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
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

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