

APPLICATION FORM FOR THE ISSUE OF A LICENCE BY THE ESSENTIAL SERVICES COMMISSION OF SA UNDER THE WATER INDUSTRY ACT

Application Form

THIS REGULATORY DOCUMENT SHOULD BE READ IN CONJUNCTION
WITH THE FINAL ADVICE



Application form for the issue of a licence by the Essential Services Commission of SA under the Water Industry Act 2012

Application Form

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INFORMATION FOR APPLICANTS BEFORE FILLING OUT THIS FORM

Purpose of this form

This form is to be completed by persons making an application to the Essential Services Commission of South Australia (the **Commission**) for the issue of a licence to provide a retail service (or undertake any other activity for which a licence is required by the regulations) in the water industry in South Australia.

The Commission may consider joint applications from two or more persons who wish to hold a licence jointly. Persons making joint applications must ensure that each of the applicants completes a separate application form together with a covering letter explaining that the application is for a licence to be jointly held.

Basis for this form

Section 19(1) of the Water Industry Act 2012 (the Act) provides that an application for the issue of a licence must be made to the Commission in a form approved by the Commission. This is the form approved by the Commission.

Use of this form and applicant's responsibility

For the purpose of this application form, a reference to the term "Officer" include the applicant's directors and secretary, and/or other persons who make or participate in making decisions that affect a substantial part of the business of the applicant (e.g. Chief Executive Officer, Chief Financial Officer, General Manager etc.).

Applicants should list the information requested in the spaces provided in this form and enclose additional information when required. Applicants must take all reasonable steps to ensure the information provided in the application form is complete, true and correct and are required to make a declaration to that effect. Failure to disclose information or misrepresent any matter relevant to such information may result in a licence not being issued or in the suspension or cancellation of a licence at a later time.

Applicants are responsible for providing the Commission with current, accurate and relevant information. This will ensure that the application is processed promptly and without delay. All applications are assessed on a case-by-case basis. If insufficient information is provided with an application, the Commission will request additional information to be submitted before the application is considered further. This may cause delays in the assessment of the application.

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Prior reading

It is essential that licence applicants read the Commission's Water Bulletin – "Licensing Arrangements for the Water Industry" before they fill out this form. This Bulletin is available on the Commission's website www.escosa.sa.gov.au under water/licensing. Applicants should also familiarise themselves with the regulatory obligations set out in the Act and the Water Retail Code that will apply to entities that provide retail services.

Licence conditions

Section 25 of the Act requires the Commission to impose certain conditions in licences. The Commission strongly recommends that applicants review these mandatory conditions. Applicants must be familiar with the relevant conditions and be confident that they can comply with the conditions. The Commission will have regard to the scale and nature of the operations undertaken by an applicant in imposing these conditions and will be available to consult with an applicant in this regard.

Consultation and Confidentiality

The Commission will consult with relevant government, industry and consumer groups in the conduct of its licensing functions through a public consultation process. Consequently, applications and/or supporting information will be made available on the Commission's website and in hard copy from the Commission's office for this purpose.

If applicants believe that they are providing confidential information when completing this form they should write "this information is confidential" after any such information. It is the applicant's responsibility to ensure this is clearly highlighted on the form. Applicants should also provide a 'non-confidential' version of the form capable of publication on the Commission's website.

The Commission will use information supplied in applications and in support of applications in accordance with the requirements of Part 5 of the Essential Services Commission Act 2002. Applicants claiming confidentiality are encouraged to familiarise themselves with Part 5. Applicants should note that the Commission may be required to disclose confidential information in some circumstances.

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How to lodge an application

Applicants should send their completed application form in writing and electronically.

In writing to: Essential Services Commission of SA
 GPO Box 2605
 Adelaide SA 5001

Electronically to: licensing@escosa.sa.gov.au

Application fee

Applicants must also enclose an application fee (which is to be set by the Treasurer) with their application. This fee must be received by the Commission in cleared funds before it can commence assessing an application.

Annual licence fee

Holding a licence incurs an annual licence fee. The licence fees are set by the Treasurer, however, are collected by the Commission. At annual intervals, the Commission, on behalf of the Department of Treasury and Finance, will send to each licensee an invoice for the relevant annual licence fee. Licence fees are to be paid on receipt of an invoice via one of the payment options set out in the invoice.

A licence cannot be issued until the first annual licence fee has been paid.

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1. THE APPLICANT

Applicants must answer all questions in this section.

1.1. Identity of applicant

State the full name of the applicant. The applicant should be the person/entity that will be providing a retail service (e.g. retail or distribution operations etc). The Commission can also consider joint applications from two or more persons who wish to jointly hold the licence. Joint applicants should each complete an application form, and submit their application forms at the same time, with a covering letter explaining that a joint application is being made.

Enwave Tonsley Pty Ltd

1.2. Legal identity of applicant

Provide information about the applicant, (i.e. whether the applicant is a natural person, proprietary limited or public company, partnership or local government body etc). If the applicant is a body corporate, please also state the jurisdiction in which the applicant is registered, and the applicant's ABN/ACN.

Enwave Tonsley Pty Ltd, ACN 623 288 175, incorporated in Victoria

1.3. Address and Contact Details of applicant

Business Address:

Level 22, 135 King Street, Sydney

State: NSW

Post Code: 2000

Postal Address (if different to Business Address):

Level 13, 15 Blue Street, North Sydney

State: NSW

Post Code: 2060

1.4. Contact Person on behalf of applicant

The full name, title and contact details of a person to whom the Commission can direct enquiries and correspondence about the application.

Full Name: Cameron Renwick Evans

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Title: Chief Executive Officer

Business Address:

Level 13, 15 Blue Street, North Sydney

State: NSW **Post Code:** 2060

Postal Address (if different to above):

State: **Post Code:**

1.5. Contact person for licence fees

The full name or title of the person to whom the Commission can direct enquiries and correspondence about licence fees.

Full Name: Adam Michael McCall

Title: Chief Financial Officer

Business Address:

Level 13, 15 Blue Street, North Sydney

State: NSW **Post Code:** 2060

Postal Address (if different to above):

State: **Post Code:**

2. THE LICENCE

Applicants must answer all questions in this section.

2.1.A detailed description of the retail services for which a licence is sought

For example:

Water: drinking- residential and/or non-residential;

Water: non-drinking – residential and/or non-residential;

Sewerage: residential and/or non-residential; and

Sewerage – trade waste – non-residential.

Applicants should provide detailed information in respect of where the retail services will be provided and to whom (i.e. type and number of customers)

Enwave Tonsley is seeking a licence to provide recycled non-drinking water to both residential and commercial customers at the Tonsley Innovation District, 1284 South Road, Clovelly Park, South Australia 5042 (Tonsley Water Network)

The Tonsley Water Network will supply approximately 850 customers and 20 commercial customers.

2.2. Date from which Licence is sought

If the applicant seeks to have the licence issued by a certain date, provide this date.

Please note that the Commission does not undertake to issue the licence by this date.

Applicants should usually allow the Commission a minimum of twelve weeks to consider an application, as a public consultation period of several weeks forms part of the Commission's consideration of licence applications.

As soon as possible.

3. SUITABILITY OF APPLICANT TO HOLD A LICENCE

Applicants must answer all questions in this section.

3.1. Standard of honesty and integrity shown by applicant

In deciding whether the applicant is a suitable person to hold a licence, the Commission may:

- consider the applicant's previous commercial and other dealings, and
- the standard of honesty and integrity shown in those dealings.

Please provide information that will assist the Commission in its consideration of this matter. If the applicant:

- has been found guilty of any criminal offence,
- has been successfully prosecuted under any Territory, State or Commonwealth legislation (such as the Australian Securities and Investments Commission Act 2001 or the Competition and Consumer Act 2010); or
- has been the subject of disciplinary action,
- details of such matters must be disclosed.

Failure to disclose such information or misrepresent any matter relevant to such information may result in the cancellation of a licence.

The Commission may use the service of an external expert to assist with the assessment of the applicant's standard of honesty and integrity.

Enwave Tonsley Pty Ltd is part of the Enwave Australia group, which is part of the Brookfield Infrastructure Group (including the New York Stock Exchange and Toronto Stock Exchange listed Brookfield Infrastructure Partners L.P.), one of the largest owners and operators of global infrastructure networks which facilitate the movement and storage of energy, water, freight, passengers and data.

All employees are required to comply with the Code of Business Conduct and Ethics, and the Anti-Bribery and Corruption Policy of Brookfield Asset Management Inc. (Brookfield), which employs over 70,000 people in more than 30 countries.

Throughout its operations, Brookfield is committed to environmental social and governance practices that have a positive impact on the communities in which it operates.

These principles and associated practices ensure that Brookfield manages its investments with integrity, balancing economic goals with good corporate citizenship, and include the following:

- **Ensuring the well-being and safety of employees.**

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- **Being good stewards in the communities in which we operate.**
- **Mitigating the impact of our operations on the environment.**
- **Conducting business according to the highest ethical and legal/regulatory standards.**

Enwave Tonsley has not been found guilty of any criminal offence, nor been successfully prosecuted under any Territory, State or Commonwealth legislation, and is not and has not been the subject of any administrative or legal actions in relation to an authorisation, authority, or licence in any industry.

3.2. Standard of honesty and integrity shown by officers and major shareholders (if relevant) of the applicant

Applicants should address responses to this question in the same manner as 3.1 above.

See section 3.1, together with the following attachments:

- **Attachment A – Environmental, Social and Governance at Brookfield (ESG at Brookfield)**
- **Attachment B – Code of Business Conduct and Ethics (Code of Conduct)**
- **Attachment C – Anti-Bribery & Corruption Policy**

As noted in the ESG at Brookfield, Brookfield’s governance framework for portfolio companies (such as the companies in the Enwave Australia group) includes three noteworthy components that reflect its high standards:

- **adoption of the Code of Conduct;**
- **a zero tolerance approach to bribery; and**
- **every portfolio company to have a whistle-blower hotline in operation within 6 months of acquisition.**

The officers and major shareholders of Enwave Tonsley, Enwave Australia and Brookfield have not been found guilty of any criminal offence, nor been successfully prosecuted under any Territory, State or Commonwealth legislation, and is not and has not been the subject of any administrative or legal actions in relation to an authorisation, authority, or licence in any industry.

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3.3. Names and addresses of the officers of applicant

State the names and addresses of the officers of the applicant. "Officers" of the applicant include the applicant's directors and secretary, or other persons who make or participate in making decisions that affect a substantial part of the business or operations of the applicant that will be licensed.

Full Name: Cameron Renwick Evans

Office Held: Director, Enwave Tonsley Pty Ltd and Enwave Australia Pty Ltd and Chief Executive Officer, Enwave Australia Pty Ltd and Enwave Australia Holdings Pty Ltd

Business Address: Level 22, 135 King Street, Sydney

State: NSW Post Code: 2000

Full Name: Murray Christopher Cook

Office Held: Director, Enwave Tonsley Pty Ltd, Enwave Australia Pty Ltd and Enwave Australia Holdings Pty Ltd (and Vice President, Operations, Brookfield Infrastructure Group)

Business Address: Level 22, 135 King Street, Sydney

State: NSW Post Code: 2000

Full Name: Richard James Sheather

Tonsley Pty Ltd

Business Address: Level 13, 15 Blue Street, North Sydney

State: NSW Post Code: 2060

Full Name: Michael John Ryan

Office Held: Company Secretary, Enwave Tonsley Pty Ltd and Enwave Australia Pty Ltd (Managing Director, Brookfield Infrastructure)

Business Address: Level 22, 135 King Street, Sydney

State: NSW Post Code: 2000

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Full Name: Kathryn Ann Howe

Office Held: Company Secretary, Enwave Tonsley Pty Ltd and Enwave Australia Pty Ltd (Director/Company Secretary Infrastructure, Brookfield Asset Management)

Business Address: Level 22, 135 King Street, Sydney

State: NSW **Post Code:** 2000

Full Name: Adam Michael McCall

Office Held: Chief Financial Officer

Business Address: Level 13, 15 Blue Street, North Sydney

State: NSW **Post Code:** 2060

Full Name: Simon Himson

Office Held: Chief Operating Officer

Business Address: 95 Albert Rd, Moonah

State: TAS **Post Code:** 7009

Full Name: Dean Robert Moore

Office Held: Projects Delivery Manager

Business Address: Level 13, 15 Blue Street, North Sydney

State: NSW **Post Code:** 2060

Full Name: Fraser Andrew Kirkpatrick

Office Held: Operations Manager, Australia

Business Address: Level 13, 15 Blue Street, North Sydney

State: NSW **Post Code:** 2060

3.4. *Names and addresses of major shareholders of applicant (not relevant for local council applicants)*

State the full names and addresses of the major shareholders of the applicant.

Full Name: Enwave Australia Pty Ltd, ACN 147 370 527

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Address: Level 22, 135 King Street, Sydney

State: NSW Post Code: 2000

3.5. *Details of the group members (not relevant for local council applicants)*

This is information about entities controlled by the applicant, or by the ultimate parent entity of the applicant (if applicable).

Enwave Tonsley Pty Ltd is a wholly owned subsidiary of Enwave Australia Pty Ltd (formerly Enwave Energy Pty Ltd), which is owned by Enwave Australia Holdings Pty Ltd (ACN 133 427 022) (formerly Enwave Australia Pty Ltd). Enwave Australia is part of the Brookfield Infrastructure Group.

The ultimate parent entity of the applicant is Brookfield Infrastructure Partners L.P., a limited partnership incorporated in Bermuda and listed on the New York Stock Exchange and Toronto Stock Exchange.

The Enwave Australia Corporate Structure is included in this application (Attachment D)

3.6. *Additional information*

Please answer the following questions.

- Is the applicant a resident of, or does it have permanent establishment in, Australia? If the answer to this question is “no”, please provide further details.

Yes, the applicant is a resident of Australia.

- Is the applicant under external administration (as defined in the Corporations Act 2001) or under a similar form of administration under any laws applicable to it in any jurisdiction? If the answer to this question is “yes”, please provide further details.

No

- Is the applicant immune from suit in respect of the obligations under the Water Industry Act 2012? If the answer to this question is “yes”, please provide further details.

No

- Is the applicant capable of being sued in its own name in a court of Australia? If the answer to this question is “no”, please provide further details

Yes.

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3.7. *Financial resources available to the applicant*

Provide information about the financial resources available to the applicant which provides sufficient evidence of the current and ongoing financial capacity of the applicant to effectively provide the relevant retail services (e.g. bank guarantees, credit history and business continuity arrangements).

If the applicant is a company, please enclose a copy of the audited (and Board approved) profit and loss statement and balance sheet for the previous two financial years, including the director's report and the audit opinion. If the applicant is a subsidiary company, please also provide a copy of the audited profit and loss statement and balance sheet of the applicant's parent company for the previous two financial years.

If an applicant is a local council, please enclose a copy of the audited profit and loss statement and balance sheet for the previous two financial years.

Applicants should also submit copies of business plans which detail the strategic direction of the applicant, including its objectives, identified opportunities in the market place and forecast results.

Enwave Tonsley Pty Ltd (Enwave Tonsley) is a newly incorporated company and has not been required to prepare and lodge audited financial statement with the Australian Securities and Investments Commission (ASIC).

To date, Enwave Tonsley's parent, Enwave Australia has been a small proprietary company and also not required to prepare and lodge audited financial statements with ASIC.

Attached are Enwave Energy's (now Enwave Australia) and Enwave Australia's (now Enwave Australia Holdings) special purpose financial reports for the year ended 31 December 2017 (Attachment E).

Also attached is a copy of Enwave Energy's (now Enwave Australia's) Business Plan and associated memo from the Finance Manager to the Board. (Attachment F).

3.8. *Human resources available to the applicant*

Provide information about the human resources available to the applicant, for example, the number of employees and the experience of these employees in providing the services for which the licence is sought. If the applicant will employ contractor/s to assist with the licensed operations, please provide the name of that contractor/s, and details about the experience of the contractor/s in such operations and details of the processes in place to ensure the contractor/s will comply with the regulatory obligations imposed by the licence.

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Biographical details of the Directors, Officers and Key Persons of Enwave are set out in Attachment G (1) together with details of the Key Persons of Permeate Partners Pty Ltd (ACN 130 112 257), who will be providing technical expertise for the design, construction, operations and maintenance of the Tonsley Water Network, which are set out in Attachment G (2).

Also included is the Enwave Organisational Chart (Attachment G (3)).

3.9. *Technical resources available to the applicant*

Applicants are asked to provide details about the availability of technical resources to be used in carrying out the services for which a licence is sought. The information should include details about the technically qualified staff available to the applicant and (if relevant) of experience gained in similar operations.

Applicants must also provide sufficient details of the systems and processes to be used to market and/or communicate with customers, to provide bills, to follow up payments and process customer move-ins and move-outs and deal with customer enquiries and complaints.

Background

Enwave Tonsley has been selected by the South Australian Government to be the preferred supplier of utilities at Tonsley Innovation District (Tonsley). They were selected through a competitive tendering process and will be providing electricity (including generation), natural gas, recycled water and thermal hot and chilled water throughout Tonsley.

Enwave has warranted in an agreement with Renewal SA that it is able and qualified to provide services (which include the development, operation and maintenance of a recycled water distribution network) and has access to all necessary resources to do so.

General

The Enwave Australia Group of companies (Enwave Group) collectively own and operate a number of networks throughout Australia (see section 3.17 for a comprehensive list of licences and authorisations) including thermal hot and chilled water plants and recycled water networks in New South Wales.

Enwave Group are experienced in customer management both as a retailer and network operator and are well versed in the philosophies and challenges involved in managing often complex energy and water solutions for retail and commercial customers.

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The Enwave Group includes teams who provide corporate service functions including Finance, Safety and Compliance, Asset and Engineering; and Human Services, IT and Corporate Services across the group. These services are provided to Enwave Tonsley.

Construction, Operations and Maintenance Capability

Enwave Tonsley has appointed a Plant Operations Manager who is located on-site with an office in the MAB (Tenancy D18 b) and is responsible for the day-to-day management and oversight of Enwave assets and utilities including of the Tonsley Water Network. The Plant Operations Manager will be responsible for engaging and overseeing performance by the contractors conducting operations and maintenance' service connections; meter reading and data collection; and ancillary network services.

Enwave Tonsley has also appointed a Construction Manager, on a 2 year contract, to oversee the initial construction work. The Construction Manager is responsible for engaging and overseeing performance by the contractors involved in the initial construction of the networks at Tonsley including the production of Inspection and Testing Plans (ITPs) and the commissioning of the networks.

Construction, operations and maintenance of the Tonsley Water Network will be undertaken by an experienced and competent contracting firm with demonstrated experience in delivering projects in a timely manner.

Project Team Capabilities – The project team comprises: Project Manager, Plant Operations Manager, Construction Manager and Project Engineers. Additional contract specialists and support roles will be engaged as and when the work demands necessitate.

All our employees are required to have suitable qualifications relevant to their position and duties. In addition, all employees receive regular training and maintain continuing education in their area of expertise. Enwave Tonsley has a company code of conduct that sets out acceptable behaviour and interaction with colleagues, customers and other external parties.

Emergency Response Management

A call handling facility has been established to cater for all utilities and facilities at Tonsley. This service will provide 24/7 emergency response handling and tracking via the following key roles; Plant Operation Manager, Construction Manager, Duty Engineer, First Response Technician, Contracted service providers, Media Management specialists and Senior Management colleagues. Localised and broader industry support (i.e., mutual aid agreements) will be in place with the CFA, SES, and Marion City Council as well as other distribution companies within South Australia. The Emergency Response phone number will be broadly advertised and communicated within the appropriate brochures and retailer information packages.

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Enwave Tonsley is a key member of the Tonsley Safety Management Forum (Forum) which comprises of representatives from various stakeholders including Enwave Tonsley's Plant Operations Manager, Government, Council, landowners and tenants who meet every 2 months to discuss a variety of site related issues including emergency and safety management. The Forum has produced a Tonsley Emergency Management Plan (TEMP) which includes procedures prepared for the benefit of persons located on site mainly those within the MAB, which forms the majority of common areas within Tonsley. Occupants of buildings within and adjacent the MAB will be expected to follow the directions of the buildings site occupant or owners in an emergency situation. The TEMP also provides guidance on training requirements for the Emergency Control Organisation (ECO) and common area occupants. The ECO has been established to respond to emergency situations with the primary objectives of protecting people and property; assisting emergency services; and restoring normality to the affected area.

Enwave Tonsley is committed to ensuring ongoing participation with this Forum and to ensure collaboration and communication with all stakeholders at Tonsley.

Workforce planning

Human Resource specialists from the Corporate Service team will assist with workforce planning issues and the recruitment of staff. The major considerations for staffing levels and skills required are:

- Job role and tasks required across the network;
- The size of the network and its geographic dispersal;
- Mix of skills and numbers of staff needed to undertake the safe operation of the network;
- Forecast workload and demand for gas;
- HSE considerations including Formal Safety Assessment and ALARP plans;
- Reliability of supply considerations;
- Maintenance and operational compliance requirements;
- Response times and emergency response requirements;
- Absences caused by sick leave annual holidays and training days for our team; and
- Budget implications

Water System Design and Construction

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Initially Enwave Tonsley engaged Permeate Partners to provide a Design and Construct Performance Specification for the reticulated recycled water system at Tonsley. The scope of works included the development of a Central Energy Masterplan and a performance based design and construction specification to create recycled water network for the MAB, TAFE SA, Flinders University buildings together with a new Eastern Precinct and a residential development (PEET Residential).

Permeate Partners is a consultancy firm, based in Australia, providing services to the global market. It offers innovative, fit for purpose multi discipline engineering services and design solutions to government clients as well as private industry.

The reticulated pipework which will be laid throughout the residential development has been designed by KBR a global engineering company under contract with PEET Ltd, a national real estate development company, who are responsible for the residential development. The pipework will be laid by a suitably qualified sub-contractor also under contract with PEET.

Enwave Tonsley have now engaged Permeate Partners to construct the water treatment plant at Tonsley and to provide staff and resources to meet the technical and safety requirements of the distribution licence and to design, construct, operate and maintain the plant.

Enwave Tonsley will also engage Permeate and a suitably qualified sub-contractor to provide staff and resources to meet the technical and safety requirements of the distribution licence and to design, construct, operate and maintain the Tonsley Water Distribution Network.

A 24 hour electronic monitoring system will be installed and connected to Enwave's central control room as well as being available to the on-site operations team including Permeate and the sub-contractor engaged to provide maintenance on the reticulated network (Network O&M Sub-Contractor).

The functions and activities to be carried out by Permeate in relation to the water treatment plant include:-

Asset Management

- Strategic Planning
- Reliability and quality monitoring
- Inspections and patrols
- Condition monitoring
- Asset register

Planned Maintenance

- Prioritised defects
- Asset condition monitoring
- Analysis of non-critical breakdowns

Emergency Management

Capital Works

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- **Plant augmentation and upgrades**

The functions and activities to be carried out by the Network O&M Sub-Contractor in relation to the distribution network include:-

Asset Management

- **Strategic Planning**
- **Reliability and quality monitoring**
- **Inspections and patrols**
- **Condition monitoring**
- **Asset register**

Planned Maintenance

- **Prioritised defects**
- **Asset condition monitoring**
- **Analysis of non-critical breakdowns**

Emergency Management

Capital Works

- **New customer connections**
- **System augmentation and upgrades**

Customer Account Management and Billing Services

Enwave have engaged WINconnect Pty Ltd (ACN 112 175 710) (WIN) to provide billing and customer services and their details are set out below. If in the future an alternative contractor is engaged to provide the services Enwave will ensure that they will have appropriate experience and expertise which is comparable to WIN.

WIN has extensive experience and is a leading provider of customer management and billing services to embedded network operators in Australia. WIN manage thousands of residential and commercial energy customers located on a large number of embedded networks, including those managed under a retail licence, billed through its market leading billing platform.

Services provided by WIN include:

- **Customer sign up, customer query and customer experience management; and**
- **Customer engagement and account management.**
- **Billing management:**

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- Invoice preparation;
- Invoice dispatch;
- Payment collection;
- Arrears collection;
- Debtor management;
- Payment reminders;
- Customer connections;
- Customer disconnections and re-connections;
- New customer account creation and customer account closure.

Enwave's Chief Financial Officer actively manages the relationship with WIN and oversees a program of audits and inspections to ensure ongoing compliance.

Metering

Meters will be installed in compliance with the installation standards, testing, and recording and provision of metering data. The Plant Operations Manager will ensure the meters are read as frequently as is required to discharge Enwave's obligations to its customers and in accordance with the requirements of the Water Retail Code.

Customer Data Protection

Enwave has appropriate policies and procedures in place to ensure that personal information is collected and managed in accordance with the Privacy Act 1988 and the Australian Privacy Principles.

Complaints Procedure and Dispute Resolution

All complaints are handled in line with the Enwave complaints and handling policy and procedures, which ensures that requirements set in the Australian Standard ISO 10002 (2006) Complaint Handling are met. Customer complaints are recorded and handled in the first instance by customer service representatives with the ability to immediately escalate to the team leader. If complaints are unable to be resolved at this level a direct escalation path exists to management.

Established protocols for dispute resolution processes are consistent with the Australian Standards and will include membership with the Energy and Water Ombudsman of South Australia (EWOSA) if required.

Safety and Compliance

The Safety and Compliance team will assist in the provision of the necessary policies and procedures for a safe and effective working environment for Enwave's staff, systems and compliance activities.

These policies govern staff behaviours within the business and risk is managed through the knowledge and adherence to these policies. The policies are endorsed and supported and by Enwave Tonsley senior management and the Board.

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Document retention – Document control, amendments, review and retention is managed through our controlled document store “Sharepoint”. A hierarchy of access and user functionality is in place to manage Sharepoint access.

Policies and Management Plans

Enwave has a range of policies and management plans that will be applied to the Enwave Tonsley project. These include:

- Risk management policy (Attachment H)
- Emergency Management Plan (in development)
- Legal Compliance Policy (Attachment I)
- Safety, Reliability, Maintenance and Technical Management Plan (in development)
- Health and Safety Policy (Attachment J)
- Code of Business Conduct and Ethics (Attachment B)
- Complaints Handling Policy (Attachment K)

Enwave complies with the Privacy Act 1998, and in line with the National Information Privacy Principles 2014 ensures that all information is held in accordance with and only for the purpose of providing energy goods and services. A privacy statement is available on the website:

www.tonsley.enwaveenergy.com.au

3.10. Contracts

Applicants must provide reasonable evidence that they are able to meet reasonably foreseeable obligations under contracts for the sale and supply of water or the sale or supply of sewerage services (or both) as the case may be. Such contracts would include contracts whereby the applicant is reliant on a supply of water or specific sewerage service from a third party which is intends to on sell to its customers.

Enwave has entered into a water agreement to supply treated storm water with the City of Marion.

Operations and maintenance contracts to provide services for the water treatment plant and the reticulated pipework are in the final stages of negotiation

Copies of these agreements can be provided if required.

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3.11. *Suitable and appropriate infrastructure*

The Commission may not issue a licence unless it is satisfied that the infrastructure to be used in connection with the relevant service is appropriate for the purposes for which it will be used. Applicants are therefore asked to provide a detailed description of the infrastructure that will be utilised by the applicant in providing the retail services for which the licence is sought and verify that the infrastructure has been (or will be) developed in accordance with relevant Australian Industry Codes and Australian Standards with reference to technical specifications or reports.

If an applicant does not own the infrastructure to be used in delivering the relevant retail services, the applicant must provide information regarding the appropriateness of that infrastructure and of the binding arrangements that are (or will be) in place with the owner of the infrastructure in regards to the use of the infrastructure.

The Tonsley Water Network will be owned and operated by Enwave Tonsley. It will be constructed in accordance with the applicable Australian Standards and comprises of an initial storage tank; a water treatment plan, a holding tank and a reticulated distribution network throughout Tonsley including a 850 home residential development.

The on-site water treatment plant at Tonsley will be fed with water from two separate sources:

- 1) the City of Marion's wetlands facility at nearby Oaklands via newly constructed pipeline; and**
- 2) stormwater harvested from the roofs of existing buildings on-site at the MAB facility at Tonsley.**

This combined water stream will be stored in the existing 700kL steel panel tank in the basement of the MAB building and fed to the treatment plant which will also be housed in the basement of the MAB building.

The treatment plant will consist of the following major unit operations:

- Incoming water quality monitoring**
- Feed water buffer tank**
- Coarse Strainers**
- Ultrafiltration (UF) membrane plant**
- Chlorination system**
- Chlorine contact pipe**
- Storage tank**
- Distribution pumps**

Incoming water quality monitoring: The incoming water from the City of Marion wetland system will be monitored for electrical conductivity, pH, turbidity, and UVT (Ultra Violet Transmittance) in order to automatically detect any off-spec water. The incoming line will be fitted with a diversion system to divert flow to sewer pit prior to it reaching the storage tank if it doesn't meet pre-determined quality requirements

Coarse strainers: The mixed water from the City of Marion wetlands and the collected rainwater is pumped from the storage tank through a set of coarse strainers selected to remove any debris or other solids larger than a nominal 200µm, largely to protect the downstream membranes. Before entering the strainers, the stream is injected with a small amount of coagulant to assist the filtration process by binding smaller particles together and improving filtration efficiency. These coarse strainers are backwashed periodically, flushing water and collected debris to SA Water sewer via the onsite collection pit/sump.

UF plant: The ultrafiltration membrane system will be used to provide the primary disinfection barrier. The UF membranes provide a physical barrier to particles larger than the membrane pore size (nominal 0.02-0.04 µm) whilst allowing the non-drinking water to pass through, removing a high proportion of viruses, protozoans, and bacteria in the order or 2.0 log removal value to 4.0 log removal value. The solids remain contained within the membrane vessels and are removed from the system to the plant sump via periodic backwashing.

Chemical cleans of the internal surfaces of the UF plant to remove organic and inorganic fouling from the membrane surfaces are also performed from time to time. These chemicals include sodium hypochlorite (to remove organic fouling) and citric acid (to remove inorganic fouling). These cleans are largely automatically controlled by inline instruments and PLC. The chemical solutions are neutralised by either sodium hydroxide (caustic soda) or sodium metabisulfite as appropriate before the neutralised solution with removed foulants is flushed to the collection pit/sump for disposal to SA Water sewer. Expected removal of microorganisms by the UF plant is expected to be (typically):

Viruses: Greater than 2 Log Reduction Value (LRV) - (99%)

Protozoa: Greater than 4LRV – 99.99%

Bacteria: Greater than 4LRV – 99.99%

Chlorination: Chlorine (in the form of sodium hypochlorite) is injected inline into the UF filtrate just downstream of the UF plant to commence disinfection of the remaining organisms that have passed through the UF plant.

Chlorine Contact Pipe: The chlorine contact pipe is a long length of pipe (holding tube) between the chlorine injection point and the non-drinking water storage tank. The diameter and length of the pipe is carefully calculated to ensure a sufficient chlorine contact time (C.t) between the free chlorine and the microorganisms is achieved to ensure effective disinfection / inactivation of the remaining organisms.

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Storage Tank: A lined steel panel tank of approximately 350kL will be built in to house strained, ultrafiltered, disinfected water ready for distribution to commercial and domestic consumers as “Recycled Water” for toilet flushing, garden irrigation, public open space irrigation. The tank will also be supplied with potable water from SA Water mains (via a suitable air break to ensure no potential for cross-contamination) to allow the storage tank to be filled either partially or wholly with potable water to ensure supply of suitable quality water to recycled water consumers in the event of a major breakdown of the treatment plant.

Plant Sump: An existing sump in the MAB basement will be converted to allow flushings and diversions from various points in the process to be collected and pumped via submersible sump pump and metering device to SA Water sewer

Ancillary Equipment: The treatment plant will also include several ancillary equipment items in order to facilitate reliable, effective and automatic operation of the treatment plant, including:

- Air compressors and compressed air storage
- Electrical switchboards and motor control centre
- PLC and HMI for control of the treatment plant and supporting process infrastructure
- Process instruments for process control and regulatory reporting
- Chemical storage and dosing/metering equipment for the following chemicals: aluminium sulphate (or poly-aluminium chloride) as a coagulant, sodium hypochlorite, citric acid, sodium meta bi-sulfite, sodium hydroxide.

The attached drawings (Attachment L) set out the reticulated recycled water system.

3.12. Risk management

Provide confirmation and reasonable evidence that the applicant’s management has identified the risks associated with the retail services it intends to provide and has established, utilises and relies upon risk management systems and processes which are adequate, accurate and current to address those risks. A copy of the applicant’s risk management strategy should be submitted.

Enwave has implemented a risk management strategy in accordance with framework outlined in AS/NZS ISO 31000:2009 Risk Management. These objectives and organisational commitments are outlined in the company’s Risk Management Policy, attached as Attachment H.

The company’s risk management process is designed to consider risks across all fronts, including strategic, operational, safety, financial, environmental and

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reputational. Risks identified are mitigated as far as reasonably practicable and controls are track through internal risk treatment action plans. The organisations risks are regularly reported to the company's management and board and relevant persons are held accountable for ensuring the ongoing management of risks.

Companywide and functional line risk management workshops are facilitated on a quarterly basis and are designed to provide constant engagement and management of risks.

Internal audits of Enwave's risk management strategy are undertaken in accordance with the company's audit schedule, which form part of the overall compliance strategy. Regular engagement in the risk management space occurs with the assistance and advice of external parties.

A Formal Safety Assessment workshop was conducted on site at Tonsley on July 5th 2018 and a Risk Register developed in accordance with the Australian Guidelines for Water Recycling Document 23 : Managing Health and Environmental Risks (Phase 2) Storm Water Harvesting and Reuse. Attendees at the workshop included representatives from Enwave, OTR, Dept. of Health, Renewal SA, Permeate, Precinct Solutions, TAFE, PEET, KBR Engineering and Greenhill.

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3.13. *Licences held by the applicant in other Australian jurisdictions*

If the applicant holds, or has previously held, a retail services licence or equivalent in other Australian jurisdictions please provide details. If a licence previously held has been suspended or cancelled, please provide details.

Enwave Tonsley does not hold any retail service licences how it has related entities within the Enwave Group of companies that do hold retail licences or authorisations including:

- **Enwave Mascot is an authorised electricity retailer**
- **Tas Gas Retail has submitted an application to be an authorised gas retailer.**
- **Tas Gas Retail is also a licensed natural gas retailer in Victoria and Tasmania.**
- **Water West has a water licence in Western Australia**
- **Flow Systems is a licensed water retailer in NSW and an authorised electricity retailer.**

3.14. *Previous unsuccessful licence applications in other Australian jurisdictions*

Please state whether the applicant has applied for a water retail licence or equivalent in another Australian jurisdiction and not been issued with a licence, and provide relevant details.

Enwave Tonsley has no unsuccessful energy licence applications in any Australian jurisdiction

3.15. *Licences held by associates of the applicant*

If an associate of the applicant (within the meaning of the Corporations Act) holds a water retail licence in South Australia or in other Australian jurisdictions, please provide details.

Water West Pty Ltd (ACN 166 442 824) is 70% owned by Enwave Australia.

Water West holds a water licence granted in 2017 by the Department of Water and Environmental Regulation, Western Australia.

Flow Systems (ACN 136 272 298) is 60% owned by Enwave Australia.

Flow Systems has a Water Industry Competition Act (NSW) network operator's licences to construct, operate and maintain water services and water treatment facilities and retail licences to supply water services in NSW.

Flow, as a licenced water retailer in New South Wales since 2012 and an authorised electricity retailer since 2017, provides billing and customer services to body

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corporates who hold retail exemptions. Flow services approximately 7000 small retail customers. Based in Sydney, Flow has a dedicated customer service team who manage all customer activities from on-boarding, billing, account management and off-boarding. Flow also conducts its own marketing, sales and energy purchasing activities.

3.16. Compliance program

Applicants are required to submit a copy of their Compliance Program which details what compliance systems the applicant has (or will have) in place and a description of how these systems will ensure compliance with the applicable regulatory obligations imposed by a licence and the Water Retail Code. The Commission expects that a Compliance Program will, as a minimum, document:

- the obligations that will apply to the applicant;
- the processes that are (or will be) in place to ensure the applicant's compliance with obligations;
- details on how compliance is monitored;
- details of how non-compliance will be reported and rectified; and
- details of any internal audit programs in place that review (or will review) the effectiveness of the Compliance Program from time to time.

Enwave's Legal Compliance Policy is attached as Attachment I and a draft Compliance Management System is attached as Attachment M.

3.17. Additional information

The Commission encourages applicants to provide any additional information they consider would be of assistance in supporting the application. Please provide below.

As part of their overall activities at Tonsley, Enwave Tonsley holds an electricity distribution licence, has submitted an application for a gas distribution licence and will be submitting an application for an electricity generation licence.

Enwave Mascot is an authorised electricity retailer and Tas Gas Retail Pty Ltd has submitted an application to the AER to become an authorised natural gas retailer. Tas Gas Retail is wholly owned by Enwave Australia and provides licensed natural gas retail services in Tasmania and Victoria.

Both companies will be providing energy retail services at Tonsley.

4. FACTORS SPECIFIED IN THE ESSENTIAL SERVICES COMMISSION ACT 2002

In considering a licence application, the Commission must have as its primary objective the protection of the long term interests of consumers with respect to the price, quality and reliability of essential services, and must also have regard to the need to:

- a) promote competitive and fair market conduct;
- b) prevent misuse of monopoly or market power;
- c) facilitate entry into relevant markets;
- d) promote economic efficiency;
- e) ensure consumers benefit from competition and efficiency;
- f) facilitate maintenance of the financial viability of regulated industries and the incentive for long term investment;
- g) promote consistency in regulation with other jurisdictions.

If the applicant believes that information about their application would assist the Commission in its consideration of these factors, the applicant should provide such information below.

Enwave Tonsley is a multi-utility provider exclusively dedicated to the Tonsley Innovation Precinct. As such we are in a unique position to develop and promote innovative energy solutions in accordance with the vision set out by Renewal SA. This will facilitate entry of innovative energy providers, including: solar electricity generation; thermal heating and cooling systems into the relevant market; hydrogen injected into the natural gas network; as well as recycled water.

Enwave Tonsley is owned by Brookfield Infrastructure one of the largest owners and operators of critical and diverse global infrastructure networks. Their financial backing and commitment as global asset investors will ensure financial viability and long term investment in the networks at Tonsley

Providing customers at Tonsley with recycled water will assist in maximising water conservation and aligns with the City of Marion's water management objectives. Utilising recycled water will promote economic efficiency, and incentivise long term investment, in the City of Marion's water management scheme.

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5. APPLICATION FEES

Applicants for a licence must pay the Commission an application fee which is fixed by the Treasurer. Please enclose this fee with the application. An application cannot be considered until this fee has been received.

6. DECLARATION

All information in this application for the issue of a licence to authorise the provision of retail services in the water industry in South Australia must be verified by a Statutory Declaration of the applicant, in accordance with the provisions of the Oaths Act 1936 (SA)¹, stating that the information contained in the application is true and correct to the best of the applicant’s knowledge, information and belief.

In conjunction with this declaration, evidence of the relevant authority of the declarant to sign on behalf of the applicant must also be provided to the Commission.²

Statutory Declaration

I

of.....

do solemnly and sincerely declare that the information contained in this Application for the issue of a licence to authorise the provision of retail services in the water industry in South Australia is true and correct to the best of my knowledge information and belief.

And I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Oaths Act 1936.

Date

Signature

(Where the applicant is a body corporate, the declaration must be made by a person authorised by body corporate to sign on its behalf)

Declared at:this day of20....

Before me:.....

(Signature of Justice of the Peace or other person authorised under the Oaths Act 1936)

1 Or equivalent legislation in other Australian jurisdictions.
2 The Commission will accept a copy of a Board or Council minute (or circulating resolution) giving approval for the declarant to sign on behalf of the applicant as evidence of the relevant authority.



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