

## Table of Responses

Regulatory Obligation	Envestra's Submission (March 2013)	ESCOSA's Draft Decision (May 2013)	Envestra's Response (June 2013)
<b>Gas Distribution Licence</b>			
<p><b>Clause 4.1(a)</b> The <b>licensee must:</b> (a) monitor and report to the Commission on its levels of compliance with the applicable regulatory instruments set out in clause 4.1 in accordance with the requirements of any applicable guideline issued by the Commission for that purpose; and</p>	<p>Amend to exclude the monitoring and reporting of compliance with the <i>National Energy Retail Law, Regulations and Rules</i>.</p>	<p><b>FURTHER DISCUSSION WITH ENVESTRA REQUIRED</b> "Envestra has suggested that clause 4.2(a) and 4.2(b) (Compliance with applicable regulatory instruments) be amended to reflect that monitoring and reporting of compliance to the Commission excludes the monitoring and reporting of compliance to the AER. The Commission has determined that it will undertake further discussion with Envestra in accordance with section 27(2) of the Gas Act regarding clause 4.2(a) and 4.2(b), with a view to modifying the clauses to reflect Envestra's intention."</p>	<b>NO FURTHER COMMENT</b>
<p><b>Clause 4.2(b)</b> (b) The <b>licensee must:</b> notify the <b>Commission</b> if it commits a material breach of any of the <b>applicable regulatory instruments</b> set out in clause 4.1 within 3 days of becoming aware of that breach.</p>	<p>Amend to exclude notification of a material breach of the <i>National Energy Retail Law, Regulations and Rules</i>.</p>		
<p><b>Clause 5.1(a)</b> The <b>licensee</b> must use its best <i>endeavours</i> to conduct the operations authorised by this licence in accordance with good gas <b>industry practice</b> including, but not limited to, conducting the operations so as to: (a) prevent death or injury to, persons or damage to property;</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><b>NO CHANGE</b> "Envestra submitted that clause 5.1(a), 5.1(b) and 5.1(c) (Compliance with good gas industry practice) should be deleted, as these sub-paragraphs are covered by other legislation, Guidelines and Codes hence failure to comply with this would be a failure to comply with clause 4.1 of the licence. The Commission notes that these sub-paragraphs are required under the mandatory licence clause provisions of the <i>Gas Act, 1997</i> (Gas Act) and therefore must be contained within the licence."</p>	<b>NO FURTHER COMMENT</b>
<p><b>Clause 5.1(b)</b> The <b>licensee</b> must use its best <i>endeavours</i> to conduct the operations authorised by this licence in accordance with good gas <b>industry practice</b> including, but not limited to, conducting the operations so as to: (b) minimise leakage of gas; and</p>			
<p><b>Clause 5.1(c)</b> The <b>licensee</b> must use its best <i>endeavours</i> to conduct the operations authorised by this licence in accordance with good gas <b>industry practice</b> including, but not limited to, conducting the operations so as to: (c) account for the total amount of gas lost from the <i>distribution system</i> as a result of leakage or an activity referred to in section 82(1) of the Act.</p>			

## Table of Responses

Regulatory Obligation	Envestra's Submission (March 2013)	ESCOSA's Draft Decision (May 2013)	Envestra's Response (June 2013)
<b>Gas Distribution Licence (cont'd)</b>			
<p><b>Clause 7</b> The <b>licensee</b> must only disconnect supply in accordance with the requirements of <b>any applicable regulatory instruments</b>.</p>	Delete clause. Duplicate obligation with Rules 119 and 120 of the <i>National Energy Retail Rules</i> .	<b>AMENDMENT ACCEPTED</b>	<b>NO FURTHER COMMENT</b>
<p><b>Clause 8.1</b> 8.1 The <b>licensee</b> must participate in an <b>Ombudsman Scheme</b>: (a) that applies to the gas supply industry and to other regulated industries (within the meaning of the <i>ESC Act</i>) prescribed by regulation; and (b) the terms and conditions of which are approved by the <b>Commission</b>.</p>	Delete sub-paragraph. Duplicate obligation with clause 86(2) of the <i>National Energy Retail Law</i> .	<b>FURTHER DISCUSSION WITH ENVESTRA REQUIRED</b> "Envestra further proposed that clause 8.1 and 8.2 (Ombudsman and disputes) of the distribution licence be deleted because it is covered by national rule requirements. The Commission resolves to have further discussions with Envestra and the Energy and Water Industry Ombudsman on this matter."	Clause 26B of the <i>Gas Act 1997</i> states that 'despite the preceding provisions ( <i>relating to the mandatory licence clause provisions in clause 26</i> ), the Commission is not to impose a condition on a licence if the Commission is satisfied that the condition would duplicate, or be inconsistent with, regulatory requirements under the <i>National Gas (South Australia) Act 2008, National Gas Rules, National Energy Retail Law (South Australia) or National Energy Retail Rules</i> .' Envestra submits once again that clauses 8.1 and 8.2 of the <i>Gas Distribution Licence</i> are duplicated by clauses 86(2) and 81 of the <i>National Energy Retail Law</i> , therefore in accordance with clause 26B, the licence conditions should not be imposed by the Commission. One of the overarching policy intentions behind the National Energy Customer Framework was to harmonise regulation and remove regulatory overlap. These licence clauses are an example of such overlap.
<p><b>Clause 8.2</b> 8.2 In addition to participating in the <i>Ombudsman Scheme</i>, the <b>licensee</b> must develop and implement procedures to deal with disputes, in accordance with the <b>Gas Distribution Code</b>.</p>	Delete sub-paragraph. Duplicate obligation with clause 81 of the <i>National Energy Retail Law</i> .		
<p><b>Clause 9</b> 9.1 <b>The licensee</b> must maintain specified accounting records and prepare accounts according to specified principles, as required by the Commission or the AER from time to time.</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> .	<b>FURTHER DISCUSSION WITH ENVESTRA REQUIRED</b> "Finally, Envestra proposed that clause 9 (Accounts and separate business) be deleted as there is a duplicate obligation under national requirements. The Commission is cognisant of the removal of the Commission's role in Pricing Principals and has, similar to the above, resolved to have further discussions with Envestra regarding the variation of clause 9."	Similar to the response above, Envestra submits once again that clause 9.1 of the <i>Gas Distribution Licence</i> is duplicated by Chapter 4 Part 2 of the <i>National Gas Law</i> and Part 6 of the <i>National Gas Rules</i> . Therefore in accordance with clause 26B of the <i>Gas Act 1997</i> this licence condition should not be imposed by the Commission.

## Table of Responses

Regulatory Obligation	Envestra's Submission (March 2013)	ESCOSA's Draft Decision (May 2013)	Envestra's Response (June 2013)
<b>Gas Distribution Licence (cont'd)</b>			
<p><b>Clause 10.2</b> The <i>licensee</i> must notify the <i>Commission</i> of any changes to its officers or major shareholders (if applicable) within 20 business days of that change.</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><b>NO CHANGE</b> "Envestra submitted that clause 10.2 (Information to the Commission) should be deleted, as this requirement is isolated to SA. The Commission notes that there is no reference to this requirement in the NERL; however, a statutory requirement exists for this to be a condition of a licence pursuant to the Gas Act and must therefore remain a condition of the licence. In any event, as the Commission retains responsibility for setting service standards and may require from Envestra information as to the operations of those standards from time to time, it is appropriate to retain this clause."</p>	<p>Envestra want to clarify from its March submission that it was only proposing sub-paragraph 10.2 be deleted, not the entire clause (i.e. not including 10.1, 10.3 and 10.4) Envestra acknowledges that sub-paragraph 10.2 is not a requirement of the <i>National Energy Retail Law</i>, however the basis of its submission was the appropriateness of the obligation in its licence. Envestra believes that its financial capacity is the key indicator for its viability as a distributor which is already provided for in sub-paragraphs 10.1(a) and 10.3 and of most relevance to the Commission. Furthermore Envestra do not agree with the Commission's view that sub-paragraph 10.2 is the means by which the Commission can request information from Envestra about service standards. Sub-paragraph 10.2 is about changes in organisational structure and shareholders.</p>
<p><b>Clause 11.</b> 11.1 <i>The licensee</i> must: (a) prepare a safety, reliability, maintenance and technical management plan dealing with matters prescribed by regulation and submit the plan to the Commission for approval, including, a UAFG Plan comprised of (without limitation) a:</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><b>NO CHANGE</b> "Envestra submitted that clause 11 (Safety, Reliability, maintenance and technical management plan) should be deleted, as it is covered by regulation 49 of the Gas Regulations. The Commission notes that a statutory requirement exists for this to be a condition of a licence pursuant to the Gas Act and must therefore remain a condition of the licence."</p>	<p><b>NO FURTHER COMMENT</b></p>

## Table of Responses

Regulatory Obligation	Envestra's Submission (March 2013)	ESCOSA's Draft Decision (May 2013)	Envestra's Response (June 2013)
<b>Gas Distribution Licence (cont'd)</b>			
<p><b>Clause 12</b> 12.1 The <i>licensee</i> must comply with the requirements of any scheme approved and funded by the Minister for the provision by the State of <i>customer</i> concessions or the performance of community service obligations by the <i>licensee</i>.</p>	<p>Delete clause. Not relevant to gas distribution.</p>	<p><b>NO CHANGE</b> "Envestra submitted that clause 12 (Customer concession and community service obligations) should be deleted as considered not to be relevant to gas distribution. The Commission notes that a statutory requirement exists for this to be a condition of a licence pursuant to the Gas Act and must therefore remain a condition of the licence. The Commission notes, in that regard, that the Minister may choose to implement concession or community service obligations in the future."</p>	<p><b>NO FURTHER COMMENT</b></p>
<p><b>Clause 14</b> 14.1 To the extent that <i>the licensee</i> is not bound to participate in a B2B information exchange regime under an applicable regulatory instrument, <i>the licensee</i> must ensure that appropriate B2B information exchange protocols are in place between the licensee and each other gas entity with whom the licensee is required to exchange information.</p>	<p>Delete clause. Duplicate obligation with Part 5 of the <i>National Energy Retail Rules</i>.</p>	<p><b>AMENDMENT ACCEPTED</b></p>	<p><b>NO FURTHER COMMENT</b></p>
<p><b>Clause 15.1(a)</b> 15.1 The <i>licensee must</i>, if directed by the <i>Commission</i>, enter into and comply with an agreement <b>with each retailer</b> that is also required to enter into such an <b>agreement</b>, on terms approved from time to time by the <i>Commission</i> dealing with such <b>things as</b>: (a) the co-ordination of information and requests for connections, disconnections and reconnections;</p>	<p>Delete clause. Agreement not required given Division 5 in Part 5 of the <i>National Energy Retail Rules</i>.</p>	<p><b>AMENDMENT ACCEPTED</b></p>	<p><b>NO FURTHER COMMENT</b></p>

## Table of Responses

Regulatory Obligation	Envestra's Submission (March 2013)	ESCOSA's Draft Decision (May 2013)	Envestra's Response (June 2013)
<b>Gas Distribution Licence (cont'd)</b>			
<p><b>Clause 15.1(b)</b> The <i>licensee must</i>, if directed by the <b>Commission</b>, enter into and comply with an agreement <b>with each retailer</b> that is also required to enter into such an <b>agreement</b>, on terms approved from time to time by the <b>Commission</b> dealing with such <b>things as:</b> (b) the co-ordination of <b>customer</b> enquiries and disputes;</p>	Delete clause. Agreement not required given Division 4 in Part 5 of the <i>National Energy Retail Rules</i> .	<b>AMENDMENT ACCEPTED</b>	<b>NO FURTHER COMMENT</b>
<p><b>Clause 15.1(c)</b> The <i>licensee must</i>, if directed by the <b>Commission</b>, enter into and comply with an agreement <b>with each retailer</b> that is also required to enter into such an <b>agreement</b>, on terms approved from time to time by the <b>Commission</b> dealing with such <b>things as:</b> (c) the resolution <b>of customer</b> disputes, and participation in the dispute resolution procedures; and</p>	Delete clause. Agreement not required given Part 4 of the <i>National Energy Retail Law</i> .	<b>AMENDMENT ACCEPTED</b>	<b>NO FURTHER COMMENT</b>
<p><b>Clause 15.1(d)</b> The <i>licensee must</i>, if directed by the <b>Commission</b>, enter into and comply with an agreement <b>with each retailer</b> that is also required to enter into such an <b>agreement</b>, on terms approved from time to time by the <b>Commission</b> dealing with such <b>things as:</b> (d) the allocation of responsibilities and liabilities for <b>certain customer</b> claims.</p>	Delete clause. Agreement not required given clause 317 of the <i>National Energy Retail Law</i> .	<b>AMENDMENT ACCEPTED</b>	<b>NO FURTHER COMMENT</b>
<p><b>Clause 15.2</b> The <i>licensee</i> must not amend the agreement without the prior approval of the <b>Commission</b>.</p>	Delete sub-paragraph given deletion of sub-paragraph 15.1.	<b>AMENDMENT ACCEPTED</b>	<b>NO FURTHER COMMENT</b>
<p><b>Clause 16</b> The licensee must cooperate in the operation of any retailer of last resort scheme approved by the <b>Commission</b> under section 34C of the Act.</p>	Delete clause. Duplicate obligation with Part 6 of the <i>National Energy Retail Law</i> .	<b>AMENDMENT ACCEPTED</b>	<b>NO FURTHER COMMENT</b>

## Table of Responses

Regulatory Obligation	Envestra's Submission (March 2013)	ESCOSA's Draft Decision (May 2013)	Envestra's Response (June 2013)
<b>Gas Distribution Licence (cont'd)</b>			
<b>Schedule Definitions and Interpretation</b>	Once amendments to the body of the licence have been made, amend the definitions accordingly where applicable.	<b>TBA</b>	<b>NO FURTHER COMMENT</b>
<b>Gas Distribution Code</b>			
<b>Clause 1.1.2</b>	<b>NO RESPONSE</b>	<b>REMOVED REFERENCE</b> "This industry code must be interpreted in accordance with the rules set out in clause <b>Error! Reference source not found.</b> of this <i>Gas Distribution Code</i> ."	Error in clause – insert correct reference.
<b>Clause 1.3.1</b>	<b>NO RESPONSE</b>	<b>REMOVED REFERENCE</b> "Words appearing in bold like <i>this</i> are defined in clause <b>Error! Reference source not found.</b> of this <i>Gas Distribution Code</i> ."	Error in clause – insert correct reference.
<b>Clause 1.7</b> Following Envestra's proposed changes to the Gas Distribution Code in December 2012, the Commission removed clause 3.6 "Reporting to the Commission". This clause was about reporting on service standards to the Commission on an annual basis including meeting connection times.	<b>NO RESPONSE</b>	<b>REINSTATED CLAUSE</b> 1.7.1 The distributor must keep sufficient records to monitor its performance with the service standards under clauses 2.1, 2.2 and 2.4 and to provide that information to the Commission in the manner and form prescribed by the Commission. 1.7.2 The distributor must report to the Commission by 31 August each year concerning matters relating to the service standards during the previous year ending on 30 June including; 1.7.3 its compliance with the service standards set out in this clause 0 or under its connection and supply contracts; (a) an explanation of the reason for any non-compliance; and (b) a report on how the distributor will improve its performance so as to (b)meet the service standards set out in clause 0 or its connection and supply contracts.	"Distributor" appears in the definitions in Schedule 1, therefore all references to "distributor" in clause 1.7 should be bolded.  Error in clause with sub-paragraph 1.7.3. The first two lines in sub-paragraph 1.7.3 should be renumbered as "(a)" and sit directly under sub-paragraph 1.7.2. "(a)" and "(b)" in sub-paragraph 1.7.3 to be renumbered "(b)" and "(c)" accordingly.  Error in sub-paragraph 1.7.3(b) - currently refers to "clause 0".

## Table of Responses

Regulatory Obligation	Envestra's Submission (March 2013)	ESCOSA's Draft Decision (May 2013)	Envestra's Response (June 2013)
<b>Gas Distribution Code (cont'd)</b>			
<p><b>Clause 1.7 (cont'd)</b></p>			<p>(cont'd)            "Connection and supply contract" is in bold and italics, however has not been defined in Schedule 1. It is therefore unclear as to which service standards a distributor is to comply with. Furthermore Envestra is assuming that the connection and supply contract as stated refers to the connection and supply contracts required under the <i>National Energy Retail Law</i>. If this assumption is correct, Envestra do not think it is appropriate that a distributor must report to the Commission on its compliance with service standards set out in contracts which have been approved and are governed by the Australian Energy Regulator ("AER"). A distributor already has obligations under the <i>National Energy Retail Law</i> to monitor its compliance with these contracts and even report on any non-compliances to the AER; having to also report to the Commission on these matters is onerous and does not result in regulatory certainty and efficiency.</p>
<p><b>Clause 2.1.1(a)</b>            In operating the <b><i>distribution system</i></b>, the <b><i>distributor</i></b> must:            (a) establish and document in its safety, reliability, maintenance and technical management plan, operational and system security standards for its <b><i>distribution system</i></b> and for all <b><i>connections</i></b> and proposed <b><i>connections</i></b> to its <b><i>distribution system</i></b>;</p>	<p>Delete sub-paragraph. Duplicate obligation in Regulation 49 of the <i>Gas Regulations 2012</i>.</p>	<p><b>NO CHANGE</b>            "Regulation 49(2)(a) of the Gas Regulations requires amongst other things, a plan to deal with the safe design, installation, commissioning, operation, maintenance and decommissioning of gas infrastructure owned or operated by the person. Although it may appear that there are duplicate provisions in the GDC, the code requires that standards are established and documented as a distinct component in dealing with the creation of the required plan. A minor amendment to clause 2.1.1(a) is proposed so as to place an obligation on the distributor to establish and document the plan in accordance with the regulations."</p>	<p>"Distributor" and "distribution system" appear in the definitions in Schedule 1, therefore all references to "distributor" and "distribution system" in clause 2.1.1(a) should be bolded.</p>

## Table of Responses

Regulatory Obligation	Envestra's Submission (March 2013)	ESCOSA's Draft Decision (May 2013)	Envestra's Response (June 2013)
<b>Gas Distribution Code (cont'd)</b>			
<p><b>Clause 2.1.1(b)</b> In operating the <b>distribution system</b>, the <b>distributor</b> must:</p> <p>(b) maintain the delivery pressure of <b>gas</b> from the <b>distribution system</b> to ensure that:</p> <p>(i) the operating pressure of the <b>gas</b> at the outlet of each meter set for recording a <b>customer's</b> consumption of <b>gas</b> is:</p> <p>(A) 1kPa or more but less than 3kPa; or</p> <p>(B) 2.75kPa, 2.5kPa or more but less than 3.25 kPa; or</p> <p>(C) subject to any written requirement of the <b>customer</b> or agreement between the <b>Technical Regulator</b> and the <b>distributor</b> for <b>gas</b> to be supplied at more than 3kPa; and</p> <p>(ii) the pressure of the <b>gas</b> at each such meter set is within the meter set manufacturer's designated pressure operating range;</p>	<p>Delete sub-paragraph. Duplicate obligation in Regulation 38(1)(c) of the <i>Gas Regulations 2012</i>.</p>	<p><b>AMENDMENT</b></p> <p>"Regulation 38(1)(c) of the Gas Regulations 2012 specifies the parameters for the delivery pressure at the outlet of the meter which measures gas supplied to the customer. The previous (1997) version of the Regulations also prescribed the delivery pressure, which is unchanged in the 2012 version. The reason such a code requirement was incorporated was that it provided limits for elevated pressure services which are becoming more popular. However concerns have been raised by the OTR as to the correctness of the current wording of code provision for elevated services. This should be corrected and be retained in the code."</p> <p>Proposed wording: "maintain the delivery pressure of gas from the distribution system in accordance with the Gas Act 1997 and Regulations under the Act."</p>	<p><b>NO FURTHER COMMENT</b></p>
<p><b>Clause 2.1.1(c)</b> In operating the <b>distribution system</b>, the <b>distributor</b> must:</p> <p>(c) subject to this industry code, deliver <b>gas</b> received from a <b>retailer</b> at a <b>receipt point</b> through its <b>distribution system</b> to <b>delivery points</b> nominated by the <b>retailer</b> on terms and conditions set out in an <b>Access Arrangement</b>, or otherwise on fair and reasonable terms and conditions;</p>	<p>Delete sub-paragraph. This obligation is covered by the terms and conditions of Envestra's Access Arrangement for the South Australian Network.</p>	<p><b>NO CHANGE</b></p> <p>"Envestra suggests the deletion of clause 2.1.1(c) because Envestra believes that this obligation is covered by the terms and conditions of its Access Arrangement for the South Australian Network. Clause 2.1.1(c) specifies that the delivery of gas at the delivery point must be delivered in accordance with that Access Arrangement i.e. as the vehicle which sets out the terms and conditions, or otherwise, on a fair and reasonable basis. Clause 2.1.1(c) ensures the integrity of the process which is undertaken in an open and transparent manner and that there is no deviation from the access arrangement."</p>	<p>Envestra submits that the integrity of the process is captured within the terms and conditions of the access arrangement and furthermore that Envestra has obligations under the <i>National Gas Law</i> and under contract law to comply with these terms; hence there is no risk, for the purposes of the Commission, of deviation from the access arrangement. And given that the AER has approved Envestra's terms and conditions and that the AER has overall governance of the access arrangement process and compliance with the <i>National Gas Law</i>, Envestra believes that this clause is not required within the <i>Gas Distribution Code</i>.</p>

## Table of Responses

Regulatory Obligation	Envestra's Submission (March 2013)	ESCOSA's Draft Decision (May 2013)	Envestra's Response (June 2013)
<b>Gas Distribution Code (cont'd)</b>			
<p><b>Clause 2.1.1(d)</b> In operating the <i>distribution system</i>, the <i>distributor</i> must:</p> <p>(d) except where the <i>distributor</i> is prevented from doing so by a force majeure event as defined in the <i>National Energy Retail Law</i>, ensure that <i>gas</i> delivered through its <i>distribution system</i> to a <i>customer</i> at a <i>delivery point</i> meets the <i>prescribed standards of quality</i> (including odourisation);</p>	<p>Delete sub-paragraph. Duplicate obligation in Regulation 38 of the <i>Gas Regulations 2012</i>.</p>	<p><b>AMENDMENT ACCEPTED</b> "Envestra suggests the deletion of clause 2.1.1(d) as it duplicates the obligation in Regulation 38 of the Gas Regulations 2012. Regulation 38(1)(a) sets out the requirements for gas quality and odourisation. This appears to be a duplicate code provision and it is proposed that it be removed."</p>	<p><b>NO FURTHER COMMENT</b></p>
<p><b>Clause 2.1.1(e)</b> In operating the <i>distribution system</i>, the <i>distributor</i> must:</p> <p>(e) on request by a <i>retailer</i>, provide details as to the <i>distributor's</i> requirements in relation to:</p> <p>(i) the protection of the <i>distributor's</i> pipes and equipment; and</p> <p>(ii) non-interference by the <i>customer</i> with the <i>distributor's distribution system</i> or with the supply to any other <i>gas installation</i>, within 10 <i>business days</i> of the request, and</p>	<p>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.</p>	<p><b>AMENDMENT ACCEPTED</b> "Envestra suggests the deletion of clause 2.1.1(e) as it believes the obligation to provide the retailer with certain requirements of the distributor is now covered by the Deemed Standard Connection Contract in Schedule 2 of the National Energy Retail Rules. There appears to be no clause in the deemed contract that has the same contextual requirement. However, clause 2.3.1(f) "Preconditions to Connection" appears to cover this aspect more broadly and would negate the need for retailer involvement. The customer would investigate the requirements directly with the distributor."</p>	<p><b>NO FURTHER COMMENT</b></p>
<p><b>Clause 2.2.1</b> The <i>distributor</i> must use <i>best endeavours</i> to maintain the capability of its <i>distribution system</i>.</p>	<p>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.</p>	<p><b>NO CHANGE</b> "Envestra believes that clause 2.2.1 should be deleted. However, clause 2.2.1 deals in a general manner with maintaining an overall network condition and capability, i.e., fit-for-purpose, as distinct from the clause being limited to being able to provide gas at the appropriate pressure. This code requirement should remain as it is a fundamental requirement of the distributor to provide a sound and capable distribution network."</p>	<p><b>NO FURTHER COMMENT</b></p>

## Table of Responses

Regulatory Obligation	Envestra's Submission (March 2013)	ESCOSA's Draft Decision (May 2013)	Envestra's Response (June 2013)
<b>Gas Distribution Code (cont'd)</b>			
<p><b>Clause 2.2.2</b> The <b>distributor</b> must not remove or disable any part of its <b>distribution system</b> that supplies <b>gas</b> to one or more <b>customers</b> on the grounds that the financial return to the <b>distributor</b> from supplying those <b>customers</b> is insufficient, unless approved by the <b>Commission</b>.</p>	<p>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.</p>	<p><b>NO CHANGE</b> "Envestra believes that clause 2.2.2 is no longer relevant. However, clause 2.2.2 is a consumer protection instrument which ensures that a connection to the network that may not be cost effective is maintained i.e. that connection point should receive the same level of service regardless of consumption and cost to maintain a gas supply."</p>	<p>Envestra's first priority in maintaining its infrastructure is the safety and integrity of the network. Envestra also has however a commercial obligation within the <i>National Gas Rules</i> as a 'prudent service provider' to 'incur operational expenditure...' which would 'achieve the lowest sustainable cost of delivering pipeline services' (Rule 91).</p> <p>The Commission's view on a connection point receiving the same level of service regardless of consumption and cost to maintain gas supply appears to be inconsistent with both Envestra's priorities but more importantly Rule 91 of the <i>National Gas Rules</i>.</p> <p>Envestra therefore submits once again that sub-paragraph 2.2.2 should be deleted on the basis described above; notwithstanding Envestra's initial submission in March that the concern of disconnecting non-profitable customers is unfounded.</p>

## Table of Responses

Regulatory Obligation	Envestra's Submission (March 2013)	ESCOSA's Draft Decision (May 2013)	Envestra's Response (June 2013)
<b>Gas Distribution Code (cont'd)</b>			
<p><b>Clause 2.3.1</b> (Preconditions to connection) Subject to the provisions of the National Energy Retail Law and the National Gas Rules, upon the request of a retailer, a distributor must connect to its distribution system that customer's gas installation, provided that:</p>	<p>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.</p>	<p><b>NO CHANGE</b> Removed the following sub-paragraphs: (e) the customer satisfied the distributor that there is safe and convenient access to the metering installation and the customer's gas installation for: (i) connection or disconnection of supply; (ii) inspection or testing of gas installations or metering installations; (iii) undertaking inspections, repairs, testing or maintenance of the distribution system; and (iv) collection of metering data. (h) the customer agrees to provide the retailer with information as soon as possible if there is any: (i) change to the major gas usage purpose of the customer's supply address; (ii) change affecting access to the metering installation; (iii) proposed change to the customer's gas installation which may affect the quality or safety of the supply of gas to the customer or any other person; or (iv) gas leak or other problem with the distributor's distribution system.</p>	<p>Envestra notes that the Commission has removed sub-paragraphs (e) and (h) in clause 2.3.1 with no comment as to why.</p> <p>Envestra request that these sub-paragraphs are reinstated into the clause because access to premises and changes to a customer's equipment are critical for new connection and reconnection work and should be incorporated into the preconditions to connection.</p> <p>Envestra further notes that the Commission has not adopted Envestra's proposal to amend the words "upon the request of a retailer" in the opening paragraph to "upon request." The proposal was to ensure that the preconditions to connection apply to all applicants for a connection service and not just retailers. Envestra requests that the Commission reconsider this proposal.</p>
<p><b>Clause 2.3.2</b> Subject to clause 2.3.1, the <b>distributor</b> must <b>connect</b> the <b>gas installation</b> of a <b>customer</b> on fair and reasonable terms.</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 style="text-align: center;"><b>NO COMMENT ON ENVESTRA'S MARCH SUBMISSION</b></p>	<p>Envestra requests that the Commission reconsider its March submission, which proposes that sub-paragraph 2.3.2 be deleted for the reasons mentioned.</p>

## Table of Responses

Regulatory Obligation	Envestra's Submission (March 2013)	ESCOSA's Draft Decision (May 2013)	Envestra's Response (June 2013)
<b>Gas Distribution Code (cont'd)</b>			
<p><b>Clause 2.4.1</b> Where a distributor has disconnected a customer's supply address: (a) after receiving a direction in writing from the retailer and the retailer has subsequently notified the distributor to reconnect the supply address; (b) for health or safety reasons and the circumstances giving rise to the disconnection no longer exist; or (c) due to a customer using gas in breach of the National Energy Retail Law, and the customer has remedied that breach, and has paid, or made an arrangement to pay, for the gas so obtained,</p> <p>the distributor must connect the customer's supply address in accordance with this clause subject to any requirements specified in the National Energy Retail Law; the retailer making a request for reconnection; and the retailer paying the distributor's reasonable charge for reconnection, if any.</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><b>NO COMMENT ON ENVESTRA'S MARCH SUBMISSION</b></p>	<p>Envestra requests that the Commission reconsider its March submission and reinstate the words as previously set out in the Gas Distribution Code (GDC/04) and insert a new sub-paragraph (d) as stated.</p>
<p><b>Clause 3.1 Definitions</b></p>	<p>Pending amendment of sections 2 and 3, remove/amend the definitions accordingly.</p>	<p><b>AMENDMENT</b> Restructured clause 3.1 Definitions as "Schedule 1" and clause 3.2 Interpretation as "Schedule 2."</p>	<p><b>NO FURTHER COMMENT</b></p>
<b>Gas Industry Guideline No. 1</b>			
<p><b>Clause 1.2</b> N/A</p>	<p><b>NO RESOPNSE</b></p>	<p><b>NO COMMENT ON ENVESTRA'S MARCH SUBMISSION</b></p>	<p>References to clauses 10.1, 10.4 and 11.1(f) of Envestra's distribution licence will need to be amended when amendments to the licence are finalised and implemented. I.e. Clauses 7 will be deleted and clauses 8 and 9 are subject to further review.</p>
<p><b>Clause 1.2.4</b> N/A</p>	<p>No longer relevant. Clause 3.6 has been deleted from the <i>Gas Distribution Code</i>.</p>	<p><b>REINSTATED CLAUSE</b> Clause 3.6 has been reinstated. Refer to the Commission's draft decision against clause 1.7 of the Gas Distribution Code.</p>	<p>Refer to Envestra's response against clause 1.7 of the Gas Distribution Code.</p>

## Table of Responses

Regulatory Obligation	Envestra's Submission (March 2013)	ESCOSA's Draft Decision (May 2013)	Envestra's Response (June 2013)
<b>Gas Industry Guideline No. 1 (cont'd)</b>			
<b>Clause 3</b> Index of Proformas – Recurring Information Requirements	Pending amendment of the proformas, amend the index accordingly.	<b>AMENDMENT ACCEPTED</b> "Index of proformas to be updated as required."	<b>NO FURTHER COMMENT</b>
<b>Clause 3.2</b> Operational Information Requirements - Checklist N/A	<b>NO RESPONSE</b>	<b>CHANGE IN FREQUENCY OF REPORTS</b> The frequency of former OP5 Statistical Information and former OP6 Technical Information has changed from annual to quarterly.	Envestra believe a typo error has occurred with the frequency of reports. Former OP5 and OP6, now OP2 and OP3 respectively, are annual reports, not quarterly reports as evidenced in the proforma's themselves with "Year ending:". Clause 3.2 therefore needs to be amended to reflect this.
<b>Proforma OP 1.</b> Promptness of Connection	Delete report. Clauses 3.1 and 3.2 have been deleted from the <i>Gas Distribution Code</i> .	<b>AMENDMENT ACCEPTED</b> "Agreed deletion."	<b>NO FURTHER COMMENT</b>
<b>Proforma OP 2.</b> Network Expansion and Expansion Charges	Delete report. Clause 3.5 has been deleted from the <i>Gas Distribution Code</i> .	<b>AMENDMENT ACCEPTED</b> "Agreed deletion."	<b>NO FURTHER COMMENT</b>
<b>Proforma OP 3.</b> Interruptions	Delete report. Clause 6 has been deleted from the <i>Gas Distribution Code</i> .	<b>AMENDMENT ACCEPTED</b> "Agreed deletion – covered by NECF."	<b>NO FURTHER COMMENT</b>
<b>Proforma OP 4.</b> Major Interruptions	Delete report. Monthly and immediate reports are submitted to the OTR in accordance with Regulation 50 of the <i>Gas Regulations 2012</i> .	<b>NO CHANGE</b> "This reporting requirement should be retained for ESCOSA and OTR purposes – agreed position with the OTR."  Now referred to as OP 1.  Clarified that a major interruption is defined as an unplanned interruption affecting the supply of gas to 5 or more but less than 100 customers.	Envestra requests that the Commission reconsider its March submission and delete this report. As stated, Regulation 50 of the <i>Gas Regulations 2012</i> already requires Envestra to report an unplanned interruption to the Technical Regulator within 24 hours of the event occurring. In practice this involves a telephone call to the regulator in the first instance and a formal incident report at month end. In some cases investigation reports are also required. Envestra therefore submits that given the reporting requirements already in place, the additional reporting required in OP 4. contributes to inefficient regulation as it is effectively a duplication of events already having been reported to the regulator.

## Table of Responses

Regulatory Obligation	Envestra's Submission (March 2013)	ESCOSA's Draft Decision (May 2013)	Envestra's Response (June 2013)
<b>Gas Industry Guideline No. 1 (cont'd)</b>			
<b>Proforma OP 5.</b> Statistical Information	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> .	<b>AMENDMENT ACCEPTED</b> "Agreed amendment."  <b>AMENDMENT</b> Now referred to as OP 2.  Incorporated a new table at b(ii) for "In-tested Meters Outside Specification."	Envestra note that the Commission has incorporated a new table at b(ii) for "In-tested Meters Outside Specification" without providing comment as to why. Envestra seeks the Commission's views on why this information must be reported.
<b>Proforma OP 6. (a)</b> Technical Information	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> .	<b>AMENDMENT ACCEPTED</b> "Agreed amendment."	<b>NO FURTHER COMMENT</b>
<b>Proforma OP 6. (a)</b> Technical Information Table Regulation 11(1)(a)(i)	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).	<b>AMENDMENT ACCEPTED</b> "Agreed amendment."	<b>NO FURTHER COMMENT</b>
<b>Proforma OP 6. (a)</b> Technical Information Table Regulation 11(1)(a)(ii)	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).	<b>AMENDMENT ACCEPTED</b> "Agreed amendment."	<b>NO FURTHER COMMENT</b>
<b>Proforma OP 6. (a)</b> Technical Information Table Regulation 11(1)(a)(iii) (in relation to hydrogen sulphide)	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).	<b>AMENDMENT ACCEPTED</b> "Agreed amendment."	<b>NO FURTHER COMMENT</b>

## Table of Responses

Regulatory Obligation	Envestra's Submission (March 2013)	ESCOSA's Draft Decision (May 2013)	Envestra's Response (June 2013)
<b>Gas Industry Guideline No. 1 (cont'd)</b>			
<b>Proforma OP 6. (a)</b> Technical Information Table Regulation 11(1)(a)(iii) (in relation to Wobbe index)	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).	<b>AMENDMENT ACCEPTED</b> "Agreed amendment."	<b>NO FURTHER COMMENT</b>
<b>Proforma OP 6. (a)</b> Technical Information Table Regulation 11(1)(a)(iii) (in relation to flame speed factor)	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).	<b>AMENDMENT ACCEPTED</b> "Agreed amendment."	<b>NO FURTHER COMMENT</b>
<b>Proforma OP 6. (a)</b> Technical Information Table Regulation 11(1)(a)(iii) (in relation to average value)	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).	<b>AMENDMENT ACCEPTED</b> "Agreed amendment."	<b>NO FURTHER COMMENT</b>
<b>Proforma OP 6. (a)</b> Technical Information Table Regulation 12(1)(b)	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 12(1)(b) to be replaced with Regulation 39(b).	<b>AMENDMENT ACCEPTED</b> "Agreed amendment."	<b>NO FURTHER COMMENT</b>
<b>Proforma OP 6. (a)</b> Technical Information Table Regulation 12(1)(c)	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 12(1)(c) to be replaced with Regulation 39(c).	<b>AMENDMENT ACCEPTED</b> "Agreed amendment."	<b>NO FURTHER COMMENT</b>

## Table of Responses

Regulatory Obligation	Envestra's Submission (March 2013)	ESCOSA's Draft Decision (May 2013)	Envestra's Response (June 2013)
<b>Gas Industry Guideline No. 1 (cont'd)</b>			
<b>Proforma OP 8.</b> Complaints	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> .	<b>FURTHER DISCUSSION WITH OTR REQUIRED</b> "This element requires further consultation with the OTR."	<b>NO FURTHER COMMENT</b>
<b>Appendix</b> Glossary	Pending amendment of the guidelines, amend the definitions accordingly.	<b>AMENDMENT ACCEPTED</b> "Agreed amendment."	<b>NO FURTHER COMMENT</b>
<b>Energy Guideline No. 4 – Compliance Systems and Reporting</b>			
<b>General comment:</b> Need to be consistent with bolding and italicising definitions for e.g. clause 2.1.4 "Electricity Act" is not bolded.			
<b>Clause 1.3.1(f)</b> N/A	<b>NO RESPONSE</b>	<b>NO COMMENT ON CLAUSE</b>	Error - subparagraphs (g) and (h) should be re-numbered as (i) and (ii) respectively as they are a sub-set of subparagraph (f). Remaining clauses to be renumbered accordingly.
<b>Annexure A</b> Indicative Obligations Clause 5.1 Relevant Obligations: Electricity Licences	Not relevant to gas distribution.	<b>N/A</b>	<b>NO FURTHER COMMENT</b>
<b>Annexure A</b> Indicative Obligations Clause 5.2 Relevant Obligations: Electricity Distribution Licence	Not relevant to gas distribution.	<b>N/A</b>	<b>NO FURTHER COMMENT</b>
<b>Annexure A</b> Indicative Obligations Clause 5.3 Relevant Obligations: Electricity Generation Licence	Not relevant to gas distribution.	<b>N/A</b>	<b>NO FURTHER COMMENT</b>
<b>Annexure A</b> Indicative Obligations Clause 5.4 Relevant Obligations: Electricity Retail Licence	Not relevant to gas distribution.	<b>N/A</b>	<b>NO FURTHER COMMENT</b>

## Table of Responses

Regulatory Obligation	Envestra's Submission (March 2013)	ESCOSA's Draft Decision (May 2013)	Envestra's Response (June 2013)
<b>Energy Guideline No. 4 – Compliance Systems and Reporting (cont'd)</b>			
<b>Annexure A</b> Indicative Obligations Clause 5.5 Relevant Obligations: Electricity Transmission Licence	Not relevant to gas distribution.	N/A	<b>NO FURTHER COMMENT</b>
<b>Annexure A</b> Indicative Obligations Clause 5.6 Obligations under relevant legislation: Gas Licences	Reporting obligations on clauses <b>34, 34A</b> and <b>34B</b> 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. Envestra has no comment on the clauses which apply to distributors.	<b>NO COMMENT ON ENVESTRA'S MARCH SUBMISSION</b>	Referencing Error – Under Table A.5.1 Type 3 Obligations, the summary description for clause 53 of the <i>Gas Act 1997</i> reads "Cutting off of electricity supply to avert danger to persons or property." Per clause 53 of the Act, this should be amended to "Cutting off of <u>gas</u> supply to avert danger to persons or property."
<b>Annexure A</b> Indicative Obligations Clause 5.7 Relevant Obligations: Gas Distribution Licence	Refer to responses below.	<b>GENERAL COMMENT</b> "Energy Guideline 4 Compliance Systems and Reporting is being reviewed to ensure that the obligations listed remain appropriate and to confirm consistency across Commission documents.  The majority of the guideline will remain unchanged. The obligations applicable to transmission and distribution licences will be updated in accordance with the amendments made to the respective licences and industry codes (refer above).  This is an opportunity to improve the efficiency of regulatory compliance reporting for those who continue to be licensed by the Commission.	<b>NO FURTHER COMMENT</b>

## Table of Responses

Regulatory Obligation	Envestra's Submission (March 2013)	ESCOSA's Draft Decision (May 2013)	Envestra's Response (June 2013)
<b>Energy Guideline No. 4 – Compliance Systems and Reporting (cont'd)</b>			
<b>Annexure A (cont'd)</b> Indicative Obligations Clause 5.7 Relevant Obligations: Gas Distribution Licence		(cont'd) Currently, distribution and transmission licences require quarterly reporting for a limited number of obligations (quarterly reporting is not required for retail or generation licences): referred to as “type 2” obligations. It is proposed that these “type 2” obligations, which are limited in number, be re-assessed and either promoted to “type 1” (immediate) reporting obligations or demoted to “type 3” (annual) reporting obligations. Removing “type 2” reporting obligations will improve efficiency for both regulated businesses and the Commission.  Energy Guideline 4 Compliance Systems and Reporting will be further amended to reflect the revised terms of other regulatory instruments described above as necessary.”	
<b>Type 1</b> Licence Clause 4.4	Delete obligation. There is no clause 4.4 in Envestra's Gas Distribution Licence.	Refer to General Comment above.	<b>NO FURTHER COMMENT</b>
<b>Type 2</b> Licence Clause 9.1(b) and (c)	Pending deletion of clause 9.1, retain/delete reporting obligation accordingly.		
<b>Type 2</b> Gas Distribution Code Clause 7.1	Delete obligation. Clause 7.1 has been deleted from the <i>Gas Distribution Code</i> .		
<b>Type 3</b> 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.		
<b>Type 3</b> Licence Clause 7	Pending deletion of clause 7, retain/delete reporting obligation accordingly.		
<b>Type 3</b> Licence Clause 8.1	Pending deletion of these clauses, retain/delete reporting obligation accordingly.		
<b>Type 3</b> Licence Clause 8.2			
<b>Type 3</b> Licence Clause 9.1(a)			

## Table of Responses

Regulatory Obligation	Envestra's Submission (March 2013)	ESCOSA's Draft Decision (May 2013)	Envestra's Response (June 2013)
<b>Energy Guideline No. 4 – Compliance Systems and Reporting (cont'd)</b>			
<b>Type 3</b> Licence Clause 10.2	Pending deletion of these clauses, retain/delete reporting obligation accordingly.	Refer to General Comment above.	<b>NO FURTHER COMMENT</b>
<b>Type 3</b> Licence Clause 11			
<b>Type 3</b> Licence Clause 12			
<b>Type 3</b> Licence Clause 14			
<b>Type 3</b> Licence Clause 15			
<b>Type 3</b> Gas Distribution Code Clause 1.6	Delete obligation. Clause 1.6 has been deleted from the <i>Gas Distribution Code</i> .		
<b>Type 3</b> Licence Clause 16	Pending deletion of clause 16, retain/delete reporting obligation accordingly.		
<b>Type 3</b> 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> .		
<b>Type 3</b> Gas Distribution Code Clause 4	Delete obligation. Clause 4 has been deleted from the <i>Gas Distribution Code</i> .		
<b>Type 3</b> Gas Distribution Code Clause 5.1	Delete obligation. Clause 5.1 has been deleted from the <i>Gas Distribution Code</i> .		
<b>Type 3</b> Gas Distribution Code Clause 5.2	Delete obligation. Duplicate reporting obligation in the <i>National Energy Retail Law</i> .		
<b>Type 3</b> Gas Distribution Code Clause 6.2	Delete obligation. Clause 6.2 has been deleted from the <i>Gas Distribution Code</i> .		
<b>Type 3</b> Gas Distribution Code Clause 6.3	Delete obligation. Clause 6.3 has been deleted from the <i>Gas Distribution Code</i> .		
<b>Type 3</b> Gas Distribution Code Clause 7.3	Delete obligation. Clause 7.3 has been deleted from the <i>Gas Distribution Code</i> .		
<b>Type 3</b> Gas Distribution Code Clause 7.4	Delete obligation. Clause 7.4 has been deleted from the <i>Gas Distribution Code</i> .		
<b>Type 3</b> Gas Distribution Code Clause 8	Delete obligation. Clause 8 has been deleted from the <i>Gas Distribution Code</i> .		
<b>Type 3</b> Gas Metering Clause 2.8	Delete obligation. Clause 2.8 has been deleted from the <i>Gas Metering Code</i> .		

## Table of Responses

Regulatory Obligation	Envestra's Submission (March 2013)	ESCOSA's Draft Decision (May 2013)	Envestra's Response (June 2013)
<b>Energy Guideline No. 4 – Compliance Systems and Reporting (cont'd)</b>			
<b>Type 3</b> Gas Metering Clause 4.9	Amend obligation. Clause 4.9 has been renumbered to clause 4.8 in the <i>Gas Metering Code</i>	Refer to General Comment above.	<b>NO FURTHER COMMENT</b>
<b>Type 3</b> Energy Customer Transfer and Consent Code Clause 1.5	Delete obligations. The <i>Energy Customer Transfer and Consent Code</i> no longer exists		
<b>Type 3</b> Energy Customer Transfer and Consent Code Clause 1.7			
<b>Type 3</b> Energy Customer Transfer and Consent Code Clause 4			
<b>Annexure A</b> Indicative Obligations Clause 5.8 Relevant Obligations: Gas Retail Licence	Not relevant to gas distribution.		
<b>Enforcement Policy</b>			
<b>Entire Document</b>	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.	<b>GENERAL COMMENT</b> "The Enforcement Policy is being reviewed to ensure that its content is current and to confirm consistency across Commission documents. Only minor amendments have been made to the Enforcement Policy to reflect the Commission's increased functions under the Water Industry Act 2012."	<b>NO FURTHER COMMENT</b>

## Table of Responses

Regulatory Obligation	Envestra's Submission (March 2013)	ESCOSA's Draft Decision (May 2013)	Envestra's Response (June 2013)
<b>Enforcement Policy (cont'd)</b>			
<p><b>Clause 2.1.3</b> Section 6A of the Gas Act sets the Commission the functions of: Price regulation and other functions and powers conferred by the Gas Act; and Fulfilling any other functions and powers conferred by regulation under the Gas Act.</p>	<b>NO RESPONSE</b>	<p><b>AMENDED CLAUSE</b> Amended clause 2.1.3 on the Gas Act to: "Section 6A of the <b>Gas Act</b> sets the <b>Commission</b> the functions of:</p> <ul style="list-style-type: none"> <li>• price regulation and other functions and powers conferred by the Gas Act; such as;</li> <li>• licensing of gas entities;</li> <li>• monitoring and reporting on the performance of licensed entities;</li> <li>• making industry codes;</li> <li>• administering the Residential Energy Efficiency Scheme (REES); and</li> </ul> <p>fulfilling any other functions and powers conferred by regulation under the Gas Act, such as setting conditions relating to market contracts without an early termination fee that are required to be offered.</p>	<p>Given context of the clause, bullet points 2 to 6 should sit underneath the first as separate bullet points i.e.</p> <ul style="list-style-type: none"> <li>• price regulation and other functions and powers conferred by the Gas Act; such as; <ul style="list-style-type: none"> <li>➤ licensing of gas entities;</li> <li>➤ monitoring and reporting on the performance of licensed entities;</li> <li>➤ making industry codes;</li> <li>➤ administering the Residential Energy Efficiency Scheme (REES); and</li> </ul> </li> </ul> <p>fulfilling any other functions and powers conferred by regulation under the Gas Act, such as setting conditions relating to market contracts without an early termination fee that are required to be offered.</p>
<p><b>Clause 4.2.2</b> The Commission has in place a system of compliance monitoring for the electricity and gas supply industries in accordance with Energy Industry Guideline No. 4, Compliance Systems and Reporting. Currently, each Licensee is required to submit quarterly and/or annual reports to the Commission that attest to its compliance with its licence conditions and demonstrate that appropriate compliance systems are in place. Each Licensee is required to report any instances of non-compliance with licence conditions as part of this reporting process.</p>	<b>NO RESPONSE</b>	<p><b>AMENDED CLAUSE</b> "The <b>Commission</b> has in place a system of compliance monitoring for the electricity and gas supply industries in accordance with Energy Industry Guideline No. 4, <i>Compliance Systems and Reporting</i> and for the water industry in accordance with Water Industry Guideline No. 1, <i>Compliance Reporting</i>. Each <b>Licensee</b> is required to submit reports to the <b>Commission</b> that attest to its compliance with its licence conditions and demonstrate that appropriate compliance systems are in place. Each <b>Licensee</b> is required to report any instances of non-compliance with licence conditions as part of this reporting process."</p>	<b>NO FURTHER COMMENT</b>
<b>Prepayment Meter System Code</b>			
The Prepayment Meter System Code is only applicable to retailers (clause 1.3) therefore Envestra has neither commercial interest in nor comment.			