

18 April 2017

Adam Wilson
Chief Executive Officer
Essential Services Commission of South Australia
Level 1, 151 Pirie Street
Adelaide SA 5001

Dear Adam

AUGUSTA POWER STATIONS – TIMING FOR SURRENDER OF GENERATION LICENCE

I refer to our meeting on 26 November 2015 and your letter dated 18 December 2015 concerning the timing for the cessation of operations at the Augusta Power Stations and surrender of the licence issued to Flinders Power Holdings GMBH, Flinders Labuan (No. 1) Ltd and Flinders Labuan (No. 2) Ltd (together, the Flinders Power Partnership (**FPP**)) and Flinders Operating Services Pty Ltd (**FOS**) under the Electricity Act 1996 (SA) (**Electricity Act**) in relation to the generation of electricity at those Power Stations (**Generation Licence**).

As you are aware, FPP and FOS ceased generation operations at the Augusta Power Stations on 9 May 2016. The generating plant at Augusta Power Stations was permanently disconnected from the transmission system between 17 June 2016 and 1 July 2016, and FPP and FOS commenced dismantling the generating plant in July 2016.

Given that the generating plant at the Augusta Power Stations has been permanently disconnected from the transmission system, FPP and FOS are of the view that the Generation Licence is no longer required to facilitate and manage the demolition and dismantling process.

Section 29 of the Electricity Act allows FPP and FOS to surrender the Generation Licence by written notice to ESCOSA. This notice is required to be given to ESCOSA at least 6 months before it is to take effect but ESCOSA may, by agreement with FPP and FOS, shorten the period of notice.

In your letter dated 18 December 2015, you indicated that ESCOSA would consider accepting the surrender of the Generation Licence from a date that is less than the 6 month period referred to in section 29. Given the time elapsed since the Augusta Power Stations were permanently disconnected from the transmission system, FPP proposes that the period of notice be shortened and surrender of the Generation Licence takes effect immediately upon the decision being made by ESCOSA.

Would you be able to confirm that ESCOSA accepts this proposal?



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Please contact me on (08) 8372 8710 or 0417 845 766 if you have any queries in relation to the above.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Georganis', with a long horizontal stroke extending to the right.

Peter Georganis
Chief Executive Officer