



GAS DISTRIBUTION LICENCE

Jemena Asset Management (6) Pty Ltd
ACN 104 352 650

Varied on 15 July 2009

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1. GRANT OF LICENCE

The *Commission*, in exercise of the powers conferred by section 26 of the *Gas Industry Act*, hereby issues this licence to the *Distributor* authorising the *Distributor* to provide those services by means of the *Distribution System* that it is necessary or desirable for the *Distributor* to provide in order to perform the *Functions*, and subject to the conditions set out in this licence.

2. TERM

- (a) This licence was issued on 10 June 2009 and has been varied on the dates set out in schedule 2.
- (b) This licence terminates if, and on the date, either of the following events occur:
 - I. the *Operating Services Agreement* terminates; or
 - II. the *Distributor* otherwise ceases to perform the *Functions* pursuant to the *Operating Services Agreement*.

3. VARIATION AND REVOCATION

- (a) The *Commission* may vary or revoke this licence in accordance with clause 3(b), 3(c) or 3(d).
- (b) The *Commission* may at any time agree with the *Distributor* that this licence should be varied or revoked.
- (c) The *Commission* may vary this licence or licence conditions after:
 - I. advising the *Distributor* of the proposed variation;
 - II. giving the *Distributor* an opportunity to make submissions in relation to the proposed variation; and
 - III. considering any such submissions.
- (d) The *Commission* may at any time give at least 20 business days notice of revocation to the *Distributor* if:
 - I. the *Distributor* does not comply with an *enforcement order* or an *undertaking*; and
 - II. the *Commission* is satisfied that the revocation of this licence is necessary having regard to the *policy objectives*, in which case the term of this licence ends, subject to clause 3(e), on the expiration of the period of the notice.
- (e) The term of this licence does not end at the expiration of the period of a notice of revocation given under clause 4(d) if, before the expiration, the *Distributor* complies with the *enforcement order* or the *undertaking* (as the case may be).

4. COMPLIANCE WITH CODES, RULES AND OTHER REQUIREMENTS

- (a) The *Distributor* must comply with:
- I. the *Gas Distribution System Code*;
 - II. the *Energy Retail Code*;
 - III. all codes, standards, rules and guidelines that are specified by the *Commission* to apply to the *Distributor*, and
 - IV. *customer-related standards and procedures*,

subject to any derogations from those codes, standards, rules or guidelines or customer related standards and procedures set out in schedule 1 to this licence.

- (b) At the written request of the *Commission*, the *Distributor* must participate to the extent specified by the *Commission* in the development, issue and review of any *customer-related standards and procedures* specified by the *Commission*.
- (c) If the *Commission* considers that:
- I. the *Distributor* has failed to comply with clause 4(b); or
 - II. *customer-related standards or procedures* developed by the *Distributor* are insufficient for the purpose for which they were developed,

the *Commission* may issue *customer-related standards and procedures* applicable to the *Distributor* and with which the *Distributor* must comply.

- (d) If the *Distributor* becomes aware of a material breach of a licence condition, code, standard, rule, guideline or *customer-related standard or procedure* by the *Distributor*, the *Distributor* must notify the *Commission* of the material breach in accordance with any guidelines issued by the *Commission* or, in the absence of such guidelines, as soon as practicable.
- (e) The *Distributor* must:
- I. at the request in writing of the *Commission*; or
 - II. as required by guidelines issued by the *Commission*,

report to the *Commission* in connection with its compliance with:

- I. licence conditions;
- II. applicable codes, standards, rules and guidelines; and
- III. *customer-related standards and procedures*.

5. DEEMED DISTRIBUTION CONTRACTS

- (a) The *Distributor*.
 - I. must by a date nominated by the *Commission* in a written notice given to the *Distributor*, which is not less than 20 *business days* after the notice is given to the *Distributor*; and
 - II. may at any other time,
 - III. prepare and submit to the *Commission* proposed terms and conditions of a *deemed distribution contract* for approval by the *Commission*.
- (b) As soon as practicable after approval of proposed terms and conditions of a *deemed distribution contract* by the *Commission*, the *Distributor* must give notice of those terms and conditions and publish them in the Government Gazette in accordance with the *Gas Industry Act*.

6. PROVISION OF INFORMATION AND MAINTENANCE OF SEPARATE ACCOUNTS

- (a) The *Distributor* must provide to the *Commission*, in a manner and form and at a time decided by the *Commission* and notified to the *Distributor*, such information as the *Commission* may from time to time require.
- (b) The *Distributor* must ensure that separate accounts are prepared for the *Distribution System* in accordance with any applicable *Commission* guidelines published for this purpose.

7. DISPUTE RESOLUTION

Until such time the *Commission* directs the *Distributor* to submit to the *Commission* for its approval, and if approved implement, a scheme for the fair, reasonable and effective investigation and resolution of disputes between it and:

- (a) a *customer* about the *Distributor's* services, billing and charging; and
- (b) aggrieved persons about the manner in which the *Distributor* conducts its business under its distribution licence and applicable codes, standards, rules or guidelines;

the *Distributor* will rely on the approved ombudsman scheme implemented by *Multinet* for Dispute Resolution.

8. PAYMENT OF LICENCE FEES

- (a) The *Distributor* must pay as directed by the *Commission* a licence fee determined in accordance with section 30 of the *Gas Industry Act*.
- (b) If the fee is an annual fee, it must be paid:
 - I. in four equal instalments due on the last days of September, December, March and June of each year; or
 - II. in full on or before the last day of September of each year.

- (c) The *Distributor* must pay as directed by the Commission such other fees and charges in respect of this licence as are determined by the Minister in accordance with section 30 of the *Gas Industry Act*.

9. COMPLIANCE WITH LAWS

The *Distributor* must comply with all applicable laws.

10. OPERATIONAL AND COMPLIANCE AUDITS

- (a) As requested by the *Commission*, the *Distributor* must undertake operational and compliance audits of:
 - I. its compliance with obligations under this licence, the *Gas Distribution System Code* and the *Energy Retail Code*; and
 - II. its compliance with policies, practices, procedures and systems for collection, analysis and reporting of data on the performance and the capacity of the gas *Distribution System*.
- (b) The operational and compliance audits must be conducted by an independent expert or audit team nominated by the *Distributor* and approved by the *Commission*.
- (c) The scope of the operational and compliance audits are to be approved by the *Commission* and must meet any minimum audit scope required by the *Commission*, but need not cover obligations, policies, practices, procedures or systems of the *Distributor* where compliance is audited under a separate regulatory requirement.
- (d) The *Distributor* must provide the results of the audit to the *Commission* in accordance with any guidelines published by the *Commission*.
- (e) The terms and conditions of the operational and compliance audit contract which relate to the scope of the audits must be approved by the *Commission*.

11. DEFINITIONS AND INTERPRETATION

11.1 Definitions

In this licence, unless the contrary intentions appear:

"business day" means a day on which banks are open for general banking business in Melbourne, excluding a Saturday or Sunday;

"Commission" means the Essential Services Commission established under the Essential Services Commission Act 2001

"customer" means a person to whom gas is conveyed through a *distribution pipeline*;

"customer-related standards and procedures" includes:

- (a) overall performance standards;
- (b) complaint handling, escalation and resolution policies, practices and procedures;
- (c) security deposit, disconnection and credit policies, practices and procedures;
- (d) and rules and procedures for compensating *customers* for the *Distributor's* failure to comply with any such standards, policies,

practices and procedures, which are issued by the *Distributor* under clause 4(b) or by the *Commission* under clause 4(c);

"*deemed distribution contract*" means a contract deemed to be entered into between the *Distributor* and a retail customer pursuant to section 48 (6) of the *Gas Industry Act*;

"*distribute*", has the meaning ascribed to that term in the *Gas Industry Act*;

"*distribution area*" means the area described in schedule 2 of the *Multinet Licence*;

"*distribution pipeline*" has the meaning ascribed to that term in the *Gas Industry Act*;

"*Distribution System*" means the Multinet Gas Distribution System, which is a system of *distribution pipelines* owned by *Multinet* and used to *distribute* gas for supply to customers in the *distribution area*;

"*Gas Distribution System Code*" means the Gas Distribution System Code issued by the *Commission* as amended from time to time;

"*Energy Retail Code*" means the Energy Retail Code issued by the *Commission* as amended from time to time;

"*enforcement order*" means a provisional or final order made and served by the *Commission* under section 53 of the Essential Services Commission Act 2001;

"*Functions*" means the services listed in Schedule 1 to the *Operating Services Agreement* which the *Distributor* is obliged to provide to *Multinet*;

"*Gas Industry Act*" means the Gas Industry Act 2001 (Vic);

"*Distributor*" means Jemena Asset Management (6) Pty Ltd ACN 104 352 650;

"*Multinet*" means Multinet Gas (DB No. 1) Pty Limited ACN 086 026 986 and Multinet Gas (DB No. 2) Pty Limited ACN 086 230 122, trading as the Multinet Gas Distribution Partnership;

"*Multinet Licence*" means the licence issued by the *Commission* to *Multinet* pursuant to the *Gas Industry Act* in relation to the *Distribution System* (as varied from time to time);

"*Operating Services Agreement*" means the Operating Services Agreement between the *Distributor*, *Multinet* and Multinet Group Holdings Pty Ltd dated 23 July 2003, as amended from time to time;

"*policy objectives*" means the objectives specified in section 18 of the *Gas Industry Act* and section 8 of the Essential Services Commission Act 2001;

"*supply*", in relation to gas, means the delivery of gas; and

"*undertaking*" means an undertaking given by the *Distributor* under section 53(5)(a) of the Essential Services Commission Act 2001.

11.2 Interpretation

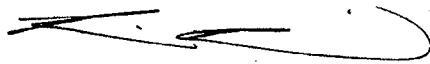
In this licence, unless the context otherwise requires:

- (a) words and phrases in italics have the meaning ascribed to them in clause 11.1;
- (b) headings are for convenience only and do not affect the interpretation of this licence;
- (c) words importing the singular include the plural and vice versa;
- (d) words importing a gender include any gender;

- (e) an expression importing a natural person includes any company, partnership, trust, joint venture, association, corporation or other body corporate and any governmental agency;
- (f) a reference to any thing includes a part of that thing;
- (g) a reference to a condition, clause, schedule or part is to a condition, clause, schedule or part of this licence;
- (h) a reference to any statute, regulation, proclamation, order in council, ordinance or by-law includes all statutes, regulations, proclamations, orders in council, ordinances or by-laws varying, consolidating, re-enacting, extending or replacing them and a reference to a statute includes all regulations, proclamations, orders in council, ordinances, by-laws and determinations issued under that statute;
- (i) a reference to a document or a provision of a document includes an amendment or supplement to, or replacement or novation of, that document or that provision of that document;
- (j) a reference to writing includes any mode of representing or reproducing words, figures, drawings or symbols in a visible form;
- (k) a reference to a person includes that person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;
- (l) a reference to the *Commission* includes a reference to the Office of the Regulator-General established under the Office of the Regulator-General Act 1994;
- (m) when italicised, other parts of speech and grammatical forms of a word or phrase defined in this licence have a corresponding meaning;
- (n) a period of time:
 - I. which dates from a given day or the day of an act or event is to be calculated exclusive of that day; or
 - II. which commences on a given day or the day of an act or event is to be calculated inclusive of that day; and
- (o) an event which is required under this licence to occur on or by a stipulated day which is not a *business day* may occur on or by the next *business day*.

THE COMMON SEAL of THE ESSENTIAL)
 SERVICES COMMISSION was affixed)
 pursuant to the authority of the)
 Commission on 17 July 2009





Dr Ron Ben-David
 Chairperson

SCHEDULE 1: COMPLIANCE OBLIGATIONS

This licence is granted to the *Distributor*, in respect of the *Distribution System*. Multinet has a licence to provide services by means of the *Distribution System*.

In this schedule, Licensee means each of the *Distributor* and Multinet individually and Licensees means both of them.

The *Distributor* is required to comply with the conditions contained in this licence on the following basis.

Common obligations

- 1 Subject to the obligations set out in clause 4 of this Schedule, where each Licensee is required to comply with a licence condition of substantially similar effect ("a common condition"), compliance by one of the Licensees with the common condition in its licence will be taken to be compliance by each Licensee with the common condition under each of their licences.
- 2 The common conditions relate to *Functions* that the *Distributor* is required to perform in relation to the *Distribution System* pursuant to the *Operating Services Agreement*.
- 3 The *Distributor* must give the Essential Services Commission written notice and particulars, within 30 days of any change in the *Functions* required to be performed by the *Distributor* pursuant to the *Operating Services Agreement*.

Several obligations

- 4 The *Distributor* is required to comply with the following conditions of its licence, whether or not Multinet has complied with the equivalent conditions of its licence and compliance by Multinet with the equivalent conditions of its licence does not constitute compliance by the *Distributor*.
 - (a) clause 4 in so far as it requires compliance by the *Distributor* with the Gas Industry Regulatory Accounting Guideline No 17 ("Guideline 17") and the ombudsman scheme for dispute resolution;
 - (b) clause 6; and
 - (c) clause 8.

The Distributor

- 5 The *Distributor* is not required to comply with the following codes, guidelines or rules as part of its distribution licence:
 - (a) Energy Retail Code
 - (b) Retail Gas Market Rules
 - (c) Guideline No 9: Gas Industry – Full Retail Contestability – Development of Gas Market Rules.

- 6 The *Distributor* is required to comply with the following codes, guidelines or rules, as amended from time to time, as part of its distribution licence:
- (a) Gas Distribution System Code;
 - (b) Market and System Operation Rules,

but only insofar as compliance relates to a Function that the Distributor is required to perform in relation to the Distribution System pursuant to the Operating Services Agreement unless the Distributor can demonstrate to the Commission that they were unable to perform the Function because of the decisions and/or actions of Multinet.

SCHEDULE 2: VARIATIONS TO THE LICENCE

This licence was originally issued on 10 June 2009.

Date	Reason for Variation
15 July 2009	To change the name of the licensee from Alinta Asset Management Pty Ltd (ACN 104 352 650) to Jemena Asset Management (6) Pty Ltd (ACN 104 352 650).

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