



New South Wales

Gas Supply (Safety and Operating Plans) Regulation 1997

under the
Gas Supply Act 1996

His Excellency the Lieutenant-Governor, with the advice of the Executive Council, has made the following Regulation under the *Gas Supply Act 1996*.

MICHAEL EGAN, M.L.C.,
Minister for Energy

Explanatory note

The object of this Regulation is to replace certain provisions of the *Gas Supply Regulation 1991* dealing with reticulation systems and gas standards with new provisions requiring network operators under the *Gas Supply Act 1996* to develop and implement safety and operating plans in respect of their distribution systems. The new Regulation provides for the following matters:

- (a) the lodgment and implementation of safety and operating plans (clause 5),
- (b) the form and content of safety and operating plans (clause 6 and Schedule 1),
- (c) the nomination of persons to audit safety and operating plans (clause 7),
- (d) the conduct of initial audits of safety and operating plans (clause 8),
- (e) the conduct of periodical audits of safety and operating plans (clause 9),
- (f) the availability of safety and operating plans (clause 10),
- (g) the amendment of safety and operating plans (clause 11),

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- (h) the means for ensuring compliance with safety and operating plans (clause 12),
- (i) the exemption of certain persons from the requirements as to the content of safety and operating plans (clause 13),
- (i) other minor, ancillary or consequential matters (clauses 1, 2, 3 and 4).

This Regulation is made under the *Gas Supply Act 1996*, including section 83 (the general regulation-making power).

This Regulation is made in connection with the staged repeal of subordinate legislation under the *Subordinate Legislation Act 1989*.

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1 Name of Regulation

This Regulation is the *Gas Supply (Safety and Operating Plans) Regulation 1997*.

2 Commencement

This Regulation commences on 31 August 1997.

3 Definitions

In this Regulation:

audit certificate means a certificate issued by a nominated auditor in accordance with clause 8 or 9.

Director-General means the Director-General of the Department of Energy.

nominated auditor, in relation to a network operator's safety and operating plan, means a person who is, for the time being, a person nominated by the network operator under clause 7 in respect of the plan.

the Act means the *Gas Supply Act 1996*.

4 Notes

The explanatory note and table of contents do not form part of this Regulation.

5 Network operators to lodge and implement safety and operating plans

- (1) A network operator must, within the initial period:
 - (a) lodge with the Director-General a safety and operating plan for its distribution system, and
 - (b) implement that plan.

Maximum penalty: 100 penalty units (in the case of a corporation) and 25 penalty units (in any other case).

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- (2) In this clause:
initial period means:
- (a) in relation to a person who was a network operator at the commencement of this Regulation, a period of 6 months after that commencement or such further period as may be approved by the Director-General, or
 - (b) in relation to a person who becomes a network operator after the commencement of this Regulation, such period as may be approved by the Director-General.

6 Matters to be included in safety and operating plans

- (1) The object of a safety and operating plan is to ensure the safe operation of the distribution system to which it relates and specify gas quality and pressure standards for gas conveyed through the system.
- (2) A safety and operating plan must include (but is not limited to) the following:
 - (a) a description of the system and its operation and maintenance,
 - (b) an analysis of hazardous events that might be expected to occur,
 - (c) the procedures to be implemented in case of emergencies,
 - (d) the gas quality standards to be applied and the procedures to be implemented to ensure that the gas conveyed or supplied meets those standards,
 - (e) a specification of the plan's objectives and of appropriate performance indicators developed by the network operator.
- (3) A safety and operating plan must comply with Schedule 1.

7 Nomination of persons to audit safety and operating plans

- (1) A network operator must nominate a person to the Director-General as a person who is:
 - (a) independent of the network operator, and
 - (b) competent to exercise the functions of an auditor under this Regulation in respect of its safety and operating plan.

- (2) If the Director-General advises a network operator that a nomination is not accepted or is no longer acceptable:
 - (a) the nomination ceases to have effect for the purposes of this Regulation, and
 - (b) the network operator must submit another nomination in its place.

8 Initial audits of safety and operating plans

- (1) A safety and operating plan must bear a certificate from a nominated auditor certifying that:
 - (a) the plan complies with this Regulation, and
 - (b) the plan is appropriate having regard to the size and complexity of the system (subject to any exemptions granted by the Director-General), and
 - (c) all measures intended to prevent hazardous events identified in the plan from occurring, and intended to protect operating personnel, plant, equipment, the community and the environment should they occur, are in place, and
 - (d) there are properly trained and equipped personnel available to implement the emergency procedures set out in the plan.
- (2) The certificate must include a summary of the procedures, standards, tests, inspections and maintenance measures contained in the safety and operating plan.

9 Periodical audits of safety and operating plans

- (1) A network operator must, within one month after the end of each auditing period, lodge with the Director-General in respect of its safety and operating plan:
 - (a) a certificate from a nominated auditor certifying that:
 - (i) all measures intended to prevent hazardous events identified in the plan from occurring, and intended to protect operating personnel, plant, equipment, the community and the environment should they occur, are in place, and

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- (ii) there are properly trained and equipped personnel available to implement the emergency procedures set out in the plan, and
 - (b) a report by the same auditor reviewing the plan for adequacy and appropriateness having regard to any changes in the distribution system since the previous audit certificate was issued.
- (2) In this clause:

auditing period, in relation to a safety and operating plan, means a period of 12 months, or such further period as may be approved by the Director-General, commencing on the date on which the previous audit certificate in respect of the plan was lodged with the Director-General.

18 Availability of safety and operating plans

A network operator:

- (a) must cause a copy of its safety and operating plan to be kept at its principal office, and
- (b) must cause copies of such of the provisions of the plan as relate to safety to be made available in such a way that, as far as is reasonably practicable, the provisions are brought to the notice of the persons likely to be involved in the implementation of the plan.

Maximum penalty: 100 penalty units (in the case of a corporation) and 25 penalty units (in any other case).

11 Director-General may direct amendment of safety and operating plans

- (1) If the Director-General is of the opinion:
 - (a) that a network operator's safety and operating plan will not produce a safe outcome, or
 - (b) that its implementation has given rise to, or will give rise to, an unsafe situation,

the Director-General may, by order in writing, direct the network operator to amend the plan in such manner as is specified in the order.

- (2) A network operator must comply with any direction under this clause.

Maximum penalty: 100 penalty units (in the case of a corporation) and 25 penalty units (in any other case).

12 Director-General may direct compliance with safety and operating plans

- (1) If the Director-General is of the opinion that a network operator is not:
- (a) complying with the requirements of its safety and operating plan or any codes, standards or specifications set out or referred to in that plan, or
 - (b) following any procedures set out or referred to in that plan,

the Director-General may, by order in writing, direct the network operator to take such action as is specified in the order to comply with those requirements, codes, standards or specifications or follow those procedures.

- (2) A network operator must comply with any direction under this clause.

Maximum penalty: 100 penalty units (in the case of a corporation) and 25 penalty units (in any other case).

13 Exemptions

The Director-General may exempt a network operator from any requirement as to the content of a safety and operating plan if the Director-General is of the opinion that the requirement is inappropriate having regard to the size or complexity of the network operator's distribution system.

Schedule 1 Safety and operating plans

(Clause 6 (3))

1 Description of distribution system

A description of a distribution system and its operation and maintenance must include:

- (a) references to maps showing the location of the system's gas works and the procedures for gaining access to those maps, and
- (b) a description of the engineering records that the network operator maintains on the system.

2 Analysis of hazardous events

- (1) An analysis of hazardous events must, consistent with the size and complexity of the distribution system:
 - (a) systematically identify hazardous events that might be expected to occur, and
 - (b) identify the potential causes of those events, and
 - (c) state the possible consequences of those events, and
 - (d) specify operational, maintenance and organisational safeguards intended to prevent those events from occurring or, should they occur, intended to protect operating personnel, plant, equipment, the community and the environment.
- (2) The operational and maintenance safeguards must include a maintenance schedule indicating, among other things, the type and frequency of inspections, coating surveys and checks on cathodic protection devices.
- (3) In the case of new networks, an analysis of hazardous events should also take into account hazardous events occurring during construction.

3 Emergencies

- (1) The types of emergencies in respect of which procedures are to be implemented include:

- (a) fires, explosions, leaks and impacts (with particular reference to those caused by the activities of other parties), and
 - (b) natural disasters, and
 - (c) civil disturbances.
- (2) A safety and operating plan must demonstrate that the network operator has tested and proved the emergency procedures.

4 Gas quality and pressure standards

The gas quality and pressure standards to be applied must include standards relating to the following:

- (a) heating value,
- (b) relative density,
- (c) pressure of supply,
- (d) composition and purity,
- (e) any other gas quality standards specified by the Director-General in relation to the distribution system.

5 Procedures for ensuring that gas is malodorous

A safety and operating plan must:

- (a) include the procedures to be implemented by the network operator to ensure that gas conveyed or supplied is malodorous, and
- (b) specify the odoriferous substances to be used, and
- (c) specify the odour intensities.

6 Procedures for testing gas

- (1) A safety and operating plan must include the procedures to be implemented by the network operator to ensure that gas conveyed or supplied meets the relevant gas quality and pressure standards and has the relevant odour intensity.

- (2) A safety and operating plan must specify the equipment to be provided and maintained by or on behalf of the network operator for the testing of gas and the place or places at which the equipment is to be kept.

7 Plan must satisfy any relevant quality management standards

A safety and operating plan must satisfy any quality management standards that are relevant to the operation of a distribution system.

8 Reports to the Director-General

- (1) A safety and operating plan must include a schedule of reports to be made to the Director-General in relation to the maintenance and safety aspects of the operation of the distribution system.
- (2) If the Director-General directs that the schedule should provide for reports in respect of particular maintenance or safety aspects of the operation of the distribution system, the network operator must comply with that direction.

9 Codes and standards

A safety and operating plan must specify the codes and standards that the network operator intends to follow in the design, installation, operation and maintenance of the distribution system.

10 Meters and regulators

- (1) A safety and operating plan must ensure that gas meters and pressure regulators used in the distribution system will be suitable for the supply pressure and the operating pressures of customers' systems and that they are installed so as not to interfere with metering accuracy.
- (2) A safety and operating plan must require pressure regulators operating with an outlet pressure of more than 35 kilopascals and any compensating devices to be sealed.

11 Gasfitting rules

- (1) A safety and operating plan may establish rules concerning the manner in which any work involved in the connection of a gas installation to, or the disconnection of a gas installation from, the network operator's distribution system is to be carried out.
- (2) Any rules so established must be no less stringent than any code of practice or standard that is applied to any such work by any regulations under the Act.

12 Other provisions

- (1) A safety and operating plan must include such other provisions as are necessary to ensure the safe operation of the distribution system and the quality of the gas conveyed through it.
- (2) A safety and operating plan must include a statement to the effect that any gasfitting work involved in the connection of a gas installation to, or the disconnection of a gas installation from, its distribution system must be carried out by, or under the supervision of, suitably qualified gasfitters.