

ISOLATED SYSTEM LICENCE

Issued to

Groote Eylandt Mining Company Pty Ltd

Utilities Commission

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Isolated Locality Licence

Licensee: Groote Eylandt Mining Company 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 paragraph (b) and (c);
- (b) *sell* electricity to *electricity entities* holding a *generation licence* or a *retail licence*;
- (c) *sell* electricity to *customers*, but only in respect of *electrical installations* or premises which are situated within the *locations* described in schedule 2(b); and
- (d) own and operate an *electricity network* within the geographic area specified in schedule 2(c) and connect that network to another *electricity network* specified in schedule 2(c),

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 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) the end of 30 June 2013.

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*.

9 **Compliance with laws and regulatory instruments**

9.1 The *licensee* must:

- (a) comply with all applicable provisions of any *code* or *rule* made under the *Utilities Commission Act* from time to time;
- (b) comply with any applicable protocol, standard and *code* applying to the *licensee* under the *Regulations*; and
- (c) 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, other than where that material breach arises from or relates to circumstances which have already been notified by the *licensee* to *Utilities Commission*.

10 **Community service obligations**

The *licensee* must comply with the requirements of any applicable scheme approved and funded by the *Minister* for the performance of community service obligations by *electricity entities*.

11 **Customer standards and procedures**

The *licensee* must develop and comply with customer related standards and procedures, including procedures to deal with customer consultation, enquiries and disputes.

12 **Quality of electricity**

Where the activities authorised under this licence include the generation of electricity, the *licensee* must provide electricity of a quality that is consistent with the quality of electricity generated by the *electricity generating plants* of the type described in schedule 2(a) and operating in a remote location.

13 **Compatibility**

13.1 Where the activities authorised under this licence include interconnection of the *licensee's electricity network* with another *electricity network*, the *licensee* must not do anything to its *electricity network* affecting the compatibility of its *electricity network* with any other *electricity network* so as to prejudice public safety or, subject to any arrangements that the *licensee* has with its customers in relation to the supply of electricity, the security of supply, provided that the *licensee* is not in breach of this clause 13.1 to the extent that such other *electricity network* has been altered or has deteriorated since the date of issue of this licence in a manner which renders or contributes to that *electricity network* no longer being compatible with the *electricity network* operated by the *licensee*.

13.2 Where the activities authorised under this licence include the generation of electricity, the *licensee* must not do anything to its *electricity generating plant* affecting the compatibility of its *electricity generating plant* with any *electricity network* so as to prejudice public safety or, subject to any arrangements that the *licensee* has with its customers in relation to the supply of electricity, the security of supply, provided that the *licensee* is not in breach of this clause 13.2 to the extent that such other *electricity network* has been altered or deteriorated since the date of issue of this licence in a manner which renders or contributes to that *electricity network* no longer being compatible with the *electricity generating plant* operated by the *licensee*.

14 **Operation and maintenance**

The *licensee* must operate, maintain (including repair and replace if necessary) and protect its *electricity network* and its *electricity generating plant* so as not to prejudice public safety or, subject to any arrangements that the *licensee* has with its customers in relation to the supply of electricity, security of *supply*.

15 **Disconnection**

The *licensee* must not *disconnect* or discontinue *supply* of electricity, or take any action which may lead to the *disconnection* or discontinuance of *supply* of electricity to a *customer*, except in accordance with section 27 of the *Electricity Reform Act*, or otherwise in accordance with any arrangements that the *licensee* has with its customers in relation to the supply of electricity.

16 **Adequate supply arrangements**

Subject to any arrangements that the licensee has with its customers in relation to the supply of electricity, the *licensee* must take reasonable steps to ensure that it has in place at all times arrangements to generate and *supply* electricity to its *customers*.

17 Provision of customer data

17.1 On the request of a *customer*, the *licensee* must provide the *customer* or any person nominated by the *customer* in writing, with data relating to the *customer's* historical energy consumption within 30 *business days* of the request.

17.2 The *licensee* may charge a fee for the provision of this data, which must not exceed the amount approved for this purpose by the *Utilities Commission*.

18 Consultation

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

19 Provision of information to the Utilities Commission

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


Date: 17-4-2003

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

[Signature]
Signature of authorised person

UTILITIES Commission
Office held

ALAN JEFFREY TRESILGA
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*;

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

“*electrical installation*” has the meaning given to that term under the *Electricity Reform 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(a) of this licence;

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

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

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

“*network licence*” means a licence to operate or own an *electricity network* granted under Part 3 of the *Electricity Reform Act*;

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

“*retail licence*” means a licence authorising the selling of electricity granted under Part 3 of the *Electricity Reform Act*;

“*rule*” means any rule made by the *Utilities Commission* under section 24 of the *Utilities Commission 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” means the licence referred to in clause 2 that is required by the context (which may be all of those licences), and those licences are granted severally and may be varied, surrendered or dealt with separately, and a breach of the terms of one licence does not affect the other licences;
- 8 a reference to this licence or another document includes any variation or replacement of any of them;
- 9 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;
- 10 a reference to a person includes that person’s executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;
- 11 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
- 12 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
Alyangula	A multi-unit 9MW maximum demand diesel power station

Schedule 2(b)

Locations for permitted sales

The following are *locations*, for the purpose of clause 2(c) of this licence.

Location
The township of Alyangula

Schedule 2(c)

Network Area

Under clause 2(d) of this licence, the licensee may own and operate an *electricity network* in the geographic areas specified in column 1 and connect a network specified in column 1 with other networks with respect to that network specified in column 2:

Network Areas	
Geographic area	Other electricity network
Alyangula	The Power and Water Corporation's electricity network at Angurugu