



**ELECTRICITY
DISTRIBUTION LICENCE**

**ONESTEEL
MANUFACTURING PTY
LTD
(ACN 004 651 325)**

**Issued by the Technical Regulator
last varied
by the
Essential Services Commission
on 6 June 2007**

ELECTRICITY

VARIATION HISTORY

<i>Amendment Number</i>	<i>Variation Date</i>
1	6 June 2007

ELECTRICITY DISTRIBUTION LICENCE

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;

“**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*;

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

“**Electricity Distribution Code**” means the code of that name made by the Commission under section 28 of the *Essential Services Commission Act 2002 (SA)* from time to time which regulates connections to a distribution network and the supply of electricity by distributors;

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

“**Electricity Transmission Code**” means the code of that name made by the Commission under section 28 of the *Essential Services Commission Act 2002 (SA)* from time to time,

“**Industry Ombudsman Scheme**” means an ombudsman scheme the terms and conditions of which are approved by the Commission;

“**Industry Regulator**” means the South Australian Independent Industry Regulator under the *Independent Industry Regulator Act 1999 (SA)*;

“**Licensee**” means OneSteel Manufacturing Pty Limited, ACN 004 651 325;

“**meter**” does not include a meter the provision and operation of which is regulated by the National Electricity Rules; and “**metering**” means metering undertaken by means of a meter;

“**Minister**” means the person who is responsible for the administration of the Act;

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

“**National Electricity Rules**” means the National Electricity Rules, as defined in the National Electricity Law;

“**NEMMCO**” means the National Electricity Market Management Company Limited (ACN 072 010 327);

“**Network**” means the distribution network set out in item 1 of the Schedule;

“**Operations**” means the carrying on by the Licensee of the operation of the Network;

“Planning Council” means the Electricity Supply Industry Planning Council established under Part 2 of 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)* from time to time;

“Supply Interruption” means an interruption in electricity supply affecting any customer and includes a supply interruption occurring as a result of:

- (a) an act or omission of another person; or
- (b) an outage,

but does not include:

- (c) in respect of a customer, an interruption in electricity supply in accordance with an interruptible supply contract with that customer; or
- (d) an interruption of supply rectified by an automatic fault clearing operation; and

“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;

“Term” means the term during which this licence operates 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.

3. TERM

- 3.1 This licence operates on and from 1 January 1998 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.
- 4.2 The Licensee must not distribute electricity 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 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. RECORDS AND AUDIT

- 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, 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 1.9, 1.10 and 1.12 of Part A of the Electricity Distribution Code, and clause 7 of the Electricity Transmission Code, as varied from time to time;

- (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 any of the applicable provisions of the Electricity Distribution Code specified in clause 6.1 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. AUGMENTING THE NETWORK

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

- (a) the distribution 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.

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

9. RETURN AND INFORMATION TO THE COMMISSION

9.1 The Licensee must, in a manner and form approved by the Commission, submit to the Commission an annual return, in respect of the Return Period.

9.2 For the purposes of section 20(2)(a) of the Act, each annual return must contain information specified by the Commission by written notice from time to time.

9.3 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 the operations authorised by this licence; and
- (b) such other information as the Commission may require from time to time.

10. CUSTOMER COMPLAINTS AND DISPUTE RESOLUTION

10.1 The Licensee must:

- (a) implement procedures for the management and resolution of customer complaints and disputes which, as a minimum, ensure the basic procedures of AS 4269 – 1995 “Complaints Handling” are followed;
- (b) participate in the Industry Ombudsman Scheme if requested by the Commission by written notice, during the period specified by written notice.

11. SYSTEM CONTROLLER AND PLANNING COUNCIL

- 11.1 The Licensee must, following a request from the Planning Council, provide to the Planning Council, such documents or information as it may reasonably require to perform its functions and exercise its powers under the Act.
- 11.2 The Licensee must comply with any directions given to it by the System Controller.

12. INTERRUPTION OF SUPPLY

- 12.1 The Licensee must, in undertaking the Operations, use best endeavours to minimise the frequency and duration of supply interruptions.
- 12.2 The Licensee must provide not less than the following period of notice to a Customer likely to be affected by a planned material supply interruption:
 - (a) in respect of an interruption caused by the Licensee: 3 days prior to the interruption;
 - (b) in respect of an interruption notified to the Licensee by another electricity entity at least 4 days prior to the interruption: 3 days prior to the interruption; or
 - (c) in respect of an interruption notified to the Licensee by another electricity entity less than 4 days but more than 24 hours prior to the interruption: within 24 hours of receiving that notice from the other electricity entity.
- 12.3 Notice given by the Licensee under clause 12.2 must include the time, expected duration of, and reason for the supply interruption.
- 12.4 The Licensee provide written notice of commencement time and duration of, and, if available, reason for, a supply interruption within 20 business days of receiving a request for such written notification.
- 12.5 In this clause 12, “**material supply interruption**” means any interruption of supply of more than 15 minutes duration.

13. COMPLIANCE WITH REGULATORY REQUIREMENTS

- 13.1 The Licensee must comply with all applicable laws including, but not limited to, any technical or safety requirements or standards contained in regulations made under the Act.

14. CONFIDENTIALITY

14.1 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.

15. COMPATIBILITY OF NETWORK

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

16. INSURANCE

16.1 The Licensee must comply with the insurance obligations set out in Item 2 of the Schedule.

17. SAFETY AND TECHNICAL MANAGEMENT PLAN

17.1 The Licensee must:

- (a) prepare a safety and technical management plan dealing with the matters prescribed by regulation 31C of the *Electricity (General) Regulations 1997*, as if regulation 31C applied to the Licensee, and submit the plan to the Technical Regulator for approval;
- (b) annually review, and if necessary update, the plan to ensure its efficient operation, and submit the updated plan to the Technical Regulator for approval;
- (c) comply with the plan (as updated from time to time) as approved by the Technical Regulator; and
- (d) not amend the plan without the approval of the Technical Regulator.

18. METERING PLAN

18.1 The Licensee must, if the Licensee undertakes metering or engages a person for that purpose, develop and obtain the approval of the Commission for, a Metering Plan setting out the Licensee's procedures in respect of:

- (a) installation and ownership of meters;
- (b) minimum accuracy standards for meters and the maintenance of that accuracy (including audits of meter types);
- (c) collection of metering data;
- (d) field and maintenance testing of meters;
- (e) resolution of metering disputes; and
- (f) metering data obligations.

18.2 The Commission may:

- (a) approve the Metering Plan; or
- (b) require the Licensee to improve the Metering Plan (in which case the Licensee must promptly do so and resubmit it for the Commission's approval).

18.3 The Licensee and any person engaged by the Licensee to undertake metering, must comply with the Metering Plan after the Commission has approved it.

18.4 The Licensee must at least once in each period of 12 months:

- (a) review the Metering Plan to determine whether it is operating effectively and whether the Licensee, and any person engaged by the Licensee to undertake metering, is complying with the Plan;
- (b) provide a copy of that review to Commission; and
- (c) if necessary, amend the Metering Plan (but the Licensee must not amend the Plan without the approval of the Commission).

19. PUBLIC SAFETY AWARENESS PLAN

19.1 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.

19.2 The Licensee must comply with the Public Safety Awareness Plan once developed.

20. CONNECTION POLICY

20.1 The Licensee must, if requested by the Commission, develop a Connection Policy 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:
 - (i) extend the Electricity Infrastructure;
 - (ii) provide a new meter; or
 - (iii) (provide metering information services, including:
 - cost of connection to, and use of, the Electricity Infrastructure;
 - method of calculation and collection of capital contribution (if any) for the first Customer and any subsequent Customer; and
 - details of technical or other obligations of the Customer in respect of that extension or provision.

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

20.3 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.

This licence was issued by the Technical Regulator and varied by the Commission on 6 June 2007

THE COMMON SEAL OF)
THE ESSENTIAL SERVICES)
COMMISSION OF SOUTH)
AUSTRALIA was hereunto affixed)
by authority of the Chairperson)
and in the presence of:)



[Handwritten signature]
.....

Witness

6/6/07
.....

Date

SCHEDULE

1. **NETWORK –IN THE VICINITY OF IRON KNOB, IRON BARON AND IRON DUKE AND THE WHYALLA DISTRICT.**
2. **INSURANCE**
 - 2.1 The Licensee must ensure that it is covered at all times during the term by an occurrence based policy against public liability for at least the amount specified in the Licence application for any one loss or occurrence (“**the public liability policy**”) that covers the interests and liabilities of the Licensee’s subcontractors to the same extent as the Licensee’s interests and liabilities.
 - 2.2 The Licensee must:
 - (a) promptly provide written proof of the existence, currency and terms of that insurance if requested to do so by the Commission; and
 - (b) not do, or permit to be done, anything that may result in that insurance cover being vitiated or rendered void or voidable.
 - 2.3 In specifying levels of insurance by or under this licence, neither the Commission, the Technical Regulator or the Crown in right of the State of South Australia accepts liability for the completeness of their listing, the adequacy of the sum insured, limit of liability, scope of coverage, conditions or exclusions of those insurances with respect to how they may or may not respond to any loss, damage or liability.
 - 2.4 The Licensee acknowledges and agrees that it is the Licensee’s responsibility to assess and consider the risks and scope of insurances required under this licence.