

ELECTRICITY SUPPLY INDUSTRY ACT 1995

**ELECTRICITY SUPPLY INDUSTRY
GENERATION LICENCE**

issued to

HYDRO-ELECTRIC CORPORATION

ARBN 072 377 158

Date of Issue

26 November 2004

Tasmanian Electricity Generation 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 **generation** of electricity at the **generating plant**. This authority is subject to the conditions of this licence.
- 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.
- 1.3 This **Licensee** is authorised to operate the **generating plant** described in Schedule 1.

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 Code** from the time it applies in Tasmania. In the event that the **National Electricity Code** is inconsistent with the **Code**, then the **National Electricity Code** 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

- 4.1 Subject to this licence and the **Act**, this licence takes effect on and from 26 November 2004 for a period of ten (10) years.

5 Payment of Fees and Charges

- 5.1 The **Licensee** must pay to the **Regulator Participant fees** in accordance with clause 2.3.2 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 Code** 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

- 8.1 If the **Licensee's** circumstances change in such a way that the **Licensee's** ability to meet its obligations under the **Act**, the **Code**, the **National Electricity Code** or this licence may be materially affected, the **Licensee** must advise the **Regulator** of that change as soon as possible after it occurs.

9 Management Plans and Reports

- 9.1 The **Licensee** must develop and submit to the **Regulator**, in accordance with a schedule of dates advised by the **Regulator**, **management plans**.
- 9.2 The **management plans** must be made in accordance with, and take account of, any relevant **guidelines** and provisions of the **Code**.
- 9.3 In developing, reviewing or revising a **management plan**, the **Licensee** should have regard to any comments made by the **Regulator** on the **management plan**.
- 9.4 Each **management plan** shall make provision for reporting such information as the **Regulator** requires for the discharge of the **Regulator's** responsibilities under the **Act**.
- 9.5 Each year, by no later than 30 September or such other date advised by the **Regulator**, the **Licensee** must submit to the **Regulator** a **report** in relation to the previous financial year or such other period advised by the **Regulator**.
- 9.6 A **report** must include:

- 9.6.1 details of the **Licensee's** actual performance against the standards, indicators and targets included in the **management plans**;
- 9.6.2 if the **Licensee's** actual performance is below the targets included in the **management plans**, the reasons for the failure to meet the targets and strategies for achieving the targets in the future;
- 9.6.3 projections of the **Licensee's** future performance against the standards, indicators and targets included in the **management plans**; and
- 9.6.4 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**.
- 9.7 A **report** must be prepared in accordance with, and take account of, any relevant **guidelines** and provisions of the **Code**.
- 9.8 For the avoidance of doubt, the requirement under clause 9.5 to prepare a **report** does not limit the **Regulator's** powers, under clause 7.1 or the **Act**, to require the **Licensee** to produce information.
- 9.9 The **Regulator** may require and advise the **Licensee** that a **report** is to be subject to an **independent appraisal** with terms of reference approved by the **Regulator** in respect of the relevant **management plan**.
- 9.10 Unless otherwise specified by the **Regulator**, an **independent appraisal** is to be provided no more frequently than every two years commencing from 2006.
- 9.11 The **Regulator** may issue a **guideline** concerning procedures for appointment, avoidance of conflict of interest, accountability and other matters relevant to ensuring the expertise and independence of the person appointed to undertake an **independent appraisal**.
- 9.12 The appointment of a person to undertake an **independent appraisal** must be made in accordance with, and take account of, any **guidelines** referred to in clause 9.11.

10 Emergency Management

- 10.1 The **Licensee** must develop and maintain an emergency management plan in accordance with any **guideline** issued by the **Jurisdictional Co-ordinator**.
- 10.2 Any such emergency management plan must be implemented by no later than the date specified by the **Jurisdictional 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

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

SIGNED by Andrew John Reeves,)
REGULATOR) Signed A J Reeves
on 26 November, 2004)

Schedule 1 - Description of Generating Plant

S T A T I O N	UNIT	CAPACITY (MW)		NETWORK/BUS CONNECTION
Bastyan	1	79.9	Bastyan 13.8/220kV T1 T/F Bastyan 13.8/220kV T2 T/F	Farrell switchyard 220kV bus
Butlers Gorge	1	12.2	Butlers Gorge 11/110kV T1 T/F	Hydro Tasmania Butlers Gorge 110kV bus 110kV Tungatinah – Butlers Gorge – Derwent Bridge T/L
Catagunya	1	24	Catagunya 11/220kV T1 T/F	220kV Wayatinah – Catagunya T/L Liapootah switchyard 220kV bus
	2	24	Catagunya 11/220kV T2 T/F	
Cethana	1	85	Cethana 13.8/220kV T1 T/F	220kV Sheffield – Cethana T/L Sheffield switchyard 220kV bus
Cluny	1	17	Cluny 11/110kV T1 T/F	220kV Liapootah – Cluny – Repulse – Chapel St No1 T/L
Devils Gate	1	60	Devils Gate 11/110kV T1 T/F Devils Gate 11/110kV T2 T/F	110kV Sheffield – Devils Gate T/L Sheffield switchyard 110kV bus
Fisher	1	43.2	Fisher 11/220kV T1 T/F	220kV Sheffield – Fisher T/L Sheffield switchyard 220kV bus
Gordon	1	144	Gordon 18/220kV T1 T/F	Gordon switchyard 220kV bus
	2	144	Gordon 18/220kV T1 T/F	
	3	144	Gordon 18/220kV T1 T/F	
John Butters	1	144	John Butters 13.8/220kV T/F	220kV Farrell – John Butters T/L Farrell switchyard 220kV bus
Lake Echo	1	32.4	Lake Echo 11/110kV T1 T/F	Hydro Tasmania Lake Echo 110kV bus 110kV Tungatinah – Lake Echo – Waddamana No1 & 2 T/L
Lemonthyme	1	51	Lemonthyme 11/220kV T1 T/F Lemonthyme 11/220kV T2 T/F	220kV Sheffield – Lemonthyme T/L Sheffield switchyard 220kV bus
Liapootah	1	27.9	Liapootah 11/220kV T1 T/F	Liapootah switchyard 220kV bus
	2	27.9	Liapootah 11/220kV T2 T/F	
	3	27.9	Liapootah 11/220kV T3 T/F	
Mackintosh	1	79.9	Mackintosh 13.8/110kV T1 T/F	110kV Farrell – Mackintosh T/L Farrell switchyard 110kV bus
Meadowbank	1	40	Meadowbank 11/110kV T1 T/F Meadowbank 11/110kV T2 T/F	Meadowbank switchyard 110kV bus
Paloona	1	28	Paloona 11/110kV T1 T/F	Hydro Tasmania Paloona 110kV bus Paloona switchyard 110kV bus

Schedule 1 - Description of Generating Plant

S T A T I O N	UNIT	CAPACITY (MW)		NETWORK/BUS CONNECTION
Poatina	1	50	Poatina 16/110kV T1 T/F	110kV Poatina – Palmerson No 1 T/L Palmerston switchyard 110kV bus
	2	50	Poatina 16/110kV T2 T/F	110kV Poatina – Palmerson No 2 T/L Palmerston switchyard 110kV bus
	3	50	Poatina 16/220kV T3 T/F	220kV Poatina – Palmerson No 3 T/L Palmerston switchyard 220kV bus
	4	50	Poatina 16/220kV T4 T/F	220kV Poatina – Palmerson No 4 T/L Palmerston switchyard 220kV bus
	5	50	Poatina 16/220kV T5 T/F	220kV Poatina – Palmerson No 5 T/L Palmerston switchyard 220kV bus
	6	50	Poatina 16/220kV T6 T/F	220kV Poatina – Palmerson No 6 T/L Palmerston switchyard 220kV bus
Reece	1	115.6	Reece 13.8/220kV T1 T/F	220kV Farrell – Reece No1 T/L Farrell switchyard 220kV bus
	2	115.6	Reece 13.8/220kV T2 T/F	220kV Farrell – Reece No2 T/L Farrell switchyard 220kV bus
Repulse	1	28	Repulse 11/220kV T1 T/F Repulse 11/220kV T2 T/F	220kV Liapootah – Cluny – Repulse – Chapel St No1 T/L
Rowallan	1	10.5	Rowallan 6.6/22kV T1	22kV Hydro Tasmania Rowallan – Fisher T/L
Tarraleah	1	15	Tarraleah 11/110kV T1 T/F	Tarraleah switchyard 110kV bus
	2	15		
	3	15		
	4	15	Tarraleah 11/110kV T2 T/F	
	5	15		
	6	15		
Tods Corner	1	1.2	Hydro Tasmania Tods Corner – Arthurs Lake 6.6kV feeder	Hydro Tasmania Tods Corner – Arthurs Lake 6.6kV feeder
Trevallyn	1	20	Trevallyn 11/110kV GTA T/F Trevallyn 11/110kV GTB T/F	Trevallyn switchyard 110kV bus
	2	20		
	3	20		
	4	20		

Schedule 1 - Description of Generating Plant

S T A T I O N	UNIT	CAPACITY (MW)		NETWORK/BUS CONNECTION
Tribute	1	82.8	Tribute 13.8/220kV T1 T/F	220kV Farrell – Tribute T/L Farrell switchyard 220kV bus
Tungatinah	1	25	Tungatinah 11/110kV T1 T/F	Tungatinah switchyard 110kV bus
	2	25	Tungatinah 11/110kV T2 T/F	
	3	25	Tungatinah 11/110kV T3 T/F	
	4	25	Tungatinah 11/110kV T4 T/F	
	5	25	Tungatinah 11/110kV T5 T/F	
Wayatinah	1	12.8	Wayatinah 11/220 kV T5 T/F	Hydro Tasmania Wayatinah 11kV bus
	2	12.8		220kV Liapootah – Wayatinah T/L
	3	12.8		Liapootah switchyard 220kV bus
Wilmot	1	30.6	Wilmot 11/220kV T1 T/F	220kV Sheffield – Wilmot T/L Sheffield switchyard 110kV bus
Butlers Gorge Mini	1	2.2		Hydro Tasmania Butlers Gorge 11kV bus
Parangana Mini	1	0.85	Parangana Mini 415V/22kV T1 T/F	Aurora 22kV Railton feeder No.1
Lake Margaret	1	1.2	Lake Margaret - CMT Sub. 'A' Transline Lake Margaret - CMT Sub. 'B' Transline Lake Margaret - CMT Sub. 'C' Transline Lake Margaret - CMT Sub. 'D' Transline	Copper Mines Tasmania 11kV bus
	2	1.2		
	3	1.2		
	4	1.2		
	5	1.2		
	6	1.2		
	7	1.2		

Note: Capacity identified in this document is the “Nameplate Capacity” of the generating unit.

Schedule 2 – Part 1

Definitions

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

“**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, statement or other communication required or given pursuant to or in connection with this licence;

“**generation operations**” means electricity generating power stations located on mainland Tasmania and includes the **generating plant** and all ancillary machinery and equipment connected with it;

“**generating plant**” means the generating plant located at the power stations on mainland Tasmania and described in Schedule 1 as amended from time to time;

“**guidelines**” 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**;

“**independent appraisal**” means a report to the **Regulator**, by an appropriately qualified person engaged by the **Licensee** with the approval of the **Regulator**, in respect of a **report**;

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

“**Licensee**” means Hydro-Electric Corporation (ARBN 072 377 158);

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

“**management plan**” means a written plan developed by the **Licensee** outlining the procedures, practices and strategies for managing (including ensuring the quality of such management arrangements), and reporting on one or more of the aspects, specified in Schedule 3, of the **Licensee’s** operations;

“Participant fees” has the same meaning as in the **Code**;

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

“report” means a report which the **Licensee** is required to submit pursuant to clause 9.5;

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

“Tasmanian network” has the same meaning as in the **Code**;

“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; and
- 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;
- 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 **Licensee** must, in accordance with clause 9, produce and report on ***management plans*** in respect of the following aspects of the ***Licensee's*** operations:

1. compliance with the ***Act***, the ***Code*** and this licence; and
2. asset management of the ***Licensee's generation operations***, including reliability and performance of the ***Licensee's generation operations***.