

24 April 2013



Energy and water licence compliance policy
Independent Pricing and Regulatory Tribunal
PO Box Q290
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By electronic lodgement

Dear Sirs

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Draft Energy and Water Licence Compliance Policy

Thank you for the opportunity to comment on the draft energy and water licence compliance policy (the **draft policy**) which the Tribunal proposes to adopt in place of the policy originally adopted in 2005.

Three entities within the Jemena group are affected by the policy:

- Jemena Gas Networks (NSW) Ltd (**JGN**) holds a gas reticulator's authorisation issued under the Gas Supply Act 1996 (**GSA**)
- SPI Rosehill Network Pty Limited holds a network operator's licence issued under the Water Industry Competition Act 2006 (**WICA**)
- AquaNet Sydney Pty Limited holds a retail supplier's licence, also issued under the WICA.

This submission by JGN is made on behalf of all three entities.

Jemena generally supports the draft policy insofar as it relates to authorisations issued under the GSA and licences issued under the WICA. We have only two comments:

1. We note that the draft policy does not include the option of requiring development and implementation of a remediation plan for WICA licensees as it does for gas authorisation holders (compare sections 4.3 and 3.3, and see section 3.3.3 of the draft policy). We accept that the gas regime (GSA, section 14(2)(b)) requires that the authorisation holder be given a reasonable opportunity to discontinue a contravention and take remedial action before the Tribunal can take certain action whereas the water regime does not. However, it seems that having such an option available for water may provide a useful and effective alternative to other courses of action that IPART might take.
2. While it is of no immediate relevance to Jemena, we question why the policy does not extend to distribution licences [for LPG and other gases] issued under the GSA.

If you wish to discuss this submission please contact me on 02 9455 1551 or by email at warwick.tudehope@jemena.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "Warwick Tudehope", is written over a light blue horizontal line.

Warwick Tudehope
Manager Network Regulation – Gas and Water