



Electricity Supply Industry Act 1995

**Notice of Amendment
No. 5**

to the

ELECTRICITY TRANSMISSION LICENCE

issued to

TRANSEND NETWORKS PTY LTD

ACN 082 586 892

on 18 December 1998

November 2006

1. BACKGROUND

Pursuant to the *Electricity Supply Industry Act 1995* (ESI Act), the Regulator is responsible for administering the licensing system for electricity entities. The Regulator has the authority to consider and determine licence applications for the generation, transmission, distribution and retailing of electricity.

Pursuant to section 28 of the ESI Act, the Regulator has the authority to amend the terms or conditions of an electricity entity's licence with the electricity entity's agreement or after giving the electricity entity reasonable notice of the proposed amendment and allowing a reasonable opportunity for it to respond.

Transend Networks Pty Ltd (Transend) is the holder of a transmission licence issued by the Regulator on 18 December 1998.

The Regulator and Transend have agreed to amend Transend's licence to reflect:

- legislative changes to the ESI Act as a result of the *Electricity Supply Industry (Miscellaneous Amendments) Act 2005* (Amendment Act);
- an amendment request from the Jurisdictional System Security Coordinator; and
- amendments sought by Transend.

2. ELECTRICITY SUPPLY INDUSTRY (MISCELLANEOUS AMENDMENTS) ACT 2005

The Regulator has received Transend's agreement to amend its licence to give effect to a number of consequential changes to terminology in the ESI Act, following changes made to the national electricity scheme. These legislative changes are contained in the Amendment Act¹.

As a result of these changes, reference in Transend's licence to the '*National Electricity Code*', has been replaced with the '*National Electricity Rules*', and reference to 'transmission network' has been replaced with 'transmission system'. Whilst this latter change, contained in Part 3 of the Amendment Act, is yet to be proclaimed, the Regulator has, in the interests of efficiency, given effect to these changes as part of this amendment process.

¹ More information regarding the rationale behind the changes can be found in the second reading speech to the Legislative Council given by the Honourable Mr Michael Aird MLC on 1 December 2005.

3. EMERGENCY MANAGEMENT

The Regulator has received Transend's agreement to amend clause 10 of its licence, dealing with emergency management plans. This amendment was at the request of the Jurisdictional System Security Coordinator, who plays a key role in electricity emergency management arrangements for the State.

The amendment combines two previous paragraphs and clearly reflects that licensees must not only develop and maintain an emergency management plan, but also implement any such plan in accordance with any guideline issued by the Jurisdictional System Security Coordinator.

The amendment itself is minor in nature and has no material effect on the obligations attaching to Transend.

4. TRANSEND REQUESTS

Transend sought minor amendments to:

1. the wording of clause 14 of the licence, dealing with system development. The effect of the amendment is to clarify that Transend's responsibility to procure augmentations to the transmission system that satisfy the *National Electricity Rules* regulatory test, relates only to mainland Tasmania.
2. the wording and structure of schedule 1, describing the authorised transmission system. The key effect of the amendment is to include a new table in schedule 1, to clearly distinguish between that part of the transmission system that Transend owns and operates, and that part that Transend operates pursuant to an operations and maintenance agreement.
3. include in schedule 1 of its licence an additional transmission line that it intends to operate pursuant to an operation and maintenance agreement with Woolnorth Studland Bay Wind Farm Pty Ltd.

The Regulator agreed to these amendments and some consequential amendments to the wording of schedule 1 and schedule 2 part 1 (definitions) have been made as a result.

5. REGULATOR'S ASSESSMENT

Suitable person

The Regulator is satisfied that the amendments to Transend's licence do not change the position of Transend as a suitable person to hold a transmission licence, pursuant to section 19 of the ESI Act.

The amendments do not affect the technical, human and financial resources available to Transend, nor do they go to its previous commercial dealings and the standard of honesty and integrity shown in those dealings.

The Regulator is satisfied that the amendments do not affect the necessary capacity of the transmission network to transmit electricity safely.

Regulator's objectives

The Regulator is satisfied that the amendments to Transend's licence are not inconsistent with the objectives of the ESI Act or the objectives of the Regulator in exercising his powers and functions under the ESI Act.

6. REGULATOR'S DECISION

In exercise of the power conferred by section 28 of the ESI Act, the Regulator will, subject to any valid objections from interested parties, amend the licence issued to Transend on 18 December 1998 and amended on 14 October 2002, 26 November 2004, 24 December 2004 and 24 May 2005, effective on 17 November 2006. The amendments are contained in mark-up form in the licence attached to this notice.



Andrew John Reeves

REGULATOR

10 November 2006



ELECTRICITY SUPPLY INDUSTRY ACT 1995

**ELECTRICITY SUPPLY INDUSTRY
TRANSMISSION LICENCE**

issued to

**TRANSEND NETWORKS PTY LTD
ACN 082 586 892**

Date of Issue

18 December 1998

Incorporating amendments made on:

1. 14 October 2002 (Notice of Amendment No.1 superseded by Notice of Amendment No.2)
2. 26 November 2004 (Notice of Amendment No.2)
3. 24 December 2004 (Notice of Amendment No.3)
4. 24 May 2005 (Notice of Amendment No.4)
5. 17 November 2006 (Notice of Amendment No.5)

Tasmanian Electricity Transmission Licence

1 Grant of licence

- 1.1 The **Regulator**, in exercise of the powers conferred by section 19 of the **Act**, authorises the **Licensee** to undertake the transmission of electricity over the **authorised transmission ~~system network~~**—and thereby authorises the **Licensee** to operate that **~~transmission system~~network**.
- 1.2 The **Regulator** issues this licence accepting that technical and other information supplied by the **Licensee** in support of its application for this licence, and otherwise as required by this licence, is true and correct, the **Licensee** having made full and diligent inquiry in that regard.

2 Definitions and Interpretation

- 2.1 In this licence, words and phrases appearing italicised in bold type:
 - 2.1.1 which are defined in the *Electricity Supply Industry Act 1995*, have the same meaning when used in this licence; and
 - 2.1.2 which are not defined in the *Electricity Supply Industry Act 1995*, have the meaning ascribed to them in Part 1 of Schedule 2.
- 2.2 This licence must be interpreted in accordance with Part 2 of Schedule 2.

3 Compliance with Laws and Other Requirements

- 3.1 The **Licensee** must comply with the **Act** and the **Code**.
- 3.2 The **Licensee** must comply with the **National Electricity ~~CodeRules~~**. In the event that the **National Electricity ~~CodeRules~~ isare** inconsistent with the **Code**, then the **National Electricity ~~CodeRules~~ prevails** to the extent of such inconsistency.
- 3.3 For the avoidance of doubt, the **statutory licence conditions** are deemed to form part of this licence and the **Licensee** must comply with the **statutory licence conditions**.

- 3.4 The **Licensee** must use best endeavours to ensure that each contractor engaged by it complies with the terms and conditions of this licence, to the extent that such terms and conditions are relevant to that contractor.

4 Term of Licence

Subject to this licence and the **Act**, this licence takes effect on and from 21 December 1998 for a period of ten (10) years.

5 Payment of Fees and Charges

The **Licensee** must pay to the **Regulator** fees and charges in accordance with clause 2.4.2 of the **Code**.

6 Communications

- 6.1 A **communication** must be in **writing**.
- 6.2 A **communication** is to be regarded as having been given by the sender and received by the addressee:
- 6.2.1 when delivered in person to the addressee;
 - 6.2.2 where sent by post, on the 4th **business day** after the date of posting, if the **communication** is posted within Australia;
 - 6.2.3 where sent by post, on the 7th **business day** after the date of posting, if the **communication** is posted outside Australia; or
 - 6.2.4 when, according to the sender's transmission report, received by facsimile transmission by the addressee.

7 Provision of Information

- 7.1 The **Licensee** must provide to the **Regulator**, in the manner and form advised by the **Regulator**, such information as the **Regulator** may from

time to time require and which is, in the opinion of the **Regulator**, relevant to the **Regulator's** functions under the **Act**.

- 7.2 If the **Licensee** becomes aware of any material breach of the **Act**, the **Code**, the **National Electricity CodeRules** or this licence, the **Licensee** must notify the **Regulator** of the breach as soon as practicable and provide such information as the **Regulator** requires in relation to the breach.

8 Advice to the Regulator

The **Licensee** must report to the **Regulator** as soon as possible the occurrence of any of the following circumstances:

- 8.1 the **Licensee** is put under external administration as defined in the *Corporations Act 2001* (Cwth); and
- 8.2 the **Licensee's** circumstances change such that the **Licensee's** ability to meet its obligations under the **Act**, the **Code**, the **National Electricity CodeRules** or this licence may be materially affected.

9 Management Plans and Compliance Plan

- 9.1 The **Licensee** must develop and submit to the **Regulator**, in accordance with the **Code**, **management plans**.
- 9.2 The **Licensee** must develop and submit to the **Regulator**, in accordance with the **Code**, a **compliance plan**.

10 Emergency Management

~~10.1~~The **Licensee** must develop, ~~and~~ maintain and implement an emergency management plan in accordance with any **guideline** issued by the **Jurisdictional System Security Co-ordinator**.

~~10.2~~Any such emergency management plan must be implemented by no later than the date specified by the **Jurisdictional System Security**

~~Co-ordinator, or when no such date is specified, within a reasonable period of time.~~

11 Management and Operating Contracts

- 11.1 The **Licensee** must advise the **Regulator** of the entering into, by the **Licensee**, of any contract under the terms of which another person assumes, or will assume, operational responsibility for carrying out any substantive part of the operations authorised by this licence.
- 11.2 The **Licensee** must submit to the **Regulator** not less than 14 days prior to the commencement of any contract referred to in clause 11.1:
- 11.2.1 the identity and contact details of the other person; and
 - 11.2.2 details of the qualifications and experience of the other person.

12 Assistance to the Reliability and Network Planning Panel

The **Licensee** shall provide such information or other assistance as may be requested and required by the **Reliability and Network Planning Panel**.

13 Connection Agreements

The **Licensee** must provide details of any committed connection to any other **transmission networksystem**.

14 ~~Network System~~ Development

- 14.1 The **Licensee** shall procure all **transmission system network** augmentations or other works or services **on mainland Tasmania** that are shown to satisfy the **regulatory test**.
- 14.2 The **Licensee** must plan, propose and procure augmentations required to meet the **Licensee's** service obligations, including obligations imposed by **jurisdictional transmission planning criteria**.

15 Annual Planning Statement

The ***Licensee*** shall publish an Annual Planning Statement that shall provide such information and analysis as may be specified by the ***Regulator*** in any relevant ***guideline***.

SIGNED by Andrew John Reeves,)
)
the **REGULATOR**) Signed A J Reeves
)
on 18 December, 1998)

Schedule 1 – Description of Authorised Transmission ~~System~~Network

The *authorised transmission ~~system~~network* is the *transmission ~~system~~ network* which conveys electricity:

1. from the [connection points](#) for the Generation Sites and Transmission ~~Network~~ Sites listed in ~~the table below~~Table 1, ; and to the [connection points](#) for the Demand Sites and Transmission ~~Network~~ Sites listed in ~~the table below~~Table 1. (Each ~~the [connection point](#) and [connection assets](#) associated with the [transmission system](#) are is more particularly described in the [relevant connection agreement](#)); ~~relevant to that site.~~~~

Table 1

Generation Sites	Demand Sites		Transmission Network Sites
Bell Bay	Arthurs Lake	North Hobart	George Town (Basslink) ³
Butlers Gorge	Avoca	Norwood	
Catagunya	Boyer	Palmerston	
Cethana	Bridgewater	Port Latta	
Cluny	Burnie	Que	
Devils Gate	Chapel Street	Queenstown	
Farrell	Comalco	Railton	
Fisher	Creek Road	Risdon	
Gordon	Derby	Rokeby	
John Butters	Derwent Bridge	Rosebery	
Lake Echo	Devonport	Savage River	
Lemonthyme	Electrona	Scottsdale	
Liapootah	Emu Bay	Starwood	
Mackintosh	Fisher	Smithton	
Meadowbank	George Town	Sorell	
Paloona	Gordon	St Marys	
Poatina	Hadspen ¹	Temco	
Reece	Hampshire	Trevallyn	
Repulse	Kermandie	Triabunna	
Tarraleah	Kingston	Tungatinah	
Trevallyn	Knights Road	Ulverstone	
Tribute	Lindisfarne	Waddamana	
Tungatinah	Meadowbank	Wayatinah	
Wayatinah	Mowbray ²	Wesley Vale	
Wilmot	New Norfolk		
Woolnorth	Newton		

¹ Commissioning 2006

² Commissioning 2005

³ Commissioning 2006

and

2. through the **electricity infrastructure** listed in Table 2, which is operated under contract by the **Licensee** and is more particularly described in the Operation and Maintenance Agreement between the **Licensee** and the third party owner.

Table 2

<u>Electricity Infrastructure</u>	<u>Operation and Maintenance Agreement</u>
<u>The Smithton to Woolnorth powerline known as Route 473</u>	<u>Transend Networks and Woolnorth Bluff Point Wind Farm Pty Ltd – 18 March 2005.</u>
<u>The powerline known as the Studland Bay Spur Line</u>	<u>Transend Networks and Woolnorth Studland Bay Wind Farm Pty Ltd – November 2006</u>

Schedule 2 - Part 1

Definitions

“**Act**” means the *Electricity Supply Industry Act 1995* (Tas);

“**authorised transmission ~~system~~network**” means the **transmission network ~~system~~** on mainland Tasmania ~~and~~ described in Schedule 1 as amended from time to time;

“**business day**” means any day except a Saturday, ~~Sunday~~, statutory holiday as defined in the *Statutory Holidays Act 2000* or public holiday;

~~“**Code**” means the Tasmanian Electricity Code issued in accordance with section 49A of the **Act**;~~

“**communication**” means a notice, agreement, consent, direction, representation, advice, or statement ~~or other communication~~ required or given pursuant to or in connection with this licence;

“**compliance plan**” has the same meaning as in the **Code**;

“**connection agreement**” has the same meaning as in the ~~National Electricity Code~~**National Electricity Rules**;

“**connection asset**” has the same meaning as in the **Code**;

“**connection point**” has the same meaning as in the **Code**;

“**guideline**” means a written statement of regulatory intent or policy for the information and guidance of **licensees**, issued by the **Regulator** or by any other relevant person determined and advised to licensees by the **Regulator**;

“**Jurisdictional ~~System Security~~ Co-ordinator**” has the same meaning as in the **National Electricity ~~Code~~ Law**;

“**jurisdictional transmission planning criteria**” has the same meaning as in the **Code**;

“**Licensee**” means Transend Networks Pty Ltd ACN 082 586 892;

“**licensee**” means the holder of a licence under the **Act**;

“**management plan**” has the same meaning as in the **Code** and for the purpose of this licence, the relevant schedule is Schedule 3 of this licence;

“**regulatory test**” has the same meaning as in the **National Electricity Code Rules**;

“**Reliability and Network Planning Panel**” has the same meaning as in the **Code**;

“**statutory licence conditions**” means the licence conditions referred to in the **Act** and applicable to this licence;

“**transmission system**” has the same meaning as in the **National Electricity Rules**;

“**writing**” includes any mode of representing or reproducing words, figures, drawings and symbols in a visible form.

Schedule 2 - Part 2

Interpretation

In this licence, unless the context otherwise requires:

- 2.1 headings are for convenience only and do not affect the interpretation of this licence;
- 2.2 words importing the singular include the plural and vice versa;
- 2.3 words importing a gender include any gender;
- 2.4 an expression importing a natural person includes any company, partnership, trust, joint venture, association, corporation or other body corporate and any governmental agency;
- 2.5 a reference to a condition, clause, schedule or part is to a condition, clause, schedule or part of this licence;
- 2.6 a reference to terms of an offer or agreement is to all terms, conditions and provisions of the offer or agreement;
- 2.7 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;
- 2.8 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;
- 2.9 a reference to a person includes that person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;
- 2.10 when italicised, other parts of speech and grammatical forms of a word or phrase defined in this licence or in the **Act**, have a corresponding meaning;
- 2.11 a period of time:
- 2.11.1 which dates from a given day or the day of an act or event is to be calculated exclusive of that day; or
- 2.11.2 which commences on a given day or the day of an act or event is to be calculated inclusive of that day;
- 2.12 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**;
- 2.13 in the event of any inconsistency between the conditions of this licence and the **Act**, the **Act** will prevail to the extent of such inconsistency; and
- 2.14 in the event of any inconsistency between the conditions of this licence and the schedules, the conditions of this licence prevail to the extent of such inconsistency.

Schedule 3 - Management Plans

The aspects of the *Licensee's* operations that shall be the subject of *management plans* are:

- 1 asset management of the *authorised transmission systemnetwork*, including reliability and performance of the *authorised transmission systemnetwork*;
- 2 vegetation management; and
- 3 emergency management as provided for in clause 10.