage, (including legal costs on an indemnity basis and the cost of rectifying any breach by the *reticulator* of the *Act* or its *reticulator's authorisation*) which they may jointly or severally sustain arising from any of the following:
- (a) the *reticulator's* failure to comply with the *reticulator's authorisation*;
 - (b) any negligent act or omission of the *reticulator*, its employees or agents.

6 Audit of compliance with conditions

- 6.1 To enable the *Minister* or an auditor appointed by the *Minister* to audit compliance by the *reticulator* with,
- (a) the *reticulator's FRC obligations*; or
 - (b) the *reticulator's* procedures and systems for ensuring compliance with *FRC obligations*,
- the *reticulator* must provide the *Minister* or the auditor with:
- (c) access to its premises and personnel;
 - (d) access to its records in whatever form they may be stored;
 - (e) such information about its records as may be requested for the conduct of the audit; and
 - (f) such assistance and co-operation as may reasonably be required for the conduct of the audit.
- 6.2 The *reticulator* must pay as directed by the *Minister* the costs of any audit conducted under this condition.

7 Compliance management systems

The *reticulator* must develop and maintain internal systems capable of effectively managing compliance with its *reticulator's authorisation*.

8 Compliance with statistical reporting obligations

A *reticulator* must provide the *Minister* or the *Minister's* nominee such operating statistics and performance indicators as may be requested from time to time by the *Minister* or the *Minister's* nominee. The *Minister* or the *Minister's* nominee will provide the *reticulator* with reasons for its request when the initial request is made and after that when a request relates to operating statistics and performance indicators that are of materially different type or category to that provided under the initial or a subsequent request.

9 Definitions and Interpretation

Definitions

9.1 In these *Conditions*, the following expressions have the meaning given to them:

Act	<i>Gas Supply Act 1996 (NSW)</i> .
approved scheme	A scheme, approved by the <i>Minister</i> , to develop, administer and implement appropriate <i>business rules</i> and <i>retail market business systems</i> to support full competition in the gas retail market in New South Wales.
business rules	The rules of an entity, established under an <i>approved scheme</i> , governing the operation of <i>retail market business systems</i> .
conditions	These <i>conditions</i> made by the Minister under s 11 (1) (b) of the Act, expressed in this document as clauses.
designated distribution pipeline	A <i>distribution pipeline</i> specified by the <i>Minister</i> as a designated <i>distribution pipeline</i> by publication in the NSW Government Gazette.
Director-General	The <i>Director-General</i> of the Ministry of Energy and Utilities.
FRC obligations	Those obligations of a <i>reticulator</i> which the Minister considers are obligations that relate to full competition in the retail market for gas in New South Wales and includes those which the <i>Minister</i> considers arise under the Act, the <i>Gas Supply (Natural Gas Retail Competition) Regulation 2001</i> and conditions imposed by the <i>Minister</i> .
gas	Natural gas
Minister	The <i>Minister</i> responsible for administering the Act.
Network Code	A Code developed by the <i>reticulator</i> in accordance with guidelines approved by the Director General, on 20 December 2001 (as amended) that documents the <i>reticulator's</i> policies, practices and procedures with respect to the provision of services to gas suppliers, which are necessary to facilitate the operation of a competitive retail

	market
premises	Includes a building or part of a building, a structure or part of a structure and land (whether built on or not.)
retail market business systems	Has the meaning given to that term in section 33J of the <i>Gas Supply Act 1996</i> .

9.2 In these *Conditions*, the following expressions have the same meaning as in the Dictionary of the Act:

authorised supplier
distribution district
distribution pipeline
reticulator
reticulator's authorisation
supplier
supplier's authorisation
Tribunal

Interpretation

9.3 Wherever these *Conditions* require the *reticulator* to perform any obligation within a specified time, and that time has expired without the obligation being performed, the expiry of the time will not excuse the *reticulator* from performing the obligation.

9.4 In these *Conditions*:

- (a) the singular includes the plural and vice versa;
- (b) headings are used for convenience only and do not affect the interpretation of these *authorisation* conditions;
- (c) a reference to a document, instrument or law includes any amendments, revisions, renewals, replacements or reprints from time to time;
- (d) a person includes an individual, body corporate, an unincorporated body or other entity;
- (e) the law includes legislation, regulations, licences, orders, codes, permits and directions;
- (f) italicised expressions are defined in clause 9.1, or defined by reference in clause 9.2
- (g) where a word is defined, any other grammatical form of that word has a corresponding meaning;
- (h) a financial year means a year commencing on 1 July and ending on 30 June in the subsequent calendar year.

ATTACHMENT

Reticulators' Distribution districts

Each reticulator listed in this Attachment has a distribution district comprising the local government areas, or parts of local government areas, corresponding to that reticulator in this Attachment.

Name of reticulator	Distribution district
<p>Actew Distribution Limited (ACN 073 025 224) and AGL Gas Company (ACT) Limited (ACN 008 552 663) as partners in the partnership styled <i>ActewAGL Distribution</i></p>	<p>Eastern Capital City Regional, Greater Queanbeyan, Shoalhaven, Tumut</p>
<p><i>AGL Gas Networks</i> (ACN 003 004 322)</p>	<p>Ashfield, Auburn, Bankstown, Bathurst, Baulkham Hills, Berrigan, Blacktown, Bland, Blayney, Blue Mountains, Bombala, Boorowa, Botany, Burwood, Cabonne, Camden, Campbelltown, Canada Bay, Canterbury, Cessnock, Conargo, Coolah, Coolamon, Coonabarabran, Cooma-Monaro, Cootamundra, Corowa, Cowra, Culcairn, Deniliquin, Dubbo, Eastern Capital City Regional, Evans, Fairfield, Forbes, Gilgandra, Gosford, Greater Argyle, Greater Queanbeyan, Lithgow, Griffith, Gundagai, Gunnedah, Harden, Hawkesbury, Holbrook, Holroyd, Hornsby, Hume, Hunters Hill, Hurstville, Jerilderie, Junee, Kiama, Kogarah, Ku-ring-gai, Lake Macquarie, Lane Cove, Leeton, Leichhardt, Liverpool, Maitland, Manly, Marrickville, Moree Plains, Mosman, Mudgee, Murray, Muswellbrook, Narrabri, Narrandera, Narromine, Newcastle, North Sydney, Oberon, Orange, Parkes, Parramatta, Parry, Penrith, Pittwater, Port Stephens, Quirindi, Randwick, Rockdale, Ryde, Shellharbour, Shoalhaven, Singleton, Snowy River, Strathfield, Sutherland, Sydney, Tamworth, Temora, Tumut, Upper Lachlan, Warringham, Waverley, Weddin, Wellington, Willoughby, Wingecarribee, Wollondilly, Wollongong, Woollahra, Wyong, Yass Valley, Young</p>
<p><i>Albury Gas Company</i> (ACN 000 001 249)</p>	<p>Albury, Berrigan, Conargo, Corowa, Deniliquin, Hume, Jerilderie, Murray</p>
<p><i>Allgas Energy Ltd</i> (ACN 009 656 446)</p>	<p>Tweed, Narrabri</p>
<p><i>Country Energy Gas Pty Limited</i> (ACN 083 199 839)</p>	<p>Bombala, Cooma-Monaro, Cootamundra, Culcairn, Gundagai, Holbrook, Junee, Lockhart, Temora, Tumut, Wagga Wagga</p>
<p><i>Wesfarmers Kleenheat Gas Pty Limited</i> (ACN 008 679 543)</p>	<p>Armidale Dumaresq</p>



INDEPENDENT PRICING AND REGULATORY TRIBUNAL
OF NEW SOUTH WALES

Our reference: 01/325-5

Contact Gary Drysdale
Phone (02) 9290 8477, Fax (02) 92902061
Email: gary_drysdale@ipart.nsw.gov.au

12 September 2002

Mr Tom Bloxsom
Chief Executive Officer
Allgas Energy Limited
PO Box 1461
BRISBANE QLD 4001

Dear Mr Bloxsom

Gas Supply Act 1996 - Section 11(1)(b)
Notice of Variation to the Gas Reticulator Authorisation Held by Allgas Energy Limited

On 4 December 2001 the Minister advised all natural gas authorisation holders of his intention to add a new condition to supplier and reticulator authorisations. The condition would require authorisation holders to have their compliance with authorisation conditions externally audited to Australian Audit Standards.

As a result of submissions received the Minister has agreed to limit the proposed audit condition to compliance with Full Retail Competition (FRC) related obligations only. This does not preclude the possibility of the Minister choosing to widen the scope of compliance audits at a later stage, should he consider this necessary.

I therefore advise of the Minister's decision under s11(1)(b) of the Gas Supply Act 1996 to incorporate a new condition to the gas reticulator authorisation that your company holds in New South Wales.

The schedule accompanying the grant of authorisation shall be varied in the following manner:

Add new condition 16 as per the following:

"Condition 16 Audit of Compliance with FRC obligations

- To enable the Minister for Energy or an auditor appointed by the Minister to audit compliance by the holder of a natural gas suppliers authorisation with:*
 - the authorisation holder's FRC obligations; or*
 - the authorisation holder's procedures and systems for ensuring its compliance with FRC obligations,*

the authorisation holder must provide the Minister or the auditor with:

- a) access to its premises and personnel;*
 - b) access to its records in whatever form they may be stored;*
 - c) such information about its records as may be requested for the conduct of the audit;*
 - d) such assistance and co-operation as may reasonably be required for the conduct of the audit*
- 2. The authorisation holder must pay as directed by the Minister the costs of any audit conducted under this condition.*
 - 3. In this condition "FRC obligations" means those obligations of an authorisation holder which the Minister considers are obligations that relate to full retail competition in the market for natural gas in New South Wales and includes those which the Minister considers arise under the Gas Supply Act 1996, regulations imposed under the Act including the Gas Supply (Natural Gas Retail Competition) Regulation 2001 and conditions imposed by the Minister."*

The Minister approved of this variation on 20 August 2002.

A complete copy of your company's authorisation conditions will be re-issued when the Tribunal's current work toward standardising gas authorisation conditions has been completed.

Any enquiries should be directed to Mr Gary Drysdale, Program Manager, Energy Compliance on (02) 9290 8477.

Yours sincerely,



Thomas G Parry
Chairman



New South Wales

MINISTER FOR INFORMATION TECHNOLOGY,
MINISTER FOR ENERGY, MINISTER FOR FORESTRY, AND
MINISTER FOR WESTERN SYDNEY

DITM Ref: D11517
MEU Ref: 01/00827
File No: M01/3090

Mr Dennis Cucchiaro
Energy Regulation Manager
Energy Retail Pty Ltd
GPO Box 1461
BRISBANE QLD 4001

- 6 SEP 2001

Dear Mr Cucchiaro

Variation of Allgas Energy Ltd's Authorisation

I refer to correspondence on 20 June 2001 from the Director-General of the Ministry of Energy and Utilities notifying my intention to vary the conditions to the reticulator's authorisation held by Allgas Energy Ltd.

I hereby give notice of the following variation to the conditions of the reticulator's authorisation held by Allgas Energy Ltd - ACN 009 656 446.

15 **RETAIL MARKET BUSINESS SYSTEMS**

15.1 **CONTRIBUTION TOWARDS APPROVED SCHEME**

15.1.1 The Director-General (or any person nominated by the Director-General) may, by notice in writing to the authorisation holder, direct the authorisation holder to provide such assistance as the Director-General considers necessary for the development or amendment of the Business Rules and functional specifications of the Retail Market Business Systems of an Approved Scheme.

15.1.2 The Director-General (or any person nominated by the Director-General) may, by notice in writing to the authorisation holder, direct the authorisation holder to develop (or participate in the development of) and participate in the testing of:

- (a) the Retail Market Business Systems of, an Approved Scheme;
- (b) the Authorisation Holder's Systems for interfacing with the Retail Market Business Systems of an Approved Scheme; or

- (c) the Authorisation Holder's Systems for interfacing with another authorisation holder's information technology and business systems.

15.1.3

The authorisation holder must comply with any directions given by the Director-General under clauses 15.1.1 and 15.1.2 except where such compliance would, in the opinion of the Director-General, be unduly onerous or would cause the authorisation holder to breach any statutory obligations.

15.2

BUSINESS SYSTEMS PROJECT PLAN

15.2.1

The Director-General may, in consultation with market participants, approve a Business Systems Project Plan (and amend that plan from time to time) to facilitate the development of:

- (a) the Retail Market Business Systems of an Approved Scheme; and/or
- (b) the Authorisation Holder's Systems for interfacing with the Retail Market Business Systems of an Approved Scheme.

15.2.2

The Director-General will provide the authorisation holder with a copy of or access to any Business Systems Project Plan approved under clause 15.2.1.

15.2.3

The Director-General will notify the authorisation holder of any amendments to the Business Systems Project Plan.

15.3

DATA MIGRATION PLAN

15.3.1

The Director-General may, in consultation with market participants, approve a Data Migration Plan (and amend that plan from time to time) to establish the Data Conversion Requirements for the testing and operation of the Retail Market Business Systems.

15.3.2

The Director-General will provide the authorisation holder with a copy of or access to any Data Migration Plan approved under clause 15.3.1.

15.3.3

The Director-General will notify the authorisation holder of any amendments to the Data Migration Plan.

15.4

COMPLIANCE WITH BUSINESS SYSTEMS PROJECT PLAN AND DATA MIGRATION PLAN

15.4.1

The authorisation holder must comply with the Milestones set out in the Business Systems Project Plan and the Data Migration Plan.

15.5

OBLIGATION TO PROVIDE INFORMATION

15.5.1

The authorisation holder must furnish the Director-General with such information as the Director-General (or any person nominated by the Director-General) may from time to time require to enable the Director-General to assess the authorisation holder's progress towards achieving the Milestones. That information must be furnished within 7 days of the date of that request or within such additional period as is specified by the Director-General (or any person nominated by the Director-General).

15.6

REPORTING OBLIGATIONS

15.6.1

The authorisation holder must, by the 15th day of each month (or such other day or days as may be notified to the authorisation holder by the Director-General or any person nominated by the Director-General), prepare and furnish the Director-General with a report which sets out the authorisation holder's progress towards achieving the Milestones.

15.6.2

The report referred to in clause 15.6.1 must be in a form and contain a level of detail that is acceptable to the Director-General. If, in the Director-General's opinion, the form or level of detail of the report is inadequate, the Director-General may require the authorisation holder to submit a revised report within 7 days.

15.6.3

The Minister may, by notice in writing to the authorisation holder, release the authorisation holder from its obligations under clauses 15.6.1 and 15.6.2.

15.6.4

Upon receipt of a notice under clause 15.6.3, the authorisation holder will be released from its obligations under clauses 15.6.1 and 15.6.2 on and from the date stipulated in the notice.

15.7

INSPECTION OF RECORDS AND SYSTEMS

15.7.1

The Director-General, or any person nominated by the Director-General, may at reasonable times and on reasonable notice, speak to a representative of the authorisation holder, enter the authorisation holder's premises and (under the supervision of the authorisation holder) inspect:

- (a) the operation of the Authorisation Holder's Systems for interfacing with the Retail Market Business Systems of an Approved Scheme;
- (b) the operation of the Authorisation Holder's Systems for interfacing with another authorisation holder's information technology and business systems; and
- (c) all related documents and equipment,

to assess the authorisation holder's progress towards achieving the Milestones.

15.7.2

If the Director-General reasonably forms the view that the authorisation holder has not achieved or will not achieve the Milestones:

- (a) the Director-General may require the authorisation holder to consult with a person nominated by the Director-General to discuss the reasons for the failure to achieve the Milestones and the actions required to achieve the Milestones;
- (b) the Director-General may require the authorisation holder to establish, to the satisfaction of the Director-General or a person nominated by the Director-General, a recovery plan to ensure that the authorisation holder will be able to meet the Milestones;
- (c) the Director-General may require the authorisation holder to undertake an audit or review of the recovery plan at intervals specified by the Director-General; and
- (d) the authorisation holder must comply with the recovery plan.

15.8

EXPIRY

15.8.1

Clauses 15 - 15.7.2 will cease to have effect within 12 months of the date on which they were incorporated into these authorisation conditions unless, prior to that date, the Minister determines that these clauses will continue in operation until a later specified date.

15.8.2

If such a determination is made, the Director-General (or any person nominated by the Director-General) must notify the authorisation holder of the making of that determination. However, no failure to notify the authorisation holder will invalidate the determination.

5

DEFINITIONS

5

In these Authorisation conditions:

Authorisation Holder's Systems means the information technology and business systems of the authorisation holder that will facilitate the introduction and operation of a competitive retail market for gas in New South Wales.

Business Rules means the business rules which form part of an Approved Scheme.

5

Business Systems Project Plan means the business systems project plan referred to in clause 15.2.1 of these authorisation conditions.

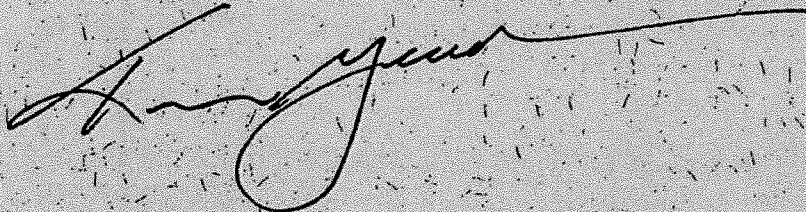
Data Conversion Requirements means the rules governing the transfer of data from relevant authorisation holders to the retail market business systems.

Data Migration Plan means the data migration plan referred to in clause 15.3.1 of these authorisation conditions.

Milestones means the milestones referred to in clause 15.4.1 of these authorisation conditions

Retail Market Business Systems has the meaning set out in section 33J of the *Gas Supply Act 1996*.

Yours sincerely,



Kim Yeadon MP
Minister for Energy

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THE SCHEDULE

CONDITIONS OF AUTHORISATION UNDER THE GAS SUPPLY ACT 1996

AUTHORISATION

1. Grant of Authorisation

The Authorisation Holder is authorised to operate a distribution system for the purposes of conveying natural gas to other persons.

CONDITIONS IMPOSED BY THE ACT

2. Introduction

Under section 11(1) of the Act, the Authorisation is subject to the following conditions:

- (a) the conditions imposed by the Act and the Regulations;
- (b) such other conditions (not inconsistent with those imposed by the Act and the Regulations) as the Minister may from time to time impose in relation to the Authorisation.

3. Obligations

Wherever these conditions require the Authorisation Holder to perform any obligation within a specified time, and that time has expired without the obligation being performed, the expiry of the time will not excuse the Authorisation Holder from performing the obligation.

DEFINITIONS

4. Interpretation

In these Authorisation conditions, unless the context requires otherwise:

- (a) the singular includes the plural and vice versa;
- (b) headings are used for convenience only and do not affect the interpretation of these Authorisation conditions;
- (c) a reference to a document includes the document as modified from time to time and any document replacing it;
- (d) the word "person" includes a natural person and any body or entity whether incorporated or not; and
- (e) references to clauses are references to clauses in these Authorisation conditions.

5. Definitions

In this Authorisation conditions:

"Act" means the *Gas Supply Act 1996*.

"Authorisation" means the Reticulator's Authorisation granted to Allgas Energy Ltd pursuant to section 9 of the Act.

"Authorisation Holder" means Allgas Energy Ltd.

"Authorisation Holder's Systems" means the information technology and business systems of the authorisation holder that will facilitate the introduction and operation of a competitive retail market for gas in New South Wales.

"Business Rules" means the business rules which form part of an Approved Scheme.

"Business Systems Project Plan" means the business systems project plan referred to in clause 15.2.1 of these authorisation conditions.

"Data Conversion Requirements" means the rules governing the transfer of data from one relevant authorisation holders to the retail market business systems.

"Data Migration Plan" means the data migration plan referred to in clause 15.3.1 of these authorisation conditions.

"Director-General" means the Director-General of the Ministry of Energy and Utilities.

"distribution district" means the local government areas of Tweed and Narrabri.

"financial year" means a year commencing on 1 July and ending on 30 June in the subsequent calendar year.

"gas" means natural gas only.

"Milestones" means the milestones referred to in clause 15.4.1 of these authorisation conditions.

"Minister" means the Minister responsible for administering the Act.

"Regulations" means regulations made under the Act.

"Retail Market Business Systems" has the meaning set out in section 33J of the *Gas Supply Act 1996*.

Expressions used in these Authorisation conditions that are defined in the dictionary at the end of the Act have the meanings set out in that dictionary.

6. Incorporation of Guidelines

Where any condition of this Authorisation makes reference to guidelines or criteria established or adopted by the Minister or the Director-General, the Authorisation Holder must comply with such guidelines or criteria, and they shall be deemed to be incorporated in these conditions.

CONDITIONS IMPOSED BY THE MINISTER

7. Limitation on Supply

This Authorisation only entitles the Authorisation Holder to convey gas within the distribution districts by means of a distribution system to gas users within the distribution district.

8. Supply of Information

(1) The Authorisation Holder must:

- (a) keep records for each financial year, showing details of the Authorisation Holder's financial status, having particular regard to its obligations under clause 14 of these conditions;
- (b) keep other records to demonstrate compliance with this authorisation as required by the Director-General from time to time; and
- (c) supply copies of such records to the Director-General from time to time.

(2) The Authorisation Holder must furnish to the Director-General (in respect of such periods that the Director-General may determine) such information that the Director-General may determine, to enable the Director-General to ascertain whether or not the Authorisation Holder is complying with the conditions imposed on this Authorisation.

(3) The Authorisation Holder must forward the information or records required by Sub-Clauses (1) and (2) to the Director-General within such time as the Director-General specifies.

9. Cessation or Reduction in Activities

The Authorisation Holder must, wherever practicable, give the Director-General at least 12 months prior written notice of any intention to cease operating the whole or any substantial part of the distribution system.

10. Distribution System Losses

- (1) Within 120 days of the end of each financial year the Authorisation Holder must submit to the Director-General a report quantifying unaccounted for gas and estimating the gas losses from the Authorisation Holder's distribution system in the prior financial year. The report will include a plan which establishes measures to minimise gas losses to reasonable levels in the forthcoming financial year and an assessment of the effectiveness of the prior financial year's plan.
- (2) The obligation to submit a report referred to in Sub-Clause (1) will commence from 1 July 1999.
- (3) The annual plan and the report on the effectiveness of plans referred to in Sub-Clause (1) must be in accordance with the Director-General's Guidelines issued from time to time.

11. Safe Gas Supply System

The Authorisation Holder must develop, maintain and operate a safe distribution system having regard to the safety and operating plan established by the Authorisation Holder under the Regulations.

12. Emergency Service

The Authorisation Holder must, in respect of the Distribution System:

- (1) make arrangements for an effective 24 hour emergency telephone service to be accessible to the public on every day of the year to receive telephone reports relating to any escape of gas from the distribution system or from premises directly connected to the distribution system;
- (2) make effective arrangements for the receipt of such reports made in person during normal business hours at the Authorisation Holder's business premises;
- (3) act promptly on every such report, doing all things necessary to stop the escape of, and to disperse, any gas that presents a hazard of ignition or explosion, or a risk of suffocation or other harm to any person;
- (4) ensure that adequate publicity is given of the ways in which the Authorisation Holder can be contacted for the purpose of reporting any escape of gas; and
- (5) make available to any person on request the details of its emergency service, together with a statement that it will make safe any escape of gas from its distribution system and from that part of a gas installation directly connected to its distribution system up to and including the gas meter outlet. The statement must also state the circumstances in which a gas user may be liable for the cost of repairs associated with a gas escape.

13. Insurances and Indemnity

- (1) The Authorisation Holder must arrange and maintain with a reputable insurance company, appropriate insurance, including public liability insurance, to cover its legal liability for any loss or damage to property or death or injury to any person caused by the Authorisation Holder, its employees or agents.
- (2) The Authorisation Holder must produce to the Director-General on or before each anniversary of the date on which this Authorisation was granted satisfactory evidence that such insurance is in force.
- (3) The Authorisation Holder must not by any act or omission whatsoever do anything that would have the effect of avoiding or reducing the indemnity to be provided in any policy of insurance required or envisaged by this Clause.
- (4) The Authorisation Holder must indemnify the Minister, the Director-General and the Ministry of Energy and Utilities, and shall keep them indemnified, against all of the following:
 - (a) all liability or loss arising from and any costs (including legal costs on a full indemnity basis), charges or expenses incurred as a result of any breach of this Authorisation or any negligent act or omission of the Authorisation Holder, its employees or agents;
 - (b) the full cost of rectifying any breach of the Act, the Regulations or this Authorisation by the Authorisation Holder, its servants or agents; and
 - (c) all legal costs (on a full indemnity basis) incurred by the Minister, the Director-General or the Ministry of Energy and Utilities in connection with the enforcement of the indemnity provided under this Clause.

14. Operation of a Viable Business

- 14.1 The Authorisation Holder must satisfy, and continue to satisfy, such technical and prudential criteria as may be adopted by the Minister to determine whether it is able to operate a viable business as an authorised Reticulator under the Act.

15. Retail Market Business Systems

15.1 Contribution towards Approved Scheme

- 15.1.1 The Director-General (or any person nominated by the Director-General) may, by notice in writing to the authorisation holder, direct the authorisation holder to provide such assistance as the Director-General considers necessary for the development or amendment of the Business Rules and functional specifications of the Retail Market Business Systems of an Approved Scheme.
- 15.1.2 The Director-General (or any other person nominated by the Director-General), may by notice in writing to the authorisation holder, direct the authorisation holder to develop and participate in any testing of:

- (a) the Retail Market Business Systems of an Approved Scheme;
- (b) the Authorisation Holder's Systems for interfacing with the Retail Market Business Systems of an Approved Scheme; or
- (c) the Authorisation Holder's Systems for interfacing with another authorisation holder's information technology and business systems.

15.1.3 The authorisation holder must comply with any directions given by the Director-General under clauses 15.1.1 and 15.1.2 except where such compliance would, in the opinion of the Director-General, be unduly onerous or would cause the authorisation holder to breach any statutory obligations.

15.2 Business Systems Project Plan

15.2.1 The Director-General may, in conjunction with market participants, approve a Business Systems Project Plan (and amend that plan from time to time) to facilitate the development of:

- (a) the Retail Market Business Systems of an Approved Scheme; and/or
- (b) the Authorisation Holder's systems for interfacing with the Retail Market Business Systems of an Approved Scheme

15.2.2 The Director-General will provide the authorisation holder with a copy of or access to any Business Systems Project Plan approved under clause 15.2.1.

15.2.3 The Director-General will notify the authorisation holder of any amendments to the Business Systems Project Plan.

15.3 Data Migration Plan

15.3.1 The Director-General may, in consultation with market participants, approve a Data Migration Plan (and amend that plan from time to time) to establish the Data Conversion Requirements for the testing and operation of the Retail Market Business Systems.

15.3.2 The Director-General will provide the authorisation holder with a copy of or access to any Data Migration Plan approved under clause 15.3.1.

15.3.3 The Director General will notify the authorisation holder of any amendments to the Data Migration Plan.

15.4 Compliance with Business Systems Project Plan and Data Migration Plan

15.4.1 The authorisation holder must comply with the Milestones set out in the Business Systems Project Plan and the Data Migration Plan.

15.5 Obligation to Provide Information

15.5.1 The authorisation holder must, furnish the Director General with such information as the Director-General (or any person nominated by the Director-General) may require to enable the Director-General to assess the authorisation holder's progress towards achieving the Milestones. That information must be furnished within 7 days of the date of that a request or within such additional period as specified by the Director-General (or any person nominated by the Director-General).

15.6 Reporting Obligations

15.6.1 The authorisation holder must, by the 15th day of each month (or such other day or days as may be notified to the Authorisation Holder by the Director-General or any person nominated by the Director-General), prepare and furnish the Director-General with a report which sets out the authorisation holder's progress towards achieving the Milestones.

15.6.2 The report referred to in clause 15.6.1 must be in a form and contain a level of detail that is acceptable to the Director-General. If, in the Director-General's opinion, the form or level of detail of the report is inadequate, the Director-General may require the authorisation holder to submit a revised report within 7 days.

15.6.3 The Minister may, by notice in writing to the authorisation holder, release the authorisation holder from its obligations under clauses 15.6.1 and 15.6.2.

15.6.4 Upon receipt of a notice under clause 15.6.3, the authorisation holder will be released from its obligations under clauses 15.6.1 and 15.6.2 on and from the date stipulated in the notice.

15.7 Inspection of records and systems

15.7.1 The Director-General, or any person nominated by the Director-General, may at reasonable times and on reasonable notice, speak to a representative of the authorisation holder, enter the authorisation holder's premises and (under the supervision of the authorisation holder) inspect:

- (a) the operation of the Authorisation Holder's Systems for interfacing with the Retail Market Business Systems of an Approved Scheme;
- (b) the operation of the Authorisation Holder's Systems for interfacing with another authorisation holder's systems; and
- (c) all related documents and equipment,

to assess the authorisation holder's progress towards achieving the Milestones.

15.7.2 If the Director-General reasonably forms the view that the authorisation holder has not achieved or will not achieve the Milestones:

- (a) The Director-General may require the authorisation holder to consult with a person nominated by the Director-General to discuss the reasons for the failure to achieve the Milestones and the actions required to achieve the Milestones;

- (b) The Director-General may require the authorisation holder to establish, to the satisfaction of the Director-General or a person nominated by the Director-General, a recovery plan to ensure that the authorisation holder will be able to meet the Milestones;
- (c) The Director-General may require the authorisation holder to undertake an audit or review of the recovery plan at intervals specified by the Director-General; and
- (d) The authorisation holder must comply with the recovery plan.

15.8 Expiry

- 15.8.1 Clauses 15 -15.7.2 will cease to have effect within 12 months of the date on which they were incorporated into these authorisation conditions unless, prior to that date, the Minister determines that these clauses will continue in operation until a later specified date.
- 15.8.2 If such a determination is made, the Director-General (or any person nominated by the Director-General) must notify the authorisation holder of the making of that determination. However, no failure to notify the authorisation holder will invalidate the determination.



Dept Ref: 99/00196
File No: M98/5114

Mr George Harris
Manager Projects
Allgas Energy Ltd
PO Box 2025
MANSFIELD DC QLD 4122

10 MAR 1999

Dear Mr Harris

GAS SUPPLY ACT 1996

GRANT OF RETICULATOR'S AUTHORISATION TO ALLGAS ENERGY LTD

I hereby advise that I have granted, pursuant to section 9 of the Gas Supply Act 1996, Allgas Energy Ltd, ACN 009 656 446, of 150 Charlotte Street, Brisbane, Queensland, a Reticulator's Authorisation for the local government areas of Narrabri and Tweed.

A copy of the Reticulator's Authorisation is attached.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Bob Debus', written over a white background.

Bob Debus

GAS SUPPLY ACT 1996

**RETICULATOR'S AUTHORISATION
TO CONVEY NATURAL GAS**

GRANTED TO

Allgas Energy Ltd

(ACN 009 656 446)

I, ROBERT JOHN DEBUS, Minister for Energy, pursuant to section 9 of the *Gas Supply Act 1996*, grant a Reticulator's Authorisation for the purposes of conveying natural gas in the distribution district hereafter defined,

TO Allgas Energy Ltd ACN 009 656 446 of 150 Charlotte Street, Brisbane, in the State of Queensland,

subject to the conditions imposed by the *Gas Supply Act 1996*, the Regulations made under it and the conditions set out in the Schedule.

DATED: 10 March 1999.


MINISTER FOR ENERGY

RETICULATOR'S AUTHORISATION
GRANTED TO: Allgas Energy Ltd
ACN 009 656 446

THE SCHEDULE

CONDITIONS OF AUTHORISATION UNDER THE GAS SUPPLY ACT 1996

AUTHORISATION

1. Grant of Authorisation

The Authorisation Holder is authorised to operate a distribution system for the purposes of conveying natural gas to other persons.

CONDITIONS IMPOSED BY THE ACT

2. Introduction

Under section 11(1) of the Act, the Authorisation is subject to the following conditions:

- (a) the conditions imposed by the Act and the Regulations;
- (b) such other conditions (not inconsistent with those imposed by the Act and the Regulations) as the Minister may from time to time impose in relation to the Authorisation.

3. Obligations

Wherever these conditions require the Authorisation Holder to perform any obligation within a specified time, and that time has expired without the obligation being performed, the expiry of the time will not excuse the Authorisation Holder from performing the obligation.

DEFINITIONS

4. Interpretation

In these Authorisation conditions, unless the context requires otherwise:

- (a) the singular includes the plural and vice versa;
- (b) headings are used for convenience only and do not affect the interpretation of these Authorisation conditions;
- (c) a reference to a document includes the document as modified from time to time and any document replacing it;
- (d) the word "person" includes a natural person and any body or entity whether incorporated or not; and

- (e) references to clauses are references to clauses in these Authorisation conditions.

5. Definitions

In this Authorisation conditions:

"Act" means the *Gas Supply Act 1996*.

"Authorisation" means the reticulator's Authorisation granted to Allgas Energy Ltd pursuant to section 9 of the Act.

"Authorisation Holder" means Allgas Energy Ltd.

"Director-General" means the Director-General of the Department of Energy.

"distribution district" means the local government areas of Tweed and Narrabri.

"financial year" means a year commencing on 1 July and ending on 30 June in the subsequent calendar year.

"gas" means natural gas only.

"Minister" means the Minister responsible for administering the Act.

"Regulations" means regulations made under the Act.

Expressions used in these Authorisation conditions that are defined in the dictionary at the end of the Act have the meanings set out in that dictionary.

6. Incorporation of Guidelines

Where any condition of this Authorisation makes reference to guidelines or criteria established or adopted by the Minister or the Director-General, the Authorisation Holder must comply with such guidelines or criteria, and they shall be deemed to be incorporated in these conditions.

CONDITIONS IMPOSED BY THE MINISTER

7. Limitation on Supply

This Authorisation only entitles the Authorisation Holder to convey gas within the distribution district by means of a distribution system to gas users within the distribution district.

8. Supply of Information

- (1) The Authorisation Holder must:
- (a) keep records for each financial year, showing details of the Authorisation Holder's financial status, having particular regard to its obligations under Clause 14 of these conditions;

- (b) keep other records to demonstrate compliance with this Authorisation as required by the Director-General from time to time; and
 - (c) supply copies of such records to the Director-General as directed by the Director-General from time to time.
- (2) The Authorisation Holder must furnish to the Director-General (in respect of such periods that the Director-General may determine) such information that the Director-General may determine, to enable the Director-General to ascertain whether or not the Authorisation Holder is complying with the conditions imposed on this Authorisation.
- (3) The Authorisation Holder must forward the information or records required by Sub-Clauses (1) and (2) to the Director-General within such time as the Director-General specifies.

9. Cessation or Reduction in Activities

The Authorisation Holder must, wherever practicable, give the Director-General at least 12 months prior written notice of any intention to cease operating the whole or any substantial part of the distribution system.

10. Distribution System Losses

- (1) Within 120 days of the end of each financial year the Authorisation Holder must submit to the Director-General a report quantifying unaccounted for gas and estimating the gas losses from the Authorisation Holder's distribution system in the prior financial year. The report will include a plan which establishes measures to minimise gas losses to reasonable levels in the forthcoming financial year and an assessment of the effectiveness of the prior financial year's plan.
- (2) The obligation to submit a report referred to in Sub-Clause (1) will commence from 1 July 1999.
- (3) The annual plan and the report on the effectiveness of plans referred to in Sub-Clause (1) must be in accordance with the Director-General's Guidelines issued from time to time.

11. Safe Gas Supply System

The Authorisation Holder must develop, maintain and operate a safe distribution system having regard to the safety and operating plan established by the Authorisation Holder under the Regulations.

12. Emergency Service

The Authorisation Holder must, in respect of the distribution system:

- (1) make arrangements for an effective 24 hour emergency telephone service to be accessible to the public on every day of the year to receive telephone reports relating to any escape of gas from the distribution system or from premises directly connected to the distribution system;

- (2) make effective arrangements for the receipt of such reports made in person during normal business hours at the Authorisation Holder's business premises;
- (3) act promptly on every such report, doing all things necessary to stop the escape of, and to disperse, any gas that presents a hazard of ignition or explosion, or a risk of suffocation or other harm to any person;
- (4) ensure that adequate publicity is given of the ways in which the Authorisation Holder can be contacted for the purpose of reporting any escape of gas; and
- (5) make available to any person on request the details of its emergency service, together with a statement that it will make safe any escape of gas from its distribution system and from that part of a gas installation directly connected to its distribution system up to and including the gas meter outlet. The statement must also state the circumstances in which a gas user may be liable for the cost of repairs associated with a gas escape.

13. Insurances and Indemnity

- (1) The Authorisation Holder must arrange and maintain with a reputable insurance company, appropriate insurance, including public liability insurance, to cover its legal liability for any loss or damage to property or death or injury to any person caused by the Authorisation Holder, its employees or agents.
- (2) The Authorisation Holder must produce to the Director-General on or before each anniversary of the date on which this Authorisation was granted satisfactory evidence that such insurance is in force.
- (3) The Authorisation Holder must not by any act or omission whatsoever do anything that would have the effect of avoiding or reducing the indemnity to be provided in any policy of insurance required or envisaged by this Clause.
- (4) The Authorisation Holder must indemnify the Minister, the Director-General and the Department of Energy, and shall keep them indemnified, against all of the following:
 - (a) all liability or loss arising from and any costs (including legal costs on a full indemnity basis), charges or expenses incurred as a result of any breach of this Authorisation or any negligent act or omission of the Authorisation Holder, its employees or agents;
 - (b) the full cost of rectifying any breach of the Act, the Regulations or this Authorisation by the Authorisation Holder, its servants or agents; and
 - (c) all legal costs (on a full indemnity basis) incurred by the Minister, the Director-General or the Department of Energy in

connection with the enforcement of the indemnity provided under this Clause.

14. Operation of a Viable Business

The Authorisation Holder must satisfy, and continue to satisfy, such technical and prudential criteria as may be adopted by the Minister to determine whether it is able to operate a viable business as an authorised Reticulator under the Act.

