



**ELECTRICITY SUPPLY INDUSTRY
DISTRIBUTION LICENCE**

issued to

AURORA ENERGY PTY LTD

ACN 082 464 622

Amended 16 October 2001

Tasmanian Electricity Distribution Licence

1 Definitions And Interpretation

- 1.1 In this licence, words and phrases appearing in italics have the meaning ascribed to them in part 1 of schedule 1.
- 1.2 This licence must be interpreted in accordance with the rules set out in part 2 of schedule 1.
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2 Grant of Licence

The *Regulator*, in exercise of the powers conferred by section 19 of the *Act*, authorises the *Licensee* to operate a *distribution network* subject to the conditions of this licence.

3 Compliance with Laws and Other Requirements

- 3.1 The *Licensee* must comply with the *Act*, the *Regulations* and the *Code*.
- 3.2 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*.
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4 Other Licence Conditions

This licence is subject to the conditions set out in schedule 2 and the *Licensee* must comply with the conditions set out in schedule 2.

5 Term of Licence

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

6 Renewal of Licence

- 6.1 This licence is renewable subject to the *Licensee* meeting the following conditions at the time of renewal:
- (a) that the *Licensee* is not under external administration as defined in the *Corporations Law*;
 - (b) that the *Licensee* has an acceptable credit rating or financial standing commensurate with the potential financial exposure;
 - (c) the *Licensee* has not surrendered the licence in accordance with the *Act*;
 - (d) the licence has not been cancelled by the *Regulator* in accordance with the *Act*; and
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- (e) the **Regulator** has not taken over the operations of the **Licensee** in accordance with the **Act**.
- 6.2 An application for renewal must be made in accordance with section 21 of the **Act**.

7 Payment of Fees and Charges

- 7.1 The **Licensee** must pay to the **Regulator** an initial licence fee of \$26,069.
- 7.2 That fee referred to in clause 7.1 is payable 14 days after the date of issue of the licence.
- 7.3 The **Licensee** must pay to the **Regulator** an annual licence fee determined by the **Regulator** and notified to the **Licensee** in writing by 31 May of each year.
- 7.4 The annual licence fee is payable in advance on the first day of July, in each year.

8 Communications

- 8.1 A **communication** must be in writing.
- 8.2 A **communication** is to be regarded as having been given by the sender and received by the addressee:
- (a) when delivered in person to the addressee;
 - (b) 3 **business days** after the date of posting, if the **communication** is posted within Australia;
 - (c) 7 **business days** after the date of posting, if the **communication** is posted outside Australia; or
 - (d) when, according to the sender's transmission report, received by facsimile transmission by the addressee.

SIGNED by the **REGULATOR**)
under the **Electricity Supply**) Original signed by A J Reeves
Industry Act on 18 December, 1998)

Schedule 1 - Definitions and Interpretation

1 Definitions

In this licence:

(a) words which are defined in the *Act* have the same meaning where used in this licence; and

(b) the following words or phrases have the following meanings:

“**access undertaking**” means an undertaking to provide access to a service in accordance with the *Trade Practices Act 1974* (Cth);

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

“**asset management plan**” means a written plan developed by the *Licensee* outlining the procedures, practices and strategies for managing and auditing the asset management of the *Licensee’s distribution network*;

“**Australian Competition and Consumer Commission**” means the body established under section 6A of the *Trade Practices Act* (Cth) 1974;

“**business day**” means a day on which banks are open for general banking business in Hobart, excluding a Saturday or Sunday;

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

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

“**compliance plan**” means a written plan developed by the *Licensee* outlining the procedures, practices and strategies for managing and auditing the *Licensee’s* compliance with the *Act*, the *Regulations*, the *Code* and this licence which must include (amongst other things) details of standards, indicators and targets for measuring the *Licensee’s* compliance performance and which must be in accordance with the AS3806 compliance program;

“**guidelines**” means a written statement of regulatory intent or policy issued by the *Regulator* for information and guidance of electricity supply industry participants;

“**Licensee**” means Aurora Energy Pty Ltd ACN 082 464 622;

“**management plan**” means a *compliance plan, asset management plan, service plan* or *vegetation management plan*;

“**Regulations**” means any regulations made pursuant to the *Act*;

“**reporter**” means an appropriately qualified person engaged by the *Licensee* with the approval of the *Regulator* to report to the *Regulator* on compliance with and adequacy of *management plans* in accordance with terms of reference approved by the *Regulator*;

“*service plan*” means a written plan developed by the *Licensee* outlining the procedures, practices and strategies for managing and auditing the reliability and performance of the *Licensee’s distribution network*, and quality of supply;

“*standards and procedures*” means overall performance standards or codes of conduct which are issued by the *Licensee* under clause 4.1 of schedule 2 or by the *Regulator* under clause 4.3 of schedule 2;

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

“*vegetation management plan*” means a written plan developed by the *Licensee* outlining the procedures, practices and strategies for managing and auditing control of vegetation near the *Licensee’s distribution network* and the minimisation of fire hazard;

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

2 Interpretation

In this licence, unless the context otherwise requires:

- (a) headings are for convenience only and do not affect the interpretation of this licence;
- (b) words importing the singular include the plural and vice versa;
- (c) words importing a gender include any gender;
- (d) an expression importing a natural person includes any company, partnership, trust, joint venture, association, corporation or other body corporate and any governmental agency;
- (e) a reference to a condition, clause, schedule or part is to a condition, clause, schedule or part of this licence;
- (f) a reference to terms of an offer or agreement is to all terms, conditions and provisions of the offer or agreement;
- (g) 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;
- (h) 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;
- (i) a reference to a person includes that person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;
- (j) when italicised, other parts of speech and grammatical forms of a word or phrase defined in this licence have a corresponding meaning;

- (k) a period of time:
 - (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) which commences on a given day or the day of an act or event is to be calculated inclusive of that day; and
- (l) 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*.

Schedule 2 - Other Licence Conditions

1 Provision of Information

- 1.1 The *Licensee* must provide to the *Regulator*, in the manner and form decided 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*.
- 1.2 If the *Licensee* becomes aware of any breach of the *Act*, the *Regulations*, the *Code* or this licence by the *Licensee*, the *Licensee* must notify the *Regulator* as soon as practicable of the breach and provide such information as the *Regulator* requires in relation to the breach.

2 Prudential Reporting

- 2.1 The *Licensee* must report the occurrence of any of the following circumstances to the *Regulator* as soon as possible:
 - (a) the *Licensee* is put under external administration as defined in the *Corporations Law*; or
 - (b) the *Licensee* experiences a significant change in its circumstances which may affect the *Licensee's* ability to meet its obligations under the *Act*, the *Regulations*, the *Code* or this licence.
- 2.2 The *Licensee* must submit to the *Regulator* not later than 30 November of each year:
 - (a) audited financial statements relating to the *Licensee's* operations in the electricity supply industry in Tasmania; and
 - (b) evidence that the *Licensee* has an acceptable credit rating or financial standing commensurate with its potential financial exposure.

3 Management Plans and Reports

- 3.1 The *Licensee* must develop and submit to the *Regulator*:
 - (a) a *compliance plan*;
 - (b) an *asset management plan*;
 - (c) a *service plan*; and
 - (d) a *vegetation management plan*;initially on or before 31 March 1999 or such other date as notified by the *Regulator*, subsequently by the first anniversary of that date, and thereafter, every two years.
- 3.2 The *management plans* are to be made in accordance with and take account of any *guidelines*.

- 3.3 The *Licensee* must undertake community consultation on aspects of *management plans* which may affect the public.
- 3.4 The *Licensee* must consider any comments made by the *Regulator* on the *management plans* and, if required by the *Regulator*, amend provisions of a *management plan* related to reporting to the *Regulator* including processes for capturing and analysing data that is to be reported.
- 3.5 Each year by no later than 30 September, the *Licensee* must provide a report to the *Regulator* which includes:
- (a) details of the *Licensee's* actual performance against the standards, indicators and targets included in the *management plans*;
 - (b) if the *Licensee's* actual performance is below the targets included in a *management plan*, the reasons for the failure to meet the targets and strategies for achieving the targets in the future;
 - (c) projections of the *Licensee's* future performance against the standards, indicators and targets included in the *management plans*;
 - (d) a description of the strategies adopted or to be adopted by the *Licensee* to achieve or exceed the performance targets included in the *management plans*; and
 - (e) details of the *Licensee's* adherence to applicable Australian Standards.
- 3.6 Notwithstanding the provisions of clause 3.5, the *Licensee* shall also report quarterly to the *Regulator* against the *service plan* performance indicators. Such quarterly reports shall be submitted to the *Regulator* no later than 30 days after the end of the relevant quarter. The first such quarterly report required pursuant to this clause shall be for the period 1 April 1999 to 30 June 1999.
- 3.7 For the avoidance of doubt, the requirement under clause 3.5 of this schedule 2 to prepare a report containing the information listed in paragraphs (a) to (e), does not limit the *Regulator's* powers under clause 1.1 of this schedule 2, the *Act* or the *regulations* to require the *Licensee* to produce information.
- 3.8 Reports prepared in accordance with clause 3.5 of this schedule 2 are to be submitted to the *Regulator*, ~~accompanied by a report prepared by a reporter.~~ Every second year, to be counted from the year 2000, those reports are to be accompanied by a report prepared by a reporter.¹

4 Standards and Procedures

- 4.1 At the written request of the *Regulator*, the *Licensee* must participate to the extent specified by the *Regulator* in the development, issues and review of any *standards and procedures* specified by the *Regulator* which is, in the opinion of the *Regulator*, relevant to the *Regulator's* functions under the *Act*.
- 4.2 The *Licensee* must in accordance with directions of the *Regulator*, report to the *Regulator* on its performance against applicable *standards and procedures*.

¹ Clause 3.8 of schedule 2 was amended on 16 October 2001.

4.3 If the *Regulator* considers that:

- (a) the *Licensee* has failed to comply with clause 4.1 of this schedule 2; or
- (b) *standards and procedures* applicable to the *Licensee* have been shown to be insufficient to prevent abuses by the *Licensee* of any monopoly power it enjoys,

the *Regulator* may issue *standards and procedures* applicable to the *Licensee* and with which the *Licensee* must comply.

5 Access

The *Licensee* must comply with any *access undertaking* provided to and accepted by the *Australian Competition and Consumer Commission* in respect of the *Licensee's distribution network*.