



Electricity

Licence



Electricity Transmission Licence

OZ Minerals Prominent Hill Operations Pty Ltd

ACN 091 546 691

This licence was issued by the **Commission** on 26 June 2008 and last varied on the date specified below.



Adam Wilson
Chief Executive Officer and Commission authorised signatory

23 September 2020

Date

Variation history

Amendment number	Variation date	Reason
ESCOSA01	7 August 2008	
ESCOSA02	16 October 2019	Licence varied to reflect amendments to the Act and update outdated references.
ESCOSA03	September 2020	Licence varied to include varied transmission network and additional substation assets, and to include conditions relating to access and keeping separate accounts.

Part 1 - Preliminary

1 Definitions and interpretation

1.1 In this licence, unless the contrary intention appears,

Act means the *Electricity Act 1996* and includes any statutory instrument made under that Act;

AEMO means the Australian Energy Market Operator Ltd (ACN 072 010 327);

Code means any code made by the Commission under section 28 of the *Essential Services Commission Act 2002 (SA)* from time to time;

Commission means the Essential Services Commission established under the *Essential Services Commission Act 2002 (SA)*;

Customer means a customer (as defined in the Act) connected to the Network;

Electricity Infrastructure means the electricity infrastructure used in connection with the Operations (but does not include an electrical installation);

Electricity Transmission Code means the Electricity Transmission Code (ETC/05 (V2)) made by the Commission under section 28 of the *Essential Services Commission Act 2002 (SA)*;

Licensee means OZ Minerals Prominent Hill Operations Pty Ltd (ACN 091 546 691);

meter does not include a meter the provision and operation of which is regulated by the National Electricity Rules;

metering means metering undertaken by means of a meter;

National Electricity Law means the *National Electricity Law* referred to in the *National Electricity (South Australia) Act 1996 (SA)*;

National Electricity Rules has the meaning given to that term in the National Electricity Law;

Network means the network described in the Schedule;

Operations means the carrying on by the Licensee of the operation of the Network;

regulation means a regulation made under the **Act**;

Return Period means,

- (a) in respect of the first return under this Licence, the period on and from the commencement of the licence until and including 30 June in the first twelve month period after the Licence was issued;
- (b) in respect of each subsequent return (other than the last return) under this Licence, the year commencing on the day following the last day of the immediately preceding Return Period; and
- (c) in respect of the last Return Period under this licence, the period on and from the day following the last day of the immediately preceding Return Period until and including the last day of the term.

Rule means any rule made by the Commission under section 28 of the *Essential Services Commission Act 2002 (SA)*;

System Controller means the person licensed under Part 3 of the Act to exercise system control over a power system;

Technical Regulator means the person holding the office of Technical Regulator under Part 2 of the Act.

transmission system means a transmission network together with connection assets.

Term means the term during which this Licence operates as set out in clause 3, but otherwise, terms have the same meaning as in the *Electricity Act 1996*.

2 Directions, approvals, authorisations and notices

2.1 A direction, approval, authorisation or notice under this Licence:

- (a) must be in writing signed by the person authorised to give it; and
- (b) may be given, varied or revoked from time to time.

2.2 An approval or authorisation under this Licence:

- (a) may be given or withheld at the absolute discretion of the person authorised to give it; and
- (b) may be given subject to conditions.

Part 2 - Licence Conditions

3 Term

3.1 This Licence operates on and from the date of issue until:

- (a) surrendered by the **Licensee** under section 29 of the **Act**; or
- (b) suspended or cancelled under section 37 of the **Act**.

4 Scope of licence

4.1 This Licence authorises the **Licensee** to undertake the **Operations** in accordance with the terms and conditions of this Licence and the Annexure.

4.2 The **Licensee** must not provide network services to a person for a use if the person is required to be authorised under the **Act** in respect of that use and the **Licensee** is aware that the person is not so authorised.

4.3 The **Licensee** must take all reasonable steps to ensure that any risk of death or injury to a person, or damage to property, arising out of the **Operations** is eliminated or minimised.

5 Audit of operations

5.1 The **Licensee** must, at its own expense, undertake any audit of its **Operations** reasonably required by the **Commission**, in a manner and form determined by the **Commission** from time to time, for the purpose of determining whether or not it has complied with the **Act**, applicable

Codes and this licence and must provide a copy of the results of that audit to the **Commission**.

- 5.2 The **Licensee** must retain a copy of each certificate of compliance provided to it under regulation 18(1)(d) of the *Electricity (General) Regulations 1997* for at least 12 months after that provision.
- 5.3 The **Licensee** must give the **Commission** or an authorised officer any assistance reasonably requested by the **Commission** or authorised officer in inspecting certificates of compliance retained by the **Licensee** under clause 5.2.

6 Compliance with codes

- 6.1 The **Licensee** must:
- (a) comply with Clauses 3, 5, 6.1, 6.2, 7, 8 and 9 of the **Electricity Transmission Code** as varied from time to time in respect of the network described in the Schedule;
 - (b) comply with any other **Code** or **rule** made by the **Commission** from time to time, relevant to the **Licensee**; and
 - (c) notify the **Commission** if it commits a material breach of relevant provisions of the **Electricity Transmission Code** within 3 days after becoming aware of that breach.

7 Provision of information

- 7.1 The **Licensee** must inform:
- (a) each person who applies for, or who is in receipt of, network services, the terms, conditions and charges on which those services are provided by the **Licensee**; and
 - (b) any person in receipt of network services of any change in the terms, conditions or charges on which the **Licensee** provides those services.

8 Information to the Commission

- 8.1 The **Licensee** must, from time to time, provide to the **Commission**, in a manner and form determined by the **Commission**:
- (a) details of the **Licensee's** financial, technical and other capacity to continue its **operations** authorised by this licence; and
 - (b) such other information as the **Commission** may require.
- 8.2 The **Licensee** must notify the **Commission** of any changes to its officers or major shareholders (if applicable) within 30 days of that change.
- 8.3 For the purposes of section 20(2)(a) of the **Act**, each annual return must contain the information in respect of the **Return Period** as specified by written notice by the **Commission**.

9 System controller and AEMO

- 9.1 The **Licensee** must, following a request from **AEMO**, provide to **AEMO**, such documents or information as it may reasonably require to perform its functions and exercise its powers under the **Act**.

9.2 The **Licensee** must comply with any directions given to it by the **System Controller**.

10 Confidentiality

10.1 The **Licensee** must, unless otherwise required by law, this licence, a **Code** or the **National Electricity Rules**:

- (a) comply with any **Rules** made by the **Commission** from time to time relating to the use of information acquired by the **Licensee** in the course of operating the business authorised by this licence; and
- (b) ensure that information concerning a **Customer** is not disclosed without the prior written consent of, or as agreed in writing with, the **Customer**.

11 Compatibility of network

11.1 The **Licensee** must not do anything to its **Network** affecting the compatibility of its **Network** with any electricity generating plant, or a distribution network or a transmission network, so as to prejudice public safety or the security of the power system of which the **Network** forms a part.

12 Augmenting the network

12.1 The **Licensee** must, prior to materially augmenting the **Electricity Infrastructure**, provide the **Commission** with details of the proposed augmentation and information about:

- (a) the equipment utilisation factor in respect of that infrastructure; and
- (b) the cost effectiveness of implementing demand management strategies to achieve the necessary increase in system capacity.

12.2 The **Licensee** must promptly notify the **Commission** of any material change to the **Electricity Infrastructure**.

13 Insurance

13.1 The **Licensee** must maintain during the term of this Licence insurance against legal liability for personal injury or property damage arising out of any bushfire caused by the Licensee.

13.2 The **Licensee** must maintain such insurance which the Licensee reasonably believes is adequate and appropriate given the nature of the operations carried on under the entity's licence and the risks entailed in those operations.

13.3 The **Licensee** must provide the **Commission** with a certificate of the insurer or the insurance broker by whom the insurance was arranged, certifying as to the existence, currency and terms of that insurance (in a manner approved by the **Commission**).

14 Safety, reliability, maintenance and technical management plan

14.1 The **licensee** must:

- (a) prepare, maintain and periodically revise a safety, reliability, maintenance and technical management plan dealing with matters prescribed by **regulation**;

- (b) obtain the approval of the **Technical Regulator**:
 - (i) to the plan (prior to the commencement of the operation of the transmission or distribution system to which the plan relates; and
 - (ii) to any revision of the plan;
- (c) comply with the plan as approved from time to time in accordance with clause 14.1(b); and
- (d) undertake audits of its compliance with the plan from time to time and report the results of those audits to the **Technical Regulator**, in the form required by the **Technical Regulator**.

15 Public safety awareness plan

- 15.1 The **Licensee** must, if requested by the **Technical Regulator**, participate in the development of a Public Safety Awareness Plan in accordance with any written directions provided by the Technical Regulator from time to time.
- 15.2 The **Licensee** must, if requested by the **Technical Regulator**, comply with the Public Safety Awareness Plan once developed.

16 Connection policy

- 16.1 The **Licensee** must, if requested by the **Commission**, develop a Connection Policy in relation to the **network** described in the Schedule specifying:
 - (a) the **Licensee's** policy in respect of extending the **Electricity Infrastructure** at the request of a potential **Customer** (including stipulations in respect of voltages and distance from load to existing infrastructure); and
 - (b) the terms and conditions on which the Licensee will extend the **Electricity Infrastructure**, provide a new **meter** or provide **metering** information services, including:
 - (i) cost of connection to, and use of, the **Electricity Infrastructure**;
 - (ii) method of calculation and collection of capital contribution (if any) for the first **Customer** and any subsequent **Customer**; and
 - (iii) details of technical or other obligations of the **Customer** in respect of that extension or provision,

and the Licensee must submit the Connection Policy, and any amendment to that policy, to the **Commission** for approval.

- 16.2 The **Licensee** must not refuse to connect a person to the Network because:
 - (a) the person provides its own electricity metering system; or
 - (b) a third party provides an electricity metering system for the person,
 if that metering system complies with the **Act** or the **National Electricity Rules**.
- 16.3 The **Licensee** must notify the **Commission** as soon as practicable after a third party seeks access to its 132kV network assets.

17 Compliance with regulatory requirements

- 17.1 The Licensee must comply with all applicable laws including any technical or safety requirements or standards in regulations under the Act.

18 Switching Manual

- 18.1 The **licensee** must:
- (a) prepare and maintain an internal switching manual in accordance with the **regulations**; and
 - (b) comply with any other requirements relating to switching prescribed in the **regulations**.

19 Access to transmission network

- 19.1 The **licensee** must, subject to the terms and conditions set out in the Annexure, grant rights to use, or have access to, its transmission network (on non-discriminatory terms):
- (a) to other electricity entities for the transmission of electricity by the other electricity entities; and
 - (b) to enable other electricity entities and customers to obtain electricity from the transmission network.
- 19.2 The **licensee** must:
- (a) in accordance with, and to the extent required by, the Electricity Transmission Code, grant to an electricity entity holding a generation licence or a distribution licence, rights to use, or have access to, those parts of the licensee's transmission network that are interconnected or interface with the electricity entity's assets for the purpose of ensuring the proper integrated operation of the South Australian power system and the proper conduct of the operations authorised by that electricity entity's generation licence or distribution licence; and
 - (b) in the absence of agreement as to the terms on which such rights are to be granted, comply with a determination of the Commission as to those terms.
- 19.3 The **licensee** must not refuse to grant the rights to use or have access referred to in this clause unless the licensee is permitted to do so under the **National Electricity Rules** or the **Electricity Transmission Code**.

20 Dispute resolution

- 20.1 A dispute relating to the granting of rights to use, or have access to, a transmission network as referred to in clause 19.1 and 19.2 shall be resolved in accordance with such industry code (if any) as is made by the **Commission** which establishes a scheme for the resolution of disputes in relation to such rights.
- 20.2 Clause 20.1 does not apply to the extent the dispute is subject to resolution in accordance with or under the **National Electricity Rules**.

21 Accounts and separate businesses

21.1 The **licensee** must:

(a) maintain accounting records and prepare accounts for the business of the operation of the transmission network authorised by this licence in a manner and form approved by the **Commission**; and

(b) keep the business of the operation of the transmission network authorised by this licence, and the accounts for that business, separate from any other business operated by the licensee and from any business operated by any other person in accordance with the licensee's obligations under the **National Electricity Rules** to comply with the Transmission Ring-Fencing Guidelines issued by the **Australian Energy Regulator**

Schedule

Network

For the purposes of this licence, the network comprises;

- ▶ A 132 kV single circuit powerline utilising “Lemon” ACSR conductor extending from the connection point with the ElectraNet owned and operated 132kV line at structure F1881-0491 to the Prominent Hill 132/11-33 kV substation located at Prominent Hill
- ▶ A 132/11-33 kV substation located at Prominent Hill comprising;
 - Three 132/11 kV transformers
 - Two 11/33 kV transformers
 - Reactive power plant comprising of two 11kV 16MVA STATCOM”s with associated switchgear and protection systems
- ▶ 11 kV reticulation to the mine site village.

Annexure

1 Access to the network

- 1.1 The **licensee** must make an offer to a person requesting rights to use or have access to its **transmission system**, having regard to matters including:
- (a) the technical feasibility of the entity granting such access to its **transmission system**; and
 - (b) whether or not it would be uneconomical for the person requesting access to develop another facility to provide the service requested;
 - (c) whether or not access can be provided without:
 - (i) undue risk to human health or safety;
 - (ii) undue risk to the safety of property;
 - (iii) adversely affecting the safety or performance of the transmission system;
 - (iv) adversely affecting any customers or entities connected to those systems;
 - (d) the matters set out in clause 2 of this Annexure; and
 - (e) the person requesting access agreeing in writing with the **licensee** that any dispute relating to the granting of such access be submitted to arbitration in accordance with clause 3 of this Annexure or such other arbitration procedures prescribed in industry codes issued by the **Commission** from time to time.

2 Terms of access

- 2.1 The offer by the **licensee** for the purposes of clause 1 of this Annexure must be negotiated in good faith on reasonable commercial terms, having regard to:
- (a) the significance of the request for access to **transmission system**, given the nature and scope of the transmission purpose for which access is requested;
 - (b) the capital and operational costs of the **transmission system**; and
 - (c) the rate of return expected to be earned by the **licensee** or **distributor** (as the case may be) in relation to access for transmission purposes.

3 Arbitration

- 3.1 If a dispute arises under or in connection with:
- (a) the granting of access contemplated by clause 1 of this Annexure;
 - (b) the terms on which such access is offered,
- a party to the dispute may, by notice in writing to each of the other parties to the dispute and to the Commission, refer the matter to arbitration.
- 3.2 The parties must, within 20 **business days** after receipt of a notice under paragraph 3.1 of this Annexure, agree on the nomination of an arbitrator. If the parties fail to agree on the nomination of an arbitrator within this time, a party to the dispute may, by notice in writing to the **Commission** and each other party to the dispute, request the **Commission** to nominate an arbitrator.
- 3.3 The arbitration will be conducted in accordance with the Commercial Arbitration Act 1996 and the Institute of Arbitrators, Australia Rules for the conduct of Commercial Arbitration.



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