

5. Determination, Approval and Publication of Tariffs and Related Charges

5.1. If, in the opinion of the Council, a licensee is, on the date of issue of a licence, able to exert significant market power, the Council shall describe the methodology to be used in determining the permitted tariff and related charges for the supply of gas which shall be included in the licence issued. Such methodology may be reviewed from time to time by the Council in consultation with the licensee, but at all times shall:

- (a) Provide protection to consumers regarding the tariff and related charges;
- (b) Enable a licensee to recover the costs of providing the service of such supply of gas, including a fair return on those investments made in connection with any activity authorised by the licence;
- (c) Encourage and reward efficiency in the licensee's operation and investments; and
- (d) Promote efficiency and economy in the use of gas.

5.2 If, in the opinion of the Council, a licensee is, after the date of issue of a licence, able to exert significant market power, the Council may, on reasonable notice to the licensee, amend the licence to include a methodology to be used in determining the permitted tariff and related charges for the supply of gas, and the provisions of section 5.1 shall apply *mutatis mutandis* to such methodology.

5.3 Notwithstanding anything contained in section 5.1 and 5.2, charges for the supply of gas shall not be unduly discriminatory.

5.4 Where a licensee's permitted tariff and related charges are to be determined in accordance with section 5.1 or 5.2, the licensee shall:

- (a) submit the tariff and related charges to Council for confirmation that the methodology described in the licence has been properly applied; and
- (b) publish the tariff and related charges within a reasonable period before implementing them.

6. General Obligations of a Licensee or Grantee

Any licensee or grantee shall comply with any requirement or condition imposed by the licence or special permission (including amendments thereto), and any requirement imposed by legislation or regulation at municipal, provincial or national level including any requirement related to environmental protection, sustainable energy use and human health and safety.

7. Preservation of Rights

Any person which supplies gas within the municipal boundary may continue supplying gas to its existing consumers after these by-laws come into force, even if such consumers are located in the licence area of an exclusive licence, provided that it shall:

7.1 by no later than 6(six) months after the date of coming into force of these by-laws, or 6(six) months after the date of a demarcation that brings any of its existing consumers into the municipal boundary, apply for a special permission to continue supplying its existing consumers within the municipal boundary; and

7.2 be required to apply for a licence in the ordinary course if it intends to supply gas to new consumers within the municipal boundary.