

**SPECIAL LICENCE
(Independent Power Producer)**

Issued to

McArthur River Power Pty Ltd

As varied on

14 November 2003

Utilities Commission

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Special Licence (Independent Power Producer)

Licensee: McArthur River Power Pty Ltd

1 Definitions and Interpretation

1.1 In this licence a word or phrase in italics:

- (a) has the meaning given to it in part 1 of schedule 1; or
- (b) if the word or phrase is not defined in part 1 of schedule 1, then it has the meaning given to it in the *Electricity Reform Act*.

1.2 This licence must be interpreted in accordance with the rules set out in part 2 of schedule 1.

2 Grant of licence

Under Part 3 of the *Electricity Reform Act*, the *Utilities Commission* grants the *licensee* a licence to:

- (a) *generate* electricity at the *electricity generating plants* described in schedule 2(a) for sale as contemplated by paragraphs (b) and (c);
- (b) *sell* electricity to *electricity entities* holding a *generation licence*; and
- (c) *sell* electricity to a person specified in schedule 2(b).

in accordance with the terms and conditions of this licence.

3 Term

This licence commences on the date it is issued and continues until the earlier of:

- (a) when it is surrendered by the *licensee* under section under section 35 of the *Electricity Reform Act*;
- (b) when it is cancelled by the *Utilities Commission* under section 36 of the *Electricity Reform Act*; or
- (c) when the *licensee* ceases to have arrangements in place to *sell* to an *electricity entity* holding a *generation licence*.

4 Annual return

The *licensee* must lodge an annual return containing such information as is required from time to time by the *Utilities Commission* by written notice.

5 Suspension of licence

This licence may be suspended under section 36 of the *Electricity Reform Act*.

6 Variation of licence

This licence may only be varied in accordance with section 32 of the *Electricity Reform Act*.

7 **Transfer of licence**

This licence may only be transferred in accordance with section 33 of the *Electricity Reform Act*.

8 **Licence fee and other charges**

8.1 The *licensee* must pay an annual licence fee or instalment of the annual licence fee, as the case may be, to the *Utilities Commission* as determined by the *Minister* under section 19 of the *Electricity Reform Act*.

8.2 The *licensee* must pay the *System Controller* any applicable charges relating to the *operations* of system control in accordance with the *Regulations*.

9 **Compliance with laws and regulatory instruments**

9.1 The *licensee* must:

- (a) comply with all applicable provisions of the *Network Access Code*, the *System Control Technical Code* and the *Network Technical Code*;
- (b) comply with all applicable provisions of any *code* or *rule* made under the *Utilities Commission Act* from time to time;
- (c) comply with any applicable protocol, standard and *code* applying to the *licensee* under the *Regulations*; and
- (d) comply with all *applicable laws* including the *Regulations* and any technical or safety requirements or standards contained in *Regulations* made under the *Electricity Reform Act*.

9.2 The *licensee* must notify the *Utilities Commission* within 3 *business days* if it becomes aware of a material breach by the *licensee* of this licence or any of the regulatory instruments described in clause 9.1 of this licence.

10 **Directions of System Controller**

The *licensee* must comply with the directions of the *System Controller*, where applicable.

11 **Quality of electricity**

Where the activities authorised under this licence include interconnection of the *licensee's electricity generating plants* with an *electricity network*, the *licensee* must provide electricity of a quality suitable for any *electricity network* which is interconnected or interfaces with the *licensee's electricity generating plants*.

12 **Compatibility**

Where the activities authorised under this licence include interconnection of the *licensee's electricity generating plants* with an *electricity network*, the *licensee* must not do anything to its *electricity generating plants* affecting the compatibility of its *electricity generating plants* with any *electricity network* so as to prejudice public safety or the security of supply.

13 **Right of use**

The *licensee* must:

- (a) grant each *electricity entity* holding a *network licence* rights to use or have access to the *licensee's electricity generating plants* that are interconnected or interface with the *electricity entity's* assets for the purposes of ensuring the proper integrated operation of the *power system* and the proper conduct of the *operations* authorised by the *electricity entity's* licence; and
- (b) in the absence of agreement as the terms on which such rights are to granted, comply with any determination by the *Utilities Commission* as to those terms.

14 **Consultation**

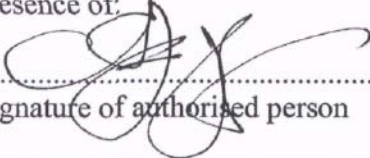
The *licensee* must participate, to the extent specified by the *Utilities Commission*, in the development, issue and review of any regulatory instruments.

15 **Provision of information to the Utilities Commission and System Controller**

The *licensee* must, from time to time, provide the *Utilities Commission* or the *System Controller*, in a manner and form to be determined by the *Utilities Commission* or the *System Controller*, such information as the *Utilities Commission* or the *System Controller* may request.


Date: 14 NOVEMBER 2003

THE COMMON SEAL of UTILITIES)
COMMISSION is duly affixed in the)
presence of:)


.....
Signature of authorised person

UTILITIES COMMISSIONER
Office held

ALAN JEFFREY TREGILGAS
Name of authorised person (block letters)



Schedule 1

Part 1 - Definitions

In this licence:

“*business day*” means a day on which banks are open for general banking business in Darwin, excluding a Saturday or Sunday;

“*code*” means any code made by the *Utilities Commission* under section 24 of the *Utilities Commission Act*;

“*Electricity Reform Act*” means the Electricity Reform Act 2000 (NT);

“*electricity entity*” means a person licensed under Part 3 of the *Electricity Reform Act* to carry on operations in the *electricity supply industry*;

“*electricity generating plants*” means the electricity generating plants described in schedule 2 of this licence;

“*electricity network*” has the meaning given to that term under the *Electricity Reform Act*;

“*Electricity Network (Third Party Access) Act*” means the Electricity Network (Third Party Access) Act 2000 (NT);

“*generation licence*” means a licence to *generate* electricity granted under Part 3 of the *Electricity Reform Act*;

“*major shareholder*” means an entity, as defined in section 9 of the Corporations Law, which has a beneficial interest in more than 50% of the shares in the *licensee* or exercises control over the *licensee* within the meaning of section 50AA of the Corporations Law;

“*Minister*” means the Minister of the Crown who is responsible for the administration of the *Electricity Reform Act*;

“*Network Access Code*” means the Network Access Code referred to in the *Electricity Network (Third Party Access) Act*;

“*network licence*” means a licence to operate or own an *electricity network*;

“*Network Technical Code*” means the technical code prepared by the network provider under the *Network Access Code*;

“*officer*” means a director, secretary or key staff member carrying out the licensed operations;

“*power system*” means the system for generating, transmitting, distributing and *supplying* electricity and includes a part of the system;

“*Regulations*” means the regulations made under the *Electricity Reform Act*;

“*rule*” means any rule made by the *Utilities Commission* under section 24 of the *Utilities Commission Act*;

“*System Controller*” means a person licensed under Part 3 of the *Electricity Reform Act* to exercise system control over the *power system*;

“*System Control Technical Code*” means the code of that name made by the *System Controller* and approved by the *Utilities Commission* under section 38(1) of the *Electricity Reform Act*;

“*Utilities Commission*” means the Utilities Commission under the *Utilities Commission Act*; and

“*Utilities Commission Act*” means the Utilities Commission Act 2000 (NT).

Part 2 - Interpretation

In this licence, unless the contrary intention appears:

- 1 headings are inserted for convenience and do not affect the interpretation of this licence;
- 2 the singular includes the plural and vice versa;
- 3 words importing a gender include any gender;
- 4 the word “person” includes a firm, a body corporate, a partnership, joint venture, an unincorporated body or association, trust or any governmental agency;
- 5 a reference to a condition, clause or schedule is to a condition, clause or schedule of this licence;
- 6 a reference to terms of an offer or agreement is to all terms, conditions and provisions of the offer or agreement;
- 7 a reference to this licence or another document includes any variation or replacement of any of them;
- 8 a reference to a statute, regulation, proclamation, order in council, ordinance, by-laws, code, law or similar instrument includes all statutes, regulations, proclamations, orders in council, ordinances, by-laws, codes, laws and similar instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- 9 a reference to a person includes that person’s executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;
- 10 the verb “include” (in all its parts, tenses and variants) is not used as, nor is it to be interpreted as, a word of limitation; and
- 11 if an event must occur on a stipulated day which is not a Business Day then the stipulated day will be taken to be the next Business Day.

Schedule 2(a)

Electricity Generation Plants

The electricity generating plants covered by this licence are:

Power Station	Description
McArthur River Power Station	Three 4.75MW gas turbines, three 2.75MW gas turbines and one 1MW gas generator set
Pine Creek A Power Station	Two 10MW gas turbines and one 8MW steam turbine

Schedule 2(b)

Permitted Electricity Sales

Under clause 3(c) of this licence, electricity sales are permitted to the following parties:

Persons to whom electricity sales are permitted
NIL

Schedule 3

Variations to the licence

Date	Reason for variation
14 November 2003	Addition of Pine Creek A Power Station following transfer of operations of Pine Creek Power Pty Ltd to McArthur River Power Pty Ltd.