

**APPLICATION FORM FOR
THE ISSUE OF AN
ELECTRICITY
TRANSMISSION OR
DISTRIBUTION LICENCE
BY THE
ESSENTIAL SERVICES
COMMISSION OF SA
UNDER THE *ELECTRICITY*
*ACT 1996***

August 2011



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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 application to the Essential Services Commission of South Australia (the Commission) for the issue of a licence to authorise electricity retail operations in the electricity supply industry in South Australia.

The Commission can also 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 16(1)(a) of the *Electricity Act 1996* (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 Responsibilities

An application for a licence may be made by any legal person including, without limitation, individuals, partnerships, incorporated associations, unit and other forms of trusts and corporations. Entities that are not a legal person (for example, an unincorporated joint venture) cannot apply for a licence.

For the purpose of this application form, reference to the term "Officer" include the applicant's directors and secretary, and 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 in the application form. 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 documentation. 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.

Prior reading

It is essential that licence applicants read the Commission's Advisory Bulletin No 4 – "*Licensing Arrangements for the Electricity and Gas Supply Industries*" before they fill out this form. Bulletin No. 4 is available on the Commission's website www.escosa.sa.gov.au under electricity/licensing.



Licence conditions

Part 3 of the Act requires the Commission to place certain conditions in licences. The Commission strongly recommends that applicants review these mandatory conditions. Applicants must be familiar with the relevant conditions and confident that they can comply with the conditions.

Further information

Applicants should note that the Commission may ask applicants who have submitted a completed application form to provide further information to the Commission, or to clarify the information that they have already provided.

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 disclose confidential information in some circumstances.

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: escosa@escosa.sa.gov.au

Application fees and annual licence fees application

Applicants should also enclose the application fee (presently set by the Minister for Energy at \$1,000 per licence) with their application.

Holding a licence incurs annual licence fees. The licence fees determined by the Minister for Energy are administered by the Commission. At annual intervals, the Commission, on behalf of the Minister, will send to each licensee, depending on the category within the sector, an invoice for the licence fee. Licence fees are to be paid on receipt of an invoice via one of the payment options set out in the invoice.

The initial licence will not be issued until the first annual licence fee (or approved licence fee instalment) has been paid.



LICENCE APPLICATION FORM

1. THE APPLICANT

1.1 Identity of Applicant

State the full name of the applicant. The applicant is the person who will be undertaking the electricity transmission or distribution operations that will be the subject of 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.

Name: Enerven Energy Infrastructure Pty Ltd, a subsidiary of SA Power Networks

1.2 Legal Identity of Applicant

Provide information about the applicant, (i.e. whether the applicant is a natural person, private limited company or partnership, 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.

Enerven Energy Infrastructure Pty Ltd is a Australian private company, limited by shares, registered in Victoria: ACN 621 124 909; ABN 31 621 124 909

1.3 Address and Contact Details of Applicant

Business Address: 1 Anzac Highway, Keswick.....

State: South Australia..... Post Code: 5035.....

Postal Address (if different to Business Address):

GPO Box 77, Adelaide

State: South Australia Post Code: 5001.....

Telephone: 08 8404 9621 Facsimile: 08 8404 9651.....

E-mail: zoe.smith@enerven.com.au

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: Thomas Stewart Walker

Title: Manager Commercial Corporate Strategy

Business Address: 1 Station Place Hindmarsh.....

State: South Australia Post Code: 5007

Postal Address (if different to Business Address):

GPO Box 77, Adelaide

State: South Australia Post Code: 5001.....

Telephone: 0417 086 909 Facsimile: 08 8404 9651

E-mail: tom.walker@enerven.com.au

1.5 *Contact Person for Licence Fees*

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

Full Name: Scott Vears

Title: Contract Administration Officer

Business Address: 1 Station Place, Hindmarsh

State: SA Post Code: 5007

Postal Address (if different to Business Address):

GPO Box 77, Adelaide

State: SA Post Code: 5001

Telephone: 0407 077 110 Facsimile: 08 8404 9651

E-mail: scott.vears@enerven.com.au

1.6 *Diagram of Corporate or other Structure*

Please attach with this application form details of the corporate or other structure, including details of any related companies within the meaning of the Corporations Act 2001; and a diagram of the organisational chart, including composition of the board, management and other key personnel responsible for the key functions of the business.

Enerven Energy Infrastructure Pty Ltd is a subsidiary of SA Power Networks.

SA Power Networks (ABN 13 332 330 749) is a partnership of: Spark Infrastructure (No. 1) Pty Ltd (ABN 54 091142 380), Spark Infrastructure (No. 2) Pty Ltd (ABN 19 091143 038), Spark Infrastructure (No. 3) Pty Ltd (ABN 50 091142 362), CKI Utilities Development Ltd

(ABN 65 090 718 880), and PAI Utilities Development Ltd (ABN 82 090 718 951). SA Power Networks has 4 other subsidiaries: Utilities Management Pty Ltd (ABN 25 090 664 878); ETSA Utilities Finance Pty Ltd (ABN 78 091 701 825); ETSA Ancillary Pty Ltd (ABN 87 101 536 421), and ETSA FRC Pty Ltd (ABN 85 101 536 412).

Enerven Energy Infrastructure Pty Ltd has one subsidiary: Enerven Energy Solutions Pty Ltd (ABN 49 621 147 297).

The Enerven Energy Infrastructure Pty Ltd board is comprised a number of members of SA Power Networks' board. The composition of the Enerven board is set out in our response to question 3.3. The Enerven executive management team is the same as the SA Power Networks executive management team.

2 THE LICENCE

2.1 *Type of Licence sought*

State the type of licence sought by the applicant, e.g. transmission or distribution.

Electricity Distribution

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 eight weeks to consider an application, as a public consultation period of several weeks forms part of the Commission's consideration of licence applications.

1 February 2018

2.3 *Nature and scope of operations for which Licence is sought*

Applicants for such licences must state the location of the network, the voltage of the network and the rated capacity of the network (MW and MVA). Applicants should attach a map showing the proposed route of the network.

The relevant electricity distribution network is located at and near the towns of Woomera and Pimba in South Australia. Both networks are owned by the Australian Government Department of Defence (Defence).

The Woomera network is comprised of low and high voltage distribution (240V/11kV) infrastructure. The Woomera network is fed from a connection to the 132kV transmission line from Port Augusta to Woomera owned by BHP Ltd.

The Pimba network is comprised of low and high voltage distribution (240V/11kV) infrastructure. The Woomera network is fed from a connection to the 11kV transmission line from Woomera to Pimba owned by Defence.

A schematic showing the composition, layout, and location of the Woomera and Pimba networks is provided as Attachments 2.3.1. to 2.3.3.



3 SUITABILITY OF APPLICANT TO HOLD A LICENCE

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,
- ▲ has been the subject of any past or present administrative or legal actions in relation to an authorisation, authority, or licence in any industry,

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.

Enerven Energy Infrastructure Pty Ltd is a subsidiary of SA Power Networks. SA Power Networks' Construction & Maintenance Services division (CaMS) was recently rebranded as Enerven, and will begin trading out of the corporate entity Enerven Energy Infrastructure Pty Ltd on 1 January 2018.

To be clear, the personnel and other resources until recently deployed as CaMS, a division of SA Power Networks, are now trading as Enerven out of SA Power Networks, and will trade out of Enerven Energy Infrastructure Pty Ltd from 1 January 2018.

SA Power Networks has not been found guilty of any criminal offence, nor 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.

SA Power Networks is the electricity distribution network service provider for the majority of South Australia licenced by the Essential Services Commission of South Australia. SA Power Networks complied with the requirements of this distribution licence since it was issued in 1998. We have comprehensive systems in place to ensure that all of our licence obligations are met technically and on a timely basis.

3.2 *Standard of honesty and integrity shown by Officers and major shareholders of Applicant*

Applicants should address responses to this question in the same manner as 3.1 above except here it relates to officers and major shareholders of the applicant.

Please also supply details of any policies and procedures addressing the probity and competence of officers and other key management staff.

The officers and major shareholders of SA Power Networks and Enerven Energy Infrastructure Pty Ltd have not been found guilty of any criminal offence, nor successfully prosecuted under any Territory, State or Commonwealth legislation, nor been the subject of disciplinary action, and are not and have not been the subject of any administrative or legal actions in relation to an authorisation, authority, or licence in any industry.

SA Power Networks and by extension Enerven Energy Infrastructure Pty Ltd have comprehensive corporate governance systems in place.

The Board is responsible for the overall corporate governance of SA Power Networks, including approval of the strategic direction and values, monitoring financial and operational performance, ensuring adequate systems for the identification and management of risk and evaluating the performance and remuneration of senior management. SA Power Networks'/Enerven's Board Profile is provided as Attachment 1.6.3.

The Board has delegated certain financial responsibilities to the CEO and Executive Management Group (EMG). SA Power Networks'/Enerven's EMG Profile is provided as Attachment 1.6.4.

The Board and management of SA Power Networks are committed to continuing to demonstrate the highest standards of corporate governance and ethics. Our Corporate Governance Manual explains the Board approved Corporate Governance Model and details the Policies and Directives that emanate from the Model. These Policies and Directives provide approved direction to SA Power Networks' managers, employees and directors in the manner in which we must conduct ourselves in our business operations. Compliance with the Policies and Directives is mandatory.

Refer document 1.6.4. Management Profiles

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, and other persons who make or participate in making decisions that affect a substantial part of the business of the applicant.

Full Name: Robert Stobbe

.....
.....

State: South Australia Post Code: 5062

Full Name: Chi Tin Wan

.....
.....
.....

State: Hong Kong Post Code: N/A.....

Full Name: Andrew John Hunter

.....
.....

State: Hong Kong Post Code: N/A.....

Full Name: Peter Peace Tulloch

.....
.....

State: NSW Post Code: 2011

Full Name: Richard Forbes Francis

.....
.....

State: NSW Post Code: 2072

Full Name: Nicholas Kristian Schiffer

.....
.....

State: Victoria Post Code: 3124

Full Name: Patrick James Makinson

.....



[REDACTED]

State: South Australia Post Code: 5041

Refer document 1.6.3. Board Profiles

3.4 Names and addresses of major shareholders of Applicant

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

Full Name: PAI Utilities Development Limited

Address: MB & H Corporate Services Limited, Mareva House, 4 George Street, Nassau

State: Bahamas Post Code: N/A

Full Name: CKI Utilities Development Limited

Address: MB & H Corporate Services Limited, Mareva House, 4 George Street, Nassau

State: Bahamas Post Code: N/A

Full Name: Spark Infrastructure SA (NO1) Pty Ltd

Address: Level 6, 255 George Street, Sydney

State: NSW Post Code: 2000

Full Name: Spark Infrastructure SA (NO2) Pty Ltd

Address: Level 6, 255 George Street, Sydney

State: NSW Post Code: 2000

Full Name: Spark Infrastructure SA (NO3) Pty Ltd

Address: Level 6, 255 George Street, Sydney

State: NSW Post Code: 2000

3.5 Details of the group members

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

Enerven Energy Infrastructure Pty Ltd is a subsidiary of SA Power Networks.

SA Power Networks (ABN 13 332 330 749) is a partnership of: Spark Infrastructure (No. 1) Pty Ltd (ABN 54 091142 380), Spark Infrastructure (No. 2) Pty Ltd (ABN 19 091143 038), Spark Infrastructure (No. 3) Pty Ltd (ABN 50 091142 362), CKI Utilities Development Ltd (ABN 65 090 718 880), and PAI Utilities Development Ltd (ABN 82 090 718 951). SA Power Networks has 4 other subsidiaries: Utilities Management Pty Ltd (ABN 25 090 664 878); ETSA Utilities Finance Pty Ltd (ABN 78 091 701 825); ETSA Ancillary Pty Ltd (ABN 87 101 536 421), and ETSA FRC Pty Ltd (ABN 85 101 536 412).

Enerven Energy Infrastructure Pty Ltd has one subsidiary: Enerven Energy Solutions Pty Ltd (ABN 49 621 147 297).

Information about entities controlled by the ultimate parent entity of Enerven Energy Infrastructure Pty Ltd is provided in Attachment 3.5.1.

[REDACTED]

3.6 Additional information

Please answer the following questions and, where the answer to any question is “no”, provide further detail.

- ▲ Is the applicant a resident of, or does it have permanent establishment in, Australia?

Yes.

- ▲ 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?

No.

- ▲ Is the applicant immune from suit in respect of the obligations under the Electricity Act 1996?

No.

- ▲ Is the applicant capable of being sued in its own name in a court of Australia?

Yes.

3.7 Financial resources available to the Applicant

Provide information about the financial resources available to the applicant. If the applicant is a company, please also enclose:

- ▲ copies of all audited profit and loss statements and balance sheets for the last three financial years (including all notes), and
- ▲ director's declaration that the financial statements comply with accounting standards, give a true and fair view, have been made in accordance with the Corporations Act and that there are reasonable grounds to believe the company/entity will be able to pay its debts as and when they fall due; and
- ▲ the director's report and the audit opinion.

If the applicant is a subsidiary company, please also provide:

- ▲ copies of all audited profit and loss statements and balance sheets of the applicant's parent company for up to the last three financial years.

The applicant should also submit copies of:

- ▲ its business plans including at least strategic direction and objectives, identified opportunities in the market place and forecast results; and
- ▲ evidence of capital and liquidity support in place, including any bank or cross guarantees, to support the business and evidence of negotiations with the network service provider concerning credit support arrangements.

Copies of SA Power Networks' financial statements including notes directors' declaration and audit report for the last three and one-half years (noting SA Power Networks reports on a calendar year basis) are provided as Attachments 3.7.1, 3.7.2, and 3.7.3.

A copy of SA Power Networks' current business plan is provided as Attachment 3.7.4.

Enerven is currently trading out of SA Power Networks, but will commence trading out Enerven Energy Infrastructure Pty Ltd from 1 January 2018. Financial statements will be prepared for Enerven Energy Infrastructure Pty Ltd from that date.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3.8 Additional Details of Structure of Applicant

If the applicant is part of a group of related companies, and/or party to a partnership, joint venture or alliance agreement with another company, please provide:

- ▲ contractual arrangements (e.g. alliance contracts, associate contracts, establishment contracts) that define relationships within the group – including shared resources, guarantees, revenue flows, obligations and or responsibilities.

The Applicant, Enerven Energy Infrastructure Pty Ltd, is a subsidiary of the SA Power Networks' partnership.

[REDACTED]

3.9 Human resources available to the Applicant

Provide information about the human resources available to the applicant. This includes:

- ▲ the experience and qualifications of those employees outlined in the organisational chart (see point 1.6);
- ▲ if the applicant will employ contractor/s to assist with the licensed operations, the name of that contractor/s, details about the experience of the contractor/s in such operations and details of the processes in place to ensure the contractor/s complies with the regulatory obligations imposed by the licence; and

The experience and qualifications of SA Power Networks' board of directors is summarised in Attachment 1.6.3. The experience and qualifications of SA Power Networks' executive management team is summarised in Attachment 1.6.4.

The competence of key service delivery staff, including their personal expertise, knowledge and relevant qualifications are set out in their CV's, provided as Attachments 3.9.1 to 3.9.5.

[REDACTED]

3.10 Technical resources available to the Applicant

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

Where applicants are relying on a third party to provide staff and resources to meet the technical requirements of the transmission or distribution licence, please provide:

- ▲ a list of all functions and activities being proposed to outsource;
- ▲ details of any formal agreement/s to provide services, including confirmation that the third party possess relevant technical competencies to conduct the proposed activities;
- ▲ a summary of the third party's technical capacity to meet relevant obligations, including relevant accreditations; and
- ▲ a summary of the third party's experience and knowledge in the relevant area.

SA Power Networks has been constructing and maintaining electrical infrastructure for more than 60 years, and SA Power Networks' Construction & Maintenance Services group (CaMS, now Enerven) has provided comprehensive electrical design, construction and maintenance services to commercial clients in the competitive market for more than 14 years, including the provision of a number of long-term, large and complex design and construction projects requiring sophisticated project, safety, quality, environmental and stakeholder management.

CaMS, now Enerven, was the service delivery arm for SA Power Networks as the electricity distribution network service provider in the RAES townships and the APY Lands and Aboriginal Lands from 2002 to 2016 under contracts with the South Australian Government Department of State Development (DSD). This involved the performance of all aspects of on-site and off-site works within these contracts including emergency response, planned maintenance, capital works and meter reading.

SA Power Networks held a Remote Areas electricity distribution licence issued by the Essential Services Commission of South Australia, which authorised the operation of all relevant distribution networks, from 2002 to 2016. We held that licence and complied with its obligations, and we continue to have comprehensive systems in place to ensure that all of our licence obligations are met on a timely basis.

Relevant Enerven personnel have more than a decade of experience in maintaining and complying with the approved Safety, Reliability, Maintenance and Technical Management Plan that was used for the RAES Townships and Aboriginal Lands during this time.

In addition to our work in the RAES Townships and APY Lands, SA Power Networks/Enerven personnel have safely performed many powerline design and construction contracts in remote mining installations including Olympic Dam, Iron Knob, Iron Baron, Mt Gunson, Moomba, Leigh Creek and the remote townships of Coober Pedy, Andamooka, Innamincka, and many more.

The SA Power Networks personnel that provided the management and operational services to the DSD and other customers referred to above, are the people who will continue into the new contracting arrangements. The CVs of the key personnel noted here are provided as attachments to our response to question 3.9 above.

In addition to our specific relevant experience in respect of the RAES Townships and Aboriginal Lands, which we have described above, SA Power Networks/Enerven has provided such services other commercial clients in remote and isolated areas and in challenging environments for the past 14 years or so, and continues to provide such services today.

We have safely and successfully completed a number of major powerline construction projects in remote locations. Some examples are listed below:

Oxiana / Prominent Hill: Enerven completed a two year project in the very far north of South Australia involving, in part, the design and construction of: 185 km of new 132kV powerline; 170 km of 33kV distribution line throughout the borefields; and a new 132/33/11kV substation linked at Olympic Dam.

APY Lands: Construction of approximately 280 km of 33kV powerline, associated protection equipment and five 1MVA padmount transformers.

Oak Valley: Complete re-design and replacement of the distribution system where interaction with the Aboriginal Community was critical to the successful implementation because frequent power outages were necessary.

Yalata: As requested by the local Aboriginal community we recently replaced the existing street lights which were in poor condition or in inappropriate locations.

Iron Baron (mine): The design and construction of 3 km of overhead 33kV powerline, 1.5km of 33kV underground powerline, a 33kV ring main unit, 3 transformers ranging in size from 200kVA to 3MVA, and the installation of 33kV voltage regulators.

Iron Knob (mine): The design and construction of 6 km of overhead 33kV powerline, 1.8 km of 33kV underground powerline, 33kV protection equipment, 6 transformers ranging in size from 200kVA to 2.5MVA, and the installation of 33kV voltage regulators.

Over the past five years we have completed numerous project and maintenance work onsite at Woomera in the township and out on the range. This includes construction of the Pimba 11kv line, the upgrade of the Woomera town and TATS substation, the installation of HV current transformers for metering at fourteen sites, rewiring of the EC2 launch unit, and a HV asset audit including onsite inspection of condition, naming convention and the upgrade of electrical diagrams to record this data. Maintenance work includes powerline inspection works, programmed maintenance activities on the HV powerlines, programmed substation HV asset maintenance and supply restoration services for various clients.

All of these works required work under difficult weather conditions from time to time with roads occasionally closed due to heavy rain conditions or cultural events. To ensure the safety of our personnel, our subcontractors and the public, our workforce is appropriately trained, qualified and supported for the tasks required of them. We provide training in (among many other things) First Aid, driving awareness, four-wheel driving techniques, and cultural awareness, to ensure our workers can operate efficiently and safely in challenging environments in remote locations.

3.11 Safety of Network

The Commission may not issue a transmission or distribution licence unless it is satisfied that the transmission or distribution network (or the proposed network) will have the necessary capacity for transmitting or distributing electricity safely. Applicants are therefore asked to verify that the network has been (or will be) developed in accordance with relevant Australian Industry Codes and Australian Standards, and that a connection agreement has been or will be signed.

Enerven will deliver on all of the service requirements for the distribution networks from our own resources, or with the assistance of a local subcontractor for civil works [REDACTED]

Enerven will undertake all of the planned maintenance, inspections, and supply restoration work including high voltage (HV) remediation works. Enerven will also have responsibility for first call emergency response and consequential remediation works.

Our work plan will be in four major parts:

- ... Asset management
 - Strategic planning
 - Reliability & quality monitoring
 - Inspections & patrols
 - Condition monitoring
 - Asset register
- ... • Planned maintenance resulting from:
 - Prioritised defects noticed during regular inspections & patrols or other reports
 - Asset condition monitoring
 - Analysis of breakdowns of a non-critical nature
- ... Emergency maintenance resulting from breakdowns causing loss of supply or dangerous situations.
- ... Capital works:
 - New customer connections requiring system extensions or upgrades
 - System augmentation consistent with the strategic plan
 - Upgrades to improve reliability or quality of supply
 - Upgrades or alterations to improve safety

Enerven's local internal resources are permanently located in Roxby Downs, with a well-established depot at Olympic Dam. We have two powerline crews based at Roxby Downs/Olympic Dam with appropriate vehicles and equipment to respond to emergencies in surrounding areas.

All of these resources are very experienced in delivering the full range of services in remote areas. Our response teams are on an availability roster which means they are ready to respond to emergencies and breakdowns immediately at any time of the day or night. Enerven also has a private office and accommodation facilities in Woomera.

Safety, Reliability, Maintenance and Technical Management Plans

SA Power Networks has established a Safety, Reliability, Maintenance and Technical Management Plan (SRMTMP) that is used to manage the distribution assets on the regulated electricity distribution network that we lease and operate within South Australia. The SRMTMP for the RAES townships and for the APY Lands and Aboriginal Lands contracts with DSD (2002-2016) were based on this comprehensive plan, which formed the basis of our operations to deliver distribution management services in those areas.

SA Power Networks will develop a new SRMTMP, for Woomera and Pimba similarly based on SA Power Networks' SRMTMP, in accordance with regulatory requirements, on becoming licensed.

Contractor Management

Enerven's Quality Management System (QMS) is accredited to ISO9001:2008. Our QMS is applied to projects and programs undertaken or managed by Enerven. Enerven manages project quality through a Project Quality Management Plan, which is tailored to meet customer requirements on a project by project basis.

We drive a continuous improvement culture, with a particular focus on our Improvement Request and Lessons Learned registers, ensuring that all staff are informed and trained in ongoing process improvements.

Our quality management plans, among other things:

- ...define individual responsibilities, document management requirements, and the testing/auditing and reporting regime required
- ...support effective continuous improvement processes
- ...define preventative measures and corrective actions to effectively manage non-conformance
- ...set out the requirements for human relations processes and management of subcontractors
- ...define the requirements in respect of procurement, and material and infrastructure management and
- ...set the standard in respect of communications with the client.

Enerven's QMS registration covers the quality (and environmental) management systems for the provision of design, build, construction and maintenance of substations, transmission and distribution lines and communication infrastructure.

3.12 Risk Management

Provide confirmation and reasonable evidence that the applicant's management has identified the risks associated with electricity operations 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.

Risk management, particularly in terms of safety, is at the forefront of everything we do.

We have identified some key risks for this contract:

- ... Safety – providing a safe electrical distribution system for these remote communities in an often harsh and challenging environment;
- ... Operational – ensuring the system is consistent and reliable and delivers when required;
- ... Technical – maintaining a robust and reliable system that considers whole of life cost and future demand;
- ... Financial / Commercial – providing a cost-effective solution with risk identified, mitigated and apportioned in an appropriate manner;
- ... Reputation – maintaining our reputation, and by extension the reputation of our Clients, is fundamental to Enerven and SA Power Networks.

A copy of SA Power Networks' Risk Management Policy, which applies to Enerven, is provided as Attachment 3.12.1

Enerven's project risk management process is a systematic management approach designed to achieve an appropriate balance between realising opportunities for gains while minimising losses and harm.

Risk management is embedded in our accredited safety, quality and environmental systems. The obligation and responsibilities for undertaking project risk assessment are summarised in our management plans, developed further in our Work Health & Safety Risk Management Procedure, and documented in detail within the relevant operational manuals and procedures maintained within our quality management system.

Our risk assessment methodology can be summarised at a high level as follows:

- ... Communication and consultation
- ... Establishing the context
- ... Identification of risks that could impact program, timing, costs, and stakeholders
- ... Analysis and evaluation of key risks and opportunities
- ... Treatment, monitoring and appropriate review of risks throughout the project or contract.

More task based risk assessments and management plans are also developed under the other plans comprising Enerven's Project Management System.

SA Power Networks (including Enerven) has a comprehensive Work Health & Safety Risk Management Procedure, which provides workers with guidance on how to apply consistent and comprehensive risk management. It provides information on how to identify, analyse, evaluate and treat WHS risk. A copy of this procedure is provided as Attachment 3.12.2.

The process contained in this procedure aligns with the Australian Standard for risk management (AS/NZS ISO 31000:2009). In addition, it identifies other key activities needed for an effective risk management approach. It also gives practical guidance for workers who have duties under Work Health & Safety Legislation to effectively manage themselves, other workers and the public.

Where appropriate we have developed procedures dealing with specific aspects of working in remote locations. Examples of relevant procedures are as follows, and copies can be provided if required:

- ...Health & safety roles and responsibilities procedure
- ...WHS incident notification and investigation procedure
- ...Sunlight and hot conditions procedure
- ...Remote or isolated work procedure
- ...Long distance driving procedure
- ...Vehicle safety directive

We are also able to provide 24/7 support to all our employees through our Network Operations Centre where we can provide services and expertise to support all our employees if the need arises.

[REDACTED]

3.13 Development Act Approval

Please advise if the applicant has or is applying for approval under the Development Act 1993 (SA). If so, provide details, including the date on which approval was or will be granted.

Enerven Energy Infrastructure Pty Ltd is not applying for approval under the Development Act 1993 (SA).

3.14 Registration with AEMO

Please advise if the applicant will apply to register with AEMO. If so, provide details.

Enerven Energy Infrastructure Pty Ltd does not intend to apply for registration with AEMO in relation to the infrastructure the subject of this licence application. Enerven Energy Infrastructure Pty Ltd will apply for a Network Service Provider Exemption from the Australian Energy Regulator in relation to the infrastructure the subject of this licence application.

3.15 Licences held by the Applicant in other Australian jurisdictions.

If the applicant holds, or has previously held, electricity and/or gas licences in other Australian jurisdictions please provide details. If a licence previously held has been suspended or cancelled, please provide details.

3.16 Previous unsuccessful licence applications in other Australian jurisdictions

Please state whether the applicant has applied for an electricity or gas licence in another Australian jurisdiction and not been issued with a licence, and provide details if relevant.

Neither of SA Power Networks and Enerven Energy Infrastructure Pty Ltd have applied for an electricity or gas licence in another Australian jurisdiction and not been issued with a licence.

3.17 Licences held by Associates of the Applicant

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

SA Power Networks (ABN 13 332 330 749) holds a Distribution Licence issued by the South Australian Independent Industry Regulator on 11 October 1999 and last varied by the Essential Services Commission of South Australia on 28 August 2013.

Refer: <http://www.escosa.sa.gov.au/ArticleDocuments/531/130828-ElectricityDistributionLicence-SAPowerNetworks.pdf.aspx?Embed=Y>

3.18 Compliance Plans

Applicants are required to submit a copy of their Compliance Plan which demonstrates how the compliance systems the applicant has (or will have) in place will ensure compliance with all of the applicable regulatory obligations imposed by the relevant licence.

A copy of SA Power Networks' annual regulatory compliance report (June 2017), endorsed by the Board's Risk Management & Compliance Committee and showing how SA Power Networks' compliance systems do (and Enerven's compliance systems will) work in practice, is provided as Attachment 3.18.1.



3.19 Additional Information

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

SA Power Networks is fully aware of its obligations under the Australian Energy Regulator's Ring Fencing Guidelines and either has implemented or is implementing organisational changes to ensure it is fully compliant by 1 January 2018. Please refer to relevant information provided on our website:

https://www.sapowernetworks.com.au/centric/corporate/corporate_information.jsp

4 FACTORS SPECIFIED IN THE ESSENTIAL SERVICES COMMISSION ACT 2002

In considering a licence application, the Commission must have as its primary objective protection of the long term interests of consumers with respect to the price, quality and reliability of electricity supply, 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.

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5 APPLICATION FEES

Applicants for a licence must pay to the Commission an application fee fixed by the Minister for Energy from time to time. This fee is presently set at \$1,000 per licence. 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 electricity transmission or distribution operations in the electricity supply 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), stating that the information contained in the application is true and correct to the best of the applicant's knowledge, information and belief.

Where the applicant is a body corporate, evidence of the relevant authority of the declarant to sign on behalf of the body corporate must also be provided to the Commission.

Statutory Declaration

IRobert Stobbe.....

of.....[REDACTED].....

do solemnly and sincerely declare that the information contained in this Application for the issue of a licence to authorise electricity transmission or distribution operations in the electricity supply 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*.

Date14/12/17.....

SignatureR Stobbe.....

(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:Kenswick.....this14th..... day ofDecember 17.....

Before me:.....[Signature].....

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

Damien George Harby
A Commissioner for taking affidavits
in the Supreme Court of South Australia