

6 May 2020

Adam Wilson
Chief Executive Officer
Essential Services Commission of South Australia
GPO Box 2605
ADELAIDE SA 5001

Dear Adam

re: New Connection Point – Davenport MGS 275 kV

In March 2019 the Commission amended the Electricity Transmission Code to include the Mount Gunson South substation as a category 1 exit point. In making this amendment the Commission noted:

- *The connection point will be temporary, and provide services only until a permanent connection point to OZ Minerals is established. There is no prospect of other customers using the temporary connection point and a further review of the relevant reliability standard for the permanent connection point will occur prior to its establishment.*

As the development of the permanent connection for OZ Minerals is well progressed ElectraNet can now confirm that the Mount Gunson South Substation will be removed from the shared transmission network and supplied via a new unregulated 275kV transmission line connecting to the shared transmission network at ElectraNet's Davenport Substation in the second half of the 2020 calendar year. Subsequently OZ Minerals' Prominent Hill mine, which is currently supplied from BHP's Olympic Dam network, will also be supplied via the new unregulated 275kV transmission line.

In accordance with clause 2.12 of the Electricity Transmission Code (ETC) ElectraNet is required to advise the Commission of a new exit point and propose the relevant category of reliability standard of that exit point for approval.

Accordingly, ElectraNet advises that the new Davenport MGS 275kV exit point at Davenport Substation is expected to be energised between August and October 2020. OZ Minerals will be the only customer supplied from this connection point and the peak load is expected to be [REDACTED] associated with the former Mount Gunson South connection and a further [REDACTED] associated with the Prominent Hill mine.

As a *large dedicated connection asset*¹ under the National Electricity Rules the new unregulated 275kV transmission line will be subject to an *access policy*². Financial obligations for augmentation of the dedicated connection assets would be on a causer pays basis with no impact to other shared transmission network customers.

ElectraNet proposes that the new Davenport MGS 275kV exit point be classified as a Category 1 exit point for the purposes of the ETC, which is consistent with the other single customer exit points in the area (such as BHP at Davenport and Defence at Woomera).

I further note that:

- The proposed reliability standard is consistent with OZ Minerals' connection agreement with ElectraNet.
- There are no indirect impacts of the proposal on the reliability of supply of other customers.

By way of further background, the works are being executed as follows:

- During construction of the unregulated 275kV line the existing 132kV line to Woomera has been temporarily supplied via a connection to the 132kV line to Leigh Creek. This is required to facilitate the safe construction of the new line.
- Temporary generation is in place to supply customers at Mt Gunson, Woomera, Neuroodla and Leigh Creek South during the planned outages to facilitate cutovers to the Leigh Creek line and subsequently to the new 275kV line. Short outages may be experienced to facilitate these cutovers.
- The 132kV lines to Woomera and Leigh Creek will be returned to their normal configuration following the commissioning of the new 275kV exit point.

ElectraNet also seeks your approval to disconnect the Mount Gunson South exit point from the shared network, as required under clause 2.17 of the ETC. Mount Gunson South Substation would cease to provide prescribed transmission services at that time. This would be effective from the date on which the Mount Gunson South substation is first supplied via the new unregulated 275kV line.

We look forward to your approval of the classification of this exit point. Please contact Bill Jackson on 8404 7969 should you have any queries.

Yours sincerely



Simon Appleby
Manager Regulation and Investment Planning

¹ A *dedicated connection asset* with total line length of more than 30 kilometres

² National Electricity Rules clause 5.2A.8