

TABLE OF CHANGES

TO

ESCOSA’S INDUSTRY CODES, GUIDELINES, LICENCES AND POLICIES

FOR

THE SOUTH AUSTRALIAN DISTRIBUTION NETWORK

GAS CODES

Gas Distribution Code (GDC/05) as last varied 7 February 2013

Clause 2.1.1(a) Distributor Obligations	Delete sub-paragraph. Duplicate obligation in Regulation 49 of the <i>Gas Regulations 2012</i> .
Clause 2.1.1(b) Distributor Obligations	Delete sub-paragraph. Duplicate obligation in Regulation 38(1)(c) of the <i>Gas Regulations 2012</i> .
Clause 2.1.1(c) Distributor Obligations	Delete sub-paragraph. This obligation is covered by the terms and conditions of Envestra’s Access Arrangement for the South Australian Network.
Clause 2.1.1(d) Distributor Obligations	Delete sub-paragraph. Duplicate obligation in Regulation 38 of the <i>Gas Regulations 2012</i> .
Clause 2.1.1(e) Distributor Obligations	Delete sub-paragraph. Envestra believes this obligation is now covered by the Deemed Standard Connection Contract in Schedule 2 of the <i>National Energy Retail Rules</i> , in particular clauses 7 and 9.1
Clause 2.2.1 Maintenance	Delete sub-paragraph. Duplicate obligation in Regulation 38 of the <i>Gas Regulations 2012</i> , given that the maintenance of capability is about maintaining the pressure in the distribution system to supply customers.
Clause 2.2.2 Maintenance	Delete sub-paragraph. No longer relevant. This regulation commenced in the late 1990’s due to a concern that with the advent of the Third Party Access Code, Envestra might disconnect domestic consumers where they were deemed non-profitable. This concern was unfounded, and Envestra has never disconnected a customer on that basis nor would it be economical or in Envestra’s interest to do so.
Clause 2.3.1 Preconditions to connection	Amend the words “upon the request of a retailer” in the opening sub-paragraph to “upon request.” As it currently reads the preconditions to connection only apply when connections are requested by a retailer. In accordance with Rules 119A and 119R of the <i>National Gas Rules</i> , an application for a connection service may be made by a retailer customer, a retailer, a person acting on behalf of a retail customer, or a real estate developer who seeks connection services for premise comprised in a real estate development.

Gas Distribution Code (GDC/05) as last varied 7 February 2013 (cont'd)

<p>Clause 2.3.2 Preconditions to connection</p>	<p>Delete sub-paragraph. Envestra's terms and conditions for connection are now regulated under Part 12A of the <i>National Gas Rules</i>. In particular Rule 119D(1)(c) requires the AER to approve Envestra's terms and condition for a basic connection service on the basis that they are satisfied that those terms and conditions are "fair and reasonable." Rules 119I-K also regulate the process for negotiated connection services. Furthermore Rule 119M obliges Envestra to comply with specified connection charges criteria when/if connection charges apply to a connection service.</p>
<p>Clause 2.4.1 Reconnection after disconnection</p>	<p>Reinstate the words "subject to clause 2.3" (formerly clause 3) as was previously set out in clause 5.2.1 of the Gas Distribution Code (GDC/04) to ensure that the pre-conditions apply for connections and reconnections.</p> <p>Insert new sub-paragraph (d) to state "for any other reason for which the distributor is otherwise entitled to disconnect under the energy laws" to align or be consistent with Rule 119 of the <i>National Energy Retail Rules</i>.</p>
<p>Clause 3.1 Definitions</p>	<p>Pending amendment of sections 2 and 3, remove/amend the definitions accordingly.</p>

LICENCES

**Gas Distribution Licence - Envestra Limited (ACN 078 551 685)
as last varied on 17 September 2010**

<p>Clause 4.2(a) Compliance with Applicable Regulatory Instruments</p>	<p>Amend to exclude the monitoring and reporting of compliance with the <i>National Energy Retail Law, Regulations and Rules</i>.</p>
<p>Clause 4.2(b) Compliance with Applicable Regulatory Instruments</p>	<p>Amend to exclude notification of a material breach of the <i>National Energy Retail Law, Regulations and Rules</i>.</p>
<p>Clause 5.1(a) Compliance with Good Gas Industry Practice</p>	<p>Delete sub-paragraphs. These obligations are covered by the Safety, Reliability, Maintenance and Technical Management Plan under Regulation 49 of the <i>Gas Regulations 2012</i>. Hence failure to comply with these would be failure to comply with clause 4.1 of the licence.</p>
<p>Clause 5.1(b) Compliance with Good Gas Industry Practice</p>	

**Gas Distribution Licence - Envestra Limited (ACN 078 551 685)
as last varied on 17 September 2010 (cont'd)**

<p>Clause 5.1(c) Compliance with Good Gas Industry Practice</p>	<p>Delete sub-paragraph. This obligation is covered by Proforma OP7 in the <i>Gas Industry Guideline No. 1</i> and the <i>Gas Measurement Management Plan</i> (a requirement of clause 5 of the <i>Gas Metering Code</i>). Hence failure to comply with this would be failure to comply with clause 4.1 of the licence.</p>
<p>Clause 7 Disconnection</p>	<p>Delete clause. Duplicate obligation with Rules 119 and 120 of the <i>National Energy Retail Rules</i>.</p>
<p>Clause 8.1 Ombudsman and Disputes</p>	<p>Delete sub-paragraph. Duplicate obligation with clause 86(2) of the <i>National Energy Retail Law</i>.</p>
<p>Clause 8.2 Ombudsman and Disputes</p>	<p>Delete sub-paragraph. Duplicate obligation with clause 81 of the <i>National Energy Retail Law</i>.</p>
<p>Clause 9 Accounts and Separate Businesses</p>	<p>Delete clause. Duplication obligation with Chapter 4 Part 2 of the <i>National Gas Law</i> and Part 6 of the <i>National Gas Rules</i>.</p>
<p>Clause 10.2 Information to the Commission</p>	<p>Delete sub-paragraph. This information (changes to officers and major shareholders) is not deemed relevant and this requirement only exists in SA. Envestra submits that sub-paragraph 10.3 (financial capacity) is the key parameter that is relevant to ESCOSA's function and to the viability of the distributor.</p>
<p>Clause 11 Safety, Reliability, Maintenance and Technical Management Plan</p>	<p>Delete clause. Covered by Regulation 49 of the <i>Gas Regulations 2012</i>. Under the regulations, the plan must deal with "monitoring compliance with safety and technical requirements imposed" (Regulation 49(k)) such as those set out in 2.1(f) of the Gas Distribution Code (level of UAFG), and the plan must also deal with the "collection and recording of information to measure the person's performance in respect of matters referred to in the preceding paragraphs" (Regulation 49(m)).</p>
<p>Clause 12 Customer Concessions and Community Service Obligations</p>	<p>Delete clause. Not relevant to gas distribution.</p>
<p>Clause 14 Business to Business Information Exchange</p>	<p>Delete clause. Duplicate obligation with Part 5 of the <i>National Energy Retail Rules</i>.</p>
<p>Clause 15.1(a) Agreement with Retailers</p>	<p>Delete clause. Agreement not required given Division 5 in Part 5 of the <i>National Energy Retail Rules</i>.</p>

**Gas Distribution Licence - Envestra Limited (ACN 078 551 685)
as last varied on 17 September 2010 (cont'd)**

Clause 15.1(b) Agreement with Retailers	Delete clause. Agreement not required given Division 4 in Part 5 of the <i>National Energy Retail Rules</i> .
Clause 15.1(c) Agreement with Retailers	Delete clause. Agreement not required given Part 4 of the <i>National Energy Retail Law</i> .
Clause 15.1(d) Agreement with Retailers	Delete clause. Agreement not required given clause 317 of the <i>National Energy Retail Law</i> .
Clause 15.2 Agreement with Retailers	Delete sub-paragraph given deletion of sub-paragraph 15.1.
Clause 16 Retailer of Last Resort Obligations	Delete clause. Duplicate obligation with Part 6 of the <i>National Energy Retail Law</i> .
Schedule Definitions and Interpretation	Once amendments to the body of the licence have been made, amend the definitions accordingly where applicable.

GUIDELINES

Gas Industry Guideline No. 1 (GIG 1/4) as last varied on 5 August 2011

<p>Note: Clause 282 in the <i>National Energy Retail Law</i> obliges regulated entities to provide information and data about performance. In particular the clause states that a regulated entity must submit to the AER, in the manner and form required by the AER Performance Reporting Procedures and Guidelines, information and data relating to distributor service standards.</p> <p>The AER's Performance Reporting Procedures and Guidelines (June 2012) state that in relation to distributor service standards "no reporting requirements are proposed at this time." Envestra understands (from the consultation process) that there are no requirements, because existing jurisdictional performance reporting will continue in its place.</p> <p>In relation to proposed changes to this Guideline, Envestra has therefore assumed that the reporting obligations will remain, albeit with changes that are necessary to align with the legislative changes.</p>	
Clause 1.2.4 Code and licence obligations	No longer relevant. Clause 3.6 has been deleted from the <i>Gas Distribution Code</i> .
Clause 3. Index of Proformas – Recurring Information Requirements	Pending amendment of the proformas, amend the index accordingly.
Proforma OP 1. Promptness of Connection	Delete report. Clauses 3.1 and 3.2 have been deleted from the <i>Gas Distribution Code</i> .

Gas Industry Guideline No. 1 (GIG 1/4) as last varied on 5 August 2011 (cont'd)

<p>Proforma OP 2. Network Extension and Expansion Charges</p>	<p>Delete report. Clause 3.5 has been deleted from the <i>Gas Distribution Code</i>.</p>
<p>Proforma OP 3. Interruptions</p>	<p>Delete report. Clause 6 has been deleted from the <i>Gas Distribution Code</i>.</p>
<p>Proforma OP 4. Major Interruptions</p>	<p>Delete report. Monthly and immediate reports are submitted to the OTR in accordance with Regulation 50 of the <i>Gas Regulations 2012</i>.</p>
<p>Proforma OP 5. Statistical Information</p>	<p>Amend to reflect changes in legislation. <i>Gas Regulations 1997</i> has been revoked and replaced with <i>Gas Regulations 2012</i>. The reference to clause 13(2) of the <i>Gas Regulations 1997</i> therefore needs to be replaced with a reference to 41(2) of the <i>Gas Regulations 2012</i>.</p>
<p>Proforma OP 6. (a) Technical Information</p>	<p>Amend sub-paragraph to reflect changes in legislation. <i>Gas Regulations 1997</i> has been revoked and replaced with <i>Gas Regulations 2012</i>. References to Part 4, Division 2 and Schedule 1A of the <i>Gas Regulations 1997</i> therefore need to be replaced with references to Part 9, Division 2 and Schedule 2 of the <i>Gas Regulations 2012</i>.</p>
<p>Proforma OP 6. (a) Technical Information Table Regulation 11(1)(a)(i)</p>	<p>Amend reference to Regulation to reflect changes in legislation. <i>Gas Regulations 1997</i> has been revoked and replaced with <i>Gas Regulations 2012</i>. Regulation 11(1)(a)(i) to be replaced with Regulation 38(1)(a)(i).</p>
<p>Proforma OP 6. (a) Technical Information Table Regulation 11(1)(a)(ii)</p>	<p>Amend reference to Regulation to reflect changes in legislation. <i>Gas Regulations 1997</i> has been revoked and replaced with <i>Gas Regulations 2012</i>. Regulation 11(1)(a)(ii) to be replaced with Regulation 38(1)(a)(ii).</p>
<p>Proforma OP 6. (a) Technical Information Table Regulation 11(1)(a)(iii) (in relation to hydrogen sulphide)</p>	<p>Amend reference to Regulation to reflect changes in legislation. <i>Gas Regulations 1997</i> has been revoked and replaced with <i>Gas Regulations 2012</i>. Regulation 11(1)(a)(iii) to be replaced with Regulation 38(1)(a)(iii).</p>
<p>Proforma OP 6. (a) Technical Information Table Regulation 11(1)(a)(iii) (in relation to Wobbe index)</p>	<p>Amend reference to Regulation to reflect changes in legislation. <i>Gas Regulations 1997</i> has been revoked and replaced with <i>Gas Regulations 2012</i>. Regulation 11(1)(a)(iii) to be replaced with Regulation 38(1)(a)(iii).</p>

Gas Industry Guideline No. 1 (GIG 1/4) as last varied on 5 August 2011 (cont'd)

<p>Proforma OP 6. (a) Technical Information Table Regulation 11(1)(a)(iii) (in relation to flame speed factor)</p>	<p>Amend reference to Regulation to reflect changes in legislation. <i>Gas Regulations 1997</i> has been revoked and replaced with <i>Gas Regulations 2012</i>.</p> <p>Regulation 11(1)(a)(iii) to be replaced with Regulation 38(1)(a)(iii).</p>
<p>Proforma OP 6. (a) Technical Information Table Regulation 11(1)(a)(iii) (in relation to average value)</p>	<p>Amend reference to Regulation to reflect changes in legislation. <i>Gas Regulations 1997</i> has been revoked and replaced with <i>Gas Regulations 2012</i>.</p> <p>Regulation 11(1)(a)(iii) to be replaced with Regulation 38(1)(a)(iii).</p>
<p>Proforma OP 6. (a) Technical Information Table Regulation 12(1)(b)</p>	<p>Amend reference to Regulation to reflect changes in legislation. <i>Gas Regulations 1997</i> has been revoked and replaced with <i>Gas Regulations 2012</i>.</p> <p>Regulation 12(1)(b) to be replaced with Regulation 39(b).</p>
<p>Proforma OP 6. (a) Technical Information Table Regulation 12(1)(c)</p>	<p>Amend reference to Regulation to reflect changes in legislation. <i>Gas Regulations 1997</i> has been revoked and replaced with <i>Gas Regulations 2012</i>.</p> <p>Regulation 12(1)(c) to be replaced with Regulation 39(c).</p>
<p>Proforma OP 8. Complaints</p>	<p>Amend table. Clauses 3.1.1, 3.2.1, 6.2.1, 6.4.1 and 8 have been deleted from the <i>Gas Distribution Code</i>. Furthermore small customer complaints and disputes are now regulated under Part 4 of the <i>National Energy Retail Law</i>. Additionally, “reconnecting new tenants” and “disconnections in error” are now regulated by Part 6 of the <i>National Energy Retail Rules</i>.</p>
<p>Appendix Glossary</p>	<p>Pending amendment of the guidelines, amend the definitions accordingly.</p>

Energy Industry Guideline No. 4 (EG4/3) as last varied on 1 July 2010

<p>Annexure A Indicative Obligations Clause 5.1 Relevant Obligations: Electricity Licences</p>	
<p>Annexure A Indicative Obligations Clause 5.2 Relevant Obligations: Electricity Distribution Licence</p>	
<p>Annexure A Indicative Obligations Clause 5.3 Relevant Obligations: Electricity Generation Licence</p>	<p>Not relevant to gas distribution.</p>
<p>Annexure A Indicative Obligations Clause 5.4 Relevant Obligations: Electricity Retail Licence</p>	
<p>Annexure A Indicative Obligations Clause 5.5 Relevant Obligations: Electricity Transmission Licence</p>	
<p>Annexure A Indicative Obligations Clause 5.6 Obligations under relevant legislation: Gas Licences</p>	<p>Reporting obligations on clauses 34, 34A and 34B of the <i>Gas Act 1997</i> are applicable to retailers, therefore Envestra has no commercial interest in or comment; other than to provide that Part 2 of the <i>National Energy Retail Law</i>, Part 2 of the <i>National Energy Retail Rules</i> and Schedule 1 of the <i>National Energy Retail Rules</i> specifically regulates a retailer's relationship with customers including the types of contracts to be applied and the requisite terms and conditions and billing arrangements.</p> <p>Envestra has no comment on the clauses which apply to distributors.</p>

Energy Industry Guideline No. 4 (EG4/3) as last varied on 1 July 2010 (cont'd)

Annexure A Indicative Obligations Clause 5.7 Relevant Obligations: Gas Distribution Licence	
Type 1 Licence Clause 4.4	Delete obligation. There is no clause 4.4 in Envestra's Gas Distribution Licence.
Type 2 Licence Clause 9.1(b) and (c)	Pending deletion of clause 9.1, retain/delete reporting obligation accordingly.
Type 2 Gas Distribution Code Clause 7.1	Delete obligation. Clause 7.1 has been deleted from the <i>Gas Distribution Code</i> .
Type 3 Licence Clause 4.1	Delete obligation. To report on all breaches from all applicable laws is too onerous and given that there are two different regulators there may be duplicate reports.
Type 3 Licence Clause 7	Pending deletion of clause 7, retain/delete reporting obligation accordingly.
Type 3 Licence Clause 8.1	Pending deletion of these clauses, retain/delete reporting obligation accordingly.
Type 3 Licence Clause 8.2	
Type 3 Licence Clause 9.1(a)	
Type 3 Licence Clause 10.2	
Type 3 Licence Clause 11	
Type 3 Licence Clause 12	
Type 3 Licence Clause 14	
Type 3 Licence Clause 15	

Energy Industry Guideline No. 4 (EG4/3) as last varied on 1 July 2010 (cont'd)

Type 3 Licence Clause 16	Pending deletion of clause 16, retain/delete reporting obligation accordingly.
Type 3 Gas Distribution Code Clause 1.6	Delete obligation. Clause 1.6 has been deleted from the <i>Gas Distribution Code</i> .
Type 3 Gas Distribution Code Clauses 3.1 to 3.4	Amend obligation. Clauses 3.1, 3.2 and 3.4 have been deleted from the <i>Gas Distribution Code</i> .
Type 3 Gas Distribution Code Clause 4	Delete obligation. Clause 4 has been deleted from the <i>Gas Distribution Code</i> .
Type 3 Gas Distribution Code Clause 5.1	Delete obligation. Clause 5.1 has been deleted from the <i>Gas Distribution Code</i> .
Type 3 Gas Distribution Code Clause 5.2	Delete obligation. Duplicate reporting obligation in the <i>National Energy Retail Law</i> .
Type 3 Gas Distribution Code Clause 6.2	Delete obligation. Clause 6.2 has been deleted from the <i>Gas Distribution Code</i> .
Type 3 Gas Distribution Code Clause 6.3	Delete obligation. Clause 6.3 has been deleted from the <i>Gas Distribution Code</i> .
Type 3 Gas Distribution Code Clause 7.3	Delete obligation. Clause 7.3 has been deleted from the <i>Gas Distribution Code</i> .
Type 3 Gas Distribution Code Clause 7.4	Delete obligation. Clause 7.4 has been deleted from the <i>Gas Distribution Code</i> .
Type 3 Gas Distribution Code Clause 8	Delete obligation. Clause 8 has been deleted from the <i>Gas Distribution Code</i> .
Type 3 Gas Metering Clause 2.8	Delete obligation. Clause 2.8 has been deleted from the <i>Gas Metering Code</i> .
Type 3 Gas Metering Clause 4.9	Amend obligation. Clause 4.9 has been renumbered to clause 4.8 in the <i>Gas Metering Code</i> .
Type 3 Energy Customer Transfer and Consent Code Clause 1.5	Delete obligation. The <i>Energy Customer Transfer and Consent Code</i> no longer exists.

Energy Industry Guideline No. 4 (EG4/3) as last varied on 1 July 2010 (cont'd)

Type 3 Energy Customer Transfer and Consent Code Clause 1.7	Delete obligations. The <i>Energy Customer Transfer and Consent Code</i> no longer exists.
Type 3 Energy Customer Transfer and Consent Code Clause 4	
Annexure A Indicative Obligations Clause 5.8 Relevant Obligations: Gas Retail Licence	Not relevant to gas distribution.

POLICIES

Enforcement Policy as last varied on 1 July 2012

Envestra has no specific comments on this policy other than to propose that the Commission's approach to compliance and enforcement as set out in this policy should be aligned with the approaches, objectives and expectations set out in the current reporting guidelines.