

Decision on licences amended by substitution

Gas Trading and Distribution Licences

1 August 2014

Economic Regulation Authority

WESTERN AUSTRALIA

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Decision

1. Pursuant to section 11W of the *Energy Coordination Act 1994*, the Economic Regulation Authority (**Authority**) has amended all gas trading and gas distribution licences by substitution.

Reasons

2. The Authority identified a number of administrative issues in the gas trading and gas distribution licences. To address these issues the following amendments were proposed:
 - to remove the licensee's address and contact information from the summary sheet (page 2 of the licence document). This is consistent with the Authority's decision in the water licence review;
 - to amend the definition of "licence" to exclude the cover page and page 2 of the licence document. This aligns with the definition of licence in electricity and water licences;
 - include the licensee's ABN or ACN in the definition of "licensee" and in Schedule 1;
 - remove the licensee's address from Schedule 1. The licensee's address is publically available including on both the Authority and the licensee's website; and
 - to amend Schedule 3 of gas distribution licences to reflect the *National Gas Access (WA) Act 2009*.
3. In accordance with clause 11.2 of the gas trading and gas distribution licences, the Authority wrote to gas licensees and provided 15 business days for the licensees to make comment. Comments were received from one licensee, ATCO Gas Australia Pty Ltd (**ATCO**).
4. ATCO provided comment in relation to the proposed amendment to clause 2 of Schedule 3 of gas distribution licences. The Authority had proposed to amend clause 2 of Schedule 3 by replacing the reference to section 5.9 of the *National Third Party Access Code for Natural Gas Pipeline Systems (Gas Code)* with Rule 111(3) - (8) of the *National Gas Rules (NGR)*.
5. The Authority considered ATCO's comments and the issue of spare capacity registers more generally and determined that it is not practical for a gas distributor to maintain a register of spare capacity as required by Rule 111(3) of the NGR. Rule 111(1)(b) of the NGR allows the Authority discretion to determine whether or not rule 111 should apply to distribution pipelines.
6. The Authority has decided to amend clause 2 of Schedule 3 to remove the reference to Rule 111(3) to (8) of the NGR and replace it with a less onerous requirement for the distributor to provide, upon request, reasonable information regarding the capacity of the distribution system to the holder of a gas trading licence.
7. The Authority provided 15 business days for gas distribution licensees to comment on the proposal to amend clause 2 of Schedule 3. No comments were received.

8. The amendments to the gas trading and gas distribution licences were considered by the Authority to be minor amendments and therefore were not subject to public consultation.