



Gas

# Guideline



## Gas Industry Guideline No.1

Version: GIG 1.8

July 2020

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## Amendment record

Issue number	Commencement date	Pages
GIG 1/1	23/08/2004	43
GIG 1/2	09/01/2006	43
GIG 1/3	31/03/2007	48
GIG 1/4	05/08/2011	29
GIG 1/5	05/09/2013	25
GIG 1/6	28/02/2014	25
GIG 1.7	01/07/2016	15
GIG 1.8	01/07/2020	15

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# 1 Introduction

## 1.1 Role of the guideline

- 1.1.1 This guideline provides for the collection, allocation, recording and reporting of business data by **Australian Gas Networks (AGN)** with respect to the operation of the **distribution system** authorised in its **distribution licence** issued under the **Gas Act**.
- 1.1.2 More specifically, the **distribution licence** is subject to conditions which the **Commission** is required under sections 25 and 26 of the **Gas Act** to include:
- (a) requiring **AGN** to comply with specified technical and safety requirements or standards
  - (b) requiring **AGN** to monitor and report as required by the **Commission** on indicators of service performance determined by the **Commission**
  - (c) relating to **AGN's** financial or other capacity to continue operations under the licence, and
  - (d) requiring **AGN** to provide, in the manner and form determined by the **Commission**, such other information as the **Commission** may require from time to time.
- 1.1.3 This guideline is divided into two Parts:
- (a) Section 2 sets out general principles of preparation that apply to all information provided by **AGN** to the **Commission** under this guideline; and
  - (b) Section 3 sets out specific requirements in relation to operational performance information provided by **AGN**.
- 1.1.4 The legislative and regulatory framework for the gas supply industry prescribes the objectives and functions of the **Commission**. These are summarised in the **ESC Act** and the **Gas Act**. This guideline has been prepared to assist the **Commission** in achieving those objectives and functions.
- 1.1.5 This guideline is a minimum requirement and the obligation of **AGN** to comply with this guideline is additional to, and does not derogate from, any obligation imposed under any other law applying to **AGN's** business.

## 1.2 Code and licence obligations

- 1.2.1 Clause 7.1 of the **distribution licence** provides that **AGN** must, from time to time, provide the **Commission**, in the manner and form determined by the **Commission**:
- (a) details of **AGN's** financial, technical and other capacity to continue its operations authorised by its licence, and
  - (b) such other information as the **Commission** may require.

- 1.2.2 The **distribution licence** requires **AGN** to comply with any safety or technical requirements imposed from time to time by the **Technical Regulator**.
- 1.2.3 Clause 1.7 of the **Gas Distribution Code** requires **AGN** to report to the **Commission** by 31 August each year, on matters relating to service standards during the 12 month period ending 30 June of that year. **AGN** must:
- (a) report on its compliance with the service standards set out in clauses 2.1 and 2.4 of the **Gas Distribution Code**
  - (b) provide an explanation of the reason for any non-compliance, and
  - (c) report on how **AGN** will improve its performance so as to meet the service standards set out in clauses 2.1, and 2.4 of the **Gas Distribution Code**, as required.

### 1.3 Confidentiality

- 1.3.1 The confidentiality provisions set out in Part 5 of the **ESC Act** ("Collection and Use of Information") will apply to any information collected by the **Commission** in accordance with this guideline.

### 1.4 Processes for revision

- 1.4.1 The **Commission** may, at its absolute discretion, amend and expand this guideline from time to time where it is necessary to meet the needs of **AGN**, other stakeholders or the **Commission**.
- 1.4.2 Before making any material amendments to the information requirements contained in this guideline, the **Commission** will undertake appropriate consultation with **AGN** and other stakeholders as necessary in accordance with the **Commission's** Charter of Consultation and Regulatory Practice. If the amendments are of a routine nature, or required by law, the **Commission** may modify this guideline without consultation.
- 1.4.3 For all amendments to this guideline, a commencement date will be nominated on the Amendment Record located on the inside front page of this guideline. The **Commission** will generally give **AGN** not less than 45 days prior notice of the commencement of any significant amendments to this guideline.

### 1.5 Input from interested parties

- 1.5.1 The **Commission** welcomes comments, discussion, or suggestions for amendments to this guideline from any interested party. Any contribution in this regard should be addressed to:

**Gas Industry Guideline No. 1**

Essential Services Commission of South Australia

GPO Box 2605

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## 2 Information requirements

### 2.1 Introduction

- 2.1.1 This section sets out:
- (a) the **Commission's** requirements for non-financial performance monitoring information
  - (b) requirements of the **Technical Regulator** for certain information, and
  - (c) requirements necessary to put into effect the principles set out in this guideline.
- 2.1.2 The general purpose of this information is to assist the **Commission**, and the **Technical Regulator** as appropriate to:
- (a) monitor and enforce compliance with and promote improvement in, standards and conditions of service under the **Gas Distribution Code** and other regulatory documents
  - (b) promote the achievement of the **Commission's** objectives as specified in the **ESC Act**, and
  - (c) monitor and enforce compliance with safety and technical standards.

### 2.2 Use of proformas to report information

- 2.2.1 The proformas in Section 3 set out the categories of statistical information that have been identified by the **Commission** and the **Technical Regulator** and set out the basis upon which this information is to be reported by **AGN**.
- 2.2.2 The proformas specify how and when information is to be reported to the **Commission**, including general guidance notes where relevant.
- 2.2.3 Clause 2.4 details the **Commission's** timing requirements for the provision of reports to the **Commission** by **AGN**.
- 2.2.4 Where the **Commission** needs to change the nature, context or scope of routine information it requires **AGN** to provide, it will provide amended proformas in Section 3.

### 2.3 Additional performance measures

- 2.3.1 The **Commission** may from time to time require additional performance measures to be reported by **AGN** outside of those specified in the proformas in Section 3.
- 2.3.2 When seeking such information, the **Commission** will provide **AGN** with a notice in writing setting out:
- (a) the **Commission's** information requirements
  - (b) the scope of any quality assurance that may be required, and
  - (c) the time by which the information is to be provided.

- 2.3.3 Where the **Commission** requires additional routine information, the **Commission** will provide additional proformas in Section 3.

## 2.4 Timing of reports

- 2.4.1 Information required to be submitted on an annual basis under this guideline must be forwarded by **AGN** to the **Commission** by 31 August for the 12 month period ending on the previous 30 June.
- 2.4.2 Information required to be submitted on a recurring basis at intervals more frequently than annually, is to be submitted no later than one calendar month from the end of the period for which the information has been requested.

## 2.5 Responsibility Statement

- 2.5.1 **AGN** will be required to provide a **responsibility statement** (in the form specified in OP 5) evidencing responsibility for information provided to the **Commission**.
- 2.5.2 The annual **responsibility statement** must be signed and dated by:
- (a) the Chief Executive Officer
  - (b) a person holding the equivalent position to Chief Executive Officer
  - (c) a person to whom the Board of **AGN** has formally delegated the exercise of the power and functions of **AGN** at a level equivalent to that held by a Chief Executive Officer, or
  - (d) the person acting as Chief Executive Officer or equivalent position during an absence of the substantive office-holder.
- 2.5.3 A quarterly responsibility statement may be signed and dated:
- (a) in accordance with clause 2.5.2, or
  - (b) a senior officer other than the Chief Executive Officer, as agreed in writing with the **Commission**.
- 2.5.4 A responsibility statement will be taken as evidence that the data provided by **AGN** has been verified, is accurate and can be relied upon by the **Commission** in furtherance of the **Commission's** statutory objectives.

## 2.6 Quality assurance requirements

- 2.6.1 Except as expressly otherwise provided for in this guideline or by the **Commission**, all data provided to the **Commission** under this guideline must present a true and accurate representation of relevant circumstances, transactions or events as at the final day of a relevant reporting period.
- 2.6.2 Clause 6 of **AGN's distribution licence** provides that:
- (a) **AGN** must undertake periodic audits of the operations authorised by its **distribution licence** and of its compliance with its obligations under its **distribution licence** and any applicable **industry codes** in accordance with the requirements of any applicable guideline issued by the **Commission** for this purpose

- (b) the **Commission** may require that the audits be undertaken by an independent expert or auditors nominated by **AGN** and approved by the **Commission**, and
  - (c) the results of the audits must be reported to the **Commission** in a manner approved by the **Commission**.
- 2.6.3 Where the **Commission** requires independent assurance on any information submitted under this guideline, the **Commission** will give written notice to **AGN** specifying the required scope of independent assurance and the time by which that assurance is to be provided.
- 2.6.4 Where independent assurance is required, **AGN** must submit a report to the **Commission** in the form of an **agreed-upon procedures report** unless the **Commission** notifies **AGN** in writing of a requirement for another form of report.
- 2.6.5 Independent assurance that is to be obtained by the **Commission** under this guideline should be consistent with the requirements, where relevant, of Energy Industry Guideline No. 4 “Compliance Systems and Reporting”.
- 2.6.6 For the purposes of this guideline, substance is to prevail over legal form, which means that:
  - (a) **regulatory reporting statements** must report the substance of transactions and events, and
  - (b) where substance and form differ, the substance rather than the legal form of a transaction or event must be reported.
- 2.6.7 **AGN** must maintain reporting and record-keeping arrangements which ensure that information provided in the **regulatory reporting statements** can be verified by the **Commission**.

## 2.7 Information requirements of the Technical Regulator

- 2.7.1 The **Technical Regulator** also requires certain recurrent information in order to fulfil its objectives and functions. In preparing this guideline and the proformas set out in Section 3, the **Commission** has sought to co-ordinate reporting processes and minimise any overlap between the reporting requirements of the **Commission** and those of the **Technical Regulator**.

## 3 Operational performance proformas

### 3.1 Index of proformas – recurring information requirements

Proforma Reference	Performance Measure
<i>Service level measures</i>	
OP 1	Responsiveness of the Leaks and Emergencies telephone number
OP 2	Responsiveness to public reporting of gas leaks
OP 3	Customer interruptions
<i>Other</i>	
OP 4	Statistical Information
OP 5	Responsibility Statement

NB: Words and phrases presented in the proformas in bold like **this** are phrases that have been carefully defined to have a specific meaning. The glossary to this guideline provides the corresponding definitions.

### 3.2 Operational information requirements – checklist

Recurring information requirements

Proforma Reference	Frequency	Nature And Scope Of Any Independent Assurance	Nature And Required Signatory Of Responsibility Statements
OP 1	Quarterly		Chief Executive
OP 2	Quarterly		Chief Executive
OP 3	Quarterly		Chief Executive
OP 4	Annually		Chief Executive
OP 5	Annually		Chief Executive

### 3.3 Proforma OP 1. – Responsiveness of the Leaks and Emergencies telephone number

Quarter ending: \_\_\_\_\_

Metric	Sept Qtr	Dec Qtr	Mar Qtr	June Qtr
Total number of calls received on the Leaks and Emergencies number				
Total number of calls to the Leaks and Emergencies number answered within 30 seconds				
Percentage of calls to the Leaks and Emergencies number answered within 30 seconds				
Average answer time for calls to the Leaks and Emergencies number				

### 3.4 Proforma OP 2. – Responsiveness to public reporting of gas leaks

Metric	Sept Qtr	Dec Qtr	Mar Qtr	June Qtr
Total number of potential <b>gas</b> leaks reported by the public				
Total number of high-priority <sup>1</sup> <b>gas</b> leaks reported by the public				
Total number of other <sup>2</sup> <b>gas</b> leaks reported by the public				
Percentage of <b>gas</b> leaks reports by the public repaired within the timeframes in <b>AGN's</b> Leakage Management Plan				
Total number of publicly reported potential <b>gas</b> leaks attended where no leak was found				

### 3.5 Proforma OP 3. – Customer interruptions

Metric	Sept Qtr	Dec Qtr	Mar Qtr	June Qtr
Number of <b>customers</b> experiencing multiple interruptions within a year <sup>3</sup>				
Number of <b>customers</b> experiencing long duration interruptions <sup>4</sup>				

<sup>1</sup> High priority leaks are Class 1 leaks in accordance with AGN's Leakage Management Plan.

<sup>2</sup> Other leaks are all other leaks reported to AGN where a leak is found but assessed not to be a Class 1 Leak.

<sup>3</sup> The number of customers that have two or more interruptions within a year where the interruption is unplanned and caused by operator actions, third party damage or asset condition.

<sup>4</sup> The number of events within a year where a gas supply interruption is not restored within 12 hours and the interruption is unplanned, caused by operator actions, third party damage or asset condition.

### 3.6 Proforma OP 4. – Statistical information

Year ending: 30 June

(a) Quantity of **gas** entering the **distribution system** from each source:

Transmission Pipeline	Quantity
Moomba	
South-East	
SEA Gas	
Farm taps	
<b>TOTAL</b>	

(b) Size of each separate distribution network:

Network Area	Length of Gas Pipe (Km)		
	Distribution Mains	Transmission Pressure Mains	Total
Metropolitan (including Waterloo Corner, Two Wells, Virginia)			
Angaston			
Berri			
Freeling			
Mt Gambier			
Murray Bridge			
Nurioopta			
Peterborough			
Pt Pirie			
Snuggery			
Whyalla			
<b>TOTAL</b>			

(c) Quantity of **gas** distributed to **customers**:

Customer Type	Gas Delivered (TJ)
Domestic, Industrial and Commercial less than 10 TJ	
Industrial and Commercial greater than or equal to 10 TJ	
Farm taps	
<b>TOTAL</b>	

- (d) Number of **customers** connected to the **distribution system** as at the last day of the reporting period:

Customer Type	Number
Domestic, Industrial and Commercial less than 10 TJ	
Industrial and Commercial greater than or equal to 10 TJ	
Farm taps	
<b>TOTAL</b>	

### 3.7 Proforma OP 5. – Responsibility statement

In my opinion:

the information contained in the attached Regulatory Report set out on pages [x] to [y] is drawn up so as to present fairly in accordance with the requirements of the Gas Industry Guideline No. 1 ("the Guideline") issued by the Essential Services Commission of South Australia, dated [version date].

The terms and definitions used in this statement accord with the definitions set out in the guideline referred to above.

Signed: \_\_\_\_\_

Dated: \_\_\_\_\_

.....  
*[Name of required signatory]*

# Schedule 1 – Definitions

In this guideline:

**Agreed-upon Procedures Report** means an agreed-upon procedure engagement report, prepared in accordance with Australian Auditing Standards AUS904. The objective is for the Auditor to carry out procedures of an audit nature specified by the **Commission** and to report on factual findings.

**Australian Gas Networks** or **AGN** means Australian Gas Networks Limited (ACN 078 551 685).  
**Commission** has the meaning given to that term under the **ESC Act**.

**Customer** has the meaning given to that term in the **Gas 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**
- (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 Licence** means a licence to operate a **distribution system** granted under Part 3 of the **Gas Act**.

**Distribution System** has the meaning given to that term in the **Gas Act**.

**ESC Act** means the *Essential Services Commission Act 2002*.

**Gas** has the meaning given to that term in the **Gas Act**.

**Gas Act** means the *Gas Act 1997*.

**Gas Distribution Code** means the **Industry Code** of that name issued by the **Commission** under section 28 of the **ESC Act**.

**Industry Codes** means any code applicable to **AGN** made pursuant to section 28 of the **ESC Act**, and includes the *Gas Metering Code* and **Gas Distribution Code**.

**Regulatory Reporting Statements** means any regulatory reports prepared by **AGN** and submitted to the **Commission** in accordance with this guideline.

**Responsibility Statement** means statement signed and dated by the Chief Executive Officer of **AGN** evidencing responsibility for information provided to the **Commission**.

**Technical Regulator** means the person holding the office of Technical Regulator under Part 2 of the **Gas Act**.

## Schedule 2 – Interpretation

In this guideline, unless the context otherwise requires:

- (a) headings are for convenience only and do not affect the interpretation of this guideline
- (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**.



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