



# Access Arrangement for Victorian Distribution System

PART A – PRINCIPAL ARRANGEMENTS

2 June 2008

## TABLE OF CONTENTS

### Part A Principal Arrangements

<b>1</b>	<b>Introduction</b>	<b>2</b>
1.1	Background	2
1.2	Composition of Access Arrangement	2
1.3	Effective Date	2
<b>2</b>	<b>Definitions and Interpretation</b>	<b>3</b>
<b>3</b>	<b>Contact Details</b>	<b>4</b>
<b>4</b>	<b>Prior contractual rights</b>	<b>4</b>
<b>5</b>	<b>Elements set out in Section 3 of the Code</b>	<b>4</b>
5.1	Services Policy	4
5.2	Reference Tariffs and Reference Tariff Policy	5
5.3	Terms and Conditions	6
5.4	Capacity Management Policy	6
5.5	Queuing Policy	6
5.6	Extensions/Expansions Policy	6
5.7	Review and expiry of Access Arrangement	9
<b>6</b>	<b>Glossary</b>	<b>10</b>

### Part B Reference Tariffs and Reference Tariff Policy

[separate document]

### Part C Terms and Conditions

[separate document]

# Part A

## Principal Arrangements

### 1 Introduction

#### 1.1 Background

This revision to the Access Arrangement that was previously approved by the Regulator on 2 December 2002 is submitted by Vic Gas Distribution Pty Ltd in accordance with section 2 of the National Third Party Access Code for Natural Gas Pipeline Systems (the Code). The Access Arrangement as revised describes the terms and conditions on which access will be granted to the Distribution System, which is owned by Vic Gas Distribution Pty Ltd.

Revisions to the Access Arrangement for the Distribution System were submitted to the Regulator on 30 March 2007. The Regulator published a Draft Decision on 28 August 2007 and a revised Access Arrangement was subsequently submitted on 29 October 2007. A Final Decision was published on 7 March 2008 and a Further Final Decision on 16 May 2008.

#### 1.2 Composition of Access Arrangement

The Access Arrangement as revised comprises this document together with the plans of the Distribution System that are available from the Regulator.

Access Arrangement Information for the revisions to this Access Arrangement has been submitted in accordance with section 2.28 of the Code.

The document is in three Parts:

- Part A - Principal Arrangements
- Part B - Reference Tariffs and Reference Tariff Policy
- Part C - Terms and Conditions

#### 1.3 Effective Date

The Access Arrangement came into effect on 1 January 1999. Revisions to the Access Arrangement were due to come into effect on 1 January 2008, but delayed timing of decisions means that they will come into effect on a date determined by the Regulator in accordance with section 2.48 of the Code.

## 2 Definitions and Interpretation

- (a) In this Access Arrangement and supporting documents, where a word or phrase is capitalised:
- (1) it has the definition given to that word or phrase in the Code (unless the word or phrase is also defined in the glossary ("Glossary") contained in clause 6, in which case the word or phrase has the definition given to that word or phrase in the Glossary); or
  - (2) if the word or phrase is not defined in the Code, the definition given to that word or phrase in the Glossary,
- unless the context otherwise requires.
- (b) In this Access Arrangement, unless the context requires another meaning, a reference:
- (1) to Tariff D or Tariff V includes a reference to a new Haulage Reference Tariff introduced pursuant to the Reference Tariff Policy which supplements or replaces Tariff D or Tariff V respectively and related terms shall be construed accordingly;
  - (2) to the singular includes the plural and vice versa;
  - (3) to a gender includes all genders;
  - (4) to a document (including this Access Arrangement and a Regulatory Instrument) is a reference to that document (including any Appendices, Schedules and Annexures) as amended, consolidated, supplemented, novated or replaced;
  - (5) to an agreement includes any undertaking, representation, deed, agreement or legally enforceable arrangement or understanding whether written or not;
  - (6) to a notice means a notice, approval, demand, request, nomination or other communication given by one party to another under or in connection with this Access Arrangement;
  - (7) to a person (including a party) includes:
    - (A) an individual, company, other body corporate, association, partnership, firm, joint venture, trust or government agency; and
    - (B) the person's agents, successors, permitted assigns, substitutes, executors and administrators; and
    - (C) where that person ceases to exist, is reconstituted, renamed or replaced, or where its powers or functions are transferred to another body, a reference to the body which replaces it or which serves substantially the same purpose or has the same powers or functions;
  - (8) to a law:
    - (A) includes a reference to any legislation, treaty, judgment, rule of common law or equity or rule of any applicable stock exchange; and
    - (B) is a reference to that law as amended, consolidated, supplemented or replaced; and
    - (C) includes a reference to any regulation, rule, statutory instrument, by-law or other subordinate legislation made under that law;
  - (9) to a thing (including, but not limited to, a right) includes any part of that thing;
  - (10) to a right includes a remedy, power, authority, discretion or benefit.
  - (11) to time is to Melbourne time and unless defined otherwise, a reference to a year means Calendar Year; and
  - (12) to the word 'including' or 'includes' means 'including, but not limited to', or 'includes, without limitation'.
- (c) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (d) Headings are for convenience only and do not affect interpretation.
- (e) If a period occurs from, after or before a day or the day of an act or event, it excludes that day.

- (f) All Reference Tariffs and Reference Tariff Components calculated under this Access Arrangement will be rounded to the accuracy, in terms of the number of decimal places, required by the Service Provider's charging and billing systems.
- (g) A Reference Tariff which has been calculated and rounded under the principles in part (f) above will not be rounded to a different level of accuracy when utilised in calculations made under this Access Arrangement.
- (h) All values used in calculations made under this Access Arrangement, except those values to which parts (f) and (g) above apply, will not be rounded.
- (i) When a calculation is required under this Access Arrangement:
  - a year "t" is the year in respect of which the calculation is being made;
  - a year "t-1" is the year immediately preceding year "t"; and
  - a year "t-2" is the year immediately preceding year "t-1".

If, during the Third Access Arrangement Period, the Code as in force at the date of the approval of the revisions to the Access Arrangement submitted on 30 March 2007 (**Existing Code**) is substantially amended or replaced (**New Code**) and, as a result, a word or phrase defined in the Existing Code is no longer defined in the New Code, for the purpose of this Access Arrangement, that word or phrase shall continue to have the definition given to it in the Existing Code for the duration of the Third Access Arrangement Period.

### 3 Contact Details

The contact officer for further details on this Access Arrangement is:

Commercial Manager  
 Envestra Limited  
 Level 10, 81 Flinders Street  
 Adelaide SA 5000  
 Ph: 08 8227 1500 Fax: 08 8227 1511

### 4 Prior contractual rights

No provision in this Access Arrangement deprives any person of a contractual right which was in existence prior to 3 November 1997 being the date on which this Access Arrangement was first submitted to the Regulator or deprives any person of a contractual right which was in existence prior to the date on which the proposed revisions to this Access Arrangement were submitted to the Regulator.

### 5 Elements set out in Section 3 of the Code

This section, in compliance with section 2.29 of the Code, includes the elements set out in sections 3.1 to 3.20 of the Code which are applicable to the Service Provider.

#### 5.1 Services Policy

5.1.1 The Service Provider will make Haulage Reference Services and Ancillary Reference Services available to Users or Prospective Users of the Distribution System at the Reference Tariffs and in accordance with the Reference Tariff Policy and Terms and Conditions referred to in sections 5.2 and 5.3 respectively. The Reference Services, detailed below, are likely to be sought by a significant part of the market.

##### (a) Haulage Reference Services

A Haulage Reference Service consists of

- (i) allowing the injection of Gas at a Transfer Point;
- (ii) haulage of Gas from a Transfer Point to a DSP; and
- (iii) allowing the withdrawal of Gas at a DSP.

Two Haulage Reference Services will be provided:

- 1) Tariff V Haulage Reference Service, which includes the provision of meter reading data every two months and the provision and maintenance of a 'standard metering installation' as defined in the Distribution System Code; and
- 2) Tariff D Haulage Reference Service, which does not include the provision or maintenance of metering assets (Tariff D Connection) as these are Non Reference Services.

For the avoidance of doubt, the provision of those aspects of Reference Services that require site attendance by the Service Provider's representatives (eg. physical connection) will be during normal business hours, as advised by the Service Provider from time to time (for that aspect of the Reference Service).

(b) Ancillary Reference Services

The following Ancillary Reference Services will be provided in relation to DSPs at which Gas is withdrawn by or in respect of a Residential Customer:

- (i) Meter and Gas Installation Test – on-site testing to check the accuracy of a Meter and the soundness of a Gas Installation, in order to determine whether the Meter is accurately measuring the Quantity of Gas delivered.
- (ii) Disconnection Service – Disconnection by the carrying out of work using locks or plugs at a Metering Installation in order to prevent the withdrawal of Gas at the DSP.
- (iii) Reconnection Service - Reconnection by turning on Supply by the removal of any locks or plugs used to isolate Supply, performance of a safety check and the lighting of appliances where necessary.
- (iv) Meter Removal – removal of a meter at a Metering Installation in order to prevent the withdrawal of Gas at the DSP.
- (v) Meter Reinstallation – reinstallation of a meter at a Metering Installation, performance of a safety check and the lighting of appliances where necessary.
- (vi) Special Meter Read – meter reading for a DSP that is in addition to the scheduled meter reading that forms part of the Haulage Reference Service. (Special Meter Reads will be charged in accordance with location as either metropolitan or non-metropolitan)

The Ancillary Reference Services will be provided on Business Days between the hours of 8.00am and 4.00pm.

5.1.2 The Service Provider will provide the Reference Services in accordance with the Regulatory Instruments.

5.1.3 The Service Provider will make Services other than Reference Services (Non Reference Services or "Negotiated Services") available to Users or Prospective Users as agreed or as determined in accordance with Section 6 of the Code.

## 5.2 Reference Tariffs and Reference Tariff Policy

Reference Tariffs and the Reference Tariff Policy are set out in Part B, which covers the following key areas:

- Reference Tariffs

Section 1 of Part B describes the assignment of Reference Tariffs to DSPs. The Reference Tariffs for Haulage Reference Services and Ancillary Reference Services applicable from 1 January 2008 are set out in the schedules attached to Part B.

- Haulage Reference Tariff Control Formula  
Section 3 of Part B describes the formula to be applied in varying, withdrawing or introducing new Haulage Reference Tariffs.
- Processing changes to Reference Tariffs  
Section 4 of Part B describes the processes for varying, withdrawing or introducing new Reference Tariffs.
- Calculation of Charges for Haulage Reference Tariffs  
Section 5 of Part B describes the calculation of Charges from the application of Haulage Reference Tariffs.
- Effect of New Facilities Investment on Reference Tariffs  
Section 6 of Part B describes the effect of New Facilities Investment on Reference Tariffs.
- Fixed Principles  
Section 7 of Part B describes Fixed Principles that apply to the Access Arrangement. Section 7.1 sets out general Fixed Principles while section 7.2 describes the Efficiency Incentive and Carry-over Mechanism.
- Pass-Through Events  
Section 8 of Part B describes the procedures to apply as a result of a Relevant Pass Through Event, including a new Relevant Tax or change in a Relevant Tax.

### 5.3 Terms and Conditions

The Terms and Conditions on which the Service Provider will supply each Reference Service are set out in Part C.

### 5.4 Capacity Management Policy

The Distribution System is a Market Carriage Pipeline.

### 5.5 Queuing Policy

A Queuing Policy is not provided in this Access Arrangement as such a policy is not relevant to the Distribution System.

### 5.6 Extensions/Expansions Policy

#### 5.6.1 Coverage

- (a) Subject to section 5.6.1(b), an Extension or Expansion to the Distribution System will be covered by this Access Arrangement where that Extension or Expansion is owned by the Service Provider.
- (b) An Extension will not be covered by this Access Arrangement:
  1. where the Extension is considered by the Service Provider to be a Significant Extension (as defined in paragraph (c) below) and the Service Provider gives written notice to the Regulator before the Extension comes into service that the Extension will not form part of this Access Arrangement; or
  2. where the Extension is not a Significant Extension and the Regulator agrees, unless the Extension was included in the calculation of the Reference Tariffs.
- (c) For the purposes of section 5.6.1(b), a Significant Extension is an Extension which will service a minimum of 5,000 customers.

## 5.6.2 Effect of Extension/Expansion on Reference Tariffs

- (a) This section 5.6.2 describes how Users will be charged for a Reference Service where the provision of the Reference Service requires New Facilities Investment constituted by an Extension or Expansion covered by this Access Arrangement (such Users are Incremental Users). Where New Facilities Investment is required to provide a Service other than a Reference Service, the Service Provider will negotiate the charge in good faith with the relevant Users (subject to the relevant provisions of the Code).
- (b) Where New Facilities Investment passes the Economic Feasibility Test, Incremental Users will be charged at the prevailing Reference Tariffs and as permitted by section 8.15 of the Code, the Service Provider will seek to include the New Facilities Investment in the Capital Base at the next review of the Access Arrangement. The Service Provider may, at its discretion, seek the Regulator's agreement prior to the next review of the Access Arrangement that the New Facilities Investment passes the requirements of section 8.16 of the Code.
- (c) Where all of the New Facilities Investment does not pass the Economic Feasibility Test:
  - 1. The Service Provider will seek to include the relevant part (that part that passes the Economic Feasibility Test) of the New Facilities Investment in the Capital Base at the next review of the Access Arrangement. The Service Provider may, at its discretion, seek the Regulator's agreement prior to the next review of the Access Arrangement that the relevant part of the New Facilities Investment passes the requirements of section 8.16 of the Code (as permitted by section 8.21 of the Code);
  - 2. the remaining New Facilities Investment may be (subject to the Code):
    - (A) recovered by charging Incremental Users according to the prevailing Reference Tariffs plus a Surcharge approved by the Regulator under section 8.25 of the Code;
    - (B) included in a Speculative Investment Fund under the Reference Tariff Policy in Part B, section 6.2 (in which case Incremental Users would be charged according to the prevailing Reference Tariffs); or
    - (C) recovered by a combination of these approaches (in which case Incremental Users would be charged according to the prevailing Reference Tariffs plus a Surcharge approved by the Regulator under section 8.25 of the Code); and
  - 3. The Service Provider will notify the relevant Users of its choice between these approaches prior to the relevant New Facility entering in to service.
- (d) The Service Provider may, at its discretion, negotiate a Capital Contribution with a specific User or Users in respect of a New Facility, in which case, the charge for the User or Users shall be as agreed between the parties (for the purposes of determining Reference Tariffs, this New Facilities Investment shall be treated as if it were funded by the Service Provider and the User or Users shall be assumed to be paying a Surcharge (if any) that would be approved by the Regulator under section 8.25 of the Code).
- (e) Notwithstanding sections 5.6.2(c) to 5.6.2(d) above, where the Service Provider considers that some or all of the New Facilities Investment that does not pass the Economic Feasibility Test may pass the System Wide Benefits Test, the Service Provider may propose revisions to the Access Arrangement which have the effect of raising Reference Tariffs immediately (and thus permitting the part of the New Facilities Investment that would pass the System Wide Benefits Test to be included in the Capital Base and recovered through Reference Tariffs immediately). These revisions will be proposed and considered according to the process in section 2 of the Code and, if accepted, would amount to a change to this Access Arrangement.



### 5.6.3 Unreticulated Townships

The Service Provider's policy for Extensions to unreticulated townships where the Extension was not included in the calculation of the Reference Tariffs or the subject of a competitive tender is as follows:

- 1) any proposal to reticulate a township, or request to the Service Provider to consider reticulation of a township, will undergo an initial feasibility assessment.
- 2) If the feasibility assessment indicates to the Service Provider that the Extension may be economic, the Service Provider will conduct further investigation that may include proposals for the regulatory treatment of the project.
- 3) The Service Provider may approach the Regulator with details of the proposed Extension with a view to agreeing on the regulatory treatment of the project.
- 4) Where the agreed regulatory treatment is that the Extension is, if it proceeds, to be covered by this Access Arrangement:
  - The Service Provider will be permitted to recover the net financing costs incurred during the Access Arrangement Period in which the Extension is commenced in Reference Tariffs to take effect in subsequent Access Arrangement periods;
  - The Capital Base for the Access Arrangement Period commencing immediately after the commencement of the Extension will be increased by the amount of the New Facilities Investment or Recoverable Portion;
  - The New Facilities Investment will not reduce the carry-over of cost-related efficiencies from the Access Arrangement Period in which the Extension is commenced to any subsequent Access Arrangement Period,

provided the extension:

- passes the Economic Feasibility Test; and
  - would otherwise be uneconomic for the Service Provider if commenced prior to being included in the calculation of Reference Tariffs in future Access Arrangement Periods.
- 5) Once agreement has been reached concerning the regulatory arrangement, the Service Provider will undertake a detailed feasibility assessment. Should the outcome of this assessment establish or confirm to the Service Provider's satisfaction that the Extension is economic (including the consideration of any Capital Contributions or Surcharges) under the agreed regulatory arrangement, then the Extension will progress. If, in light of the detailed economic assessment and available regulatory arrangements, the Service Provider is not satisfied the Extension is economic, the Extension will not proceed.
  - 6) Where the Service Provider is not satisfied the Extension is economic, the Service Provider may review the Extension should material changes occur.
  - 7) The Service Provider's funding of Extensions to unreticulated townships is, in accordance with section 3.16(c) of the Code, conditional upon (among other things) the Service Provider having sufficient funds available on commercial terms acceptable to the Service Provider.

The Service Provider acknowledges that the agreed regulatory treatment for a new town extension may involve a Capital Contribution together with existing zonal tariffs, a Surcharge above zonal tariffs, or a separate new town tariff.

Where the agreed treatment of a new town extension is a separate new town tariff, there shall also be agreed a mechanism to integrate the new town tariff into the form of price control, including in relation to rebalancing constraints.

A new town tariff is not a new tariff for existing customers and is not a new tariff for the purposes of the interpretation of the Reference Tariff control formula.

#### **5.7 Review and expiry of Access Arrangement**

The Revisions Submission Date will be 30 March 2012.

The Revisions Commencement Date will be 1 January 2013.

## 6 Glossary

**Access Act** means the Gas Pipelines Access (Victoria) Act 1998;

**Access Arrangement** means this arrangement for access for third parties to the Distribution System lodged by the Service Provider with, and approved by, the Regulator under the Access Act and Code;

**Access Law** means:

- (a) the provision referred to in paragraph (a) of the definition of 'Gas Pipelines Access Law' in section 3(1) of the Gas Pipelines Access (South Australia) Act 1997, as applying as a law of Victoria; and
- (b) Regulations in force under Part 3 of the Gas Pipelines Access (South Australia) Act 1997, as applying as a law of Victoria;

**Actual Meter Reading** has the same meaning as in the Gas Market Retail Rules;

**Additional Charge** means any charge imposed on the Service Provider by an Authority which is referable to the User or a Customer, and where such charge is referable to a class of Users or Customers rather than an individual User or Customer, that charge will be allocated between the Users or Customers (as the case may be) on a fair and reasonable basis by the Service Provider, provided that the Service Provider is not prohibited from passing through that charge to Users or Customers under the Regulatory Instruments;

**Agreement** means an agreement executed or to be executed by the Service Provider and a User on the Terms and Conditions or an agreement in respect of the terms and conditions for the provision of Services, as negotiated between the Service Provider and a User ;

**Ancillary Reference Service** means a Reference Service as set out in clause 5.1 of Part A of this Access Arrangement;

**Ancillary Reference Tariff** means the tariff for Ancillary Reference Services;

**Annual MHQ** means the greatest Quantity of Gas (in GJ) withdrawn at a DSP in any hour in a Calendar Year;

**Authority** means any:

- (a) government or regulatory department, statutory corporation (including the Regulator and VENCORP), body, instrumentality, minister, agency or other authority; or
- (b) body which is the successor to the administrative responsibilities of that department, statutory corporation, body, instrumentality, minister, agency or authority.

**B2B Hub** means the electronic messaging system operated by VENCORP for the Gas industry in Victoria or any electronic messaging system which replaces that system;

**Bank Guarantee** means an irrevocable bank guarantee from a trading bank conducting business in Australia in favour of the Service Provider substantially in the form set out in Schedule 1 of the Terms and Conditions, for the Required Bank Guarantee Amount;

**Business Day** means a day other than a Saturday, Sunday or a day which has been proclaimed to be a public holiday in the Melbourne metropolitan area;

**Calendar Year** means a twelve-month period commencing on 1 January;

**Certificate of Compliance** means a notice of installation, or completion of Gas Installation work, from a Gas Installer;

**Change in Taxes Event** means a variation, withdrawal or introduction of a Relevant Tax, or a change in the way or rate at which a Relevant Tax is calculated, which has a material impact on the costs to the Service Provider of providing the Reference Services or which has a direct and material impact on the revenue received (after payment of Relevant Taxes) by the Service Provider for providing the Reference Services;

**Charges** means the charges payable by the User to the Service Provider under clause 7 of the Terms and Conditions and includes:

- (a) the amount determined from the application of the Reference Tariffs in respect of the Reference Services provided to the User in respect of its Customers or such other amount as agreed in writing;
- (b) where the User is a gas retailer within the meaning of clause 12(9) and 13(10) of the Order in Council made under section 68 of GIA on 15 November 2001 (Gazette No. G. 46 at page 2865), the prices, fees and charges notified by the Service Provider under clauses 12 and 13 of that Order, to the extent that those charges are still applicable;
- (c) where Services other than Reference Services are provided by the Service Provider as set out in Schedule 2 of the Terms and Conditions, the Non-Reference Service Charge; and
- (d) Additional Charges;

**Claim** means any claim, action, dispute, proceeding, loss, liability, demand, cost or expense whether arising in contract, tort (including negligence), equity or otherwise in respect of an event occurring after the Commencement Date;

**Class A Inquiry** means an inquiry identified as an "A" inquiry in the Gas Leak and Emergency Calls Protocol and includes an inquiry relating to a Gas leak or Emergency;

**Class B Inquiry** means an inquiry identified as a "B" inquiry in the Gas Leak and Emergency Calls Protocol and includes an inquiry relating to a Gas leak or Emergency;

**Class C Inquiry** means an inquiry identified as a "C" inquiry in the Gas Leaks and Emergency Calls Protocol and includes an unplanned Interruption;

**Code** means the National Third Party Access Code for Natural Gas Pipeline Systems set out in Schedule 2 to the Gas Pipelines Access (South Australia) Act 1997;

**Commencement Date** means in respect of an Agreement, the date of commencement of the Agreement as set out in that Agreement;

**Confidential Information** means all:

- (a) know-how, trade secrets, ideas, concepts, technical and operational information owned or used by the parties to an Agreement;
- (b) information concerning the affairs or property of or any business, property or transaction in which the parties to an Agreement may be or may have been concerned or interested;
- (c) details of any Customers of the User; and
- (d) any other information which is to be treated in a confidential manner under a Regulatory Instrument with which a party to an Agreement is required to comply;

**Connection** means the provision of a new facility (forming part of the Distribution System) in relation to, and the joining of a Gas Installation to a DSP to allow, the flow of Gas to the Gas Installation through the DSP (but does not include Turn On);

**Connection Request** means a request in a form reasonably required by the Service Provider given by the User to the Service Provider requesting Connection or Turn On;

**Controller** has the same meaning as defined in the Corporations Act;

**Corporations Act** means the Corporations Act 2001;

**CPI** for a particular Calendar Year is:

- (a) consumer price index: all groups index for the eight State capitals as published by the Australian Bureau of Statistics for the September quarter immediately preceding the start of the relevant Calendar Year

**divided by**

- (b) consumer price index: all groups for the eight State capitals as published by the Australian Bureau of Statistics for the September quarter immediately preceding the September quarter referred to in paragraph (a)

minus one;

**Curtail** means to temporarily reduce the injection or withdrawal of Gas to or from the Distribution System;

**Customer** means a customer of the User who is capable of withdrawing Gas at a DSP;

**Customer MHQ** means the maximum hourly Quantity of Gas, expressed in gigajoules per hour (GJ/hour), for delivery to a Tariff D DSP initially nominated by the User to the Service Provider and agreed to by the Service Provider in writing and then as agreed from time to time between the parties to an Agreement;

**Declared Retailer of Last Resort Event** means the occurrence of an event whereby a Retailer is unable to continue to supply gas and Customers of that Retailer are transferred to the declared retailer of last resort, and as a result the Service Provider incurs materially higher or lower costs in providing Reference Services than it would have incurred but for that event;

**Default Rate** means on any date the rate in percent per annum of the Commonwealth Bank of Australia corporate overdraft reference rate applying for that day;

**Deemed Contract** means a contract between the Service Provider and a Customer under section 48 of the GIA;

**Disconnection (or "to Disconnect")** means the carrying out of work to prevent the withdrawal of Gas at a DSP;

**Disconnection Request** means a request in a form reasonably required by the Service Provider given by the User to the Service Provider requesting Disconnection in respect of a DSP and which must include the reason for requesting the Disconnection;

**Distribution Area** means the area described in Schedule 2 of the Distribution Licence;

**Distribution Demand Tariff Component** means a Haulage Reference Tariff Component of Tariff D (as varied from time to time) expressed in \$/GJ of Annual MHQ;

**Distribution Fixed Tariff Component** means a Haulage Reference Tariff Component of Tariff V that does not vary according to the Quantity of Gas supplied each day, as set out in Schedule 1 of Part B (as varied from time to time) and is expressed in \$/day;

**Distribution Licence** means the licence of that name to provide services by means of a Distribution Pipeline granted to Vic Gas Distribution Pty Ltd by the Regulator under the GIA;

**Distribution Pipeline** has the same meaning as in the GIA;

**Distribution Services** means:

- (a) Reference Services in relation to Customers;
- (b) where the User is a gas retailer within the meaning of clauses 12(9) and 13(10) of the Order-in-Council made under section 68 of the Gas Industry Act 2001 on 15 November 2001 (Gazette No. G 46 at page 2865), the activities and tasks set out in Schedule 1 of that Order, if applicable;
- (c) such Services other than Reference Services that the Service Provider has agreed to provide to the User as set out in Schedule 2 of the Terms and Conditions (including a Tariff D Connection); and
- (d) Connection (other than a Tariff D Connection);

**Distribution System** is the Covered Pipeline which is the subject of this Access Arrangement, described in the plans lodged with the Regulator and any Extension or Expansion of the Distribution System that is covered by the Access Arrangement;

**Distribution System Code** means the Victorian Gas Distribution System Code issued by the Regulator, compliance with which is a condition of the Distribution Licence;

**Distribution Volume Tariff Component** means a Reference Tariff Component of Reference Tariff V, as set out in Schedule 1 of Part B (as varied from time to time), expressed in \$/GJ for GJs of Gas withdrawn in the Peak Period or in the Off-Peak Period ;

**DSP (Delivery Supply Point)** means a point on the Distribution System at which Gas is capable of being withdrawn from the Distribution System for delivery to a Customer, which is normally located at the outlet of a Meter;

**Economic Feasibility Test** is the test which determines whether the Anticipated Incremental Revenue exceeds the New Facilities Investment and which also requires the New Facilities Investment to pass section 8.16(a)(i) of the Code;

**Emergency** has the same meaning as in the Distribution System Code;

**Energy Retail Code** means the code of that name being a determination of the Regulator under section 43 of the GIA;

**ESC Act** means the Essential Services Commission Act 2001 (Victoria);

**Estimated Meter Reading** has the same meaning as in the Gas Market Retail Rules;

**Expansion** has the same meaning as in the Distribution System Code;

**Extension** means extending a Pipeline to enlarge the area to which Gas may be, or is, supplied, including (for the avoidance of doubt) extensions which connect together pre-existing pipeline systems;

**Financial Failure of a Retailer Event** means the occurrence of an event whereby a Retailer is subject to an Insolvency Event, and as a consequence the Service Provider does not receive revenue which it was otherwise entitled to for the provision of Reference Services;

**Financial Year** means a 12-month period ending on 30 June;

**First Access Arrangement Period** means the period commencing on 1 January 1998 and ending on 31 December 2002;

**Force Majeure Event** has the same meaning as force majeure in the Distribution System Code;

**Fourth Access Arrangement Period** means a period commencing on 1 January 2013;

**FRO (Financially Responsible Organisation)** has the same meaning as in the Gas Market Retail Rules;

**Gas** has the same meaning as gas in the Distribution System Code;

**Gas Day** has the same meaning as in the MSO Rules;

**Gas Distribution Company** has the same meaning as in the GIA;

**Gas Distribution System** has the same meaning as in the GIA;

**Gas Installation** has the same meaning as in the Distribution System Code;

**Gas Installer** has the same meaning as in the Distribution System Code;

**Gas Interface Protocol** has the same meaning as in the Gas Market Retail Rules;

**Gas Leaks and Emergencies Number** means the Service Provider's contact telephone number as stated in clause 9.1(d) of the Terms and Conditions;

**Gas Leaks and Emergency Calls Protocol** means the Gas Leak and Emergency Calls, "A" to "C" Priority, version 1.2 as approved by the Victorian Gas Retail Rules Committee;

**Gas Market Retail Rules** means the rules approved by the Regulator under section 65 of the GIA;

**GIA** means the Gas Industry Act 2001 (Victoria), as amended from time to time;

**GJ** means Gigajoule. 1 GJ is equal to one thousand million Joules (1,000,000,000J);

**GST** means goods and services tax or similar value added tax levied or imposed in the Commonwealth of Australia pursuant to the GST law;

**GST law** has the same meaning as in A New Tax System (Goods and Services Tax) Act 1999 (Cth);

**Guaranteed Service Levels** or **GSLs** means the standard of service that must be provided by the Service Provider in respect of certain Distribution Services as set out in a Regulatory Instrument;

**Guarantor** has the meaning given in clause 7.8(a)(1)(B) of the Terms and Conditions;

**Haulage Reference Services** means those services described in clause 5.1.1.

**Haulage Reference Tariff** means the tariff for Haulage Reference Services;

**Haulage Reference Tariff Component** refers to an individual price element comprising part of a Haulage Reference Tariff

**Heating Value** has the same meaning as in the Gas Safety (Gas Quality) Regulations 1999 (Victoria);

**Inquiry** means an inquiry or consultation commenced by the Ombudsman under its constitution;

**Insolvency Event** means the happening of any of the following events in relation to a party to an Agreement:

- (a) an order is made that it be wound up or that a Controller be appointed to it or any of its assets;
- (b) a resolution that it be wound up is passed;
- (c) a liquidator, provisional liquidator, Controller or any similar official is appointed to, or takes possession or control of, all or any of its assets or undertakings;
- (d) an administrator is appointed to it (other than by the Regulator pursuant to the party's licence under the GIA) or a resolution that an administrator be appointed to it is passed;
- (e) it enters into, or resolves to enter into, an arrangement, compromise or composition with any of, or any class of, its creditors or shareholders, or an assignment for the benefit of any of, or any class of, its creditors, in relation to a potential Insolvency Event in subparagraphs (a) to (d), or (f) to (g) occurring;
- (f) any action is taken by the Australian Securities and Investment Commission to cancel its registration or to dissolve it;
- (g) it is insolvent within the meaning of Section 95A of the Corporations Act, as disclosed in its accounts or otherwise, states that it is unable to pay its debts or it is presumed to be insolvent under any applicable law; or
- (h) it stops or suspends:
  - the payment of all or a class of its debts; or
  - the conduct of all or a substantial part of its business; or
- (i) if the User is constituted in another jurisdiction, any event having a substantially similar effect to any of the events specified in the preceding paragraphs happens to it under the law of that other jurisdiction;

**Interruption** means the planned or unplanned temporary stoppage of Supply to one or more DSPs;

**J** means Joule; a unit of energy as defined in AS1000-1979 "The International System of Units (SI) and its Application";

**Licence Fee** means the licence fee and other fees and charges in respect of the Distribution Licence paid (or payable) by the Service Provider under its Distribution Licence;

**Main** has the same meaning as in the Distribution System Code;

**Meter** has the same meaning as in the Distribution System Code;

**Meter Reading** has the same meaning as in the Gas Market Retail Rules including as if the reference in that definition to a "reading period" included the period of an invoice;

**Metering Installation** means the Meter and associated equipment and installations which may include correctors, regulators, filters, data loggers and telemetry relating to a DSP;

**Metering Data** means data pertaining to the measure of the Quantity of Gas flow obtained from a Metering Installation;

**MHQ** means the maximum Quantity of Gas (in GJ) withdrawn at a DSP in any hour;

**MIRN** means in relation to a DSP at any time, the metering installation registration number for that DSP including the checksum for that MIRN;

**MSO Rules** has the same meaning as defined in the GIA;

**Negative Pass Through Amount** means, in relation to the occurrence of a Relevant Pass Through Event, an amount that the Service Provider is required to pay to a User or a factor by which amounts a User is required to pay the Service Provider are reduced;

**Non-Reference Service** means a Service other than a Reference Service;

**Non-Reference Service Charge** means the amount payable by the User for the provision of Services other than Reference Services, being the amount as set out in Schedule 2 of the Terms and Conditions or as agreed between the parties to an Agreement or determined pursuant to the Code;

**Off-Peak Period** means the period of a Calendar Year except the Peak Period;

**Ombudsman** means the Energy and Water Ombudsman (Victoria) or any other ombudsman approved by the Regulator for the purposes of the Users' Retail Licences;

**Pass Through Amount** means a Positive Pass Through Amount or a Negative Pass Through Amount;

**Peak Period** means the period of 1 June to 30 September of a Calendar Year;

**Positive Pass Through Amount** means, in relation to the occurrence of a Relevant Pass Through Event, an amount that a User is required to pay to the Service Provider or a factor by which amounts the User is required to pay the Service Provider are increased;

**Quantity** means, in relation to Gas, the energy content of that Gas calculated by multiplying its volume in cubic metres at a temperature of 15 degrees Celsius and an absolute pressure of 101.325 kPa by its Heating Value;

**Reconciliation Amount** means that amount payable in respect of Unaccounted for Gas calculated by VENCorp in accordance with the Distribution System Code;

**Reconnect** means the Turn On for or in respect of a Customer following the Disconnection of the DSP at which Gas was, prior to Disconnection, withdrawn by or in respect of that Customer;

**Reference Service** means the Haulage Reference Service and Ancillary Reference Service as defined in clause 5.1 of Part A of this Access Arrangement;

**Reference Tariff**, means the Haulage Reference Tariff or Ancillary Reference Tariff and as varied pursuant to the Reference Tariff Policy;

**Reference Tariff Class** refers to DSPs assigned the same Reference Tariff;

**Reference Tariff Component** refers to an individual price element comprising part of a Reference Tariff;

**Reference Tariff Policy** means the Reference Tariff Policy set out in Part B of this Access Arrangement;

**Regulator** means the Essential Services Commission, a statutory corporation established under the ESC Act;

**Regulatory Instrument** means the Access Act, Access Law, Code, GIA, Gas Safety Act 1997 (Victoria) and other legislation, any subordinate legislation, licence, code, rules, sub-code, guideline, safety case, order or regulation regulating the gas industry in Victoria, or elsewhere if applicable, whether made under the GIA or other applicable legislation having jurisdiction over the relevant party, including the MSO Rules and the Distribution System Code;

**Related Body Corporate** means an entity which is related to another entity within the meaning of section 9 of the Corporations Act;

**Relevant Pass Through Event** means:

- (a) a Change in Taxes Event;
- (b) the Financial Failure of a Retailer Event; or
- (c) a Declared Retailer of Last Resort Event;

**Relevant Tax** means any royalty, duty, excise, tax, impost, levy, fee or charge (including, but without limitation, any GST) imposed by any Authority in respect of the repair, maintenance, administration or management of the Distribution System (or any part of it) or in respect of the provision of Reference Services, but excluding:



- (1) income tax (or State equivalent income tax) and capital gains tax;
- (2) stamp duty, financial institutions duty, bank account debits tax or similar taxes or duties;
- (3) penalties and interest for late payment relating to any tax, royalty, duty, excise, impost, levy, fee or charge;
- (4) costs associated with changes in service standards, except where arising because the Service Provider has been directed, ordered or required as a result of legislation or other Regulatory Instruments to make such a change in service standards;
- (5) fees and charges payable for a Distribution Licence;
- (6) voluntary membership fees or voluntary contributions payable to membership bodies (that is, fees and contributions in respect of membership bodies which the Service Provider is not required by legislation or other Regulatory Instruments to join);
- (7) any tax or charge which replaces the taxes and charges referred to in (1) to (5) above.

For the avoidance of doubt, costs associated with a 'retailer of last resort' scheme are included within this definition of Relevant Tax as are fees imposed by existing or new regulatory bodies.

**Required Bank Guarantee Amount** means the amount of the Bank Guarantee calculated by the Service Provider under clauses 7.8(b) or 7.8(c) of the Terms and Conditions;

**Residential Customer** means a Customer who uses Gas primarily for domestic purposes;

**Retail Contract** means a gas contract as defined under the Energy Retail Code;

**Retail Licence** means a licence to sell Gas granted to a Retailer by the Regulator under Part 3 of the GIA;

**Retail Services** means the following services that are provided by a User to the Service Provider at the Service Provider's request:

- (a) processing of GSL payments under clause 7.6 of the Terms and Conditions;
- (b) notification of Reference Tariffs under clause 9.10(c) of the Terms and Conditions;
- (c) provision of information and documentation to Customers under clause 9.12(b) of the Terms and Conditions;
- (d) delivering to a Customer any notification, information or documentation as requested by the Service Provider under clause 9.12(e) of the Terms and Conditions; and
- (e) delivering to a Customer information as requested by the Service Provider under clause 13.2(b)(3) of the Terms and Conditions

but does not include any such services to the extent that the User is obliged to perform those services under the Regulatory Instruments;

**Retailer** has the same meaning as "gas retailer" in the GIA;

**Second Access Arrangement Period** means a period commencing on 1 January 2003 and ending on 31 December 2007;

**Service Provider** means Vic Gas Distribution Pty Ltd;

**Services Policy** means the policy contained in clause 5.1 of this Access Arrangement;

**Significant Extension** has the meaning given to it in clause 5.6.1(c).

**Specifications** means the quality specifications prescribed by the Gas Safety (Gas Quality) Regulations 1999 (Victoria);

**Substituted Meter Reading** has the same meaning as in the Gas Market Retail Rules;

**Supply** means the delivery of Gas;

**System Wide Benefits Test** is the test which determines whether New Facilities Investment has system-wide benefits that, in the Regulator's opinion, justify the approval of higher Reference Tariffs for all Users and which also requires the New Facilities Investment to pass section 8.16(a)(i) of the Code;

**Tariff Control Formula** means the formula described in clause 3 of the Reference Tariff Policy that applies to Haulage Reference Tariffs;

**Tariff D (or Haulage Reference Tariff D)** means the tariff that applies to the Tariff D Haulage Reference Service from time to time and comprises Distribution Demand Tariff Components.

**Tariff D Connection** means the connection and maintenance of the assets used to make a Connection at a Tariff D DSP;

**Tariff D Customer** means a Customer in respect of whom the User is charged Tariff D;

**Tariff D DSP** means a DSP assigned to Tariff D as set out in clause 1.2 of Part B;

**Tariff D Haulage Reference Service** means a Haulage Reference Service described as such in clause 5.1.1 of Part A of this Access Arrangement;

**Tariff V (or Haulage Reference Tariff V)** means the tariff which applies to the Tariff V Haulage Reference Service from time to time and comprises a Distribution Fixed Tariff Component and Distribution Volume Tariff Components;

**Tariff V Customer** means a Customer in respect of whom the User is charged Tariff V;

**Tariff V DSP** means a DSP assigned to Tariff V as set out in clause 1.2 of Part B;

**Tariff V Haulage Reference Service** means a Haulage Reference Service described as such in clause 5.1.1 of Part A of this Access Arrangement;

**Tariff Zone** means the zone or area in which a defined Haulage Reference Tariff is applicable;

**Terms and Conditions** means the terms and conditions referred to in clause 5.3 of Part A and as set out in Part C of this Access Arrangement;

**Third Access Arrangement Period** means a period of 5 Calendar Years commencing on 1 January 2008;

**Transfer Point** means a point at which Gas is transferred from:

- (a) a Transmission Pipeline to a Distribution Pipeline; or
- (b) a Distribution Pipeline to a Distribution Pipeline;

**Transmission System** has the same meaning as in the Distribution System Code;

**Transmission Pipeline** has the same meaning as in the GIA;

**Turn On** means the act of turning on Supply at a DSP, performance of a safety check and the lighting of appliances where necessary;

**Unaccounted for Gas (UAG)** has the same meaning as in the Distribution System Code;

**VENCorp** means the Victorian Energy Networks Corporation as referred to in Part 8 of the GIA and includes any successor body and any body who assumes the rights of VENCorp pursuant to any privatisation and any successor of that body;

**VENCorp Meter Register** has the same meaning as meter register in the MSO Rules.