



Gas

Licence



## Gas Distribution Licence

Australian Gas Networks Limited

ACN 078 551 685

Issued by the Technical Regulator on 16 September 1998.  
Last varied by the Essential Services Commission on 14 April 2020.

## Variation history

AMENDMENT NUMBER	VARIATION DATE	REASON
ESCOSA01	8/3/2004	
ESCOSA02	1/1/2005	
ESCOSA03	6/7/2006	
ESCOSA04	28/6/2007	
ESCOSA05	7/11/2007	
ESCOSA06	17/9/2010	
ESCOSA07	28/8/2013	
ESCOSA08	16/12/2014	
ESCOSA09	15/09/2016	
ESCOSA10	14/04/2020	Licence varied to reflect amendments to the Act and update outdated references.

# 1 Definitions and interpretation

- 1.1 Words appearing in bold like **this** are defined in Schedule 1.
- 1.2 This licence must be interpreted in accordance with the rules set out in Schedule 2.

## 2 Grant of licence

- 2.1 The **licensee** is licensed under Part 3 of the **Act** to carry on the operation of the **distribution system**, as specified in schedule 3, subject to the terms and conditions set out in this licence.

## 3 Term

- 3.1 This licence continues until:
  - (a) it is surrendered by the **licensee** under section 31 of the **Act**; or
  - (b) it is suspended or cancelled by the **Commission** under section 38 of the **Gas Act**.

## 4 Compliance with applicable regulatory instruments

- 4.1 The **licensee** must comply with all **applicable regulatory instruments**, including any technical or safety requirements under the **Act** and the *Natural Gas (South Australia) Act 2008*.
- 4.2 The **licensee** must:
  - (a) monitor and report to the **Commission** on its levels of compliance with **local regulatory instruments** in accordance with the requirements of any applicable guideline issued by the **Commission**, and
  - (b) notify the **Commission** if it commits a material breach of any **local regulatory instrument** within 3 days of becoming aware of that breach.
- 4.3 The **licensee** must notify the **Commission** if it commits a material breach of any **national regulatory instrument** in accordance with the requirements of any applicable guideline issued by the **Commission**.

## 5 Compliance with good gas industry practice

- 5.1 The **licensee** must use its **best endeavours** to conduct the operations authorised by this licence in accordance with **good gas industry practice** including, but not limited to, conducting the operations so as to:
  - (a) prevent death or injury to, persons or damage to property
  - (b) minimise leakage of gas, and
  - (c) account for the total amount of gas lost from the **distribution system** as a result of leakage or an activity referred to in section 82(1) of the **Act**.



## 6 Audits

- 6.1 The licensee must undertake periodic audits of the operations authorised by this licence and of its compliance with its obligations under this licence and any applicable **industry codes** in accordance with the requirements of any applicable **guideline** issued by the **Commission** for this purpose.
- 6.2 The **Commission** may require the costs of conducting audits under this clause 6 to be met by the licensee.

## 7 Information to the Commission

- 7.1 The licensee must, from time to time as required by the **Commission** and in a manner and form determined by the **Commission**, provide to the **Commission**:
- (a) details of the licensee's financial, technical and other capacity to continue its operations authorised by this licence, and
  - (b) such other information as the **Commission** may require.
- 7.2 The licensee must notify the **Commission** of any changes to its officers or major shareholders (if applicable) within 30 days of that change.

## 8 Safety, reliability, maintenance and technical management plan

- 8.1 The licensee must:
- (a) prepare, maintain and periodically revise a safety, reliability, maintenance and technical management plan dealing with matters prescribed by **regulation**
  - (b) obtain the approval of the **Technical Regulator**
    - (i) to the plan (prior to the commencement of the operation of the distribution system to which the plan relates), and
    - (ii) to any revision of the plan
  - (c) comply with the plan as approved from time to time in accordance with clause 8.1(b) and
  - (d) undertake audits of its compliance with the plan from time to time and report the results of those audits to the **Technical Regulator**, in the form required by the **Technical Regulator**.

## 9 Customer concessions and community service obligations

- 9.1 The licensee must comply with the requirements of any scheme approved and funded by the Minister for the provision by the State of **customer** concessions or the performance of community service obligations by the licensee.

## 10 Confidentiality

- 10.1 The licensee must, unless otherwise required by law, this licence, an **industry code**, or the **National Gas Rules**, comply with any **rules** made by the **Commission** from time to time relating to the use of information acquired by the licensee in the course of operating the business authorised by this licence.

## 11 Variation

- 11.1 This licence may only be varied in accordance with section 29 of the **Gas Act**.

## 12 Transfer

- 12.1 This licence may only be transferred in accordance with section 30 of the **Gas Act**.

This licence was issued by the Technical Regulator on 16 September 1998 and last varied by the Commission on the date specified below.

Adam Wilson

Chief Executive Officer and Commission authorised signatory

A handwritten signature in blue ink, consisting of a stylized 'A' followed by a horizontal line, positioned above a dotted line.

Date

A handwritten date in blue ink, '14 Apr 2020', positioned above a dotted line.

## Schedule 1 - Definitions

In this licence:

**Act** means the *Gas Act 1997 (SA)*

**applicable regulatory instruments** means any local regulatory instrument or national regulatory instrument

**best endeavours** means to act in good faith and use all reasonable efforts, skill and resources

**business day** means a day other than a Saturday, Sunday or public holiday in South Australia

**Commission** means the Essential Services Commission established under the **ESC Act**

**customer** has the meaning given to that term in the **Act**, namely a person who has a supply of gas available from a system for consumption by that person, and includes:

- (a) the occupier for the time being of a place to which gas is supplied by a distribution system; and
- (b) where the context requires, a person seeking a supply of gas from a distribution system; and
- (c) a person of a class declared by regulation to be customers.

**distribution system** has the meaning given to that term in the **Act**

**ESC Act** means the *Essential Services Commission Act 2002 (SA)*;

**good gas industry practice** means the exercise of that degree of skill, diligence, prudence and foresight that reasonably would be expected from a significant proportion of operators of gas distribution systems forming part of the Australian gas supply industry under conditions comparable to those applicable to the **distribution system** operated by the **licensee** consistent with **applicable regulatory instruments**, reliability, safety and environmental factors

**guideline** means any guideline issued by the **Commission** under section 8 of the **ESC Act**

**industry code** includes any **industry code** made by the **Commission** under section 28 of the **ESC Act**

**industry rule** includes any **industry rule** made by the **Commission** under section 28 of the **ESC Act**

**licensee** means Australian Gas Networks Limited (ACN 078 551 685)

**local regulatory instrument** means:

- (a) any Act or statutory instrument made under an Act which imposes obligations on the **licensee** in respect of the operations authorised by this licence and which is administered by the **Commission**, and
- (b) any **industry code**, **industry rule**, **guideline** or other regulatory instrument made by the **Commission**;

**National Gas Rules** means the rules made under the *National Gas (South Australia) Act 2008*

**national regulatory instrument** means any Act or statutory instrument made under an Act which imposes obligations on the **licensee** in respect of the operations authorised by this licence but which is not administered by the **Commission**

**Technical Regulator** means the person holding the office of the Technical Regulator under the **Act**.



## Schedule 2 - Interpretation

In this licence, unless the context otherwise requires:

- (a) headings are for convenience only and do not affect the interpretation of this licence
- (b) words importing the singular include the plural and vice versa
- (c) words importing a gender include any gender
- (d) an expression importing a natural person includes any company, partnership, trust, joint venture, association, corporation or other body corporate and any governmental agency
- (e) a reference to a person includes that person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns
- (f) a reference to any statute, regulation, proclamation, order in council, ordinance or bylaw includes all statutes, regulations, proclamations, orders in council, ordinances or by-laws varying, consolidating, re-enacting, extending or replacing them and a reference to a statute includes all regulations, proclamations, orders in council, ordinances, by-laws and determinations issued under that statute
- (g) a reference to a document or a provision of a document includes an amendment or supplement to, or replacement or novation of, that document or that provision of that document
- (h) an event which is required under this code to occur on or by a stipulated day which is not a **business day** may occur on or by the next **business day**.



## Schedule 3 - Licensed operations

- (a) The **distribution system** used by the **licensee** to carry on the business of transporting natural gas at the commencement of this licence (in as far as that system constitutes a **distribution system** for the purposes of the **Act**); and
- (b) Any extension to that **distribution system**; and
- (c) A new **distribution system** (that does not extend from that system) approved by the **Commission**.



The Essential Services Commission  
Level 1, 151 Pirie Street Adelaide SA 5000  
GPO Box 2605 Adelaide SA 5001  
T 08 8463 4444

E [escosa@escosa.sa.gov.au](mailto:escosa@escosa.sa.gov.au) | W [www.escosa.sa.gov.au](http://www.escosa.sa.gov.au)