



ELECTRICITY TRANSMISSION LICENCE

**BASSLINK PTY LTD
ACN 090 996 231**

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**ELECTRICITY TRANSMISSION LICENCE
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1. DEFINITIONS AND INTERPRETATION

- 1.1 In this licence, words and phrases appearing in italics have the meaning ascribed to them in part 1 of schedule 1.
- 1.2 This licence must be interpreted in accordance with the rules set out in part 2 of schedule 1.

2. GRANT OF LICENCE

The *Office*, in exercise of the powers conferred by section 19 of the *Act*, licenses the *Licensee* to *transmit* electricity using the *Licensee's electricity transmission system*, subject to the conditions set out in this licence.

3. TERM

- 3.1 This licence first has effect on and from 12 June 2001 and has been varied on the dates (if any) set out in Schedule 2.
- 3.2 The *Office* may revoke this licence in accordance with clauses 3.3, 3.4 or 3.5.
- 3.3 The *Office* may at any time agree with the *Licensee* that this licence should be revoked, in which case the term of this licence ends on the day agreed.
- 3.4 The *Office* may at any time give at least 20 *business days* notice of revocation to the *Licensee* if the *Licensee* does not comply with an *enforcement order* or an *undertaking*, and the *Office* decides that it is necessary or desirable to revoke this licence having regard to the *policy objectives*, in which case the term of this licence ends, subject to clause 3.6, on the expiration of the period of the notice.
- 3.5 The *Office* may at any time give at least 20 *business days* notice of revocation to the *Licensee* if the *Office* considers that the *Licensee* has ceased to be entitled under the *National Electricity Code* to classify as a *market network service* any *transmission service* provided using the *Licensee's electricity transmission system*, in which case the term of this Licence ends, subject to clause 3.6, on expiration of the period of the notice.
- 3.6 The term of this licence does not end at the expiration of the period of a notice of revocation given under clause 3.4 or 3.5 if, before the expiration, the *Licensee* either complies with the relevant *enforcement order* or *undertaking* (in the case of a notice given under clause 3.4) or either satisfies the *Office* that it remains entitled to classify the relevant *transmission service* as a *market network service* or agrees amendments to this *Licence* satisfactory to the *Office* (in the case of a notice under clause 3.5).

4. CONNECTION AGREEMENT

The *Licensee's electricity transmission system* must not be used to transmit electricity at a time when no agreement providing for *connection* of that system with another Victorian *electricity transmission system* subsists.

5. COMPLIANCE WITH ORDERS CODES AND RULES

- 5.1 As well as complying with this licence the *Licensee* must comply with all applicable provisions of:
- (a) any *order*
 - (b) the *Electricity System Code*; and

(c) any *guideline* identified as one with which the *Licensee* must comply in this licence or in a code referred to in clause 5.1(b).

5.2 The *Licensee* must monitor its compliance with this licence and any order, code or guideline it is required to comply with under clause 5.1.

5.3 If the *Licensee* becomes aware of a material breach of this licence or any order, code or guideline by the *Licensee*, the *Licensee* must notify the *Office* of the material breach as soon as practicable.

6. DISPUTE RESOLUTION

6.1 The Licensee must submit to the *Office* for its approval, and if approved implement, a scheme for the fair, reasonable and effective investigation and resolution of disputes between it and aggrieved persons about the manner in which the *Licensee* conducts its business under this licence generally.

6.2 Unless it has been notified by the *Office* that it need not comply with this 6.2, the *Licensee* must comply with clause 6.1 by submitting to the *Office* for its approval an ombudsman scheme and implementing any such scheme that the *Office* has approved.

6.3 An ombudsman scheme that is implemented by the *Licensee* to comply with clause 6.2 must contain and comply with terms and conditions that:

- (a) bind the *Licensee* to participate in the scheme and comply with its rules (as amended from time to time) from the date on which it is approved by the *Office*;
- (b) provide the aggrieved persons with ready and equal access to the scheme;
- (c) provide that the scheme be governed by a board consisting of an independent chairperson and equal numbers of customer representatives appointed by the *Office* and representatives appointed by the members of the scheme;
- (d) in accordance with a process approved by the *Office*, provide for those members of the scheme and customer representatives that are members of the board to appoint the chairperson after consultation with the *Office*;
- (e) provide for the board to appoint the ombudsman;
- (f) require the board to inform the *Office* of any proposed amendments of the scheme;
- (g) confer on the ombudsman the power to make rulings with which the *Licensee* is required to comply;
- (h) provide that, if the scheme prevents a ruling of the ombudsman from exceeding in value a maximum amount, that amount must be no less than \$20,000 in respect of a complaint from an individual customer;
- (i) confer on the ombudsman the power to impose sanctions on the *Licensee* for a breach of a ruling;
- (j) require the ombudsman to follow fair and efficient procedures, and make decisions that are fair and reasonable having regard to the law, the licences, industry codes, deemed contracts, and good industry practice;
- (k) enable the *Office* to refer complaints in relation to the conduct of the participating *Licensee's* business conducted under this licence to the ombudsman;

- (l) require the *Licensee* to bear a fair proportion of the cost of the development, establishment and operation of the ombudsman scheme;
- (m) enable a question as to the fairness of the proportion of the costs which must be borne by a *Licensee* to be decided by the *Office* on the basis of the *Office's* opinion of the fairness of the proportion;
- (n) require the ombudsman to report to the *Office* as and when required by the *Office* on the operation of the scheme in relation to the industry of which the *Licensee* is part;
- (o) require the ombudsman to publish its decisions and annual reports on the operation of the scheme and the performance of each member of the scheme in relation to the industry of which the *Licensee* is part;
- (p) require the board to conduct periodic and comprehensive reviews of the performance of the scheme in consultation with members, customer representatives, the *Office* and other interested parties; and
- (q) provide for the *Licensee* to withdraw from the scheme subject to:
 - (i) the *Office* notifying the *Licensee* that it need not comply with clause 6.2;
 - (ii) the *Licensee* providing to the *Office* 12 months' notice in writing of the *Licensee's* intention to withdraw; and
 - (iii) the *Licensee* satisfying the *Office* that the *Licensee* complies with clause 6.1.

7. STANDARDS AND PROCEDURES

- 7.1 At the written request of the *Office* the *Licensee* must participate to the extent specified by the *Office* in the development, issue and review of any *standards and procedures* specified by the *Office*.
- 7.2 The *Licensee* must in accordance with any *guidelines* published for this purpose, or as directed by the *Office*, report to the *Office* on its performance against applicable *standards and procedures*.
- 7.3 In addition to its powers under Section 26 of the Act, if the *Office* considers that:
- (a) the *Licensee* has failed to comply with clause 7.1; or
 - (b) *standards or procedures* applicable to the *Licensee* have been shown to be insufficient to prevent abuses by the *Licensee* of any monopoly power it enjoys,
- the *Office* may issue *standards and procedures* applicable to the *Licensee* and with which the *Licensee* must comply.

8. VENCORP

- 8.1 As soon as practicable after any request made by *VENCorp*, the *Licensee* must supply such information to *VENCorp* as *VENCorp* may reasonably require to perform its functions and exercise its powers under the *Act* or *Electricity System Code*.
- 8.2 A question as to the reasonableness of a requirement by *VENCorp* for information as contemplated by clause 8.1 shall be decided by the *Office* on the basis of the *Office's* opinion of the reasonableness of the requirement.

8.3 The *Licensee* must maintain in force an agreement with *VENCorp* relating to the use of the *electricity transmission system* in Victoria to which the *Licensee's electricity transmission system* is connected. This condition does not, however, apply if (but only to the extent that) the *Licensee* establishes to the *Office's* satisfaction that its failure to maintain such an agreement with *VENCorp* results from *VENCorp's* insistence on terms and conditions which are either unfair or unreasonable.

9. PROVISION OF INFORMATION TO THE OFFICE

The *Licensee* must obtain and provide to the *Office*, documents and such information, in the manner and form decided by the *Office*, as and when required to do so by the *Office*.

10. PAYMENT OF LICENCE FEES

10.1 The *Licensee* must pay as directed by the *Office* a licence fee determined in accordance with section 22 of the *Act*.

10.2 In so far as a fee or charge determined by the *Minister* under section 22 of the *Act* in respect of this licence is an annual fee or charge, it must be paid in either four equal instalments on the last days of September, December, March and June in each year or paid in one payment on the last day of September in each year and in the manner notified to the *Licensee* by the *Office*.

10.3 The *Licensee* must pay as directed by the *Office* such other fees and charges in respect of this licence as are determined by the *Minister* in accordance with section 22 of the *Act*.

11. ADMINISTRATOR

11.1 If an *administrator* is appointed to the *Licensee's* business under section 34 of the *Act*, the *administrator* must exercise its functions and powers in such a manner as may be specified by the *Office* in the instrument of appointment.

11.2 The *Licensee* is responsible for the acts and defaults of the *administrator*.

12. COMPLIANCE WITH LAWS

The *Licensee* must comply with all applicable laws

13. VARIATION

This licence may be varied in accordance with section 29 of the *Act*.

14. TRANSFER OF LICENCE

This licence may be transferred in accordance with section 31 of the *Act*.

15. COMMUNICATIONS

15.1 A *communication* must be in *writing*.

15.2 A *communication* is to be regarded as having been given by the sender and received by the addressee:

- (a) when delivered in person to the addressee;
- (b) 3 *business days* after the date of posting, if the *communication* is posted within Australia;
- (c) 7 *business days* after the date of posting, if the *communication* is posted outside Australia;

- (d) when, according to the sender's transmission report, received by facsimile transmission by the addressee; or
- (e) when it is an electronic *communication*, in accordance with the *Electronic Transactions (Victoria) Act 2000*.

THE COMMON SEAL of)
THE OFFICE OF THE)
REGULATOR-GENERAL)
was affixed pursuant to)
the authority of the Office)
on 12 June 2001)

JOHN C. TAMBLYN
Regulator-General

SCHEDULE 1 DEFINITIONS AND INTERPRETATION

1. DEFINITIONS

In this licence:

Act means the Electricity Industry Act 2000;

administrator means an administrator appointed by the *Office* under section 34 of the *Act* in respect of the business carried on by the *Licensee* under this licence;

business day means a day on which banks are open for general banking business in Melbourne, excluding a Saturday or Sunday;

communication means any notice, agreement, consent, direction, representation, advice, statement or other communication required or given pursuant to or in connection with this licence;

connection means the contact between the electrical systems of two persons such as will allow the supply of electricity between those systems;

Electricity System Code means the code of that name certified by the *Office*;

electricity transmission system means a transmission system in Victoria (generally at nominal voltage levels of 66kV or above) which the holder of a *transmission licence* may use to *transmit* electricity;

enforcement order means a provisional or final order made and served by the *Office* under section 35 of the Office of the Regulator-General Act 1994;

guideline means a guideline published by the Office;

Licensee means Basslink Pty Ltd ACN 090 996 231;

market network services has the meaning given it in the *National Electricity Code*;

Minister means the person who is the Minister for the purposes of the relevant section of the *Act*;

National Electricity Code means the code approved in accordance with section 6(1) of the *National Electricity (Victoria) Law* applicable in Victoria as a result of the operation of section 6 of the *National Electricity (Victoria) Act 1997*;

Office means the Office of the Regulator-General under the Office of the Regulator-General Act 1994;

order means an order of the Governor in Council made or in force under the *Act*;

policy objectives means the objectives specified in section 10 of the *Act* and section 7 of the *Office of the Regulator-General Act 1994* and, to the extent the context requires, in a statement of government policy to the extent that it continues to apply under section 9A of the *Office of the Regulator-General Act 1994*;

standards and procedures means overall performance standards which are issued by the *Licensee* under clause 7.1 or by the *Office* under clause 7.3;

supply, in relation to electricity, means the delivery of electricity;

transmission licence means a licence to *transmit* electricity granted under section 19 of the

Act;

transmission service has the meaning given it in the *National Electricity Code*;

transmit, in relation to electricity, means to transfer electricity in bulk;

undertaking means an undertaking given by the *Licensee* under section 35(5)(a) of the Office of the Regulator-General Act 1994;

VENCorp means Victorian Energy Networks Corporation established under Part 2A of the *Gas Industry Act* 1994;

writing includes any mode of representing or reproducing words, figures, drawings or symbols in a visible form.

2. INTERPRETATION

In this licence, unless the context otherwise requires:

- (a) headings are for convenience only and do not affect the interpretation of this licence;
- (b) words importing the singular include the plural and vice versa;
- (c) words importing a gender include any gender;
- (d) an expression importing a natural person includes any company, partnership, trust, joint venture, association, corporation or other body corporate and any governmental agency;
- (e) a reference to a condition, clause, schedule or part is to a condition, clause, schedule or part of this licence;
- (f) a reference to terms of an offer or agreement is to terms, conditions or provisions thereof;
- (g) a reference to any statute, regulation, proclamation, order in council, ordinance or by-law includes all statutes, regulations, proclamations, orders in council, ordinances or by-laws varying, consolidating, re-enacting, extending or replacing them and a reference to a statute includes all regulations, proclamations, orders in council, ordinances, by-laws and determinations issued under that statute;
- (h) a reference to a document or a provision of a document includes an amendment or supplement to, or replacement or novation of, that document or that provision of that document;
- (i) a reference to a person includes that person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;
- (j) when italicised, other parts of speech and grammatical forms of a word or phrase defined in this licence have a corresponding meaning;
- (k) a period of time:
 - (i) which dates from a given day or the day of an act or event is to be calculated exclusive of that day; or
 - (ii) which commences on a given day or the day of an act or event is to be calculated inclusive of that day; and
- (l) an event which is required under this licence to occur on or by a stipulated day which is not a *business day* may occur on or by the next *business day*.

SCHEDULE 2
VARIATIONS TO THE LICENCE

Date	Reason for variation