



**ELECTRICITY
TRANSMISSION LICENCE**

OZ MINERALS
PROMINENT HILL
OPERATIONS PTY LTD
(ABN 63 091 546 691)

ELECTRICITY

VARIATION HISTORY

<i>Amendment Number</i>	<i>Variation Date</i>
1 (ESCOSA)	7/8/2008

ELECTRICITY TRANSMISSION LICENCE

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;

“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 (ABN 63 091 546 691);

“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;

“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)*;

“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 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.
- 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 Planning Council

- 9.1 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.
- 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 a safety, reliability, maintenance and technical management plan dealing with matters prescribed by regulation in 31C(2) of the *Electricity (General) Regulations 1997*, as if regulation 31C(2) applied to the Licensee,
 - (b) obtain the approval of the Commission (which may only be given by the Commission on the recommendation of the Technical Regulator) for the plan and any revisions;
 - (c) annually review, and if necessary update, the plan to ensure its efficient operation, and submit the reviewed and updated plans for Technical Regulator for approval;
 - (d) comply with the approved plan (as updated from time to time);
 - (e) not amend the plan without the approval of the Commission.

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.

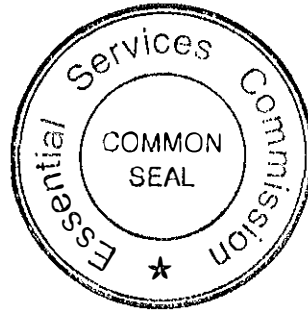
17. Compliance with Regulatory Requirements

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

This licence was issued by the Commission on 26 June 2008 and varied on
7 August 2008.

THE COMMON SEAL OF)
THE ESSENTIAL SERVICES)
COMMISSION OF SOUTH AUSTRALIA)

was hereunto affixed by authority of the)
Chairperson and in the presence of:)



RP Ahumbar
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Witness:

Date: 7/8/08.

SCHEDULE

1. Network

For the purposes of this licence, the Oxiana Prominent Hill network comprises;

- A 132 kV single circuit powerline utilising “Lemon” ACSR conductor extending from the BHPB Olympic Dam Special Mining Lease to the Prominent Hill 132/11-33 kV substation located at Prominent Hill
- A 132/11-33 kV substation located at Prominent Hill comprising;
 - Two 132/11 kV transformers
 - Two 11/33 kV transformers
 - Reactive power plantwith associated switchgear and protection systems
- 11 kV reticulation to the mine site village